ORION
EQUITIES LIMITED

Friday, 13 October 2006

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 30 September 2006

Month Ending:	% Change	**30 September 2006 Consolidated**	31 August 2006 Consolidated
Net tangible assets (before tax)		**$33.027m**	$29.407m
Pre-Tax NTA Backing per share	+12.3%	**$1.85**	$1.65
Net tangible assets (after tax)		**$29.360m**	$26.995m
Post-Tax NTA Backing per share	+8.8%	**$1.65**	$1.52
Based on total issued share capital		**17,814,389**	17,814,389

The current month NTA backing includes a provision for a 3 cent per share (fully franked) final dividend announced by the Company on 12 September 2006. The record date for the final dividend is 12 October 2006 with payment to be effected on 19 October 2006.

The NTA position comprises the following items:

Net Assets	**Current Month $'millions**	Previous Month $'millions
Investments in listed Associated Entities:		
(a) Shares in Bentley International Limited (**BEL**)	4.317	4.276
(b) Shares in Scarborough Equities Limited (**SCB**)	5.504	5.402
Investment in property	3.822	3.822
Investments in other listed securities	13.098	12.816
Investments in unlisted options	4.293	2.367
Net cash / other assets / provisions	1.993	0.724
Pre-Tax NTA	**33.027**	**29.407**
Tax Provisions:		
(a) Prior year tax	(0.121)	(0.121)
(b) Current year tax	(0.588)	(0.282)
(c) Net deferred tax asset / (liability)	(2.959)	(2.009)
Post-Tax NTA	**29.360**	**26.995**

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Notes for Current Month NTA Position:

(1) The Company's investments in Associated Entities (i.e. in which the Company has a greater than 20% interest) are accounted for under the equity method in the consolidated financial statements.

Under the equity method, the carrying amount of each such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by each such Associated Entity.

Accordingly, as at 30 September 2006 the Company's:

(i) 28.382% interest in BEL has a carrying value of $0.3828 per share ($4.317m); this compares with BEL's last bid price on ASX of $0.40 per share ($4.454m) and BEL's after tax NTA backing of $0.5051 cents per share ($5.696m) at month end;

(ii) 28.346% interest in SCB has a carrying value of $1.0050 per share ($5.504m); this compares with SCB's last bid price on ASX of $0.86 per share ($4.682m) and SCB's after tax NTA backing of $0.9891 per share ($5.416m) at month end.

(2) The fair value of the Consolidated Entity's investments in other listed securities are based on each securities' last bid price on market at month end.

(3) The fair value of the Consolidated Entity's investments in unlisted options, being the following unlisted options in ASX listed Strike Resources Limited (**SRK**), is based on a Black-Scholes options pricing valuation model:

(a) 1,833,333 options, each to acquire one SRK share at an exercise price of 20 cents, on or before 9 February 2011; and

(b) 1,666,667 options, each to acquire one SRK share at an exercise price of 30 cents, on or before 9 February 2011.

This valuation has been calculated using the Black-Scholes option pricing model applying the following assumptions:

(i) SRK's share price being 140 cents (the last bid price as at 30 September 2006). The Company notes that SRK's last bid price was $1.80 as at 13 October 2006;

(ii) A risk free rate of return of 6.19% (based on the Commonwealth 10 year bond rate as at 31 August 2006).

(iii) An estimated future volatility of SRK's share price of 60%.

(4) The Consolidated Entity's investment in real property is carried at cost.

(5) Tax Provision Item (c) includes a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after tax net loss for the month (deferred tax asset).

Further information:

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