



RURAL EQUITIES LIMITED
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Market Announcement

RURAL EQUITIES LIMITED RIGHTS ISSUE

The combined Investment Statement and Short Form Prospectus for the one for two pro-rata non-renounceable rights issue of ordinary shares at \$1.00 per share will be mailed to shareholders of Rural Equities Limited ("REL") on Thursday 5 May 2005. A copy of the document is also available on REL's website: <http://www.ruralequities.co.nz>.

The record date for entitlement to participate in the offer is 5.00 pm on 20 May 2005. The offer opens on 23 May 2005 and closes on 3 June 2005 (unless extended). The offer is being underwritten by ABN AMRO Craigs Limited.

As is required by the Securities Regulations 1983, the combined Investment Statement and Short Form Prospectus contain the unaudited interim financial statements of REL for the six months ended 31 December 2004. Because REL does not normally publish six monthly accounts these interim financial statements have not previously been provided to shareholders or released to the public.

Issued by : James Wright, Company Secretary, Rural Equities Limited
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