

MARKET ANNOUNCEMENT

Net Tangible Asset Backing - 30 June 2006

Month Ending:	%Change	Current Month 30 June 2006	Previous Month 31 May 2006
Pre-Tax NTA Backing per share (cents) ⁽¹⁾	-2.51%	\$1.0690	\$1.0958
Post-Tax NTA Backing per share (cents) ⁽²⁾	-2.74%	\$0.9826	\$1.0095
Based on total issued share capital		19,087,743	19,087,743

The NTA position (post-tax) comprises the following items:

Net Assets	Current Month \$'millions	Previous Month \$'millions
Investment in the FSP Equities Leaders' Fund (FSP Fund) managed by the Company's investment manager, FSP Equities Management Limited (FSP) ⁽¹⁾	16.86	16.86
Shares in Drillsearch Energy Limited (DLS) ⁽³⁾	3.50	4.06
Provision for income tax ⁽²⁾	(1.65)	(1.65)
Net cash on deposit / other assets	0.05	(0.01)
Total Net Assets	18.76	19.26

About The FSP Equities Leaders' Fund (FSP Fund) ⁽⁴⁾

The 12 month net performance of the FSP Fund to 30 June 2006 was 25.1%. The benchmark performance (S&P/ASX 200 Accumulation Index) was 23.9%.

The FSP Fund is a wholesale fund not open to retail investors. The investment management team is led by Mr Ronni Chalmers. The objective of the fund is to outperform the S&P/ASX 200 Accumulation Index over the medium term. There is no minimum equity weighting with the equity weighting as at 31 December 2005 being 94% with the balance in cash and listed fixed interest securities. 75% of the equity portfolio is targeted to companies contained within the S&P/ASX 200 index. The remaining 25% of the portfolio is invested in companies outside of the S&P/ASX 200 index. The equity portfolio contains approximately 100 holdings. The cash component of the portfolio will contain other listed fixed interest holdings that include preference shares, convertible notes or hybrid securities. The Investment Manager is style neutral and invests in growth stocks, value stocks, stocks with maintainable dividend yields and special situations.

ABN 58 061 287 045

Registered Office:

Suite 202, Angela House
30-36 Bay Street
Double Bay New South Wales 2028
T | (02) 9363 5088
F | (02) 9363 5488
E | info@scarboroughequities.com.au
W | www.scarboroughequities.com.au

ASX Code: SCB



Company Secretarial Office:

Level 14, The Forrest Centre
221 St Georges Terrace
Perth, Western Australia 6000
Local T | 1300 762 678
T | (08) 9214 9717
F | (08) 9322 1515
E | info@scarboroughequities.com.au

Notes:

1. NTA backing is calculated for SCB and its controlled entities (**SCB Group**).

The SCB Group's investments are financial assets which are measured at fair value at month end. The fair value of listed securities are measured at bid price (where available) and last sale price (where bid price is not available) at month end and excludes disposal costs. The fair value of the Company's investment in the FSP Fund is valued at the unit price at month end published by FSP - such unit price reflects the net tangible asset backing of the fund and no buy/sell spread or exit fees are charged to the Company.

The 30 June 2006 unit price is cum income entitlements expected to be paid in July 2006.

2. The post-tax NTA backing per share is reported net of provision for tax liabilities on the SCB Group's net profit (including after any realised and unrealised gains on investments) after consolidation.
3. 23,300,000 DLS shares at 15.0 cents each as at 30 June 2006 (31 May 2006: 23,887,409 shares at 17.0 cents each). During June 2006, the Company sold 587,409 DLS shares on-market realising net proceeds of \$75,029.
4. Based on information provided by the Investment Manager, FSP Equities Management Limited.

For further information:

Farooq Khan
Chairman
T | 1300 762 678
E | fkhan@scarboroughequities.com.au

Victor Ho
Company Secretary
T | 1300 762 678
E | vho@scarboroughequities.com.au