



OPENING OF SPECIALIST UNIT TRUST

Tidewater Investments Limited ("**Tidewater**" or "**the Company**") via its wholly owned subsidiary Tidewater Asset Management Pty. Limited ("**TAM**") has formally opened a new specialist unlisted Australian equity unit trust - Tidewater Share Income Fund ("**the Fund**").

The Fund's structures were formally put in place on 29 June 2007. The Fund will only become publicly available upon the release of a finalised Product Disclosure Statement, which is expected to be available before the end of July 2007.

Tidewater has appointed Equity Trustees Limited (ASX code: EQT) as responsible entity to the Fund, with fund accounting being performed by White Outsourcing Pty. Limited. To facilitate the smooth operation of the Fund in its early stages, Tidewater will be seeding the Fund to a value of up to \$1million.

'Micro-cap' and smaller company stocks will form a significant component of the Fund's portfolio and, together with some of the larger financial services, property and other selected stocks, will be managed to aim for an income distribution of 5-7% per annum and capital growth. TAM is a value-oriented investor and this Fund will maintain a defensive approach to Australian equities exposure. The Fund will be benchmarked against the S&P/ASX 300 Accumulation Index but is expected to behave with less volatility. Some preference shares and other hybrid securities will be utilised from time to time to underpin the distribution stream.

A copy of the Press Release to the trade media is attached.

For further information:

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Note:

Tidewater Asset Management Pty. Limited is the holder of Australian Financial Services Licence Number 302802

Tidewater Share Income Fund is a Managed Investment Scheme ARSN: 125 760 232

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PRESS RELEASE - FOR IMMEDIATE RELEASE (5/7/07)

Tidewater Investments Limited Announces Launch of Tidewater Share Income Fund

Tidewater Investments Limited, a publicly listed company, today announced the launch of its first unlisted unit trust product, the Tidewater Share Income Fund. Andrew Brown, former Head of Equities at Rothschild Australian Asset Management Limited, established Tidewater in 2003. Since mid 2006, Tidewater has refocused on principal investments in smaller financial service companies and managing funds for external parties, most notably the \$47 million listed investment company, Fat Prophets Australia Fund Limited. Today marks Tidewater's entrée into the unlisted managed fund arena. The Tidewater Share Income Fund is a defensive Australian equities product with the objective of achieving regular income and capital growth through investments in listed shares. The Fund will have a bias towards companies with the capacity to pay fully franked distributions to shareholders, and will invest across the full spectrum of securities from large blue chip financial service stocks to "micro-cap" companies.

"This is an exciting milestone for Tidewater and we are looking forward to participating in the retail and mezzanine investment arenas again after having spent the previous 3 years more focused on internal strategic investments and establishing a strong capital base", said Andrew Brown, Managing Director and Investment Principal at Tidewater Investments. "Last month we announced a strong profit for the first nine months of the 2007 fiscal year and an extension of our contract to manage the Fat Prophets Australia Fund until April 2010. With the launch of the new Fund, the Tidewater Share Income Fund, we believe we are well on track to building a diversified and consistent funds management business. We now have over \$60 million of internal and external funds under management and believe that we can grow this substantially over the coming year" Brown added.

The Tidewater Share Income Fund will invest in Australian companies that are not well researched by the market. 'Micro-cap' and smaller company stocks will form a significant component of the portfolio and, together with some of the larger financial services, property and other selected stocks, will be managed to achieve an income distribution of 5-7% per annum and capital growth. Tidewater is a value-oriented investor and this Fund will maintain a defensive approach to Australian equities exposure. The Fund will be benchmarked against the S&P/ASX 300 Accumulation Index but is expected to behave with less volatility. Some preference shares and other hybrid securities will be utilised from time to time to underpin the distribution stream.

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The Share Income Fund focuses on identifying undervalued companies as well as those expected to pay consistent tax effective dividends. This feature makes it particularly suitable for margin lending schemes, self managed superannuation investors soon to be in the draw-down phase of their fund and any investor looking to maintain Australian equities exposure but wanting to take a more conservative approach to stock selection.

About Tidewater Investments Limited

Tidewater Asset Management Pty Limited is the Investment Manager of the Tidewater Share Income Fund. It is a wholly owned subsidiary of the publicly listed investment company, Tidewater Investments Limited (TDI) which was established in July 2003. TDI is a specialist investment company which has an objective of building shareholder wealth through investment in smaller financial service companies, including product partners, and creating and managing specialist investments through listed and unlisted vehicles.

Tidewater has a strong ethic of partnering with like-minded businesses and service providers. As of 30 June 2007, the Group managed in excess of \$60m in Australian equities internally and on behalf of its clients including holding the sub-contract management rights until April 2010 for the Fat Prophets Australia Fund Limited, a listed investment company.

About Andrew Brown

Andrew Brown is the Managing Director of Tidewater Investments Limited and a 24% shareholder in the company. Brown has 27 years experience in the investment industry including 5 years as Director, Equities for Rothschild Australia Asset Management Limited where he contributed significantly to the successful re-engineering of that business, and in particular the Australian equities process and culture, from the late 90's until 2002 when it was sold for \$323 million to Westpac. He also contributed to the management of \$2 billion in AMP separately managed portfolios from 1994 until 1997.

Andrew has particular expertise in the analysis of financial services companies, and of smaller companies generally. He is also the Chairman of Snowball Group Limited and non-executive director of Aequus Capital Limited, Cheviot Bridge Limited and Fat Prophets Australia Fund Limited.

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