



26<sup>th</sup> May 2009

Dear Property Fox No.1 Limited Shareholder,

**RE: TAKEOVER BID**

Property Fox No.2 Limited (PF2) on 22<sup>nd</sup> May 2009 lodged with the National Stock Exchange of Australia Limited (NSX) a copy of the Bidder's Statement in relation to an off-market takeover bid by PF2 for all the issued A Class Shares in Property Fox No.1 Limited. (PF1)(Offer)

Under the Offer, holders of PF1 A Class Shares will receive 9 PF2 A Class Shares for every 10 A Class Shares they own in PF1.

As outlined in the Bidder's Statement this represents an attractive takeover premium of 18.55% for the A class Shareholders in PF1 based on the NTA of each of PF1 and PF2 Shares as at 31 December 2008.

We believe there are considerable advantages to Property Fox 1 and 2 combining.

As new Independent Directors we intend to work with the existing Directors to reinvigorate the business plan and take advantage of current market conditions and consider the companies have great potential.

The offer is subject to the following conditions:

1. minimum offer acceptance condition of 64% of the A Class Shares.
2. None of the prescribed occurrences occur within the meaning of Section 7.1 (b) of the Offer occurring.

A copy of the Bidder's Statement will be dispatched to each PF1 A Class Shareholder on or before 18<sup>th</sup> June 2009 (but no earlier than 4<sup>th</sup> June 2009).

If you would like more information please do not hesitate to contact PF2 on 07 3031 9950.

Yours faithfully,

Peter Conway  
Independent Director

Benjamin Doyle  
Independent Director