



BIRON
CAPITAL LIMITED

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5th August 2004

The Manager
Company Announcements
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

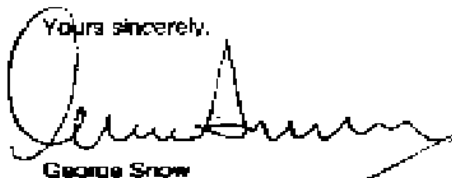
Dear Sir

Re: Proposed Capital Return of \$ 0.28 per share

The Board has reviewed the preliminary financial results for the year ending 30 June 2004 and following recent deliberations regarding the strategic alternatives available to the company, the Directors wish to advise that they propose to seek shareholder approval to make a capital return of \$ 0.28 per fully paid ordinary share. The proposed capital return is subject to the finalisation of the company's 2004 Financial Statements, which are currently in the process of being audited.

The Board intends to seek shareholder approval for the proposed capital return in early October 2004. Preliminary unaudited results to date indicate that the approximate Net Asset Value (NTA) of the company as at 30 June 2004 is 38 cents per share and based on a capital return of 28 cents per share, the company proposes to operate a more efficient and reduced loan book. The NTA post the capital return will be approximately 10 cent per share.

Further details concerning the proposed capital return will be provided with the release of the company's audited accounts in September 2004.

Yours sincerely,

George Snow
Executive Chairman