fatprophets™ australia fund limited

ESTIMATED NTA PER SHARE AFTER OPTION EXERCISES

On 29 April 2008, Fat Prophets Australia Fund Limited ("**Fat Fund**") lodged an Appendix 3B in respect of approximately 1.23million April 2008 options exercised prior to their expiry. The options had an exercise price of $1.00 per share, and as a consequence, are dilutive to the net tangible asset backing ("**NTA**") per share of Fat Fund.

However, since the quantum of options exercised in the month of April 2008 was small, totaling only 1,253,197 against a starting month capital base of 31,459,974 ordinary shares, the dilutive impact of this 4% expansion of capital is relatively minor.

During the month of April 2008, the sub-contract manager of Fat Fund, Tidewater Asset Management Pty. Limited ("**Tidewater**") believes the Fat Fund's portfolio has performed in line with its benchmark S&P/ASX 300 Accumulation index which returned 4.5% during April 2008.

On this basis, the pre tax NTA/share of Fat Fund, calculated in line with ASX Listing Rule 19.12, at 30 April 2008 is expected to be approximately $1.206; the post tax NTA/share is expected to be approximately $1.175.

These NTA/share calculations illustrate that the quantum of options exercised during the month of April 2008 has had a very modest impact on diluting NTA/share by only 0.75 – 0.85cents depending on the tax measure used.

At the prevailing share price of $0.995, the Fat Fund continues to trade at one of the highest discounts to NTA of any Australian equity based listed investment company, particularly when consideration is given to the current 60% weighting to securities contained within the S&P/ASX 100 index, allied to recent dividend and capital management policies.

The usual unaudited monthly NTA statement for 30 April 2008, prepared by White Outsourcing Pty. Limited, the Fat Fund's administrator, will be released together with fund commentary, prior to 15 May 2008.

Andrew Brown[a] & Steve O'Hanna[a] 1 May 2008
On behalf of Fat Prophets Funds Management Australia P/L

a: Andrew Brown and Steve O'Hanna are employees of Tidewater Investments Limited. A controlled entity of Tidewater Investments Limited, Tidewater Asset Management P/L (AFSL# 302802) currently manages the Fat Fund under a sub-contract agreement dated 24 May 2007.