



11th August 2009

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

BY E-LODGEMENT

PROPERTY FOX NO.2 LIMITED LETTER TO PF1 SHAREHOLDERS

Please find attached letter to PF1 shareholders.

Shareholders can contact the company for more information in relation to the above.

About Property Fox No.2 Limited

Property Fox No. 2 Limited is a real estate investment Company which has holdings in a range of residential properties in Queensland. Property Fox No. 2 Limited listed on the National Stock Exchange of Australia on 28 February 2007.

Property Fox No.2 Limited Forward - Looking Statements

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



11th August 2009

Mr A B Sample
123 Sample Street
Sampleville ABC 1234

Dear PF1 Shareholder,

Extension of Offer Period

I am writing to advise you that Property Fox No.2 Limited (PF2) has extended the offer period for its takeover bid for the A Class Shares in Property Fox No. 1 Limited (PF1).

The offer is now scheduled to close at 7.00pm (AEST) on Wednesday 30 September 2009 (unless extended).

2 cents per share added at 64% Acceptance

In addition, PF2 announced that if it is successful in securing acceptances which take its relevant interest to 64% or more of PF1 A Class Shares, PF2 will vary its formal bid consideration by providing PF1 Shareholders with 2 cents per share in addition to the existing consideration which comprises 9 PF2 A Class Shares for every 10 PF1 A Class Shares.

Please see enclosed a copy of the announcement and formal variation of offer for the extension of the Offer Period.

Yours faithfully,

Property Fox No. 2 Limited

A handwritten signature in black ink, appearing to read "Andrew Whitten".

Andrew Whitten
Company Secretary



10th August 2009

**CASH TO BE ADDED TO PROPERTY FOX NO. 2 LIMITED SHARE PRICE
AT 64% ACCEPTANCE
AND
EXTENSION OF OFFER PERIOD**

2 cents per share to be added to the offer price.

Property Fox No.2 Limited (**PF2**) today announced that if successful in securing acceptances to its offer to take its total relevant interest to 64% or more of Property Fox No.1 Limited (**PF1**) A Class Shares, PF2 will vary its formal bid consideration to add 2 cents per A Class Share in addition to the existing consideration which comprises 9 PF2 A Class Shares for every 10 PF1 A Class Share.

In a joint statement the Independent Director's of PF2 Mr Peter Conway and Mr Ben Doyle stated that, "The addition of 2 cents cash consideration per share represents excellent value for PF1 shareholders. PF1 shareholders should accept the offer now without delay."

Extension of Offer Period

To enable PF1 shareholders more time to accept, PF2 has extended the Offer Period.

The Offer is now scheduled to close at **7.00pm (AEST) on Wednesday 30 September 2009 (unless extended).**

By accepting the offer, you will receive consideration of 9 PF2 A Class Shares for every 10 PF1 A Class Shares subject to the satisfaction or waiver of the conditions of the offer. **If acceptances reach 64%, consideration will also include an additional 2 cents per share.**

PF2's offer for PF1 represents an exceptional opportunity for PF1 shareholders.

The logical alternative for PF1 shareholders is clear:

ACCEPT the PF2 offer.

By accepting the offer you will become a shareholder in a company with double the assets, more shareholders with the potential for greater liquidity in the trading of its shares and reduced overheads per dollar of asset value.

So what do you need to do?



You should support the PF2 offer by sending in your completed acceptance forms accepting the PF2 offer.

ACCEPT THE PF2 OFFER
The PF2 offer is open and is scheduled to close on 30th September 2009
(unless extended).

You may contact the PF2 Offer Information Line on 07 3031 9950 if you need another acceptance form or if you have any questions in relation to the PF2 offer.

Shareholders can contact the company for more information in relation to the above.

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Property Fox No.2 Limited ACN 108 076 295 (PF2)

Section 650D(1) Corporations Act 2001 (Cth) (“Corporations Act”)

Notice of variation – extension of offer period

To: Property Fox No.1 Limited (**PF1**)

National Stock Exchange of Australia Limited (**NSX**)

Australian Securities and Investments Commission (**ASIC**)

Each person to whom offers were made under the takeover bid referred to in this notice.

PF2 gives notice under sections 650D(1) and 630(2)(b) of the Corporations Act that:

- a) it varies its takeover offer dated 18 June 2009 for all of the A Class shares in the share capital of PF1 (Offer), set out in its bidder’s statement dated 18 June 2009 (**Bidder’s Statement**) by extending the period during which the Offer and will remain open so that the Offer will now close at 7:00pm (AEST) on 30 September 2009.
- b) the new date for the purpose of giving notice of status of defeating conditions under section 630 of the Corporations Act will be 23rd September 2009.
- c) the Offer is varied by replacing:
 - “31 August 2009” with “30 September 2009” in Annexure 1, section 4(a) of the Bidder’s Statement (being the closing date for the Offer unless further extended); and
 - “24 August 2009” with “23 September 2009” in Annexure 1, section 7.5 of the Bidder’s Statement (being the new date for the purposes of giving notice of status of defeating conditions under the Offer, unless the Offer is further extended),and making all corresponding changes in the Bidder’s Statement.
- d) as at the date of this notice, so far as PF2 is aware, no conditions of the Offer have been freed or fulfilled.

Withdrawal Rights

In accordance with section 650E of the Corporations Act, as the extension of the Offer results in a total extension of the Offer Period by more than 1 month, those PF1 shareholders who have validly accepted the Offer on or before the date of this notice may withdraw their acceptance by giving notice to Property Fox No.2 Limited (**Withdrawal Notice**) within 1 month beginning on the day after the date on which they receive this notice (**Withdrawal Period**).

PF1 shareholders who withdraw their acceptance must return any offer consideration received for accepting the Offer. A Withdrawal Notice by a PF1 shareholder withdrawing acceptance under section 650E of the Corporations Act must:

- if their securities are in a CHESS Holding:

- be in the form of a valid originating message transmitted to ASTC by the Controlling Participant for that CHESS Holding in accordance with Rule 14.16.1 of the ASTC Settlement Rules; or
- be in the form of a notice to Property Fox No.2 Limited setting out the information that Property Fox No.2 Limited requires to enable it to transmit a Valid Message to ASTC on behalf of the PF1 shareholder in accordance with Rule 14.16.5 of the ASTC Settlement Rules; and
- in any other case, be in writing to Property Fox No.2 Limited.

If a PF1 shareholder is legally entitled to give, and does in fact give, a Withdrawal Notice within the Withdrawal Period, Property Fox No.2 Limited will before the end of 14 days after the day it is given the Withdrawal Notice:

- return to the Property Fox shareholder any documents that were sent by the PF1 shareholder to Property Fox No.2 Limited with acceptance of the Offer; and
- if the PF1 shareholder's securities are in a CHESS Holding, transmit to ASTC a Valid Message that authorises the release of the relevant securities from the Offer Accepted Subposition in which the securities have been reserved in accordance with Rule 14.16.3 or 14.16.5 of ASTC Settlement Rules (as appropriate).

A copy of this notice was lodged with ASIC on 10th August 2009. ASIC takes no responsibility for the contents of this notice.

DATE: 10th August 2009

Signed for and on behalf of Property Fox No.2 Limited by:

A handwritten signature in blue ink, appearing to read "Ben Doyle", with a large, stylized flourish below it.

Benjamin Doyle

A handwritten signature in black ink, appearing to read "Peter Conway", with a large, stylized flourish below it.

Peter Conway

Supplementary Bidder's Statement

made by

Property Fox No.2 Limited

(ACN 108 076 295)

1. Introduction

1.1 About this document

This document is a supplementary bidder's statement dated 10th August 2009 made by Property Fox No.2 Limited ACN 108 076 295 (PF2) under section 643 of the Corporations Act 2001 (Cth)(*Corporations Act*)(the *Supplementary Bidder's Statement*).

This Supplementary Bidder's Statement supplements and is to be read together with the PF2 Bidder's Statement dated 10th August 2009 (the *Bidder's Statement*).

1.2 Important notices

A copy of this Supplementary Bidder's Statement was lodged with ASIC on 10th August 2009. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Bidder's Statement.

This Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Bidder's Statement.

1.3 Defined terms

Words defined in the Bidder's Statement have the same meaning in this Supplementary Bidder's Statement, unless the contrary intention appears.

2. Investment Decision

This supplementary Bidder's Statement should not be taken as personal financial advice, as it does not take into account the individual investment objectives, financial and taxation situation or particular needs of each PF1 A Class shareholder. You may wish to obtain independent financial and taxation advice before making a decision whether or not to accept the Offer and (if you accept the Offer) whether PF2 securities are an appropriate investment for you.

3. Announcements in respect of the Offer

On August 2009, PF2 made an announcement to NSX:

- a) extending the Offer Period; and
- b) that if it is successful in obtaining a relevant interest in 64% or more of Property Fox A Class shares, PF2 will improve the bid consideration by adding 2 cents per A Class Share in addition to the existing consideration which comprises 9 A Class Shares in Property Fox No.2 Limited for every 10 A Class Shares of Property Fox No.1 Limited.

A copy of that announcement is attached as Annexure A.

4. **Director's authorisation**

This Supplementary Bidder's Statement was approved by a unanimous resolution of all of the Directors of PF2 on 10th August 2009.

Signed for and on behalf of Property Fox No.2 Limited.

A handwritten signature in black ink, appearing to read 'Peter Spann', written over a horizontal line.

Chairman

Peter Spann