

25 May 2011

CUSTODIAN SUNBURY SYNDICATE LIMITED ("Company")



Dear Investor,

It is with pleasure that I advise the Company has commenced the development works associated with Stage One of the Project, comprising 63 residential allotments and a medium density allotment.

Some delays were experienced in commencing the Stage One development works. This was a consequence of the complexities associated with finalising the design for the reconstruction and rehabilitation of Blind Creek, which traverses the Property, and in gaining the necessary consent from Melbourne Water to carry out those works.

While time consuming, and at times a frustrating process, it is noteworthy that the Company worked closely with Melbourne Water and the Hume City Council to undertake major rehabilitation works of the severely degraded and eroded Blind Creek.



Current Blind Creek conditions

The works being undertaken by the Company will remedy the erosion and create a series of water retention and treatment ponds in an attractive linear park setting.

At this stage (weather and construction practicalities permitting) it is anticipated the development works associated with Stage One (63 residential allotments and a medium density allotment) will be completed by November 2011.

We will keep you informed of the Company's progress with completing the Stage One development works.

Kind regards



John Fitzgerald
CEO, Custodian Sunbury Syndicate Limited

Please note, this is not an offer to subscribe in securities. Any investment in Custodian Sunbury Syndicate Limited can only be made on the Application Form contained in the Supplementary Prospectus dated 30 August 2010 and lodged with the Australian Securities and Investments Commission. The comments made in this letter do not take into account your specific objectives, financial situation or needs. Accordingly, before deciding to apply for shares in the Company, you should seek advice from an appropriately qualified and independent adviser.