

26 April 2004

Market and Media Announcement

Rural Equities Ltd (REL) has received preliminary advice from H&G Limited (“H&G”) that H&G intends to make an offer to purchase shares in REL by means of a partial takeover offer pursuant to the Takeovers Code. A copy of the letter received from H&G is attached to this announcement.

The letter indicates that the offer will be on a pro rata basis for 2,303,550 shares at \$1.25 per share, payable in cash.

H&G is owned by Sir Selwyn Cushing and David Cushing. H&G together with its Associates currently own 34.56% of the REL shares. The proposed offer is for sufficient shares to enable H&G and its Associates to hold 50.1% of REL’s shares.

A committee of independent directors (Roger Bonifant, Murray Gough and Gerald Weenink) has been established to act in respect of the anticipated offer.

REL does not intend to make any further comment until the formal notice of intention to make the takeover is received, which H&G has indicated will be on or prior to 7 May 2004.

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