Tuesday, 5 July 2005

MARKET ANNOUNCEMENT

Company Update

General Meeting Approvals

The Company is pleased to advise that after obtaining Altera Capital Limited (AEA) shareholder approval on 30 June last week, AEA has completed the disposal of 698,718 Scarborough Equities Limited (SCB) shares to Central Exchange Limited (CXL).

AEA shareholders have also approved a Return of Capital comprising an in-specie distribution of all of the estimated 1,474,307 shares in CXL expected to be received by the Company from a return of capital approved by shareholders of Sofcom Limited (SOF) on 30 June 2005 - AEA has a 81.23% interest in SOF - and all of the Company's shareholding in SOF.

SOF has provided a similar update to its shareholders concerning the components and estimated value of its return of capital.

Sale of SCB Shares

The Company has received $147,639 cash consideration from the sale of its 698,718 SCB shares to CXL pursuant to settlement of CXL's exercise of its option under the SCB Option Deed.

Amount and Source of Return of Capital

The Return of Capital (ROC) will comprise an in-specie distribution of all of the estimated 1,474,307 shares in CXL expected to be received by the Company from a return of capital to be undertaken by SOF and all of the 36,258,535 SOF shares currently held by AEA.

Shareholders will be entitled to participate in the Return of Capital in the same proportion as their shareholding in the Company as at the record date (midnight 8 July 2005). For example, if a shareholder has a 1% interest in AEA, it will receive approximately 1% of the Company's estimated 1,474,307 shareholding in CXL and 1% of the Company's 36,258,535 shareholding in SOF.

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The table below outlines the CXL and SOF shares components of the Return of Capital and their estimated valuations as noted therein.

CXL shares component of ROC	1,474,307
Value of CXL shares at market (1)	$796,126
AEA's SOF shares to be distributed to AEA shareholders	36,258,535
Value of SOF shares post SOF return of capital at NTA backing (2)	$40,610
Total value of ROC	$925,194
ROC per share	1.35 cents
(The ROC value per share based on the NTA backing of CXL shares (3) and SOF shares (2)	2.52 cents)

Under the ROC, AEA shareholders will receive SOF and CXL shares in proportion to their shareholding in AEA:

Illustrative Distribution Schedule:

Total AEA Shares Held	No. of CXL Shares	Value of CXL Shares at Market	Value of CXL Shares at NTA Backing	No. of SOF Shares	Value of SOF Shares at NTA Backing
1,000,000	23,772	$12,837	$24,587	584,633	$655
500,000	11,886	$6,418	$12,294	292,316	$327
100,000	2,377	$1,284	$2,459	58,449	$65
50,000	1,188	$642	$1,229	29,224	$33
25,000	594	$321	$614	14,612	$16
10,000	237	$128	$245	5,838	$7
5,000	119	$64	$123	2,937	$3
1	0.0238	$0.0128	$0.0246	0.5846	$0.0007

(1) This may change as at the date of the Return of Capital - based on CXL's closing price on ASX on 4 July 2005 of $0.54 per share

(2) This may change as at the date of the Return of Capital - based on an assumed SOF NTA backing (post SOF return of capital) of 0.11 cents per share (based on an estimated $50,000 net cash reserves)

(3) Based on CXL's 31 May 2005 NTA (post tax) backing of $1.0343 per share

Updated Indicative Timetable for Return of Capital

Event	Date
Record Date for determining entitlements to participate in the Return of Capital	Midnight on 8 July 2005
Transfer of CXL shares to SOF shareholders (which includes AEA) under the SOF Return of Capital	12 July 2005 *
Distribution of cash to SOF shareholders (which includes AEA) under the SOF Return of Capital	18 July 2005 *
Transfer of CXL and SOF shares to AEA shareholders the subject of the Return of Capital	19 July 2005 *
Despatch of Return of Capital Distribution Statements to AEA shareholders	22 July 2005 *
Despatch of holding statements to AEA shareholders in respect of their CXL and SOF shareholdings received under the Return of Capital	22 July 2005 *

* Indicative dates only, which is subject to change.

Payment of Legal Cost Settlements

On 30 June 2005, SOF paid (on behalf of SOF, Fast Scout Limited (FSL) and AEA):

(1) $389,985.25 (being the settlement sum of $382,500 plus accrued interest) to Scarborough Equities Limited; and

(2) $313,482.19 (being the settlement sum of $310,000 plus accrued interest) to solicitors for Alan Davis Group Pty Limited (ADG),

pursuant to the previously agreed settlement of legal costs orders in relation to the proceedings initiated by SCB (formerly Rivkin Financial Services Limited) against SOF, FSL and AEA in July 2004 and the counter-claims of SOF, FSL and AEA against SCB, ADG, former SCB Managing Director, Alan Andrew Davis, Network Limited and Cole Kablow Superannuation Pty Ltd.

Such payment concludes all outstanding matters between the parties to the litigation.

The above settlement costs are shared between SOF/FSL/AEA in proportion to each company's relative interest in their collective stake in SCB (prior to the sale of shares to CXL as described above) - SOF's share is 67%; FSL's share is 18% and AEA's share is 15%. Accordingly, AEA is liable to pay its share (approximately $105,520) of the above payment to SOF.

Further information:

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