

EQUITIES & FREEHOLDS

16 November 2009

ASX Limited
Company Announcements Office
Level 10
20 Bond Street
Sydney NSW 2000

Notice under section 708AA(2)(f) of the *Corporations Act* 2001 (Cth)

Equities and Freeholds Limited (**EQF**) has announced a non-renounceable pro rata rights offer to EQF shareholders with registered addresses in Australia or New Zealand to acquire up to 8 new ordinary shares at \$0.25 each for every 1 existing ordinary share held at 7.00 pm (Australian Eastern Daylight Time) on Tuesday 24 November 2009. The offer is underwritten by E. L. & C. Baillieu Stockbroking Limited (**Underwriter**).

The new ordinary shares will be offered for issue without disclosure to investors under part 6D.2 of the *Corporations Act*.

This notice is being given by EQF under section 708AA(2)(f) of the *Corporations Act*.

As at the date of this notice:

(a) EQF has complied with:

- (1) the provisions of chapter 2M of the *Corporations Act* as they apply to EQF; and
- (2) section 674 of the *Corporations Act*; and

(b) there is no information:

- (1) that has been excluded from a continuous disclosure notice given to ASX Limited (**ASX**) in accordance with the ASX Listing Rules; and
- (2) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of EQF; or
 - (B) the rights and liabilities attaching to the new ordinary shares.

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The potential effect that the issue of the new ordinary shares under the rights offer will have on the control of EQF, and the consequences of that effect, will depend on a number of factors including the level of shareholder participation in the offer, which shareholders participate, the extent of any shortfall, which investors the Underwriter procures to apply for any shortfall, and which investors acquire the shares issued to the Underwriter as nominee for foreign shareholders who are not eligible to participate in the offer (if any).

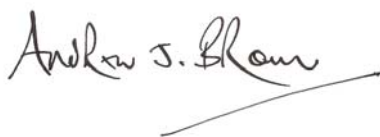
EQF's largest shareholder, Tidewater Investments Limited (**Tidewater**), has indicated it will not take up its entitlement under the rights offer. As a consequence, and assuming all of the shares offered under the offer are taken up by the Underwriter or its sub-underwriters, Tidewater's shareholding in EQF will decrease from approximately 86.5% of the shares on issue to approximately 9.6%.

Because Tidewater is not participating in the rights offer, there will be a large shortfall. Assuming no rights are taken up, there are no foreign shareholders, and the entire shortfall is applied for by the Underwriter and/or its sub-underwriters, they would own approximately 88.9% of the ordinary shares in EQF then on issue.

Among the sub-underwriters are entities controlled by three directors of EQF, Lee laFraté, Jonathan Sweeney and Campbell McComb. Following completion of the rights offer, their various controlled entities will respectively hold approximately 15.27%, 1.53%, and 0.61% of EQF.

Further, EQF understands that the Underwriter intends to allocate the shares among its other sub-underwriters so that no one sub-underwriter will hold more than 20% of EQF's share capital.

Andrew Brown, a director and secretary of EQF, has a small personal shareholding in EQF and he intends to take up the rights attached to that shareholding. He is also an associate of Tidewater because he is a director of that company. Therefore, his voting power in EQF includes the shares in EQF in which he or Tidewater have a relevant interest. Assuming the offer is fully subscribed by the Underwriter or its sub-underwriters, Andrew Brown's voting power in EQF will be in the order of 10%.



Andrew Brown
Director and company secretary