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9th August 2004

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Brickworks Investment Company Ltd (BKI) Merger
With
Pacific Strategic Investments Ltd (PSI)

The Board of BKI wishes to advise that it has today reached agreement in principal to merge with PSI. The terms of the merger are as follows:-

2 BKI shares for every 7 PSI shares

Formal documentation setting out details of the proposed merger will be forwarded to PSI shareholders as soon as possible.

W H Soul Pattinson and Company Limited, who are PSI's largest shareholder (24%) have indicated their intention to accept the proposed offer which is based on the position of both BKI and PSI as at 30 June 2004.

BKI's directors, Messrs Hall and Millner are also directors of PSI and it is intended that Mr Geoff Hill, who is currently Chairman of PSI will be invited to join the board of the merged entity after the transaction is completed.

The BKI Board of directors believe that the proposed transaction is in the best interests of all BKI shareholders.

Yours faithfully,

Robert D. Millner
Chairman