SOUTHERN EQUITY HOLDINGS LIMITED

ABN 48 008 031 034

Level 18 Central Park, 152-158 St George's Terrace, Perth, WA 6000

Phone: +61 8 9288 1777

Fax: +61 8 9288 1778

10 April 2003

The Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Takeover Bid for Alchemist Healthcare Limited Not to Proceed

The Directors of Southern Equity Holdings Limited ("**SEQ** ") refer to their announcement dated 25 February 2003 ("**Announcement**") in respect to SEQ's intention to make a conditional all scrip takeover bid ("**Bid**") for certain securities currently on issue in the unlisted Alchemist Healthcare Limited ("**Alchemist**").

The Directors have been notified by the Board of Alchemist that the bid condition set out in the Announcement relating to completion of the two acquisition agreements ("**Condition**") can no longer be fulfilled as one of the acquisition agreements will not be completed on its terms.

The Directors of Southern Equity have not waived and do not intend to waive the Condition. Consequently, Southern Equity will not make offers under the Bid to Alchemist security holders.

The Boards of Southern Equity and Alchemist intend to commence discussions to explore other merger alternatives. The market will be kept informed as to the outcome of those discussions.

Yours faithfully

N J Bassett
Company Secretary