



17 November 2008

NAME
ADDRESS 1
ADDRESS 2

Dear Optionholder

We are writing to you about the Series 1 options that you hold in Pritchard Equity Limited.

Series 1 options will expire on 10 December 2008. The exercise price of the options is \$1.25, and you may exercise all or some of your options.

We set out below the number of Series 1 options that you hold, and the amount required to exercise all of the options.

Number of options held	XXXX
Amount required to exercise options	\$XXXX

In order to exercise the options, you must return the enclosed option exercise form together with your cheque to Pritchard Equity Limited by 10 December 2008. The cheque should be made payable to "Pritchard Equity Limited".

Optionholders will also receive a bonus issue of one preferred income equity security for every 1,000 options that they exercise.

If you require any further information, please contact either Daniel Di Stefano or Steven Pritchard on 02 4920 2877 or by email at mail@peq.com.au

Yours faithfully

PRITCHARD EQUITY LIMITED

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

STEVEN PRITCHARD
DIRECTOR

Pritchard Equity Limited ABN 80 100 517 404

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

PRITCHARD EQUITY LIMITED

ABN 80 100 517 404

NOTICE OF EXERCISE OF OPTIONS

EXPIRING 5.00PM 10 DECEMBER 2008

To the Directors, Pritchard Equity Limited,

I/We

Surname/Company Name:

Given Names:

Address:

.....

.....

Hereby exercise my/our option to apply for A ordinary
fully paid shares at \$1.25 per option in Pritchard Equity Limited.

I/We enclose my/our cheque for \$..... Australian Dollars being payment at the rate of
\$1.25 per share. I/We request that you allot such shares to me/us and I/We undertake to be bound
by the Company's Constitution. If this application is signed by an Attorney, the Attorney hereby
declares that no notice of revocation has been received.

Issuer Sponsored Holders – Security Reference Number (SRN)

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CHESS Holders – Holder Identification Number (HIN)

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Dated: Usual Signature(s)

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THIS APPLICATION FORM WITH THE APPROPRIATE REMITTANCE, MADE PAYABLE
TO PRITCHARD EQUITY LIMITED SHOULD BE LODGED AT THE COMPANY'S SHARE
REGISTRY:

NEWCASTLE CAPITAL MARKETS REGISTRIES PTY LIMITED
PO BOX 413
HAMILTON NSW 2303

OR

10 MURRAY STREET
HAMILTON NSW 2303

Contact Name:

Daytime Contact Phone Number: (....)

Pritchard Equity Limited

ABN 80 100 517 404

Terms and Conditions of Options

1. Each Option entitles the holder to subscribe at an exercise price of \$1.25 for a fully paid A ordinary share ("Share") in the capital of the Company ("Exercise Price").
2. The Options expire at 5.00pm on 10 December 2008 ("Expiry Date") and are exercisable at any time on or prior to the Expiry Date by notice in writing delivered to the Share Registry of the Company accompanied by payment of the Exercise Price.
3. The Options are freely transferable. The Company will apply for official quotation by the National Stock Exchange of Australia Limited of the Options.
4. All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for official quotation by the National Stock Exchange of Australia Limited of all Shares issued upon exercise of the Options.
5. Holders of the Options will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. Option holders will be accorded a period of at least (7) business days notice prior to and inclusive of the record date (to determine entitlements to the issue), to exercise the Options.
6. In the event of any reconstruction (including a consolidation, subdivision, reduction or return), of the issued capital of the Company prior to the Expiry Date, the number of Options to which each holder is entitled or the exercise price of the Options or both will be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on option holders which are not conferred on shareholders (subject to such provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstructions) but in all other respects the terms of exercise of the new option will remain unchanged.
7. In the event of a reorganisation or any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, then the rights of an option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
8. The Shares issued pursuant to an exercise of Options will be issued on the above terms and conditions and, in any event, not more than 14 days after the receipt of a properly executed exercise notice and the applicable Exercise Price.