

8th August 2008

To all TOWER Australia customers

We are pleased to advise of an important change for TOWER Australia Group Ltd that marks the commencement of a new era of growth and development for the company.

We are welcoming a new cornerstone shareholder Dai-ichi Life.

Dai-ichi Life is a large Japanese specialist life insurer that in recent times has been developing, business interests outside of Japan. This has included recent investments in Taiwan, Vietnam, India and Thailand.

Dai-ichi Life sees Australia as an attractive growing market and wants to support TOWER and be part of that future growth. Dai-ichi Life has over 100 years of success in the life market in Japan, is one of the largest life insurers in Japan and one of the ten largest life insurers in the world. It is a substantial and highly successful business. Being associated with a major global insurer of this scale and expertise is extremely positive for TOWER.

Pleasingly Dai-ichi Life wants to invest in TOWER to preserve the value of what has already been created. Dai-ichi Life additionally wants to help support further growth and development of the TOWER.

Dai-ichi Life is a new cornerstone shareholder with 19.9% purchased from GPG as of today, 5% of which is subject to regulatory approval. It wishes to acquire GPG's remaining holding of 9.83% and this requires shareholder and regulatory approval. This process will take place over the next 10 weeks or so. If approved Dai-ichi Life will be offered 2 board representatives to replace the GPG nominees who have resigned today.

We see this announcement as very positive for TOWER, its customers and various business partners. While it is very much business as usual, we believe there will be greater opportunities that flow from this. TOWER now has a new specialist life insurance cornerstone shareholder that wants to be an investor over the longer term and assist even stronger rates of growth and development.

We are very positive about this announcement. We see exciting growth prospects. We value our business and relationships. We thank you for your business. We believe this is very positive for our customers.

On a final note we would like to express our appreciations to GPG. This has been a very successful and productive relationship for both TOWER and GPG. We look forward to the next phase of our development with Dai-ichi Life as our partner.

Yours sincerely



Rob Thomas
Chairman



Jim Minto
Managing Director

TOWER AUSTRALIA