



24 October 2008

«Name\_»

«Address\_»

«Sub\_\_Post\_State\_»

Dear Fellow Shareholder in Property Fox

We are writing to you again about your investment in Property Fox No. 1 Limited.

We believe that the offer that we have made for your shares in Property Fox will give you the best opportunity to recover some of the money you have lost with your investment.

As you are aware, Property Fox No. 1 Limited was established over five years ago and a person who made the minimum initial investment of \$20,000 has seen the market value of that investment fall to only \$3,800.

Those few of you who are also shareholders in Property Fox No. 2 Limited would be doubly disappointed to see the market value of an initial investment of \$10,000 in that company fall to only \$2,750.

With economic storm clouds now gathering and a world wide recession looking imminent, we believe that the value of our investments in Property Fox will continue to decline unless significant changes are made in the company's management and operations.

Some of you may be aware that Property Fox No. 1 Limited, together with Property Fox No. 2 Limited, has significant debt on the properties in Toowoomba that must be repaid on 28 February 2009. Given current economic conditions, there is no guarantee that the joint venture will be able to refinance the debt, and if Property Fox No. 2 Limited is unable to repay its share of the debt, the whole of the debt burden will fall upon Property Fox No. 1 Limited and its shareholders. If this happens, Property Fox No. 1 Limited will not be able to follow through with the plan which Peter Spann has recently announced of giving shareholders some of their capital back.

You will know that Property Fox No. 1 Limited has an equity interest in Fox Riverside Pty. Limited, and you may be aware that on 3 July 2008 Fox Riverside announced its intention to sell its river front property in Brisbane. An auction was held on 27 September 2008, and the property was passed in on a vendor bid of \$3,000,000 with no other bids being received.

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

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In considering the Pritchard Equity offer for your shares, we would encourage you to ask Howard Woolcott and Jodie Stainton, the two executive directors of Property Fox the following questions:

1. Why don't you personally own any shares in Property Fox?
2. If the shares are really worth between 50 cents and 56 cents, as the independent expert says, why aren't you prepared to buy them on the market at their current price of 19 cents, using some of the directors fees we have paid you?
3. Why haven't you taken steps to remove the managing director, given the appalling results of the company over the last five years?
4. What steps have you put in place to ensure that Property Fox No. 1 Limited is not called upon to pay out Property Fox No. 2 Limited's share of the debt on the Toowoomba properties?

Howard Woolcott's telephone number is 0414 569 499, and Jodie Stainton's telephone number is 0431 608 422.

If you are not satisfied with their responses, we invite you to consider once again accepting our offer for your shares, and to join with us in working to restore value to Property Fox's assets for the benefit of all shareholders.

If you would like to discuss our offer, please feel free to telephone either myself on 02 4920 2877 or Gordon Elkington on 02 8223 5100.

Kind regards

A handwritten signature in blue ink, appearing to read 'Steven Pritchard', with a stylized, cursive script.

Steven Pritchard