

CIRCULAR TO: **FULL PARTICIPANTS**
ASSOCIATE PARTICIPANTS

NO. 185/00

INCLUSION OF SFE SHARES IN NET TANGIBLE ASSETS

Further to Circular No. 167/00, all Participants will have received their Share Certificates which disclose the allotment of ordinary shares in SFE in accordance with Schedule 1 of the Scheme of Arrangement. As Participants will be aware, the Monthly Statement of Financial Position (the Return) for the month ending 30 September 2000 is due to be lodged with the Exchange by 31 October 2000.

The purpose of this Circular is to provide guidance to the valuation of shares in the SFE for inclusion in the Return. Participants are referred to the Exchange's Rules and Practice Note 25 which define Net Tangible Assets. This definition states that assets are valued at the lower of cost or market. Based on the mid point of the independent valuation of the SFE (\$144MIL) provided by Grant Samuel, the Exchange has determined that shares should be assumed to be \$1.32 per share for the purpose of inclusion in the Return if valuing at cost.

Should you have any queries in relation to this matter, please do not hesitate to contact Ms Bianca Hanley, Financial Analyst on 9256 0568.

MICHELLE WAGNER
MANAGER - COMPLIANCE

12 OCTOBER 2000