



9 May 2008

The General Manager
Stock Exchange of Newcastle Limited
384 Hunter Street,
NEWCASTLE NSW 2300

Dear Mr Evans

BONUS SHARE ISSUE

Subject to approval by shareholders at the forthcoming general meeting of the Company, Pritchard Equity Limited intends to make a bonus issue of 1 preferred income equity security (PIES) for every 1,000 ordinary shares held.

In calculating a shareholders entitlement to bonus shares, multiple holdings will be aggregated, and entitlements to a fraction of a bonus share will be rounded up.

The bonus issue will be made to ordinary shareholders registered as at 23 May 2008. The shares will be ex bonus on 19 May 2008.

The Company intends to apply for listing of the PIES on NSX under the code PEQPA.

Yours faithfully

PRITCHARD EQUITY LIMITED

A handwritten signature in black ink, appearing to be "S. Pritchard", written over a light blue horizontal line.

STEVEN PRITCHARD
DIRECTOR

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