



3 September 2008

Mr. Howard Woolcott
Executive Director
Property Fox No. 1 Limited
Level 11
Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

Dear Howard

On 3 July 2008 Property Fox No. 1 Limited (PFA) announced to the National Stock Exchange of Australia Limited that the board of Fox Riverside Pty. Limited had decided to place the properties that Fox Riverside Pty. Limited owned for sale by public auction. A copy of the announcement is attached for your reference.

Since that time, no further announcements have been made to the market in respect of the realization of the Fox Riverside Pty. Limited assets.

In order that the market be kept fully informed on the sale of these assets owned by Fox Riverside Pty. Limited, we suggest that it is appropriate for you to announce to the market as a matter of urgency the following:

1. the date of the proposed public auction;
2. the name and address of the agent appointed by Fox Riverside Pty. Limited to conduct the auction;
3. the amount of any fees and charges payable to Peter Spann or his associates from the proceeds of any property sales; and
4. the amount of money that PFA expects to receive from Fox Riverside Pty. Limited in respect of the sale of these properties.

A copy of this letter is being released on the National Stock Exchange of Australia Limited's announcements platform.

Yours faithfully

PRITCHARD EQUITY LIMITED

A handwritten signature in blue ink, appearing to read "Steven Pritchard", is written over a horizontal line.

STEVEN PRITCHARD
DIRECTOR

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Pritchard Equity Limited ABN 80 100 517 404

10 Murray Street Hamilton NSW 2303 • P O Box 413 Hamilton, NSW Australia 2303 • Telephone: 02 4920 2877 • Facsimile: 02 4920 2878
Email: mail@pritchards.com.au • Webpage: www.pritchards.com.au



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.