



15th August 2008

Company Announcements Office
National Stock Exchange of Australia Limited
Ground Floor 384 Hunter Street
Newcastle NSW 2300
BY E-LODGE MENT 15th August 2008

PRITCHARD EQUITY LIMITED'S UNSOLICITED OFFER FOR PROPERTY FOX NO. 1 LIMITED

Pritchard Equity Limited ("Pritchard") announced its intention to make a conditional takeover offer for Property Fox No.1 Limited ("PF1") on 5th August 2008.

- The offer is unsolicited. There has been no prior discussions between Pritchard and PF1.
- A special board committee has been formed to evaluate and respond to Pritchard's offer.
- The recommendation of the special board committee and the entire board will be provided in PF1's Target's Statement.
- Lawler Partners Pty Ltd, Chartered Accountants, has been appointed to prepare an independent expert's report. This report will consider whether Pritchard's offer is fair and reasonable for PF1 shareholders. The report will be included in PF1's Target's Statement.
- Meanwhile, shareholders should **TAKE NO ACTION** in relation to Pritchard's offer.

A brief summary of the offer and our observations on the bid, as well as the steps PF1 is taking, are outlined below:

There is no cash component

The bid is entirely scrip based and Pritchard is not offering any cash for your shares.

The nature of your investment will change if the Pritchard offer proceeds

If you accept Pritchard's offer and it proceeds, the nature of your investment exposure will change. A thorough review of Pritchard's offer, including the consequences of any change to the nature of your current investment by accepting



shares in Pritchard, will be included in PF1's Target's Statement and Lawler Partner's Independent Expert Report.

Pritchard's shares rarely if ever trade.

The consideration being offered to PF1 A Class Shareholders is Pritchard Equity Limited A Class Shares ("PEQA"), Pritchard Equity Limited B Class Shares ("PEQB"), and Pritchard Equity Limited Preferred Income Securities. Of these the PEQA and PEQB shares have not traded since 24th April 2007 and the Pritchard Preferred Income Securities have never traded.

Pritchard's shares being offered are not all fully voting shares

Of the shares you are being offered in exchange for your A Class Shares in Property Fox No.1 Limited only the Pritchard Equity Limited B Class Shares are voting. The Pritchard Equity Limited A Class Shares are non-voting and the Pritchard Equity Limited Preferred Income Securities have limited voting rights.

Intentions of Mr Howard Woolcott

Pritchard's announcement on 5th August 2008 indicated that if Pritchard was to gain control of PF1 he would be inviting Mr Howard Woolcott to remain as a Director of PF1. Mr Woolcott has advised the Board that if Pritchard was to gain control of PF1 he will resign as a Director of PF1.

Shareholders should wait for our Target's Statement before making a decision. Shareholders will be given sufficient time to properly consider Pritchard's proposed offer.

TAKE NO ACTION

Your Board will continue to keep you informed of key developments. For further details please do not hesitate to contact the company on 07 3031 9950. All Company announcements are available on the NSX website at www.nsx.com.au.

Shareholders should **TAKE NO ACTION** in relation to Pritchard's Offer.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Peter Spann".

Peter Spann
Chairman
Property Fox No.1 Limited