EQUITIES & FREEHOLDS

FINAL RESULTS – YEAR TO 30 JUNE 2009

PROPOSED DISTRIBUTION OF SHARES IN ADELAIDE RESOURCES LIMITED

Equities and Freeholds Limited ("**EQF**" or "**the Company**") has recorded a pre-tax loss of $769,614 for the year to 30 June 2009. This compares to the loss of $464,979 in the corresponding year to 30 June 2008, and reflects the severe downdraft in financial markets over the first six months of the 2009 fiscal year, during which period the S&P/ASX All Ordinaries Accumulation index declined by 29.7%. The second six month period from January to June 2009 has been more optimistic, reflected in a gain of 10.7% in the S&P/ASX All Ordinaries Accumulation index over this six month spell; as a consequence EQF recorded a pre- tax profit of $177,000 in the second half of the year.

The significant losses described in the interim results arose as a consequence of three factors:

- Declines in the net asset values of listed investment and real estate companies in which EQF had invested;
- A further blow-out in the discounts to net asset value at which the securities of these companies were publicly traded; and
- The use of debt within EQF which accentuated the gross portfolio losses to higher percentages for equity holders.

In the second half of the financial year, EQF reduced its financial gearing, by means of reducing its margin loan drawdown; this was partly forced upon the company by the removal from approved lending list of certain securities held by EQF as well as a general; reduction in gearing ratios made available by such lenders. However, the potentially negative impact of this on shareholders was nullified by the performance of our underlying investments, notable Adelaide Resources Limited ("**ARL**") and Allco Equity Partners, now renamed Oceania Capital Partners.

The increase in value of ARL, its future prospects and its differing nature have led the board of Directors to agree to an in-specie distribution of the bulk of our shares in ARL to EQF shareholders. This will involve a capital return of approximately 20cents per share to be met by the distribution of two ARL shares for every EQF share. The distribution is subject to both shareholder approval and confirmation by the Australian Taxation office that the payment is a return of capital and not a dividend.

The Directors of EQF have a variety of opportunities to subsequently expand the base of EQF upon this distribution taking place and hope to be in a position to disclose such initiatives prior to the Company's AGM.

For further information:

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