

SCARBOROUGH EQUITIES LIMITED

ABN 58 061 287 045

Friday, 14 October 2005

MARKET ANNOUNCEMENT

Net Tangible Asset Backing - 30 September 2005

Month Ending:	% Change	Current Month 30 September 2005	Previous Month 31 August 2005
Pre-Tax NTA Backing per share (cents) ⁽¹⁾	+4.5%	23.57	22.55
Post-Tax NTA Backing per share (cents) ⁽¹⁾	+3.9%	22.81	21.95
Based on total issued share capital		75,312,820	75,312,820

The NTA position (post-tax) comprises the following items:

Net Assets	Current Month \$'millions	Previous Month \$'millions
Investment in the FSP Equities Leaders' Fund (FSP Fund) managed by the Company's investment manager, FSP Equities Management Limited (FSP) ⁽¹⁾	16.65	15.82
Shares in Drillsearch Energy Limited (DLS) ⁽³⁾	1.64	1.66
Other listed share investments ⁽¹⁾	-	0.05
Provision for income tax ⁽²⁾	(0.57)	(0.45)
Provision for dividend payment ⁽⁴⁾	(0.45)	(0.45)
Net cash on deposit / other assets	(0.09)	(0.10)
Total Net Assets	17.18	16.53

About The FSP Equities Leaders' Fund (FSP Fund)

The FSP Fund is a wholesale fund not open to retail investors. The investment management team is led by Mr Ronni Chalmers. As the objective of the fund is to outperform the S&P/ASX 200 Accumulation Index over the medium term, FSP targets at least 75% of the investments of the fund in securities from the S&P/ASX 200 Index. The fund is currently invested in over 90 stocks.

Registered Office:
Suite 202, Angela House
30-36 Bay Street
Double Bay New South Wales 2028
T | (02) 9363 5088
F | (02) 9363 5488
E | info@scarboroughequities.com.au
W | www.scarboroughequities.com.au

ASX Code: SCB



Company Secretarial Office:
Level 14, The Forrest Centre
221 St Georges Terrace
Perth, Western Australia 6000
Local T | 1300 762 678
T | (08) 9214 9717
F | (08) 9322 1515
E | vho@scarboroughequities.com.au

Notes:

1. NTA backing is calculated for SCB and its controlled entities (**SCB Group**).

The SCB Group's investments are financial assets which are measured at fair value at month end. The fair value of listed securities are measured at bid price (where available) and last sale price (where bid price is not available) at month end and excludes disposal costs. The fair value of the Company's investment in the FSP Fund is valued at the unit price at month end published by FSP - such unit price reflects the net tangible asset backing of the fund and no buy/sell spread or exit fees are charged to the Company.

2. The post-tax NTA backing per share is reported net of provision for tax liabilities on the SCB Group's net profit (including after any realised and unrealised gains on investments) after consolidation.
3. 20,788,016 DLS shares at 7.9 cents each at 30 September 2005 (31 August 2005: 20,788,016 shares at 8.00 cents each).
4. On 6 September 2005, the Directors announced the declaration of a dividend of 0.6 cents (or \$0.006) per share (50% franked) in respect of net profits derived for the year ended 30 June 2005. The record date was 30 September 2005 with payments effected on 7 October 2005.

For further information:

Farooq Khan
Chairman
T | 1300 762 678
E | fkhan@scarboroughequities.com.au

Christopher Ryan
Director
T | (02) 9363 5088
E | c.ryan@westchester.com.au