

Monday, 15 May 2006

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 30 April 2006

Month Ending:	% Change	30 April 2006 Consolidated	31 March 2006 Consolidated
Net tangible assets (before tax)		\$26.026m	\$24.288m
Pre-Tax NTA Backing per share	+7.2%	\$1.46	\$1.36
Net tangible assets (after tax)		\$23.669m	\$22.800m
Post-Tax NTA Backing per share	+3.8%	\$1.33	\$1.28
Based on total issued share capital		17,814,389	17,814,389

During the current month (on 7 April 2006), a 1.5 cent per share (fully franked) dividend (totalling \$267,218) was distributed to shareholders. This amount was provided for in the above previous month's NTA backing figures and the current month NTA backing figures stated above are post payment of such cash dividend.

The NTA position comprises the following items:

Net Assets	Current Month \$'millions	Previous Month \$'millions
Investments in listed Associated Entities:		
(a) Shares in Bentley International Limited (BEL)	3.894	4.037
(b) Shares in Scarborough Equities Limited (SCB)	5.125	4.882
Investment in property	3.820	3.820
Investments in other listed securities	10.904	8.728
Investments in unlisted options	0.878	0.676
Net cash / other assets	1.405	2.145
Pre-Tax NTA	26.026	24.288
Tax Provisions:		
(a) Prior year tax	(0.580)	(0.581)
(b) Current year tax	(0.387)	(0.361)
(c) Net deferred tax asset / (liability)	(1.390)	(0.546)
Post-Tax NTA	23.669	22.800

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The Company notes that its investment in other listed securities of \$10.904 million stated above includes an investment of \$3.666 million in ASX and AIM listed oil and gas company Oilex NL (3,984,668 shares at a bid price of 92 cents per share as at 30 April). This holding was acquired at a total cost of \$1.114 million (at an average 28 cents per share) On 5 May 2006, the Company sold 1,000,000 shares on-market, realising gross sale proceeds of \$1.2 million and a gain of \$0.28 million (from the 30 April 2006 carrying value). The balance of the Company's investment has appreciated to \$5.522 million as at 12 May 2006 (2,984,668 shares at a bid price of \$1.85 per share). The appreciation of \$2.776 million from 30 April 2006 to 12 May 2006 plus the realised gain of \$0.28 million is equivalent to an increased NTA backing of \$0.17 per share pre-tax and \$0.12 per share post tax.

Notes for Current Month NTA Position:

- (1) The Company's investments in Associated Entities (i.e. in which the Company has a greater than 20% interest) are accounted for under the equity method in the consolidated financial statements.

Under the equity method, the carrying amount of each such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by each such Associated Entity.

Accordingly, as at 30 April 2006 the Company's:

- (i) 26.38% interest in BEL has a carrying value of \$0.385 per share (\$3.894m); this compares with BEL's last bid price on ASX of \$0.41 per share (\$4.251m) and BEL's after tax NTA backing of \$0.486 cents per share (\$4.719m) at month end;
 - (ii) 27.37% interest in SCB has a carrying value of \$1.011 per share (\$5.125m); this compares with SCB's last bid price on ASX of \$0.81 per share (\$4.232m) and SCB's after tax NTA backing of \$0.9845 per share (\$4.934m) at month end.
- (2) The fair value of the Consolidated Entity's investments in other listed securities are based on each securities' last bid price on market at month end.
- (3) The fair value of the Consolidated Entity's investments in unlisted options, being the following unlisted options in ASX listed Strike Resources Limited (**SRK**), is based on a Black-Scholes options pricing valuation model:
- (a) 1,833,333 options, each to acquire one SRK share at an exercise price of 20 cents, on or before 9 February 2011; and
 - (b) 1,666,667 options, each to acquire one SRK share at an exercise price of 30 cents, on or before 9 February 2011.
- (4) The Consolidated Entity's investment in real property is carried at cost.
- (5) Tax Provision Item (c) includes a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after tax net loss for the month (deferred tax asset).

Further information:

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