



LINQ RESOURCES FUND ASX/MEDIA ANNOUNCEMENT

21 September 2007

LinQ Resources Fund responds to request from Cayman Islands-Based Hedge Fund **BOARD RECOMMENDS UNITHOLDERS VOTE 'NO' TO RESOLUTION**

LinQ Capital Ltd, the Responsible Entity for the LinQ Resources Fund (ASX:LRF) (the Fund), has lodged an Explanatory Memorandum in response to the surprise request from a Cayman Islands-based hedge fund, Carrousel, requesting a meeting of unitholders to consider their resolution.

The Board of LinQ Capital recommends that unitholders support LinQ's strategy for the future of the Fund by voting 'NO' to the resolution.

The Chairman of LinQ Capital, Mr Gordon Toll, said unitholders should not support the resolution requiring the Board to develop a written outline of strategies to address the discount to Net Tangible Assets (NTA) which the units trade at on the ASX and provide a regular facility for investors to redeem units at a price equal to NTA less costs.

"LinQ has been successfully addressing the issue of the discount to NTA for some time, including the introduction of a buy-back facility and future initiatives. These strategies are already working, the discount to NTA has been reduced significantly, and the Board is confident that its strategy will continue to benefit all unitholders.

"The Board believes that Carrousel's objective is to force the introduction of frequent, regular and unplanned redemptions at NTA less costs at the request of unitholders and this would have a serious negative effect on your Fund's investment performance. The Fund is already listed on the ASX and investors can trade their units through the exchange.

"Any suggestion that the Fund should introduce frequent and regular redemptions at unitholders' request is totally rejected. This would require the Fund to breach the ASX listing rules; something we cannot and will not do," he said.

The LinQ Resources Fund performed strongly over the year to 30 June 2007. The capital return on the Fund's Portfolio (excluding cash) was approximately 113 per cent with unitholders receiving a distribution of 8.54 cents per unit.

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Mr Toll said the Fund was well positioned to capitalise on this strong growth and would also introduce additional initiatives to reduce further the discount to NTA including an aggressive buy-back policy, a planned redemption facility and the more frequent release of NTA figures.

“The Board believes that implementation of these proposals will allow the Fund to maintain its current investment policy, management and style to the benefit of all unitholders.

“As a result we recommend unitholders vote NO to the resolution.”

The meeting of unitholders has been convened for Monday 22 October 2007.

A fuller explanation of the Board’s recommendation is contained in the Explanatory Memorandum which can be viewed on the LinQ Resources website at www.linqresources.com or obtained from LinQ Capital Ltd.

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About LinQ Resources Fund (‘LRF’) ARSN 108 168 190

LRF is a registered managed investment scheme.

LRF is an actively-managed resources fund listed on the ASX, which specialises in investments in small to medium resources companies both in Australia and overseas. The Fund may invest in companies at all stages of development from exploration through to production, although the focus on pre cash flow companies is in the later stage exploration and economic evaluation phases between discovery and completion of bankable feasibility studies. The Fund aims to provide both yield and capital growth for its investors. Interests in the Fund have been issued by LinQ Capital Ltd. A copy of the original Product Disclosure Statement for listing of the interests may be obtained from <http://www.linqresources.com/reports/> Past performance is not a reliable indicator of future performance.