PROPERTY FOX
No. 1 LIMITED®

23 February 2007

Hello

It is my pleasure to be writing to you with this Shareholder Update for Property Fox No.1 Limited.

Listing of the Company on the National Stock Exchange

At the recent Annual General Meeting the shareholders gave the directors a mandate to list the Company on the Newcastle Stock Exchange (NSX). I am pleased to advise that the Company was formally admitted to the official list of the NSX on 30th January 2007 and official quotation of the Company's 5,000,000 "A" class shares will commence at 11am on Wednesday 28th February 2007. The Trading code for Property Fox No 1 Limited "A" class shares is PFAA.

We believe this is a very positive step and it allows people to buy or sell shares in the Company. Please be aware the NSX has limited liquidity and shareholders should exercise caution in the trading of shares in the Company.

If you wish to purchase additional shares or sell your existing shares you will need to open an account with a stockbroker registered to trade on the NSX, contact the Freeman Fox Ltd on 1800 000 369 for our recommended brokers.

Review

The units in the blocks at Hardy Street, Fairfield and Cardigan Street, Guildford have been listed for sale but no contracts have been entered into as yet. The Company is also listing for sale the units at Toorak Road, Hamilton in Brisbane.

If a sale of these properties is successful, it is the intention of the Company to utilise the proceeds to purchase real estate assets that provide higher yields and offer far more opportunity for capital growth. At this stage we expect that reinvestment to be in the Brisbane property market.

Important Change to Share Registry

The Company's share registry is now managed by Link Market Services Limited. Please contact Link Market Services Limited by telephone on 02 8280 7454 if you wish to change any registration details in connection with your shareholding in the Company.

Sincerely

Peter Spann
Chief Executive Officer

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