



12 September 2008

Mr Scott Evans  
National Stock Exchange of Australia Limited  
384 Hunter Street  
**NEWCASTLE NSW 2300.**

Dear Mr Evans

**Fox Riverside Pty. Limited  
Fees paid to Peter Spann & Associates**

Please find attached the following for release to the market

1. Our letter to Property Fox No 1 Limited dated 3 September 2008
2. Property Fox No. 1 Limited's response dated 8 September 2008
3. Our response to Property Fox No 1 Limited dated 11 September 2008

Yours faithfully

**PRITCHARD EQUITY LIMITED**

A handwritten signature in blue ink, appearing to read "Steven Pritchard", is written over the company name.

**STEVEN PRITCHARD**  
**DIRECTOR**

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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", with a stylized flourish at the end.

**STEVEN PRITCHARD**  
**DIRECTOR**

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**Pritchard Equity Limited** ABN 80 100 517 404

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Email: mail@pritchards.com.au • Webpage: www.pritchards.com.au



3<sup>rd</sup> 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.



8<sup>th</sup> September 2008

FAXED  
8.9.08

Mr. Steven Pritchard  
Chairman  
Pritchard Equity Limited  
10 Murray Street,  
Hamilton NSW 2303

By Fax: 02 4920 2878

Dear Sir,

Re: Your letter of 3<sup>rd</sup> September 2008

We refer to your letter of 3<sup>rd</sup> September 2008. As you are aware pursuant to the Listing Rules of the National Stock Exchange of Australia Limited ("NSX") the Board of Property Fox. No.1 Limited ("PF1") is only required to disclose information which a reasonable investor would expect to have an effect on the price of PF1's securities.

The information you have sought at paragraphs 1-3 of your letter does not fall into this category.

In relation to the investment in Fox Riverside Pty Ltd, PF1 owns 2% of the issued capital and 5.95% of the paid up capital of Fox Riverside Pty Ltd. The last accounts of PF1 dated 31<sup>st</sup> December 2007 at Note 6 show the carrying value which the directors have placed on this asset. The information you have sought at paragraph 4 may fall into the category of information which needs to be disclosed depending on the sale price achieved.

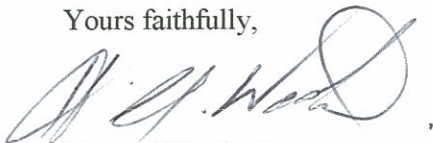
Whilst the Board does have internal estimates, they are estimates only, and subject to the confidential information exemption within the Listing Rules of the NSX (Listing Rule 6.5 (2)). However, this will only be an item which may need to be disclosed once the sale has occurred and a contract for sale of the property has been entered into. To date this has not occurred. If in the opinion of the directors a material event was to occur with regards to the price of the securities then the board would make the necessary disclosure in a timely manner. We have discussed this matter with the NSX and they have confirmed that this is the correct approach.

As a courtesy to you and other PF1 shareholders we are happy to advise that Ray White, an external real estate agency that is not associated with any of the Directors of PF1 is being used to conduct the sale and the auction date is 27/09/08.

It is important to note that while PF1 is kept informed by Fox Riverside it is a minor shareholder and as such understands Fox Riverside does so as a courtesy.

As a courtesy to your own shareholders we request that this reply is posted on the NSX with your original correspondence.

Yours faithfully,



Howard Woolcott  
Executive Director

RECEIVED  
10 SEP 2008

BY: \_\_\_\_\_

PROPERTY FOX NO. 1 LIMITED® ABN 97 101 816 353

POSTAL: PO Box 7830, WATERFRONT PLACE, BRISBANE QLD 4001 LOCATION: LEVEL 21, 333 ANN STREET, BRISBANE QLD 4000  
PH: 07 3031 9920 FAX: 07 3031 9922 EMAIL: PF1@FREEMANFOX.COM.AU  
MANAGED BY: FOX PORTFOLIO PTY LTD



11 September 2008

Mr. Howard Woolcott  
Executive Director  
Property Fox No. 1 Limited  
Level 11  
333 Anne Street  
**BRISBANE QLD 4000**

Dear Howard

We refer to your letter of the 8 September 2008 in response to our letter of 3 September 2008.

We note that you have failed to provide the information requested in question 3, namely "the amount of any fees and charges payable to Peter Spann or his associates from the proceeds of any property sales".

Your response that "the Board of Property Fox No. 1 Limited is only required to disclose information which a reasonable investor would expect to have an effect on the price of PF1's securities" is not acceptable.

Given that a number of investors have raised concerns about the level of fees and charges that Peter Spann and his associates have levied against Property Fox No. 1 Limited (PFA) and the joint ventures and companies in which it invests, it is our view that this is information that a reasonable investor would expect to have disclosed.

In any event, as PFA, Fox Riverside Pty Limited and Peter Spann and his associates are related parties, details of any contracts or arrangements made with Peter Spann and his associates and Fox Riverside Pty. Limited should have been disclosed at the time of entering into those contacts or arrangements in the annual financial reports of PFA. This does not appear to have been done.

So that the market is kept fully informed, we again ask you to advise the amount of any fees and charges payable to Peter Spann or his associates from the proceeds of any property sales by Fox Riverside Pty. Limited.

We also request that you disclose all of the fees and charges, if any, that have been paid to Peter Spann or his associates from the time that PFA became a shareholder in Fox Riverside Pty. Limited.

Yours faithfully

**PRITCHARD EQUITY LIMITED**

**STEVEN PRITCHARD**  
**DIRECTOR**

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