



W R F
SECURITIES LTD

GROUND FLOOR
50 COLIN STREET
WEST PERTH WA 6005

PO BOX 1099
WEST PERTH WA 6872

TELEPHONE: 61 8 9321 9422

FACSIMILE: 61 8 9321 9433

EMAIL:
admin@wrf.com.au

INTERNET:
www.wrf.com.au

ABN: 79 000 714 054

12 December 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Subdivision Syndicate Update

Southern River Subdivision Syndicate

The Company is pleased to advise that a recently completed valuation has increased the value of the properties forming this syndicate from \$12.5m to \$18m. The indicated Internal Rate of Return (IRR) for the existing investors has been recalculated showing a potential return of 30% pa over the life of the syndicate.

The syndicate is in the process of acquiring a further property adjoining the existing properties for \$3.4m. Due diligence has been completed and additional funding has been arranged with the National Australia Bank. The settlement will take place on the 21 December 2006.

With the additional property the total subdivision will increase from 260 to 305 housing lots and one commercial lot. As a result of this additional purchase the manager has decided to raise a further \$3m of capital to reduce the borrowings from approximately 40% Lending Value Ratio (LVR) to 25% LVR. A supplementary Product Disclosure Statement is currently being prepared and will be available shortly.

The new finance structure will enable the syndicate to add adjoining properties should they become available. Additional land provides economies of scale for the syndicate which in turn will improve returns to our investors.

On the 28 November 2006, the Gosnells City Council approved rezoning of the land to development zoning which is a major step forward. The development is expected to commence in the latter part of 2007.

The Henley Brook Subdivision Syndicate is another subdivision syndicate with approximately 440 housing lots established in December 2005. The land is currently being revalued with the expectation of a significant increase over the initial valuation. Investors will be advised as soon as the revaluation has been received.

As part of diversifying our portfolio we are examining a number of opportunities in Victoria, Queensland and Western Australia as they become available.

Yours sincerely

Rob Nichevich
Executive Chairman

WRF is a boutique fund manager with approximately \$300m in funds under management. For more information on the syndicates please contact Suzanne Barrett, WRF Marketing Director on 1300 55 55 88.