



5 August 2008

Dear Property Fox No.1 Shareholder

RE: TAKEOVER BID

Pritchard Equity Limited ("PEQ") today lodged with the National Stock Exchange of Australia Limited ("NSX") a copy of the Bidder's Statement in relation to an off-market takeover bid by PEQ for all of the issued A class shares in Property Fox No. 1 Limited ("PFA") ("Offer").

Under the Offer, holders of PFA A class shares will receive 1,500 A ordinary shares, 500 B ordinary shares and 68 preferred income equity securities in PEQ per 20,000 PFA A class shares. The Offer does not extend to the ordinary shares in PFA.

As outlined in the Bidder's Statement, this represents an attractive implied premium of 25.8% to the volume weighted average market price of PFA A class shares traded on NSX during the year ended 30 June 2008 (excluding those shares purchased by PFA under the on-market buyback).

The Offer is subject to the following conditions:

- minimum Offer acceptance condition of 66.0%;
- no material adverse change to PFA and, in particular, no change that results in a diminution in value of the net assets of PFA to less than \$2,750,000;
- no acquisitions or disposals of any assets by PFA or entry by PFA into any agreement with an aggregate value in excess of \$100,000;
- no giving of a financial benefit to a related party of PFA;
- no lending to another party other than in the ordinary course of business;
- the S&P/ASX 300 index not falling below 4,250 at any time between 5 August 2008 and the end of the Offer period; and
- none of the 'prescribed occurrences' listed in section 652C of the *Corporations Act* occurring.

Pritchard Equity Limited ABN 80 100 517 404

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Full details of the conditions are set out in clause 7 of Annexure 1 of the Bidder's Statement.

A copy of the Bidder's Statement will be dispatched to each PFA A class shareholder on or before 2 September 2008 (but no earlier than 19 August 2008).

If you would like us to email you copies of any announcements we make to NSX, please take a few minutes to complete the enclosed form and return it to us by facsimile to 02 4920 2878 or by email to info@peq.com.au.

PRITCHARD EQUITY LIMITED

A handwritten signature in blue ink, appearing to read 'S. Pritchard', is written over the printed name.

STEVEN PRITCHARD
CHAIRMAN

Title	Given name(s)		
Surname			
Postcode			
Suburb/Town/City		State	Postcode
Business telephone	Home telephone	Mobile telephone	Facsimile number
Email address			
<p>This form should be posted or sent to the following</p> <p>Pritchard Equity Limited PO Box 413 HAMILTON NSW 2303</p> <p>Facsimile 02 4920 2878 Email info@peg.com.au</p>			