

8th December 2008

National Stock Exchange of Australia
Level 2, 117 Scott Street
Newcastle NSW 2300

BY E-LODGEMENT

**PROPERTY FOX NO.1 LIMITED RECEIVES BID FROM PRIMROSE CAPITAL
MANAGEMENT PTY LTD (“PRI”)**

On 1st December 2008 Property Fox No.1 Limited received a highly conditional bid for the company made by PRI.

Shareholders are advised to take no action in relation to PRI’s offer or any document received from PRI until they receive the Property Fox No.1 Limited Directors’ formal recommendation.

Property Fox No.1 Limited’s Directors have appointed William Buck Chartered Accountants (formerly VMC Global Pty Ltd) to prepare an Independent Expert’s Report in relation to the latest takeover offer. In addition the Directors have appointed Whittens Lawyers and Consultants to prepare the Target’s Statement in relation to this Bid.

The Board of Property Fox No.1 Limited will keep shareholders fully informed of further developments as they occur and provide a formal recommendation on the offer in ample time for shareholders to make an informed decision.

However, the Directors do note the following in relation to the Bid:

- The Bid is highly conditional and includes, amongst others, a condition requiring 90% acceptance.
- The Bid consideration, \$0.30 per share equates to a value of \$1,353,900.30 which is less than the cash at bank held by the company and does **NOT** take into account the following property assets: 4 residential units in Fairfield NSW and a 30% holding of the Ruthven and Healey Street Properties in Toowoomba.
- The bid consideration of \$0.30 per share is at a substantial (42%) discount to the unaudited Net Tangible Assets of the company expressed as an amount per share based on the “A” class shares on issue, being \$0.52.
- Under the Equal Access Buy-Back Plan previously announced to shareholders, shareholders will be entitled to a return of \$0.50 per share for up to 45% of their holding or an amount equal to \$0.225 per share, whilst still retaining 55% of their holding in Property Fox No.1 Limited

TAKE NO ACTION

Your Board will continue to keep you informed of key developments. In the meantime, shareholders are advised to wait for the Target's Response which the Board will forward to shareholders shortly. This Target's Response will include an Independent Expert's Report on the offer by Primrose Capital Management Pty Ltd.

For further details please do not hesitate to contact the company on 07 3031 9950. All company announcements are available on the NSX website at www.nsx.com.au.

Yours faithfully,
Peter Spann



Chairman
Property Fox No. 1 Limited

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.

Property Fox No.1 Limited Forward - Looking Statements

This document contains forward-looking statements that reflect the Company's current expectation 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.