

Chairman's Address – Property Fox #2

Hello and welcome to the Annual General Meeting of Property Fox Number Two which I now declare open.

I would like to take this opportunity to introduce my fellow Directors Howard Woolcott and Jodie Morris (who has been recently married and is changing her name to Stainton), the company Secretary Mr Andrew Whitten. and our Legal Adviser Mr Ray Whitten. It is also my pleasure to welcome the Company's Auditor Mr Matt Bell.

Today we have the serious business of running the Annual General Meeting. I intend to do that in an orderly and expeditious manner.

As Chairman I am determined to ensure all the business of the meeting is concluded.

Now let us move to the Chairman's address...

This has been another successful year for Property Fox Number Two. Starting with the successful listing on the NSX although only two parcels of shares have traded.

The company profitably sold two of its holdings of riverfront land in Bulimba.

Our joint venture properties in Toowoomba continue to be cash flow positive and with a number of sales in the area recently are sure to keep increasing in value with significant long term development potential.

Our joint venture in Fox Riverside is progressing very well with Council Approval for two substantial and beautiful designer homes now being achieved, the existing dwelling on the site successfully demolished, and tenders for the building works having recently been completed. We should be signing contracts with the successful builder shortly. Finance has been approved by the bank for the construction. This process has taken longer than expected however rising property prices in the area have more than made up for any potential downside from those delays.

Recent sales in the area have been very strong and I believe there is considerable demand for the type of properties we are building with good potential upside.

In addition the Directors are also pursuing new investments to continue to add value and profitability to the company. This is a long term process as you know.

I am also pleased to announce that the management company Fox Portfolio has agreed to reduce its management fees substantially in line with a reduction in PF#1 for an unrelated reason. This should also serve to maximize shareholder's profits in developments we currently have in train.

This has come about because of the significant contribution of Jodie Morris and Howard Woolcott, my fellow Directors who have my full support for their re-election today.

We are very much looking forward to the profitable future of the company.