

EQUITIES & FREEHOLDS

APPOINTMENT OF DIRECTORS & PROPOSED EXPANSION OF CAPITAL BASE

The Directors of Equities and Freeholds Limited (“EQF” or “the Company”) are pleased to advise the appointment of three new Directors to the board of the Company effective immediately.

Lee laFraté, Campbell McComb and Jonathan Sweeney are all well-known, experienced and respected investment practitioners and will combine with Andrew Brown, the continuing EQF Director, to assist in the expansion of EQF’s capital base, within its current sphere of activity. Stephen Roberts and Richard Ochojski have today retired from the EQF Board, which is extremely grateful for their input and efforts as fiduciaries during their tenure. Biographies of Messrs. laFrate, McComb and Sweeney are appended to this release. Mr. laFraté will become the new Chairman of the Company.

To facilitate the expansion of capital for investment purposes, EQF will seek shareholder approval at the Company’s Annual General Meeting on 16 November 2009, to:

- Distribute most of its residual holding of shares in Adelaide Resources Limited (**ASX: ADN**) on the basis of 4 shares in ADN for every 5 ordinary shares in EQF (“EQF Shares”) in the form of a capital return (“**Capital Return**”);
- Approve a non-renounceable rights offer (“**Rights Offer**”) in the ratio of 8 new EQF Shares for every existing EQF share at a price of \$0.25 per share ex-Capital Return; and
- Approve the proposed issue to the incoming Directors of a total of 3,250,000 options, each of which will entitle the holder to subscribe for one new EQF Share at \$0.35 at any time up to 31 December 2012, subject to the terms of the options.

The Rights Offer is subject to the obtaining of a satisfactory waiver from ASX Listing Rule 7.11.3 for which application has been made.

It is anticipated that the Rights Offer will be fully underwritten by a Participant of ASX Group – a further announcement in this respect will be made upon the signing of the underwriting agreement (“**Underwriting**”).

To facilitate a wider spread of shareholdings and increase liquidity in the Company’s securities, EQF’s largest shareholder, Tidewater Investments Limited (“**Tidewater**”) has said that it will not take up its entitlements under the Rights Offer; as a consequence, Tidewater’s shareholding in EQF will be initially diluted from 86.5% to 9.6% of the expanded capital.

The Rights Offer, if fully subscribed through the proposed Underwriting, will result in the issue of approximately 23,284,056 new EQF Shares, raising approximately \$5.8 million prior to fees and will see EQF’s available investment capital increase from approximately \$560,000 after the distribution of the ADN shares to approximately \$6.1million, plus some minor residual tax credits.

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This significant expansion of EQF's capital base will enable the Company to continue its prevailing investment strategy in ASX listed securities, but also other arenas where opportunities currently exist to acquire securities at a significant discount to their fair value. EQF's Directors continue to see significant pockets of value within the ASX, although feel these are now becoming more strategic and opportunistic in nature. The board also sees scope for smaller investments in unlisted securities, where these relate to ASX listed enterprises, and where synergistic, value liberating opportunities are possible. EQF will continue to report its net asset backing per share on a monthly basis to ASX.

Further details of the Capital Return, Rights Offer and issue of options to the incoming Directors will be contained in the notice of meeting and explanatory statement for the Annual General Meeting. In addition, subject to shareholders approving the Rights Offer, an offer statement and entitlement and acceptance form is expected to be despatched to shareholders shortly after the Annual General Meeting.

EQF has today agreed in principle to acquire a 25% shareholding in Imperium Group Limited ("**Imperium**"), for a nominal figure of \$50,000. Imperium is an unlisted holding company for shareholdings in developing wealth management and financial planning related businesses. Mr. McComb and Mr. laFraté are both shareholders in Imperium, whilst Mr. Comb is also an Imperium Director.

For further information:

Andrew Brown
Chairman
(02) 8258 0011 / 0418 215 255

BIOGRAPHICAL DETAILS OF NEW DIRECTORS

Lee laFraté
B.Bus, FCPA, FFIN

Lee has been in the financial industry for over 27 years, with his experience ranging as principal lecturer at the Securities Institute of Australia on the Australian Stock Market, to stock broking and funds management.

Lee was the founder and chairman of Treasury Group Limited (**ASX: TRG**) from 1997 until 2006. TRG established a number of boutique funds management businesses, which it supported with finance and administrative assistance, and later listed on ASX. During Lee's tenure at TRG, funds under management grew from a minor base to a peak of over \$15billion.

Lee continued and further established AVFM Limited, with its focus being a diversified financial services company, together with Armytage Private Limited, where he is the founding chairman. Armytage Private is a boutique funds management company, and has been operating since 1997.

Prior to establishing these companies, he was a stockbroker at Tolhurst Noall and McKinley Wilson where Lee's expertise spanned retail and wholesale funds management, securities operations, corporate restructuring, capital raisings and mergers and acquisitions. Lee has provided advice on corporate governance and strategic planning issues to a number of institutions.

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Campbell McComb

B.Econ, FFIN

Campbell has developed his extensive investment management and research skills over the past 14 years, working both in Australia and the United Kingdom. Campbell started his career with a smaller companies focus at Providence Funds Management Ltd. He then gained international experience as an investment manager in the asset management division of Greig Middleton Ltd, now a subsidiary of Barclays Plc.

Campbell is currently Investment Director and CEO at Armytage Private Limited. In this role he has been instrumental in building the business from foundation to where it is today, managing over \$200m. He is also a Director of a number of the Armytage Private subsidiary companies as well as being a founding Director of Imperium Group Ltd.

Campbell's achievements in the funds management industry were further highlighted in the recent publication of 'Young Guns on the Sharemarket', a book on Australia's "emerging stars" in the Funds Management sector.

Campbell's expertise spans retail and wholesale funds management, securities operations, corporate restructuring, corporate governance and risk management.

Jonathan Sweeney

BCom LLB CFA

Jonathan is an Executive Director of Equity Real Estate Partners (EREP) a recently established real estate investment management business. Prior to forming EREP with Greg Paramor and Adrian Harrington, Jonathan was the Managing Director of Trust Company Ltd ("**Trust**"), a listed financial services organisation, from October 2000 to December 2008.

Whilst Managing Director, he led Trust through a period of significant change, including initiating operations in Asia, forming a successful joint venture with BNY Mellon and merging with Permanent Trustees.

Jonathan has spent over 20 years working within the financial services industry, firstly in London as a fund manager with Gartmore for five years, returning to Australia with Armstrong Jones before joining Trust in 1991.

Jonathan's expertise spans retail and wholesale funds management, both overseas and within Australia, superannuation trusteeship, corporate governance, mergers and acquisitions, capital raisings and investment advice.

Jonathan holds a Bachelor of Law and a Bachelor of Commerce from the University of New South Wales, is a Certified Financial Analyst and a member of the Australian Institute of Company Directors. Jonathan is a Member of the UNSW Australian School of Business Advisory Council, a Director of The Australian Davis Cup Tennis Foundation and BNY Trust Australia Ltd. He has also served as the President of the Trustee Corporations Association.
