

26th September 2008

Company Announcements Office
National Stock Exchange of Australia Limited
Ground Floor 384 Hunter Street
Newcastle NSW 2300

BY E-LODGE MENT

**RE: NEW TARGET'S STATEMENT - WITHDRAWAL OF INDEPENDENT
EXPERT'S REPORT AND APPOINTMENT OF NEW EXPERT**

Lawler Partners Chartered Accountants have advised the board of PF1 that it does not have the requisite Australian Financial Services Licence to enable it to issue the Independent Expert's Report despite previous assurances they (Lawler Partners) have completed Independent Expert Reports before and they did hold the appropriate qualifications to issue the report.

Therefore this Independent Expert's Report has been requested to be withdrawn by the Australian Securities and Investments Commission ("ASIC").

The Board of Property Fox No.1 Limited wishes to advise shareholders that they should in no way rely on the Independent Expert's Report of Lawler Partners, Chartered Accountants, contained within the Target's Statement lodged 15th September 2008.

In addition, ASIC has asked PF1 to address some areas within the Target's Statement. The company is currently in the process of compiling a further Target's Statement which addresses these areas ASIC has identified and which includes a new Independent Expert's Report. The Board has engaged the services of VMC Global Pty Limited to prepare a new Independent Expert's Report. It is anticipated that this further Target's Statement will be released to the market on Wednesday 1 October 2008.

Shareholders should contact the company on 07 3031 9950 for more information.