

WESTOZ INVESTMENT COMPANY LIMITED

ACN 113 332 942

PROSPECTUS

For a non-renounceable entitlement issue of approximately 16,606,515 Shares on the basis of one (1) Share for every five (5) Shares held on the Record Date at an issue price of \$1.00 per Share, together with one (1) Option for no additional consideration for every Share allotted and issued, to raise up to \$16,606,515.

THE PORTFOLIO OF WESTOZ INVESTMENT COMPANY LIMITED IS MANAGED BY

**WESTOZ FUNDS MANAGEMENT PTY LTD
AFS LICENCE NUMBER 285607**

IMPORTANT NOTICE

This Prospectus is dated 6 October 2006 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is at 5.00pm (WST) on that date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No securities may be issued on the basis of this Prospectus after the Expiry Date.

Neither the Shares nor the Options offered by this Prospectus will be quoted on ASX. Accordingly, no application will be made to ASX for official quotation of the Shares or Options offered by this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Entitlement and Acceptance Forms will be forwarded to the Share Registry for processing. The Share Registry will deposit and deal with all application monies pursuant to this Prospectus.

The Manager's function should not be considered as an endorsement of the Offer or a recommendation of the suitability of the Offer for any applicant. The Manager does not guarantee the success or performance of the Company or the returns (if any) to be received by investors. Neither the Manager nor any other Licensee is responsible for or caused the issue of this Prospectus. The Company reserves the right to enter into similar agreements to those with the Manager with other Licensees.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares and Options the subject of this Prospectus should be considered speculative.

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.westozfunds.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

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INDICATIVE TIMETABLE

Lodgement of Prospectus with the ASIC	6 October 2006
Record Date	17 October 2006
Opening Date	18 October 2006
Closing Date	5.00pm WST on 20 November 2006

The above dates are indicative only and may vary. The Company reserves the right to extend the Closing Date or close the Offer at any time after the Opening Date without notice.

1. CORPORATE DIRECTORY

Directors

Peter Diamond – Non-Executive Chairman
Philip Rees – Executive Director
Jay Hughes – Non-Executive Director
Terry Budge – Non-Executive Director

Manager

Westoz Funds Management Pty Ltd
AFSL No 285607
ACN 106 677 721
Level 1, Ernst & Young Building
11 Mounts Bay Road
PERTH WA 6000

Company Secretary

Philip Rees

Solicitors to the Company

Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Registered Office

Level 1, Ernst & Young Building
11 Mounts Bay Road
PERTH WA 6000

Postal Address:
GPO Box Z5036 St Georges Terrace
PERTH W.A. 6831

Telephone: (08) 9321 7877
Facsimile: (08) 9321 8288

Auditors

Ernst & Young
11 Mounts Bay Road
PERTH WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

2. CHAIRMAN'S LETTER

Dear Investor

I write to introduce to you an offering of securities as set out in this Prospectus.

The reason for the offering is to bring the Company to its targeted size of 100 million shares as outlined in its April 2005 prospectus and to enhance its ability to access transactions that meet its investment objectives. The additional cash raised will increase the Company's capacity to take advantage of increasingly volatile equity markets.

My fellow Directors and I, along with Euroz Limited, intend to apply for our full entitlements under the issue.

By this Prospectus, the Company makes you an offer of one new Share for every five Shares you currently hold in Westoz Investment Company Limited at an issue price of \$1.00 each. For each new Share you subscribe for, you will also receive an Option that allows you to purchase an additional new Share at an exercise price of \$1.20 on specified dates prior 30 June 2010.

New Shares issued under the Offer will rank alongside existing Shares. Hence, they will be entitled to any dividends declared by the Company after the issue date. The Directors have confirmed their intention to, where available, pay a minimum of 50% of realised after tax profits to shareholders by way of dividend in future periods.

The funds raised from the issue will be invested according to the existing investment strategy of your Company. This strategy has resulted in the growth of the net assets per Share in the Company from \$1.00 at 30 June 2005 to an unaudited figure of \$1.115 at 30 September 2006. This increase is after payment of a fully franked dividend of 5 cents per Share in respect of the financial year to 30 June 2006.

The number of new Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- take up your Rights in full;
- take up some of your Rights;
- take up all (or some) of your Rights and apply for additional Shares and Options; or
- allow your Rights to lapse.

Before making a decision on whether to subscribe for any Shares, I encourage you to read this Prospectus. Should you wish to take up any entitlement or make application for additional shares, you will need to lodge the Entitlement and Acceptance Form with the required funds on or before 20 November 2006.

If full subscriptions for the Offer are not received from existing Shareholders, the Directors will use reasonable endeavours to place the Shortfall at a price not less than \$1.00.

If you have any queries regarding your Entitlement, please contact the Company on 08 9321 7877.

Yours faithfully

Peter Diamond
Chairman

3. INVESTMENT OVERVIEW AND DETAILS OF THE OFFER

3.1 Important Notice

This section is not intended to provide full information for investors intending to apply for Shares and Options offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.2 Objectives

The strategic objective of the Company is to provide investors with access to the benefits of investments in the share market through permitted investments. The Company's assets are to be managed with the objective of generating a positive return over the medium to long term regardless of the overall direction of the share market.

3.3 Purpose of the Offer and Use of Proceeds

It is intended to apply funds raised from the Offer for investment in the Portfolio.

Details of the investments currently part of the Portfolio are set out in Section 7.3.

3.4 Shares made available for subscription

The Company is making a pro-rata non-renounceable entitlement offer to holders of Shares on the basis of one (1) Share for every five (5) Shares held on the Record Date at an issue price of \$1.00 per Share, together with one (1) Option for no additional consideration for every Share allotted and issued, to raise up to \$16,606,515.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. All of the Options issued pursuant to this Prospectus will be on the terms set out in Section 10.2 of this Prospectus.

Based on the capital structure of the Company at the date of this Prospectus, the number of Shares to be issued is approximately 16,606,515 and the number of Options to be granted is 16,606,515 assuming all Entitlements are accepted.

In the calculation of any of any Entitlement, fractions will be rounded up to the nearest whole number.

3.5 Management of the Portfolio

The Company's portfolio of investments is managed by Westoz Funds Management Pty Ltd (**Manager**). A summary of the key terms of the Management Agreement is set out in Section 9.

The Manager's mandate under the Management Agreement is to manage a portfolio of "Permitted Investments" with the intention of producing a positive return regardless of the general direction of the share market. Please refer to Sections 4 and 5 for further details.

The Manager receives a monthly management fee of 0.083333% of the Portfolio Value. This fee is calculated and paid monthly in arrears.

In addition, where the Portfolio has increased in value over a 12 month period to 30 June by more than 10% (before fees and taxes), the Manager will be entitled to a performance fee. The amount payable under the Performance Fee will be 20% of the increase in the Portfolio Value in excess of 10% (before fees and taxes).

Please refer to Section 9 for further details.

3.6 How to Accept

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. You may also use this form if you wish to apply for more than your Entitlement from any Shortfall.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you wish to apply for more than your Entitlement:
 - (i) complete the Entitlement and Acceptance Form, filling in the details of the additional number of Shares you wish to apply for in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (c) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at \$1.00 per Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything. Any Shortfall will be dealt with by the Directors.

If you wish to participate in the Offer you must forward the completed Entitlement and Acceptance Form, together with your cheque drawn on an Australian bank or bank draft made payable in Australian currency to **“Westoz Investment Company Limited – Entitlement Issue Account”** and crossed “Not Negotiable” in the enclosed envelope to:

Westoz Investment Company Limited
GPO Box Z5036 St Georges Terrace
PERTH W.A. 6831

In order to participate in the Offer, completed Entitlement and Acceptance Forms must reach one of the above addresses by no later than the Closing Date.

The Company reserves the right to close the Offer early.

3.7 Shortfall Offer

The Directors reserve the right within 3 months of the Closing Date to place the Shortfall (if any) at their discretion. The issue price of any Shares the subject of the Shortfall shall be not less than \$1.00 per Share, being the price at which the Entitlement has been offered to Shareholders pursuant to this Prospectus.

If you are not a current shareholder, you may apply to participate in the Shortfall by completing the Shortfall Application Form, enclosing your cheque for the appropriate application monies and forwarding those documents to the share registry by no later than the Closing Date (or a later date determined by the Directors).

The Shortfall will be allocated at the discretion of the Directors, but preference in any allocation will be shown to existing Shareholders.

The offer of Shares (and Options) under the Shortfall is a separate offer under this Prospectus and is independent from the Offer and will remain open after the Offer has closed for a period not exceeding 3 months.

3.8 Minimum Subscription

There is no minimum subscription in respect of the Offer and the Company will accept all valid applications.

3.9 Allotment

As there is no minimum subscription in respect of the Offer, the allotment of Shares will take place as soon as practicable after the Closing Date and the application monies for those applications are cleared.

Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

3.10 No ASX Listing

The Shares and Options offered by this Prospectus will not be quoted on ASX.

3.11 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares and Options the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

3.12 Underwriter

The Offer is not underwritten.

3.13 Share Certificates

The Company will be issuing Share and Option certificates to Shareholders. Further, additional or amended certificates will be provided to Shareholders in

circumstances in which there have been any changes in their security holding in the Company during the preceding month.

3.14 Risk Factors

Prospective investors in the Company should be aware that subscribing for securities the subject of this Prospectus involves a number of risks. These risks are set out in Section 8 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 8, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered speculative.

3.15 Privacy Statement

If you complete an Entitlement and Acceptance Form or Shortfall Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

3.16 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Offer under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of all Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in respect of the Offer. Shareholders should consult their own professional tax adviser in connection with the taxation implications of the Offer.

3.17 Forecasts

The Directors have considered the matters set out in ASIC Policy Statement 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

3.18 Enquiries

Any questions concerning the Offer should be directed to Mr Philip Rees by telephone on (08) 9321 7877.

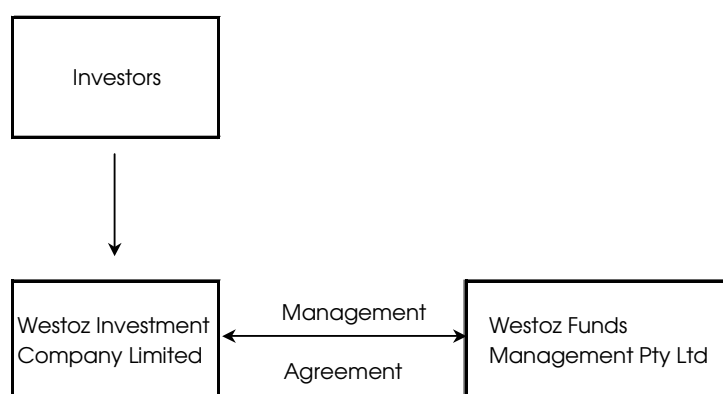
4. WESTOZ INVESTMENT COMPANY LIMITED

4.1 Overview

The Company was established to give investors access to a fund focussed on the attainment of absolute returns. The management of the fund is undertaken by Westoz Funds Management Pty Ltd, a 100% owned subsidiary of Euroz Limited.

It is intended that the funds raised by the Company under this Prospectus will be allocated to the Manager to invest in accordance with the Management Agreement. Details of the investments currently part of the Portfolio are set out in Section 7.3.

The following diagram represents the structure:



4.2 Capital Structure

The capital structure of the Company following completion of the Offer and assuming all Entitlements are fully taken up is summarised below:

Shares	Number
Shares on issue at date of Prospectus	83,032,575
Shares offered under the Offer	16,606,515
Total Shares on issue at completion of the Offer	99,639,090

Options	Number
Options on issue at date of Prospectus	0
Options offered pursuant to this Prospectus	16,606,515
Total Options on issue at completion of the Offer	16,606,515

Please refer to Section 10.2 for a summary of the terms of the Options.

4.3 Investment Objectives

The investment objective of the Company is to produce a positive return on funds, regardless of the general direction of the share market, that is consistent with acceptable risk parameters. The performance target is a minimum pre-tax return of

10% per annum over rolling three year periods with the preservation of capital subscribed. This is not a forecast. It is simply a stated performance target and there is no guarantee it will be achieved.

Where available, it is intended to payout a minimum of 50% of realised after tax profits as a dividend income stream to investors.

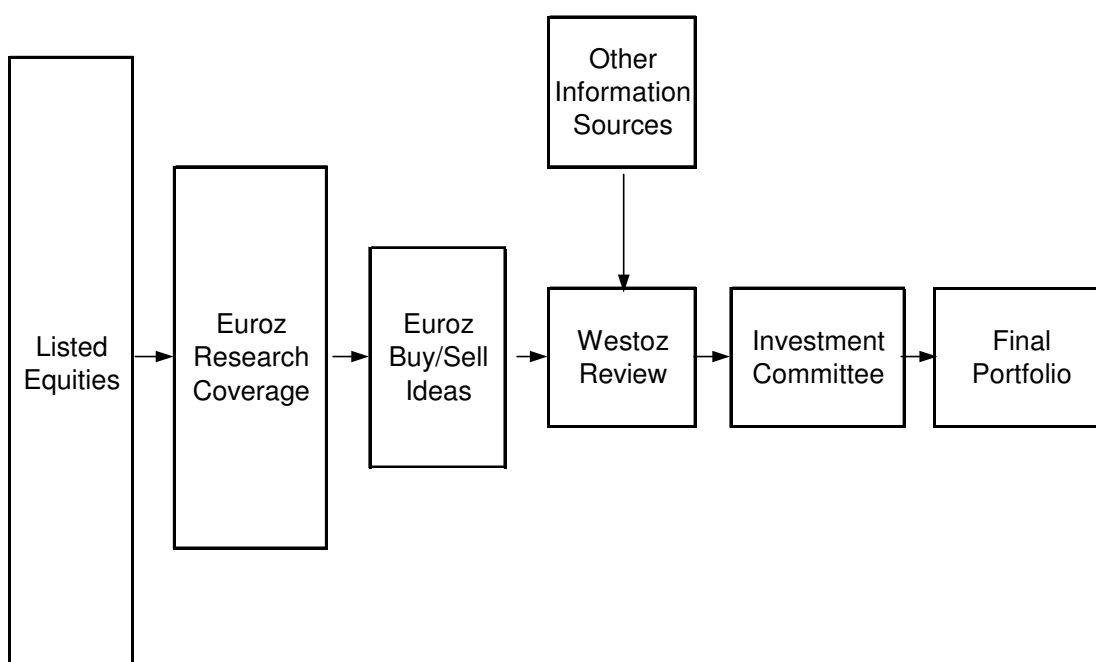
4.4 Investment Philosophy and Focus

Westoz's investment philosophy is based on the premise that financial markets and individual securities can and do deviate away from fair value. By detailed analysis of a range of valuation parameters, active management of a portfolio of equities can be used to generate an acceptable level of absolute return over a range of time frames.

Due to the relative levels of research coverage by the market, Westoz believes that companies outside of the Top 100 will experience greater deviation from fair value. It also considers that, given its geographic location and range of contacts, a greater number of suitable investments will have exposure to the Western Australian economy as it has a comparative advantage in coverage of these stocks due to its location.

4.5 Investment Strategy and Process

The following diagram illustrates the investment strategy and process of the Manager to be adopted for the management of the Portfolio:



Westoz mainly invests in Listed Securities. From time to time, a portion of the Portfolio may be held in short term cash deposits. Derivatives may be used where considered appropriate. Please refer to Section 4.9 for details of the Permitted Investments of the Company.

The Manager uses the research recommendations provided by Euroz Securities as a primary screen to identify suitable investment opportunities.

The "Euroz Universe" of stocks covered generally targets those that are outside the Top 100. Due to the geographic location of its research team, the majority of stocks covered have a presence in Western Australia. From this universe, the Euroz Securities research team selects stocks from this reduced population for detailed research. At present, some 60 resource stocks and 40 industrial stocks are covered.

A range of parameters are used to assess value, but a key input to the analysis is the expected growth potential of the company. Buy and sell recommendations are placed on stocks that are considered to significantly deviate from fair value.

The recommendations of Euroz Securities are then subject to review by the Westoz team. This involves an internal proprietary analysis of the company. Westoz also selects stocks for its own analysis outside of the Euroz Securities portfolio. The analysis undertaken by Westoz typically includes:

- an assessment of the past and projected revenue, costs and profits of the company;
- the nature of the assets of the business and the appropriateness of assigned values;
- the mix between tangible and intangible assets;
- the cash flow profile of the business;
- the present value of the anticipated cash flow;
- the projected earnings and cash flow per share;
- an assessment of various parameters to determine an appropriate value, including rate of return on equity employed, price to earnings ratio, price to book value and the internal rate of return over the short, medium and long term;
- the amount of capital expenditure required (if any); and
- an assessment of the management team in place to deliver on the company's objectives.

After completing the above analysis, a set of stock recommendations are presented to the Manager's Investment Committee.

The Investment Committee reviews the recommendations and puts them in the context of the overall equity environment. It then reviews the Company's current Portfolio in light of the information presented to it and adjusts holdings in the Portfolio to ensure the targeted performance is achieved.

The Investment Committee can also use a variety of instruments to achieve its performance objectives. Where they are allowed, short positions may be held where a compelling reason exists. Derivatives may also be used to generate additional income in the Portfolio or to protect the Portfolio from market downturns.

4.6 Risk Control

Performance of the Portfolio is generated from investment in suitable stocks. However, diversification of holdings is used to limit the risk where the actual performance of individual stocks does not meet expectations. Risk control features of the Portfolio include:

- (a) No one stock will represent more than 20% of the total Portfolio Value at the time of acquisition.

- (b) No investment will represent more than a 20% stake in the issued securities of a company.
- (c) It is intended that the Portfolio normally consist of between 10 and 25 stocks at any one time, although more or less may be held depending on the number of securities identified that are expected to meet the performance expectations.
- (d) Where suitable stocks can not be identified, the portfolio may invest in cash. Whilst unlikely over the medium term, the Portfolio may consist from time to time of significant cash deposits.
- (e) Any short positions will not represent more than 20% of the total Portfolio Value.
- (f) Leverage may be employed in the Portfolio, but total exposure will not exceed 120% of the Portfolio Value.

Any breach of these risk control measures must be reported to the Company by the Manager and the Company will determine the appropriate action to remedy the breach.

4.7 Dividend Policy

The Company intends to pay dividends from the realised profit, dividend and interest income it receives from the investment of its assets to the extent permitted by law and prudent business practice.

It is the intention of the Company to pay a minimum of 50% of realised after tax profits within the constraints of the dividend policy above.

4.8 Liquidity of Investment

The Company is an unlisted public company. Hence, whilst investors are able to transfer the Company's Shares, there is not an active secondary market for Shares.

The Company will regularly monitor the number of Shares it has on issue. It is the intention to manage the capital structure and, where appropriate, provide a buy back mechanism for its Shares. It is anticipated that any buy back offer that is initiated will be at a discount to the NTA After Tax value of Shares.

4.9 Permitted Investments

Under the Management Agreement, the Manager is permitted to make investments on behalf of the Company without Board approval. However, if the proposed investment is not in accordance with the investment objectives outlined in this Prospectus or any other guidelines issued by the Company from time to time, the written approval of the Board is required prior to making the investment.

Subject to the conditions of the Australian Financial Services licence held by the Manager, the Manager may invest in the following types of investments:

- (a) Listed Securities;
- (b) rights to subscribe for or convert to Listed Securities (whether or not such rights are tradeable on a securities exchange);
- (c) Listed Securities for the purpose of short selling;

- (d) warrants or options to purchase any investment and warrants or options to sell any investment;
- (e) discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- (f) deposits with any bank or corporation declared to be an authorised dealer in the short-term money market;
- (g) debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness issued by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or any Australian government authority, or, if authorised by its Directors, a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- (h) units or other interest in cash management trusts; and
- (i) any other investment, or investment of a particular kind, approved by the Board in writing.

4.10 Reports to Shareholders

Within fourteen (14) days after the end of each month, the Company provides Shareholders, through its website, with a statement of the NTA and NTA After Tax value of Shares as at the end of the preceding month.

4.11 Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan to allow Shareholders to reinvest all or part of any dividends paid on Shares. Please refer to Section 9 for further details.

5. INFORMATION ON THE MANAGER

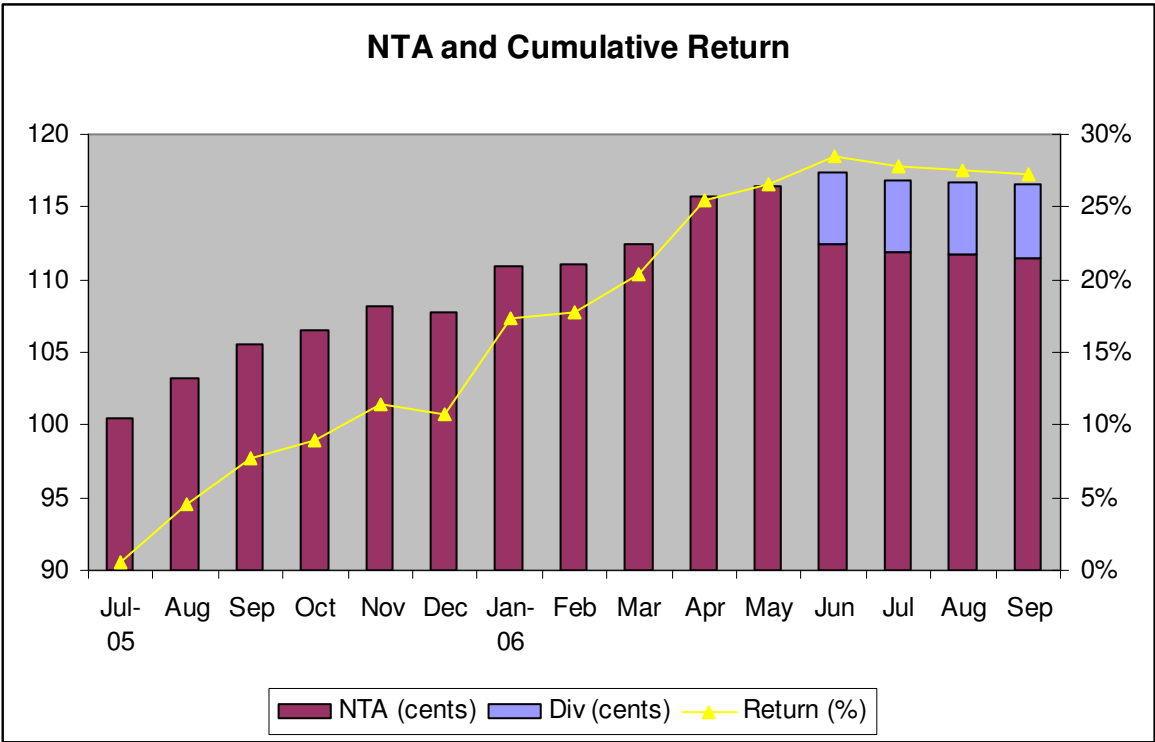
5.1 Background

The Manager was established to undertake the management of investment funds.

5.2 Performance History

The Manager has managed the Portfolio of the Company using the process as set out in Section 4 since 31 May 2005.

The following chart illustrates the underlying investment portfolio performance (before fees and taxes) and movement in Net Assets per Share since this time:



Past performance should not be taken as an indication of likely future performance.

5.3 Personnel

The Manager has engaged Philip Rees as Chief Investment Officer to manage its activities and sit on its Investment Committee. The Manager has also appointed Peter Diamond and Jay Hughes to sit on its Investment Committee. These individuals are primarily responsible for the investment decisions made by the Manager in relation to the management of the Portfolio.

The profiles of Philip Rees, Peter Diamond and Jay Hughes are set out in Section 6.1.

6. DIRECTORS AND CORPORATE GOVERNANCE

6.1 Directors of the Company

Peter Diamond

Mr Peter Diamond has worked in the stockbroking industry in a variety of roles since 1986. Between 1986 and 2000, Mr Diamond was an Executive Director and Associate Director of a Perth stockbroker that was part of a national and international group at the time. In this capacity, he was involved in all aspects of the stockbroking business including trading, underwriting, placements and corporate advice.

From 2000 until the present date, Mr Diamond has worked for Euroz Securities Limited and Euroz Limited and also acts in the capacity of Executive Chairman of both companies. In this capacity, Mr Diamond has dealings with both institutional and high net worth clients on all aspects of equity trading. Mr Diamond also oversees the principal trading activities of both companies and is responsible for all facets of the management of the companies.

Mr Diamond holds a Bachelor of Business Degree is an Associate Member of the Australian Society of Accountants.

Mr Diamond is a Non-Executive Director of the Company and is also a member of the Manager's Investment Committee. His involvement with the Company involves attending meetings of the Investment Committee and the Board and to providing strategic advice and assistance to the Board from time to time. Mr Diamond allocates approximately 8 hours per week to the affairs of the Company.

Philip Rees

Mr Philip Rees is Chief Investment Officer of the Manager and is responsible for the operation and development of the Manager's business.

Mr Rees has worked in a range of roles focussed on Australian investment markets for the last 19 years. He was the Director of Investments with the Government Employees Superannuation Board in Western Australia for a 6 year period to September 2000. During this period, he oversaw a major restructuring of that entity's investment portfolio and directly managed funds in Australian equity and fixed interest markets.

Prior to this period, Mr Rees was involved in the management of an Australian equity portfolio with Suncorp and in the analysis of equities for a stockbroker focussed on servicing the Australian institutional market.

Mr Rees has recently been involved as Chief Investment Officer of a listed pooled development fund and has managed a number of successful venture capital investments.

Mr Rees has a Bachelor of Commerce Degree and is a Chartered Financial Analyst. He is also a Fellow of the Financial Services Institute of Australia, a Certified Practising Accountant and an Associate of the Chartered Institute of Secretaries.

Mr Rees is an Executive Director and the Company Secretary of the Company and is also a member of the Manager's Investment Committee. He is available on a full time basis to manage the affairs of the Company and the Manager in managing the Portfolio.

Jay Hughes

Between 1986 and 2000, Mr Jay Hughes was employed by a Perth stockbroker that was part of a national and international group at the time. From 1994 he acted in the capacity of an Executive Director and before this as an Associate Director.

Mr Hughes began work as a trading clerk on the trading floor of the ASX and progressed to be the head operator. He then proceeded to the sales desk and became involved in many facets of the management of the business as an Executive Director.

Mr Hughes has developed extensive offshore contacts and spent time in offices throughout Asia, Europe and United States. He has also visited resource projects on numerous occasions in Russia, North America, Africa and South East Asia.

From 2000 until the present date, Mr Hughes has worked for Euroz Securities Limited and Euroz Limited and also acts in the capacity of Executive Director and Responsible Officer of both companies. During this time, Mr Hughes has been involved in the institutional sales department of the stockbroking business dealing predominantly with offshore funds. He is also heavily involved in many facets of the management and supervision of both companies.

Mr Hughes holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He was recognised as an affiliate of ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Securities and Derivatives Industry Association.

Mr Hughes is a Non-Executive Director of the Company and will also be a member of the Manager's Investment Committee. His involvement with the Company extends to attending meetings of the Investment Committee and the Board and to providing strategic advice and assistance to the Board from time to time. Mr Hughes currently allocates approximately 5 hours per week to the affairs of the Company.

Terry Budge

Mr Budge has had over 30 years experience in the Australian banking industry. Most recently he was Managing Director of BankWest from December 1997 to May 2004. He previously worked at National Australia Bank for 25 years in a number of senior executive roles, including State Manager, Queensland; State Manager, NSW & ACT; General Manager, Group Strategic Development; and Chief Economist.

Mr Budge is Chairman of Western Australian Land Authority (LandCorp), and a Director of Aspen Group Limited, Australian Institute of Company Directors, Leadership WA and Western Australian Institute for Medical Research. Mr Budge is also a Senator of Murdoch University and Chancellor (elect).

Mr Budge holds a Bachelor of Economics from Monash University and is a Graduate of the Advanced Management Program from Harvard Business School. He is also a Graduate and Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Banking and Finance and a Fellow of the Australian Institute of Management.

Mr Budge acts as a Non-Executive Director of the Company. His involvement with the Company involves attending meetings of the Board and to providing strategic advice and assistance to the Board from time to time. Mr Budge currently allocates about 5 hours per week to the affairs of the Company.

Other Directors

The Board may appoint further independent directors to the Board.

The criteria for determining suitable candidates for the Board include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Any director appointed by the Board will be subject to re-election by Shareholders at the next general meeting.

6.2 Corporate Governance Statement

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company proposes to adopt the Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council. Whilst the Company is not listed, it is considered prudent to adopt the ASX standards.

Information about the Company's corporate governance practices will be available by contacting the Company directly. These policies are also available on the Company's website (<http://www.westozfunds.com.au>).

The Board of Directors

The Company's Constitution provides that the number of Directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

The size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board, subject to election by Shareholders at the next general meeting. Under the Company's Constitution the tenure of a Director (other than managing director) is subject to reappointment by Shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A managing director may be appointed for the period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

The Board has established an Audit Committee. It considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of other separate or special committees at this time. The Board as a whole is able to

address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions.

The Directors recognise that the Company's business is inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

7. FINANCIAL INFORMATION

7.1 Pro forma balance sheet

A pro forma balance sheet for the Company is provided below showing the net effect of the Offer, as if the following events had occurred:

- (a) all Entitlements are taken up in full;
- (b) the dividend accrued as payable at 30 June has been paid; and
- (c) a placement of 5,000,000 new Shares at \$1.115 had been completed.

The pro forma balance sheet is based on the Company's financial statements for the year ended 30 June 2006 which have been audited by the Company's auditors.

	Note	Independently Audited Balance Sheet as at 30 June 2006	Adjustment for Placement, Rights Issue and Dividend Payment	Pro forma Balance Sheet as at 30 June 2006
		\$		
CURRENT ASSETS				
Investments		31,334,100	-	31,334,100
Cash and Cash Equivalents	1,2,3	61,191,345	20,610,104	81,801,449
Other		276,797	-	276,797
TOTAL CURRENT ASSETS		92,802,242	20,610,104	113,412,346
TOTAL ASSETS		92,802,242	20,610,104	113,412,346
CURRENT LIABILITIES				
Trade and Other Payables		151,398	-	151,398
Income Tax Payable		1,638,843	-	1,638,843
Distribution Payable	1	3,796,664	(3,796,664)	-
TOTAL CURRENT LIABILITIES		5,586,905	3,796,664	1,790,241
NON -CURRENT LIABILITIES				
Provision for Tax		1,880,102	-	1,880,102
TOTAL NON-CURRENT LIABILITIES		1,880,102	-	1,880,102
TOTAL LIABILITIES		7,467,007	(3,796,664)	3,670,343
NET ASSETS		85,335,235	24,406,768	109,742,003
EQUITY				
Issued Capital	1,2,3	79,005,933	24,406,768	103,412,701
Retained Earnings		6,329,302	-	6,329,302
TOTAL EQUITY		85,335,235	24,406,768	109,742,003

Note 1: A dividend of \$3,796,664 was accrued as being payable at 30 June 2006. Since this time, the payment has been made. An amount of \$2,225,253 was reinvested under the Company's dividend reinvestment plan at a price of \$1.06 per Share.

Note 2: Prior to the rights issue, the Company placed 5,000,000 new Shares at a price of \$1.115 each, raising \$5,575,000

Note 3: It is assumed that the rights issue set out in the Prospectus is fully subscribed, thereby issuing an additional 16,606,515 Shares raising an amount before fees of \$16,606,515.

7.2 Net Asset Backing

The unaudited Net Asset Backing per share in the Company as at 30 September 2006 and the Net Asset backing per Share adjusted for the Offer are as follows:

Net Asset Backing Per Share	Before Issue	Adjusted for the Issue
Pre Capital Gains tax on unrealised investments	1.115	1.096
Post Capital Gains tax on unrealised investments	1.124	1.103

7.3 Portfolio

The Portfolio of the Company at 30 September 2006 consists of Listed Securities and short term cash deposits. The Listed Securities held and their carry value at 30 September 2006 are as follows:

Entity Name	Security Type	Number of Securities Held	Carrying value
Automotive Holdings Group Limited	Ordinary Shares	1,800,000	4,140,000
Auspine Limited	Ordinary Shares	975,148	4,105,373
Aspen Group	Stapled Security	1,850,000	3,246,750
Avatar Industries Limited	Ordinary Shares	2,051,774	3,149,473
Beach Petroleum Limited	Ordinary Shares	2,000,000	2,800,000
GRD Limited	Ordinary Shares	1,000,000	2,010,000
Home Building Society Limited	Ordinary Shares	600,000	8,292,000
Integrated Group Limited	Ordinary Shares	1,000,000	2,170,000
OM Holdings Limited	Ordinary Shares	6,975,000	3,557,250
Peet Limited	Ordinary Shares	500,000	2,060,000
RCR Tomlinson Limited	Ordinary Shares	1,000,000	2,170,000
Resource Pacific Holdings Limited	Ordinary Shares	1,425,000	1,553,250
Total			39,254,096

In addition to the holdings above, the Company has agreed to subscribe for an additional 714,285 Beach Petroleum Limited ordinary shares and to underwrite a further 5,000,000 ordinary shares to be issued under a rights issue announced by that company on 13 September 2006. The Company has also subscribed for 1,650,000 shares in the initial public offering in Nomad Building Solutions Limited.

8. RISK FACTORS

8.1 Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.2 Individual Investment Risk

Individual investments within the Portfolio may fall in value for many reasons such as changes in the entity's internal operations, management or in its business environment. If this occurs the value of the NTA of the Company will fall.

8.3 Interest Rate Risk

Changes in interest rates can have an impact directly or indirectly on investment valuations and returns on any cash deposits held.

8.4 Company Risk

Risks particular to the Company include that the Company may give different after-tax results than investing individually because of income or capital gains accrued in the Company.

8.5 Derivatives Risk

The risk of loss associated with derivatives can be substantial due to the leverage associated with these financial instruments. Importantly, the Company will not use any form of derivative to leverage its net assets except as outlined in section 4.6. Accordingly, the primary risks associated with the use of derivatives by the Company are that they may perform differently and be less liquid than the underlying securities.

8.6 Price: NTA Discount to Market

The securities of the Company will not be listed on ASX. Hence it is unlikely that an active secondary market will be available, but should a transfer of securities be possible, it may occur at a price significantly different from the stated NTA.

8.7 Liquidity

The Company is not a listed entity. Therefore, the ability to sell Shares will be restricted.

8.8 Industry Risk

There are a number of industry risk factors that may affect the future operational performance of the Company. These factors are outside the control of the Company. Such factors include increased regulatory and compliance costs, unforeseen Government legislation, and collapse in equity markets.

8.9 Reliance on key Personnel

The Company has instructed the Manager to put in place systems and processes to mitigate the risk of losing key personnel. However, the loss of key personnel both

within the Company and the Manager could have a negative impact on the Company.

8.10 Licensing Requirements

The ability of the manager to continue to manage the Portfolio in accordance with this Prospectus and the Corporations Act is dependent on the maintenance of the Manager's Australian Financial Services Licence and its continued solvency. Maintenance of the Australian Financial Services Licence depends, among other things, on the Manager continuing to comply with the ASIC imposed licence conditions and the Corporations Act.

8.11 Financial Market Volatility

A fall in global or Australian equity markets, global or Australian bond markets or a rapid change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on Share prices.

8.12 Performance of other Asset Classes

Good performance, or anticipated performance, of other asset classes can encourage individuals to divert money away from equity markets. This may have a negative impact on the price of the Portfolio.

8.13 Absolute Performance versus Relative Performance

It is the objective of the Company to show positive returns on its investment regardless of the underlying movement in value of the Australian share market. With such an objective, the Portfolio Value may not change in line with the overall movements in the market and its performance may differ significantly from funds that seek to measure performance against the broader share market.

8.14 Tax

Taxation and changes to tax systems can have an effect on returns but also the relative merit of putting monies in various asset classes and in an individual security. All of these items may have a negative impact on the Company or the price of Shares.

8.15 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or any market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

9. MATERIAL CONTRACTS

9.1 Management Agreement

Parties

The Company and the Manager.

Appointment

The Company appoints the Manager to manage the Portfolio.

Term

The Management Agreement has an initial term of twenty (20) years which commenced on 31 May 2005. After the expiry of the initial term, the Management Agreement shall continue until terminated in accordance with its terms.

Powers of Manager

Subject to the further terms set out in the Management Agreement, the Manager may manage the Portfolio in its absolute discretion and do all things considered necessary or desirable in relation to the management of the Portfolio, including, without limitation:

- (a) investigation of, negotiation for, acquisition of, or disposal of any investment or proposed investment;
- (b) to sell, realise or deal with all or any investments or to vary, convert, exchange or add other investments in lieu of those investments;
- (c) if any investment is redeemed or the capital paid on it is wholly or partly repaid by the entity by which that investment was created or issued, to convert that investment into some other investment or accept repayment of the capital paid or advanced on the investment and any other monies payable in connection with that redemption or repayment and to invest any of those monies;
- (d) retain or sell any securities or other property received on behalf of the Company by way of bonus, or in lieu of, or in satisfaction of, a dividend in respect of any investments or from the amalgamation or reconstruction of any company;
- (e) to sell all or some of the rights to subscribe for new securities in an investment, to use all or part of the proceeds of sale of such rights for the subscription for Securities or to subscribe for Securities pursuant to those rights; and
- (f) to make or redeem any mortgage, loan or other security.

Permitted Investments

The Manager is permitted to undertake investments on behalf of the Company without the prior approval of the Board in the following types of investments:

- (a) Listed Securities;
- (b) rights to subscribe for or convert to Listed Securities (whether or not such rights are tradeable on a securities exchange);

- (c) Listed Securities for the purpose of short selling;
- (d) warrants or options to purchase any investment and warrants or options to sell any investment permitted under the Management Agreement;
- (e) discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- (f) deposits with any bank or corporation declared to be an authorised dealer in the short-term money market;
- (g) debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness issued by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or any Australian government authority, or, if authorised by its Directors, a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- (h) units or other interest in cash management trusts; and
- (i) any other investment, or investment of a particular kind, approved by the Board in writing.

Valuations

The Manager must arrange for the value of the Portfolio to be calculated as at the last Business Day of each calendar month (or at such more frequent times as requested by the Board).

Management Fee

In consideration for the performance of its duties as Manager of the Portfolio, the Company has agreed to pay to the Manager a monthly management fee equal to 0.83333% of the Portfolio Value.

Performance Fee

- (a) The Company has agreed to pay to the Manager a performance fee in respect of each Performance Calculation Period of 20% of OP, where OP is calculated in accordance with the following formula:

$$OP = EP - [IP \times 1.10]$$

Where:

OP is a dollar value not less than zero and is the amount to be used in calculating the performance fee;

EP is the Portfolio Value on the last day of the Performance Calculation Period; and

IP is the greater of:

- (i) the Portfolio Value on the last day of the preceding Performance Calculation Period; and

- (ii) the number of Shares on issue in the Company at the start of the Performance Calculation Period multiplied by \$1.00.
- (b) 'Performance Calculation Period' means:
- (i) initially, the period from the commencement date under the Management Agreement to 30 June 2005;
 - (ii) for each subsequent period, the period from the first day after the preceding Performance Calculation Period to 30 June of the succeeding year; and
 - (iii) if the Management Agreement is terminated, the period from the first day after the preceding Performance Calculation Period to the date the Management Agreement is terminated.
- (c) In calculation of the performance fee for a Performance Calculation Period, changes in the Portfolio Value as a result of non investment cash flows either positive or negative caused by the Company will be disregarded or adjusted for that Performance Calculation Period in a manner determined by the Company's auditor at the conclusion of that Performance Calculation Period.
- (d) In the event of a dispute as to the amount of the performance fee, the Company's auditor has the power to determine the correct calculation of the performance fee and the decision of the auditor will be final and binding on the parties.

Expenses

The Company is liable for and must pay out of its assets, not including the Portfolio, or reimburse the Manager for the following fees, costs and expenses incurred by the Manager in connection with the management of the Portfolio:

- (a) fees payable to any securities exchange, the ASIC or other regulatory body;
- (b) all costs, stamp duty, bank account debits tax and legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage incurred by the Company or the Manager in connection with:
 - (i) the acquisition and negotiation of any investment or proposed investment;
 - (ii) any sale or proposed sale, transfer, exchange, replacement or other dealing or proposed dealing with or disposal or proposed disposal of any investment;
 - (iii) the receipt of income or other entitlements from the investments of the Portfolio; or
 - (iv) the engagement of a custodian to hold any investment on behalf of the Company;
- (c) outgoings in relation to the Portfolio such as rates, levies, duties, taxes and insurance premiums;
- (d) any fees which relate to the accounting and administration of the Company or the Portfolio, including but not limited to, accounting fees, audit fees and company secretarial fees;

- (e) all costs which relate to the establishment of the Company or the Portfolio, including, without limitation, printing and legal costs in relation to the Prospectus, experts' reports and due diligence; and
- (f) any fees which relate to compliance with the Corporations Act and other regulations, including but not limited to, legal fees and compliance audit fees.

Notwithstanding the above, the Manager is solely responsible for payment of the fees of any investment manager engaged by the Manager to assist it in the performance of its obligations under the Management Agreement.

For the avoidance of doubt, any tax, management fee or performance fee incurred by the Company will be paid by the Company out of its own funds and not as a deduction from the Portfolio.

Termination

The Company may terminate the Management Agreement at any time if:

- (a) the Manager or any of its directors or servants are found guilty of grave misconduct in relation to the affairs of the Company;
- (b) a change of control of the Manager occurs;
- (c) the Manager's Australian Financial Services Licence is suspended or cancelled at any time for any reason;
- (d) the Manager commits a fundamental default or breach of its obligations under the Management Agreement or is in breach of any conditions of its Australian Financial Services Licence and such default or breach is not remedied within thirty (30) days after the Company has notified the Manager in writing to remedy that default or breach;
- (e) the Manager enters into liquidation (except voluntary liquidation for the purpose of reconstruction);
- (f) a receiver or receiver and manager is appointed to the whole or part of the undertaking of the Manager;
- (g) the Manager is guilty of any gross default, breach, non-observance or non-performance of any of the terms and conditions contained in the Management Agreement;
- (h) the Manager is not lawfully able to continue to provide services to the Company pursuant to the terms of the Management Agreement; or
- (i) the shareholders of the Company pass a special resolution approving the termination of the Management Agreement at a general meeting, by giving three (3) months written notice to the Manager.

The Manager may terminate the Management Agreement at any time if:

- (a) the Company fails to make payment of any fees due under the Management Agreement and the failure continues for twenty one (21) days from the delivery of a written notice by the Manager to the Company requesting payment;

- (b) the Company enters into liquidation (except voluntary liquidation for the purpose of reconstruction);
- (c) the Company is guilty of any gross default, breach, non-observance or non-performance of any of the terms and conditions contained in the Management Agreement;
- (d) a receiver or receiver and manager is appointed to the whole or part of the undertakings of the Company; or
- (e) the Manager has given three (3) months written notice to the Company of its intention to terminate, such notice not being given within three (3) years of the commencement date of the Management Agreement.

Company Indemnity

The Company must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Manager or any of its officers, employees or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, default, fraud or dishonesty of the Manager or its officers or employees.

Manager Indemnity

The Manager must indemnify the Company against any losses or liabilities reasonably incurred by the Company arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any negligence, default, fraud or dishonesty of the Manager or its officers or supervised agents.

9.2 Deeds of Indemnity, Insurance and Access

The Company has entered into a Deed of Indemnity, Insurance and Access with each of the Directors (**Deeds**).

Pursuant to the Deeds, the Company agrees to indemnify each officer (to the maximum extent permitted by the Corporations Act) against any liability arising as a result of the officer acting as an officer of the Company. The Company may, at its discretion, maintain insurance policies for the benefit of the relevant officer for the term of the appointment (and for at least 7 years after the officer ceases to be an officer of the Company) and must also allow the officers to inspect board papers in certain circumstances.

9.3 Dividend Reinvestment Plan

The Company operates a dividend reinvestment plan (**Dividend Reinvestment Plan**). The Dividend Reinvestment Plan is designed to provide Shareholders with an opportunity to apply any cash dividend distributed by the Company towards the subscription for new Shares.

A summary of the Dividend Reinvestment Plan is set out below.

General

Participation in the Dividend Reinvestment Plan by Shareholders is optional.

To participate in the Dividend Reinvestment Plan, a Shareholder must elect to be a participant in the Dividend Reinvestment Plan on an election form.

Operation of Plan

Each dividend which is payable to a participant in the Dividend Reinvestment Plan in respect of Shares which that participant has nominated as being participating Shares and which is available for payment to the participant will, upon payment, be applied by the Company on the participant's behalf in subscribing for that number of Shares using the formula set out in the Dividend Reinvestment Plan.

Shares allotted under the Dividend Reinvestment Plan will rank equally in all respects with the existing Shares of the Company.

It is intended that Shares allotted under the Dividend Reinvestment Plan will be offered at NTA After Tax or at a discount to NTA After Tax (as determined by the Board), as calculated and announced to Shareholders in the month preceding the closing date of an offer under the Dividend Reinvestment Plan.

In respect of the last dividend paid, a discount of 5% to the NTA After Tax was announced to Shareholders.

No brokerage, commission, stamp duty or other transaction costs will be payable by participants in respect of any allotment of any Shares under the Dividend Reinvestment Plan.

Prospectus

Section 708(13) of the Corporations Act exempts the Company from preparing a prospectus for the issue of any Shares under the Dividend Reinvestment Plan.

10. ADDITIONAL INFORMATION

10.1 Rights Attaching to Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to Shares with special rights to dividend, the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend, all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act.

(f) **Variation of Rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the issued capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

10.2 Terms of the Options

The Options granted pursuant to this Prospectus will entitle the holder to subscribe for and be allotted Shares as follows:

- (a) the Options expire on 30 June 2010 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse;
- (b) the Options may be exercised wholly or in part on an Option Exercise Date by completing an option exercise form (**Notice of Exercise**) and delivering it to the Company's share registry so that it is received prior to an Option Exercise Date;
- (c) an "**Option Exercise Date**" is a date either being 30 June or 31 December, if exercised prior to the Expiry Date, or the Expiry Date;
- (d) the Options entitle the holder to subscribe (in respect of each Option held) for a Share at an exercise price per Option of \$1.20;
- (e) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (f) the Options will not be listed on ASX;

- (g) upon the exercise of the Options and receipt of all relevant documents and payment, Shares will be issued ranking pari passu with the then issued Shares. The Shares will not be listed on ASX;
- (h) a summary of the terms and conditions of the Options including the Notice of Exercise is sent to all holders of Options when the initial holding statement is sent;
- (i) any Notice of Exercise received by the Company's share registry on or prior to an Option Exercise Date will be deemed to be a Notice of Exercise at the Option Exercise Date immediately following the day such notice is received;
- (j) there are no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to shareholders during the currency of the Options. Prior to any new pro rata issue of securities to shareholders, holders of Options will be notified by the Company and will be afforded at least seven (7) Business Days before the record date (to determine entitlements to the issue), to exercise their Options; and
- (k) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an optionholder are to be changed in a manner that is equitable but does not confer any additional benefit to the holder of the Option.

10.3 Disclosure of Interests of Directors

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, the Directors have relevant interests in Shares as set out in the table below:

Director	Shares currently held directly	Shares currently held beneficially	Total Entitlement to Shares
Philip Rees	104,717	-	104,717
Peter Diamond	104,717	7,937,550	8,042,267
Jay Hughes	261,794	7,937,550	8,199,344
Terry Budge	78,538	22,515	101,053

Each of the Directors and/or a related entity that directly holds the Shares on behalf of the Directors intends to apply for their full Entitlement under the Offer and may apply for additional Shares under any Shortfall.

10.4 Remuneration

The Company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed \$200,000 per annum.

The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

Mr Terry Budge is the only Director currently remunerated by the Company and is paid a fee of \$30,000 per annum.

10.5 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no:

- (a) Director of the Company;
- (b) person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (c) promoter of the Company; or
- (d) underwriter (but not a sub-underwriter) to the Offers or a financial services licensee named in the Prospectus as a financial services licensee involved in the Offers,

has, or had within 2 years before lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Shares under this Prospectus; or
- (iii) the offer of Shares under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers and has been involved in due diligence enquiries on legal matters. It is estimated that Steinepreis Paganin will be paid an amount of \$15,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

10.6 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Steinepreis Paganin have given their written consent to being named as the solicitor to the Company in this Prospectus and have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Ltd has given its written consent to being named the Company's Share Registry in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Westoz Funds Management Pty Ltd has given its written consent to being named as the Manager of the Company's Portfolio in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Ernst and Young have given their written consent to be named as Auditor to the Company and to the inclusion of the audited statement of financial position of the Company for the year ended 30 June 2006 in Section 7 of this Prospectus. Ernst & Young have not withdrawn their consent prior to lodgement of this Prospectus with the ASIC.

Euroz Limited has given its written consent to being named in various sections throughout this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Euroz Securities Limited has given its written consent to being named in various sections throughout this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

10.7 Expenses of the Offers

Assuming all Entitlements are accepted under this Prospectus, the total expenses of the Offer is estimated to be approximately \$50,000 and is expected to be applied towards the items set out in the table below:

Item of Expenditure	Amount
ASIC Fees	\$2,010
Adviser Fees	\$35,000
Printing and Marketing	\$5,990
Miscellaneous	\$7,000
Total	\$50,000

The Manager has agreed to pay these expenses on behalf of the Company.

10.8 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.9 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic Entitlement and Acceptance Form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic Entitlement and Acceptance Form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Entitlement and Acceptance Form. If you have not, please contact the Company using the contact details set out in this Prospectus and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the website of the Company at www.westozfunds.com.au.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given

access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

10.10 Related Party Transactions

As at the date of this Prospectus, the Company is a party to the following transactions with related parties:

- (a) the Company has entered into the Management Agreement with the Manager. The Manager will receive fees in connection with its role as Manager of the Portfolio. Please refer to Section 9.1 for further details. As at the date of this Prospectus, the Company and the Manager are both wholly owned subsidiaries of Euroz Limited. Further, Jay Hughes and Peter Diamond are directors of both the Company and the Manager and are substantial shareholders in Euroz Limited. Phil Rees is also a director of both the Company and the Manager; and
- (b) each Director has entered into a Deed of Indemnity, Insurance and Access with the Company. Please refer to Section 9.2 for further details.

10.11 AFS Licensees

The Company does not hold an Australian Financial Services Licence. Accordingly, the Company will only issue Shares pursuant to this Prospectus under an arrangement with Australian Financial Services licensees pursuant to Section 911A(2)(b) of the Corporations Act.

11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Peter Diamond
For and on behalf of
Westoz Investment Company Limited

12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or **\$** means an Australian dollar.

ASIC means Australian Shares & Investments Commission.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

Board means the board of Directors as constituted from time to time.

Business Day means a week day when trading banks are ordinarily open for business in Perth, Western Australia.

Company or **Westoz** means Westoz Investment Company Limited (ACN 113 332 942).

Closing Date means the closing date of the Offer, being 5.00pm (WST) on 20 November 2006 unless otherwise extended or closed early.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means an Entitlement and Acceptance Form attached to or accompanying this Prospectus.

Euroz Securities means Euroz Securities Limited (ABN 23 089 314 983).

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Investment Committee means the investment committee of the Manager, further details of which are set out in Section 5.3 of this Prospectus.

Listed Securities means securities in a class which:

- (a) are admitted to quotation on ASX;
- (b) in the reasonable opinion of the Manager, are likely to be admitted to quotation on ASX within a period of twelve (12) months from the date of the investment in those securities; or
- (c) are admitted to quotation on any other securities exchange approved by the Board in writing.

Manager means Westoz Funds Management Pty Ltd (ACN 106 677 721).

Management Agreement means the management agreement entered into between the Company and the Manager, further details of which are set out in Section 9 of this Prospectus.

NTA After Tax means the net tangible asset value per Share after provision for tax on realised and unrealised gains, dividends, operating costs, interest and fees, calculated as at the last day of each month and announced by the Company.

NTA Announcement Date means the date that the monthly NTA After Tax calculation is announced on the Company's website, being on or before the 15th day of each month.

Offer means the non-renounceable entitlement offer to Shareholders as further detailed in Section 3.4 of this Prospectus.

Option means an option to acquire one Share on the material terms set out in Section 10.2 of this Prospectus.

Portfolio means the portfolio of investments of the Company from time to time, as managed by the Manager pursuant to the Management Agreement.

Portfolio Value means the value of the Portfolio before any provision for tax calculated on the last Business Day of each month.

Prospectus means this prospectus.

Record Date means 17 October 2006.

Rights means the rights to subscribe for Shares pursuant to this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Ltd.

Shareholder means a holder of Shares.

Shortfall means the number of Shares comprising the difference between the Shares the subject of the Offer, and the number of entitlement Shares for which valid applications have been received and accepted by the Company by the Closing Date.

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

WST means Western Standard Time, Perth, Western Australia.

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Application Form together with a cheque to the share registry of the Company. If an Applicant has any questions on how to complete this Application Form, please telephone the Company on (08) 9321 7877. The Form must be received by the Company no later than 20 November 2006.

A. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registerable title.

B. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

C. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

D. Cheque Details

Make cheques payable to "Westoz Investment Company Limited – Entitlement Issue Account" in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

E. Declaration

By completing the Application Form, the Applicant will be taken to have made to the Company the declarations and statements therein. The Application Form does not need to be signed.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more New Shares than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

**Westoz Investment Company Limited
GPO Box Z5036 St Georges Terrace
PERTH W.A. 6831**

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S. Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund