

- ASX Announcement -

Net Assets at 42 cents on Penrice downgrade – liquidity remains high

London City Equities Limited announces that the unaudited net tangible asset backing per share at 30 April 2010 was 42.0 cents per share.

The disappointing reduction in net asset backing follows two unexpected and surprising announcements from Penrice Soda Holdings Limited in which underlying profits for 2010 advised only some eight weeks ago have now been reduced to \$5-6 million from \$9.0 million. As a result, Penrice shares are their lowest in history and 40% lower than they were at the start of 2010.

Shareholders in both London City and Penrice Soda are aware that Penrice Directors rejected in an aggressive fashion certain board renewals proposed by London City and other shareholders in July last year.

London City is endeavouring to obtain from Penrice relevant information on the December 2009 results and other matters. Furthermore, London City is examining a range of alternatives possible with this unsatisfactory investment.

London City advises that its other investments are performing to expectation and the company continues to maintain a high level of liquidity with over \$2,700,000 (or 30% of assets) on deposit with its bankers.

Yours,



John C Plummer
Chairman of Directors

3 May 2010

