Allens Arthur Robinson

Date 1 November 2005

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From Richard Kriedemann / Andrew Wong

To **The Manager,** Company Announcements Office, Australian Stock Exchange, Sydney

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Sydney NSW 2000
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Australia
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Dear Sir / Madam

News Limited – Takeover Offer for realestate.com.au Limited (*REA*)

On behalf of News Limited, we attach a letter to REA shareholders and optionholders notifying them of the automatic extension of the takeover offer by News Limited for REA.

Yours faithfully

Richard Kriedemann
Partner
Richard.Kriedemann@aar.com.au
Tel 61 2 9230 4326

Andrew Wong
Lawyer
Andrew.Wong@aar.com.au
Tel 61 2 9230 4141

Attach

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News Limited

31 October 2005

Dear realestate.com.au investor

NEWS LIMITED NOW HAS MORE THAN 50% OF REA'S SHARES.

NEWS LIMITED'S OFFER FOR YOUR REA SHARES HAS BEEN EXTENDED TO CLOSE ON FRIDAY 11 NOVEMBER 2005.

News Limited (***News***) has made you an unconditional cash Offer for your shares in realestate.com.au Limited (***REA***) at $2.50 per share. News has acquired a majority holding in REA on 28 October 2005.

News gives notice under section 624(2) of the Corporations Act that News' Offer has been automatically extended by 14 days so that it is now scheduled to close at 7.00pm (Sydney time) on Friday 11 November 2005.

If you have not yet accepted News' Offer of $2.50 cash per REA share, we urge you to do so as soon as possible. Our Offer price of $2.50 cash per REA share is final and will not be increased again.

You can accept News' Offer by completing the Acceptance Form which accompanies this letter (or by completing the Acceptance Form previously sent to you). If you hold REA shares through your broker, you should call your broker if you wish to accept.

REA optionholders

You may be entitled, or may become entitled prior to the expiry of the Offer, to exercise some or all of your REA Options. If you exercise REA Options and are issued REA ordinary shares before the expiry of the Offer, you will be able to accept the Offer in respect of those REA ordinary shares.

If you wish to accept the Offer in respect of those REA ordinary shares, simply complete the enclosed Acceptance Form and return it in the envelope sent to you with the bidder's statement (pre-paid in Australia). When completing the Form, you must insert in the box titled "Your holding in realestate.com.au Limited" the number of REA ordinary shares you hold. Your completed Form must be received at the Adelaide office of Computershare Investor Services Pty Limited by no later than the close of the Offer at 7.00pm (Sydney time) on 11 November 2005.

Yours sincerely

John Hartigan
Chief Executive Officer

Transfer and Acceptance Form - Cash Offer

This is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional advisor.

Use this form to accept News Limited's Offer for your realestate.com.au Limited shares

A

B Consideration

The consideration applicable under the terms of this Offer

Securityholder details	
Subregister	
Your holding in realestate.com.au Limited	
Cash consideration payable to you at $2.50 per share (assuming you accept the Offer for your entire holding)	$

C To be completed by securityholder

Issuer Sponsored Holdings

If you hold your realestate.com.au Limited shares in an Issuer Sponsored Holding (see "Subregister" above), to accept the Offer you will need to sign and return this form. If you wish to accept the Offer for less than your entire holding, please specify below the number of realestate.com.au Limited shares the subject of your acceptance:

realestate.com.au Limited shares

You will be deemed to have accepted the Offer for your entire holding if you do not specify a lesser number.

CHESS Holdings

If you hold your realestate.com.au Limited shares in a CHESS Holding (see "subregister" above), to accept the Offer you can either:

- Instruct your Controlling Participant directly - normally your stockbroker

or

- Authorise News Limited to inform your Controlling Participant of your instructions for the Controlling Participant to accept on your behalf, which you can do by signing and returning the form. By signing and returning the form you will be deemed to have authorised News Limited to inform your Controlling Participant of your instructions

In either case, you will be deemed to have accepted the Offer for your entire holding if you do not specify a lesser number in instructions received from your Controlling Participant.

D Contact details

Please provide your contact details in case we need to speak to you

Name of contact person

Contact person's daytime telephone number

E Sign here - this section must be signed before we can process this form.

I/We accept the Offer made by News Limited in respect of ordinary shares in realestate.com.au Limited. I/We hold and I/we agree to be bound by the terms and conditions of the Offer *(including the instructions as to acceptance of the Offer on the back of this form)* and transfer those of my/our realestate.com.au Limited shares to News Limited for which I/we have accepted the Offer for the consideration specified in the Offer.

Individual or Securityholder 1	**Individual or Securityholder 2**	**Individual or Securityholder 3**
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

The directors reserve the right to make amendments to this form where appropriate. Please refer to the lodgement instructions overleaf.

Dated 2005

See back of form for completion guidelines

How to complete this form

Acceptance of the takeover offer

A Registration Details

The shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the names as it appears on the realestate.com.au Limited register.

If you have already sold all your realestate.com.au Limited shares shown overleaf, do not return this form. Please send this form to the broker who sold them for you.

B Consideration

The cash consideration payable under the takeover Offer is $2.50 per share.

C How to accept the Offer

Issuer Sponsored Holdings

If your realestate.com.au Limited shares are held in an Issuer Sponsored Holding, simply complete and return this form to the News Limited Registry so that it is received by no later than 7.00pm (Sydney time) on 11 November 2005, unless extended. If you wish to accept for less than your entire holding, you will need to specify the number of realestate.com.au Limited shares for which you wish to accept the Offer. Otherwise, you will be deemed to have accepted the Offer for your entire holding.

CHESS Holdings

If your realestate.com.au Limited shares are in a CHESS holding, you may **contact your Controlling Participant** directly (normally your stockbroker) with instructions to accept the Offer. If you do this, you will need to sign and return this Transfer and Acceptance Form to your Controlling Participant. If you want News Limited to contact your Controlling Participant on your behalf via the CHESS system, sign and return this form to the News Limited Registry so that it is received no later than 7.00pm (Sydney time) on 11 November 2005 unless extended.

If you return this Transfer and Acceptance Form to the Registry so that News Limited may inform your Controlling Participant of your instructions for the Controlling Participant to accept on your behalf, you warrant to News Limited (and authorise News Limited to warrant on your behalf) that you have full legal and beneficial ownership of the realestate.com.au Limited shares and that News Limited will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

In either case, you will be deemed to have accepted the Offer for your entire holding if you do not specify a lesser number in instructions received from your Controlling Participant.

Neither News Limited or Computershare Investor Services will be responsible for any delays incurred by this process. You should allow sufficient time for the preferred party to initiate the acceptance of the Offer on your behalf.

D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the News Limited registry. Alternatively, attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, if not already noted by the News Limited registry, a certified copy of Probate or Letters of Administration must accompany this form.

Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.

Lodgement of Transfer and Acceptance Form

This Transfer and Acceptance Form must be received at the Adelaide office of Computershare Investor Services Pty Limited by no later than 7.00pm (Sydney time) on 11 November 2005. Return this Transfer and Acceptance Form to:

Postal Address	OR	Hand Delivery
Computershare Investor Services Pty Limited GPO Box 1903 Adelaide SA 5001		Computershare Investor Services Pty Limited Level 5 115 Grenfell Street Adelaide SA 5000

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au. Please note this form may not be used to change your address.

Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box 1903
Adelaide SA 5001