

3rd July 2008

National Stock Exchange of Australia
Ground Floor 384 Hunter Street
Newcastle NSW 2300

BY E-LODGE MENT

UPDATE ON INVESTMENT IN FOX RIVERSIDE PTY LTD

The company refers to its previous announcements in relation to its investment in Fox Riverside Pty Ltd, a joint venture company which owns property on the Brisbane riverfront.

The Board of Fox Riverside Pty Ltd has decided to place the properties for sale by public Auction. The Directors of Property Fox No.1 Limited believe that the decision by Fox Riverside Pty Ltd to place the property for sale, with its current Development Application Approval in place, as opposed to developing it, provides shareholders in Fox Riverside Pty Ltd with the greatest potential for return verses risk in current market conditions.

Interested shareholders can contact the Company for more information.

About Property Fox No.1 Limited

Property Fox No. 1 Limited is a real estate investment Company which has holdings in a range of residential properties in New South Wales and Queensland. Property Fox No. 1 Limited listed on the National Stock Exchange of Australia on 28 February 2007.

For additional information please contact the Company on +61-7-3031 9971

Property Fox No.1 Limited Forward - Looking Statements

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors including the success of the Company's marketing strategy, and various other uncertainties.