



COMPANY UPDATE AND DIVIDEND DECLARATION

Tidewater Investments Limited ("Tidewater" or "the Company") has continued the encouraging progress seen in the 2010 financial year, into the first quarter of the current period.

Financial Results

Based on unaudited management accounts, in the three months to 30 September 2010, the Company has recorded a pre tax profit of \$1,014,555, which is fully shielded by past tax losses. This profit includes \$807,000 of mark-to-market investment gains as a result of increases in the value of the Company's shareholdings in Adelaide Resources Limited and Vocus Communications Limited. Tidewater has realised a total of \$1.1 million in sale proceeds from investments in the last three months.

The pre and post tax profit figure is equivalent to 4cents per share, and represents an effective return of 19.8% on capital as at 1 July 2010.

Dividend

Tidewater's Directors have today declared a fully franked cash dividend of 1 cent per share, payable on 4th November 2010 to shareholders on the register of the Company at close of business on 21 October 2010. This payment will virtually exhaust Tidewater's pool of franking credits until further fully franked dividends are received, or the Company moves into a tax paying position, which is not anticipated for some time.

Financial Position

Tidewater's net tangible asset backing at 30 September 2010 is 23.8cents per share. Upon receipt of recent proceeds on sale of investments, the Company will fully repay the balance of the loan facility provided by Andrew Brown, and will have no debt. In addition, Tidewater will have a positive working capital balance even after the payment of the dividend in early November.

Tidewater has, as promised, continued its equity retirement programme and repurchased 775,338 shares to 30 September 2010 under the current on-market buy-back, at an average price of just over 23cents per share.

A more detailed update on the Company will be given at the AGM on 21 October 2010.

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