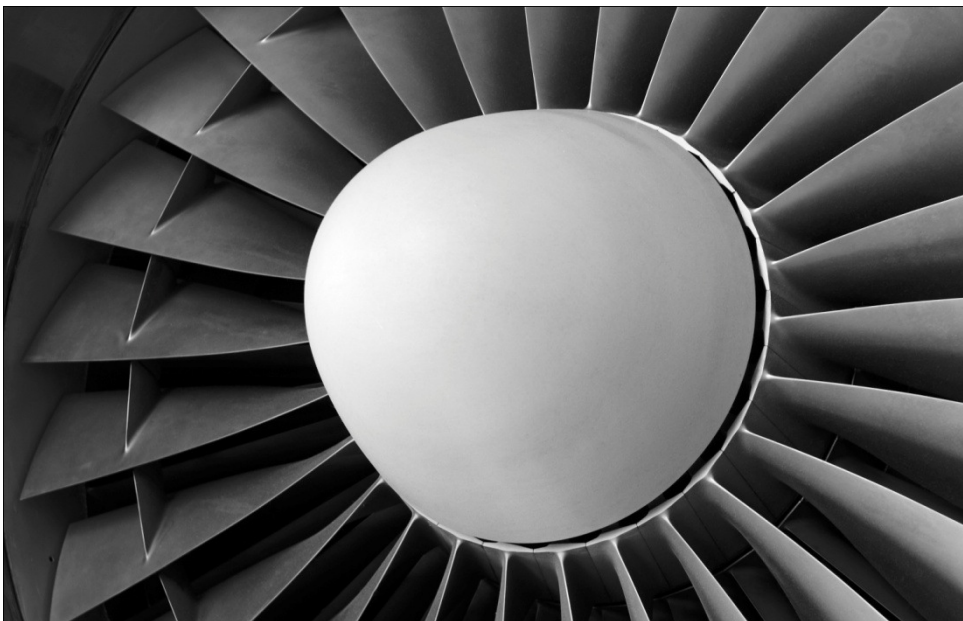




Current Asset Review

Period ended 31 Mar 2011

OPERATING LEASE ASSETS



FLY LEASING LIMITED

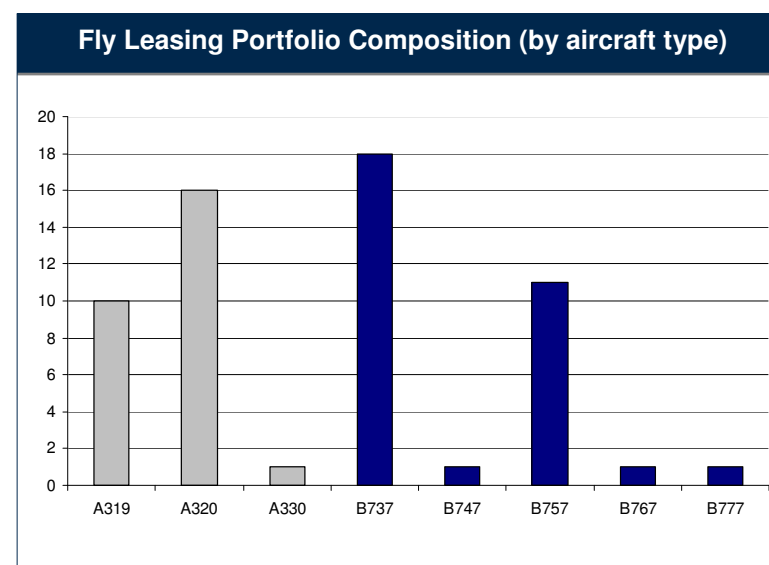
- GIL owns 1,051,010 shares (or 3.9%) in Fly Leasing Limited (“Fly Leasing”) which is listed on the New York Stock Exchange. As at end March 2011, the share price was US\$13.74.
- Fly Leasing has a fleet of 59 commercial aircraft on lease globally.
- Average age of fleet approximately 8.1 years with 4.6 years weighted average lease term and approximately 34 lessees worldwide as at 31 December 2010.
- 1Q11 gross dividend of US\$0.20 per share to be received in May 2011.
- The outlook for the aircraft lessor industry has improved since the worst period of the global financial crisis but faces risks due to high fuel costs, lease rates not increasing as expected, and rising financing costs.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value ¹	US\$ 14.44m
Quarter ended 31 Mar 11	
Reversal of Impairment to Equity :	US\$ 0.10m
Cumulative Impairment (less reversals) :	US\$ 9.73m

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

Analyst coverage for Fly Leasing:

Firm	Rating	Target Price	As Of
Dahlman Rose & Co	Buy	US\$16.50	18 Apr 2011
Citigroup	Buy	US\$17.80	8 March 2011
Jefferies	Buy	US\$13.00	12 October 2010
JPMorgan	Neutral	US\$15.50	7 May 2010



GIL AIRCRAFT LESSOR NO. 2

- GIL owns 100% equity of GIL Aircraft Lessor No. 2 which owns two Boeing 757-200 aircraft.
- The two aircraft are leased to Thomson Airways Limited, which is wholly owned by TUI Travel PLC listed on London Stock Exchange.
- The market for 757-200 aircraft remains soft as there is currently ample supply of good quality older aircraft including B757 and a meaningful reversal of the supply situation seems unlikely.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value ¹	US\$ 25.31m ²
Quarter ended 31 Mar 11	
Impairment :	Nil
Cumulative Impairment (less reversals) :	Nil
Aircraft lease details	
Purchase Price of Aircraft ³	US\$ 14.7m each
Aircraft Type	Boeing 757-200
Manufacture Date	1993
Lease Maturity Date	30 April 2013
Lease rate	US\$ 160,000 per month per aircraft

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² Includes debt of approximately US\$14.21m.

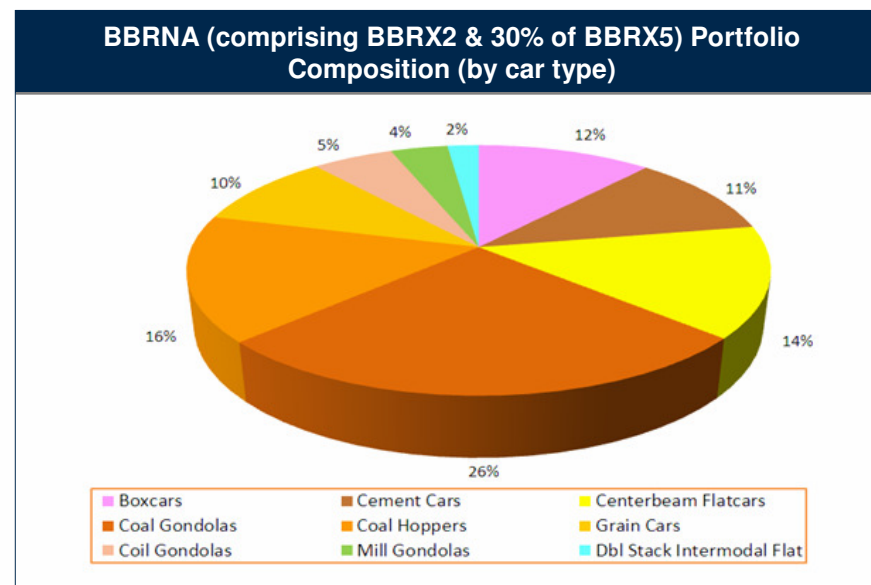
³ Excludes acquisition costs.

BABCOCK & BROWN RAIL NORTH AMERICA

- Babcock & Brown Rail North America (“BBRNA”) is a U.S. limited liability company holding 5 subsidiaries, namely BBRX One LLC (“BBRX1”), BBRX Two LLC (“BBRX2”), BBRX Three LLC (“BBRX3”), BBRX Four LLC (“BBRX4”) and BBRX Five LLC (“BBRX5”).
- GIL has a 41.5% interest in BBRNA which owns a portfolio of railcars on lease in North America via the 5 subsidiaries.
- Besides BBRX2 and 30% of BBRX5, the other portfolios in BBRNA had been foreclosed and sold off by their respective lenders.
- Forbearance agreement with the lender of BBRX2 and the remaining 30% of BBRX5 was until 14 March 2011. Lender is considering various options with respect to its rights.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value ¹	0
Quarter ended 31 Mar 11	
Impairment for the quarter :	Nil
Cumulative Impairment (less reversals) :	US\$ 54.6m

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

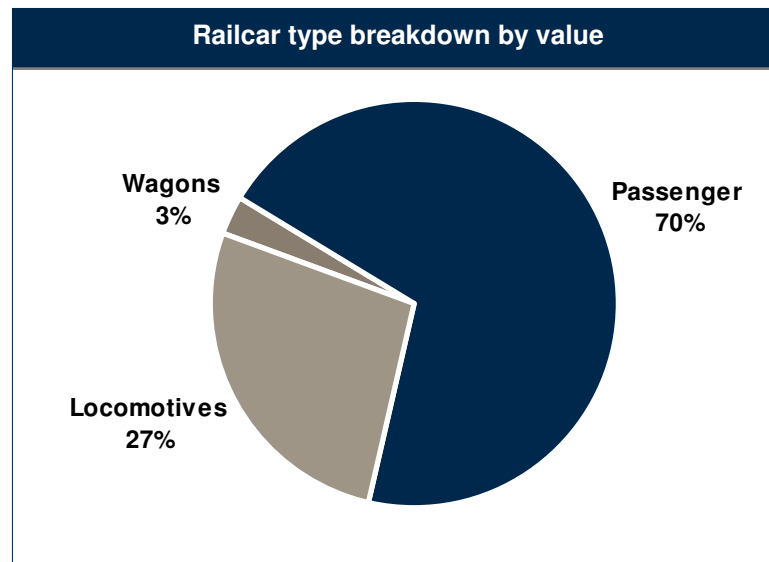


ASCENDOS INVESTMENTS LIMITED

- GIL has a 40.56% equity interest in Ascendos Investments Limited (“Ascendos”).
- Ascendos’ wholly-owned subsidiary Ascendos Rail Leasing S.à.r.l. is an operating lessor with portfolio of 238 rail equipment consisting of 3 passenger train fleets, over 30 locomotives and 100 freight wagons in mainland Europe.
- €0.365 million was received from Ascendos in the first quarter of 2011.
- The portfolio was fully leased except for three locomotives which were undergoing overhaul in the first quarter of 2011. Danish State Railways had agreed to extend the lease for 31 of the 67 double-deck coaches scheduled to come off-lease over the next twelve months. The new leases are for periods of up to 3.5 years.
- Train operators continue to experience difficulties in obtaining new vehicle finance. However, limited new supply and increased demand have led to higher lease rates for many locomotive types. Demand for freight cars also continues to rise, particularly for container and steel wagons. The market demand for passenger trains remains positive as several large double-deck orders were announced by national rail operators.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value ¹	0
Quarter ended 31 Mar 11	
Impairment for the Quarter :	Nil
Cumulative Impairment (less reversals) :	€ 5.8m

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.



LOAN PORTFOLIO & SECURITISATION ASSETS



PEPPER RESIDENTIAL SECURITIES TRUST NO. 6

- GIL is invested in the Class E Notes of Pepper Residential Securities Trust No. 6, which holds Australian non-conforming residential mortgage loans originated by Pepper Homeloans Pty Limited.
- The average prepayment rate decreased during the quarter while the 30+ day arrears increased to 12.83%.
- Overall the performance of the collateral declined over the quarter as there were A\$210,609 losses compared to A\$18,716 losses in the previous quarter. There was sufficient Excess Reserve and excess spread to absorb losses.
- The Excess Reserve Account, which provides additional support to the capital structure, increased and exceeded expectations.
- The Class E Notes have received full interest payments during the quarter.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value ¹	A\$ 8.16m
Quarter ended 31 Mar 11	
Impairment for the quarter :	Nil
Cumulative Impairment (less reversals) :	Nil
Portfolio as at 31 Mar 11	
No. of Loans	619
Average Loan Size	A\$ 235,184
Weighted Average LVR	68.68%
Weighted Average Seasoning	54.38 months

Capital Structure as at 15 Apr 11			
Notes	Initial Rating S&P/Moody's	Current Rating S&P/Moody's	Outstanding Amount (A\$ m)
Class A1 Notes (Snr)	AAA/Aaa	AAA/Aaa	85.3
Class A2 Notes (Mezz)	AAA/Aaa	AAA/Aaa	17.1
Class A3 Notes (Jnr)	AAA/Aa1	AAA/Aa1	10.1
Class B Notes	A+/A2	AA/A2	11.4
Class C Notes	BBB/Baa2	BBB+/Baa2	11.0
Class E Notes ²	NR	NR	8.1

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² GIL owns 100% of Class E Notes. Interest payable is one month BBSW + 8.0%. Final Maturity Date of the notes is 15 September 2048.

SEIZA SERIES 2006-1 TRUST (WAREHOUSE)

- GIL is invested in the Class F Notes, Class G Notes and Senior NIM Notes of Seiza Series 2006-1 Trust, which holds Australian non-conforming residential and commercial property mortgage loans originated by Seiza Mortgage Company Pty Limited.
- Overall the performance of the portfolio has slightly declined over the quarter as losses increased and 30+ day arrears increased by 3.43 percentage points to 24.39%. Losses of approximately A\$1.95 million were partially absorbed by excess spread. Losses of approximately A\$111,599, which were not covered by excess spread, resulted in the increase in carried forward charge offs from A\$3.47 million to A\$3.58 million over the quarter.
- Pepper Australia Pty Limited, which is the delegated special servicer to the Trust, has indicated that there were no reports of any damages to the underlying properties in flood-affected areas.
- The average prepayment rate decreased during the quarter.
- The Class F and Class G Notes have received full interest payments during the quarter.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value ¹	A\$ 25.65m
Quarter ended 31 Mar 11	
Impairment for the quarter :	Nil
Cumulative Impairment (less reversals) :	A\$14.22m
Portfolio as at 31 Mar 11	
No. of Loans	599
Average Loan Size	A\$447,664
Weighted Average LVR	81.94%
Weighted Average Seasoning	44.62 months

Capital Structure as at 7 Apr 11			
Notes	Initial Rating (S&P)	Current Rating (S&P)	Outstanding Amount (A\$ m)
Class A Notes	AAA	NA ²	80.7
Class B Notes	AA	NA ²	38.3
Class C Notes	A	NA ²	60.0
Class D Notes	BBB	NA ²	33.4
Class E Notes	BB	NR	15.8
Class F Notes ³	B	NR	10.8
Class G Notes ³	NR	NR	26.0
Senior NIM Notes ³	NR	NR	8.9
Junior NIM Notes	NR	NR	8.6

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² The ratings were withdrawn in mid November 2010.

³ GIL owns approximately 94.8% of the Class F Notes, approximately 80.55% of the Class G Notes and 100% of the Senior NIM Notes. Interest payable on the Class F, Class G and Senior NIM Notes is one month BBSW + 5.5%, one month BBSW + 9.5% and one month BBSW + 9.5% respectively. Payment to the Senior NIM Notes is dependent on available excess cash flow. Final Maturity Date of the notes is 12 July 2041.

⁴ The Senior NIM Notes have not received cash flow since the November 2009 payment date. Under the restructured waterfall which was effective from November 2009, the Senior NIM Notes are not expected to receive cash flow until the aggregate amount received by the Junior NIM Noteholders and the Originator is above a certain threshold.

SEIZA AUGUSTUS SERIES 2007-1 TRUST

- GIL is invested in the Class G Notes and Class N Notes of Seiza Augustus Series 2007-1 Trust, which holds Australian non-conforming residential and commercial property mortgage loans originated by Seiza Mortgage Company Pty Limited.
- Overall the performance of the collateral was mixed over the quarter as realised losses have increased from approximately A\$0.27 million to A\$2.46 million while the 30+ day arrears decreased by 4.43 percentage points to 16.48%. The average prepayment rate increased over the quarter.
- The Class G Notes have received full interest payments during the quarter. Total carried forward charge offs is below the stated balance of the Class G Notes and interest will be paid in April 2011, subject to availability of cash in the Trust.
- The Class N Notes have not received cash flow since August 2007.

KEY INFORMATION		Capital Structure as at 28 Mar 11			
As at 31 Mar 11		Notes	Initial Rating (S&P/Moody's/Fitch)	Current Rating (S&P/Moody's/Fitch)	Outstanding Amount (A\$ m)
Carrying Value ¹	0	Class A Notes	AAA/ Aaa/ AAA	AAA/ Aaa/ PIF	0
Quarter ended 31 Mar 11		Class B Notes	AA/ Aa2/ AA	AA/ Aa2/ AA	12.4
Impairment for the quarter :	Nil	Class C Notes	A/ NR/ A	BBB+/ NR/ A	21.9
Cumulative Impairment (less reversals) :	A\$ 15.08m	Class D Notes	BBB/ NR/ BBB	B-/ NR/ BB	19.0
Portfolio as at 20 Mar 11		Class E Notes	BB/ NR/ NR	CCC-/ NR/ NR	8.1
No. of Loans	146	Class F Notes	B/ NR/ NR	D/ NR/ NR	4.1
Average Loan Size	A\$483,111	Class G Notes ²	NR	NR	10.3
Weighted Average LVR	76.54%	Class M Notes	A/ NR/ NR	BBB+/ NR/ NR	0.17
Weighted Average Seasoning	54.01 months	Class N Notes ²	NR	NR	4.1

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² Gil owns 100% of the Class G Notes and Class N Notes. Interest payable on the Class G Notes and Class N Notes is one month BBSW + 9.5%. Final Maturity Date of the notes is 28 May 2039.

AVOCA CLO VI PLC

- GIL has invested in Class M subordinated notes secured against European senior secured and second lien loans which were issued by Avoca CLO VI plc and managed by Avoca Capital Holdings (“Avoca”). The stated maturity of the notes is January 2023.
- Avoca VI Class M received interest of €206,077.50 on 18 January 2011 and the next coupon payment is scheduled on July 2011.
- For the quarter ended March 2011, there were no defaults but defaults should not be ruled out over the next 12 months.
- There is a risk that coupons to the Class M subordinated notes may be suspended in the short to medium term due to ratings downgrades in the underlying portfolio.
- The Overcollateralisation test headroom is currently 0.97% and a breach of the test would shut off cash flows to the subordinated note until the breach is remedied.
- On 18 January 2011, S&P Rating Agency put the ratings of Class A1 on negative watch.

KEY INFORMATION		Capital Structure as at 31 Mar 11			
As at 31 Mar 11		Note	Initial Rating (S&P/Fitch)	Current Rating (S&P/Fitch)	Outstanding Amount (€ m)
Carrying Value ¹	€ 2.04m	Class A1	AAA/ AAA	AA+*/ AAA	301.5
Quarter ended 31 Mar 11		Class A2	AAA/ AAA	A+/ AAA	64.0
Reversal of Impairment to Equity :	€ 0.64m	Class B	AA/ AA	BBB+/ AA	19.4
Cumulative Impairment (less reversals) :	€ 1.46m	Class C	A/ A	BB+/ A	31.5
Portfolio as at 31 Mar 11		Class D	BBB/ BBB	BB-/ BBB	20.0
Portfolio Par Value	€ 493.3m	Class E	BB/ BB	CCC+/ B+	23.9
No. of Obligors	77	Class F	B/ B	CCC-/ B-	10.0
Weighted Average Spread	2.87%	Class M ²	NR/ NR	NR/ NR	37.8

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² GIL owns approximately 10.5% of the Class M notes. Payment to the Class M notes depends on excess cashflow available after payments to the rated Notes.

AVOCA CLO VII PLC

- GIL invested in Class F and G notes secured against European senior secured, second lien and mezzanine loans which were issued by Avoca CLO VII plc and managed by Avoca. The stated maturity of the notes is May 2024.
- Avoca VII Class F and G notes received interest of €210,866.83 and €319,122.69 respectively on 18 November 2010 and the next coupon payment is scheduled in May 2011.
- For the quarter ended March 2011, there were no defaults, but defaults should not be ruled out over the next 12 months.
- There is a high risk that coupons to the Class F and G notes may be suspended in the short to medium term due to ratings downgrades in the underlying portfolio.
- The Overcollateralisation test headroom is currently 0.12%. A breach of the test would result in cash flows being diverted to pay down Class A notes and interest payments to GIL's investments would be shut off until the breach has been remedied. The Reinvestment Diversion test has currently failed by 0.38%, which would impact interest payment to Class G because 50% of excess interest is expected to be reinvested in collateral instead of being fully distributed to Class G noteholders.
- On 18 January 2011, S&P Rating Agency put the ratings of Class A1, A2 and A3 on negative watch.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value ¹	€ 6.88m
Quarter ended 31 Mar 11	
Reversal of Impairment to Equity:	€ 0.64m
Cumulative Impairment (less reversals):	€ 7.36m
Portfolio as at 31 Mar 11	
Portfolio Par Value	€ 682.6m
No. of Obligors	74
Weighted Average Spread	2.89%

Capital Structure as at 31 Mar 11			
Note	Initial Rating (S&P/Fitch)	Current Rating (S&P/Fitch)	Outstanding Amount (€ m)
Class A1	AAA/ AAA	AA+*/ AAA	284.0
Class A2	AAA/ AAA	AA*/ AAA	62.5
Class A3	AAA/ AAA	AA*/ AAA	145.0
Class B	AA/ AA	A-/ AA	48.5
Class C	A/ A	BBB-/ A	46.5
Class D	BBB/ BBB	BB+/ BBB	31.5
Class E	BB/ BB	CCC+/ B	31.0
Class F	B/ B	CCC-/ CCC	14.0 ²
Class G	NR/ NR	NR/ NR	48.0 ³

¹ The carrying value is determined in accordance with the requirements of IFRS and is not reflective of the current realisable value in the event of immediate disposal.

² GIL owns approximately 50% of Class F and interest payable to Class F notes is 6 month Euribor plus 4.95%.

³ GIL owns approximately 16.7% of Class G and payment to Class G notes depends on excess cash flow available after payments to the rated notes.

NEWGATE FUNDING 2006-3 PLC

- GIL has invested in 50% Mortgage Early Repayment Certificates (“MERC”) issued by Newgate Funding 2006-3 plc (“Newgate 06-3”), a securitisation entity of Mortgages plc. The stated maturity of the notes is December 2050.
- Newgate 06-3 holds a portfolio of registered first mortgages over UK residential property.
- Cumulative loss was higher than expected due to the difficult UK market conditions. Although the arrears rate has decreased, it is expected to remain at an elevated level over the medium term.
- On 18 January 2011, S&P Rating Agency put Classes A, M, and B on negative watch.
- To-date, no cash flow has been received for the Residual Certificates which were sold for £1.25 million in mid February 2011.
- The last cash flow received for MERC was in February 2010 and no further cash flows are expected.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value	0
Quarter ended 31 Mar 11	
Impairment for the quarter:	Nil
Cumulative Impairment:	£ 9.3m
Portfolio as at 1 Feb 11	
No. of Loans	3,363
Average Loan Size	£ 106,094
Weighted Average LVR	80.35%
Seasoning	54.22 months

Capital Structure as at 31 Mar 11			
Note/ Certificate	Initial Rating (S&P/Fitch)	Current Rating (S&P/Fitch)	Outstanding Amount (£ m)
Class A & M	AAA/ AAA	AAA*-/ AAA	271.1
Class B	AA/ AA	AA*-/ A	39.5
Class C	A/ A	BBB/ BB	24.7
Class D	BBB/ BBB	BB-/ B	15.6
Class E	BB/ BB	B/ CCC	5.9
Class T	BBB/ BBB	B/ CCC	4.1
Class Q	BBB/ BBB	CCC/ CC	6.5
MERC ¹	NR	NR	All prepayment penalties
Residual ²	NR	NR	All excess spread after repayment to T & Q notes

¹ Payment to MERC comes from prepayment penalties paid by borrowers in the mortgage pool.

² Payment to the Residual certificates depends on excess cashflow available after paying interest on all notes in the capital structure and after paying down principal of certain class of notes.

US RESIDENTIAL MORTGAGE-BACKED SECURITIES

- The US economy is expected to continue its gradual recovery on the back of an improving labour market as well as continued expansion of both manufacturing and service industries. The unemployment rate declined from 9.4% in December 2010 to 8.8% in March 2011, a level not seen for almost 2 years.
- Senior notes of US RMBS offer better structural protection and faster amortisation compared to junior notes and are receiving principal payments currently.
- GIL has received aggregate cash flows of US\$656,526 during this quarter, consisting principal of US\$621,848 and interest of US\$34,678.
- As at 25 March 2011, the total current face amount was US\$25.84 million with cumulative principal collection of US\$2.17 million since the first purchase of RMBS beginning June 2010.

Portfolio Details

Security	Current Rating (Moody's/S&P)	Current Face @ Acquisition	Current Face @ 25 Mar 2011	Coupon	Credit Support	Cumulative Principal Received Since Acquisition	Collateral Pool Current Balance as % of Original Balance*
Structured Asset Mortgage Investments II Trust 2006-AR7 A1A	Caa3/CCC	4,929,264	4,508,387	1mL + 21bp	45.16%	420,877	58.60%
Bear Stearns Mortgage Funding Trust 2006-AR5 1A1	Caa2/B-	5,208,097	4,936,135	1mL + 16bp	37.74%	271,962	60.68%
American Home Mortgage Investment Trust 2005-4 1A3	C/CC	10,996,833	10,001,044	1mL + 44bp	5.43%	995,789	32.29%
Bear Stearns Mortgage Funding Trust 2007-AR4 1A1	Caa2/CCC	4,642,119	4,410,772	1mL + 20bp	44.36%	231,347	51.78%
Carrington Mortgage Loan Trust, Series 2006-NC3 A2	Caa1/AA	2,231,186	1,985,183	1mL + 10bp	35.00%	246,003	52.10%

* The US RMBS have early redemption features which can vary from transaction to transaction. The originator or certain noteholders, depending on the terms of the transaction, have an option to redeem the notes when the collateral pool have been reduced to or below a certain threshold. The threshold is generally 10% of the original balance of the mortgage loans at inception.

KEY INFORMATION	
As at 31 Mar 11	
Carrying Value	US\$ 10.28m
Quarter ended 31 Mar 11	
Impairment for the quarter :	Nil
Cumulative Impairment (less reversals) :	Nil