ORION EQUITIES LIMITED

Friday, 12 October 2007

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 30 September 2007

Month Ending:	% Change	**30 September 2007 Consolidated**	31 August 2007 Consolidated
Net tangible assets (before tax)		$40.783m	$36.690m
Pre-Tax NTA Backing per share	**11.16%**	**$2.2893**	**$2.0596**
Net tangible assets (after tax)		$35.565m	$31.997m
Post-Tax NTA Backing per share	**11.15%**	**$1.9964**	**$1.7961**
Based on total issued share capital		17,814,389	17,814,389

The previous month's NTA backing includes a provision for a 2 cents per share fully franked final dividend (at a total cost of $356,288) announced by the Company on 3 September 2007. The record date for such dividend was 17 September 2007 with payment effected on 21 September 2007.

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**)	4.575	4.824
(b) Shares in Scarborough Equities Limited (**SCB**)	7.244	6.776
Investments in other listed securities	12.763	11.866
Investments in unlisted options	6.948	5.284
Investment in property	3.821	3.821
Investment in Koorian Olive Grove	2.643	2.643
Provision for dividend	(0.028)	(0.385)
Net cash / other assets / provisions	2.819	1.861
Pre-Tax NTA	**40.783**	**36.690**
Tax Provisions:		
(a) Prior year tax	(0.664)	(1.332)
(b) Current year tax	(0.182)	(0.098)
(c) Net deferred tax asset / (liability)	(4.373)	(3.262)
Post-Tax NTA	**35.565**	**31.997**

www.orionequities.com.au

ASX Code: OEQ

ORION EQUITIES LIMITED

A.B.N. 77 000 742 843

Level 14, 221 St Georges Terrace, Perth WA 6000

T | + 61 (8) 9214 9797 **F** | + 61 (8) 9322 1515 **E** | info@orionequities.com.au

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 2007 the Company's:

(i) 28.80% interest in BEL has a carrying value of $0.3948 per share ($4.575m); this compares with BEL's last bid price on ASX of $0.375 per share ($4.345m) and BEL's after tax NTA backing of $0.4897 cents per share ($5.675m) at month end;

(ii) 28.56% interest in SCB has a carrying value of $1.2890 per share ($7.244m); this compares with SCB's last bid price on ASX of $1.080 per share ($6.069m) and SCB's after tax NTA backing of $1.2766 per share ($7.174m) 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 $2.18 (the last bid price as at 28 September 2007). The Company notes that SRK's closing price was $2.38 on 12 October 2007;

(ii) A risk free rate of return of 6.40% (based on the 5 year bond yield as at 28 September 2007).

(iii) An estimated future volatility of SRK's share price of 65%.

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

(5) The Consolidated Entity's investment in the Koorian Olive Grove comprise a 143 hectare property, approximately 64,500 (8 year old) olive trees, an appoximately one gigalitre per annum water licence (carried at cost) and depreciable plant and equipment and other grove related infrastructure.

(6) 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:

Farooq Khan Chairman	**T |** (08) 9214 9797 **E |** fkhan@orionequities.com.au
Victor Ho Company Secretary	**T |** (08) 9214 9797 **E |** vho@ orionequities.com.au