



LINQ RESOURCES FUND ASX ANNOUNCEMENT

8 October 2007

LINQ CONTINUES STRONG PERFORMANCE

- **Strong NTA Growth for September**
- **Resources sector outlook remains positive**
- **Board re-affirms advice to unitholders - vote 'NO' to hedge fund's resolution**

The LinQ Resources Fund (ASX:LRF) (the Fund), Australia's leading specialist managed fund for the resources sector, has continued its exceptionally strong performance, recording unaudited **Net Tangible Assets (NTA) growth of over 18 per cent* during September**.

The Fund continues its strategy of investing in small and medium sized resources companies, using its specialist skills and financing expertise to identify and capitalise on investment opportunities for its unitholders over the medium to long term.

The Chairman of LinQ Capital, (the Responsible Entity for the Fund) Mr Gordon Toll, said despite market volatility the Fund had performed exceptionally well which he expected the market to recognise as more regular NTA performance announcements were provided to the market.

"The Board recognises that announcing the Fund's NTA monthly (in line with current industry practice) does not allow the LinQ unit price to trade in line with the Fund's NTA performance and these latest performance figures underline why we have commenced more frequent NTA announcements," he said.

Mr Toll said the Board also re-affirmed its recommendation to unitholders regarding the resolution from Cayman Islands-based hedge fund, Carrousel Capital.

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

"Carrousel has acknowledged that LinQ has successfully been addressing the discount to NTA which the units trade at on the ASX and therefore the Board remains surprised that given this acknowledgement, together with the Fund's ongoing strong performance, Carrousel is still trying to force its own agenda on unitholders," Mr Toll said.

"Carrousel is not seeking to be a long term investor in the Fund. They do not deny that they are seeking to exit the Fund at or close to NTA less costs. Despite Carrousel's various statements to the contrary, the Board does not believe that Carrousel is acting in the best interests of other unitholders. Carrousel feels no concern at the damage a forced restructuring of the Fund would have, just to give them what they want in the short term. Their resolution is likely to require the Fund to sell its investments prematurely and at possibly inopportune times to the detriment of unitholders to fund any requests for redemption.

"There is no requirement for a written strategy – the Board already has a strategy in place which has been successfully addressing the issue of the discount to NTA for some time, including more frequent NTA announcements, a more aggressive unit buy-back policy which has just been renewed for another 12 months and the introduction of a periodic redemption opportunity.

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“Accordingly, we continue to recommend unitholders vote **NO** to the resolution,” Mr Toll said.

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.

**Based on the market value of the portfolio and adjusted for estimated Fund liabilities and other assets at 28 September.*

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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.