



COMPANY UPDATE and SHAREHOLDER SHARE PURCHASE PLAN

On 23 August 2012, Tidewater Investments Limited ("**Tidewater**" or "**the Company**") (ASX: TDI) announced that previous informal discussions between Tidewater and counterparties in respect of acquiring a significant new investment and financial services business for the Company had been terminated.

Since that time, the Company has taken steps to reduce its ongoing expenses and whilst alert to alternative transactions that the Directors believe it to be in the best interests of shareholders to ensure its capital base is appropriately invested.

At present, the assets of the company are largely cash and 13,783,657 shares (8.4% of issued capital) of Adelaide Resources Limited. The Directors of Tidewater are keen to diversify the Company's portfolio to more conventional, larger capitalisation and liquid equity investments as well as taking positions in overseas indices and commodities. Given the small size of the Company, we intend this be initially achieved using contracts for difference, including over individual overseas securities. As a part of this strategy, Tidewater will also use short selling and hedging techniques within strictly monitored and board approved limits.

To successfully execute this strategy, the Directors of Tidewater believe that a small increase in the amount of capital available would be desirable, and consequentially are pleased to announce that shareholders will be invited to participate in a Share Purchase Plan ("**SPP**") through which they can acquire additional shares in the Company.

The SPP will provide existing shareholders registered on 5 October 2012 with the opportunity to subscribe for new fully paid ordinary shares in parcels of \$2,000, \$5,000, \$10,000 or a maximum of \$15,000 at a subscription price of 8 cents per share with no brokerage fees. The issue price per share under the SPP represents an 18.2% discount to the volume weighted average market price of fully paid ordinary TDI shares sold on the ASX during the five trading days immediately preceding the date of this announcement.

Participation in the SPP is optional and is open to eligible shareholders who, on the Record Date of 5 October 2012, were registered as holders of fully paid ordinary TDI shares and whose address on the share register is in Australia or New Zealand. The Company will scale back applications under the SPP if the total number of new shares applied for exceeds 7,516,664. If the SPP is fully subscribed, a total of \$601,333 will be raised before costs. The SPP will not be underwritten.

Funds raised from the SPP will be directed to the new investment opportunities described above and to meet ongoing working capital requirements.

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew S. Brown", with a long horizontal line extending from the end of the signature.

Andrew Brown
Managing Director

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