

Net Tangible Assets (NTA)

	May	April
NTA Before Tax	36.6	36.6
Tax – realised and deferred	(2.5)	(2.5)
NTA After Tax	34.1	34.1

Monthly Review

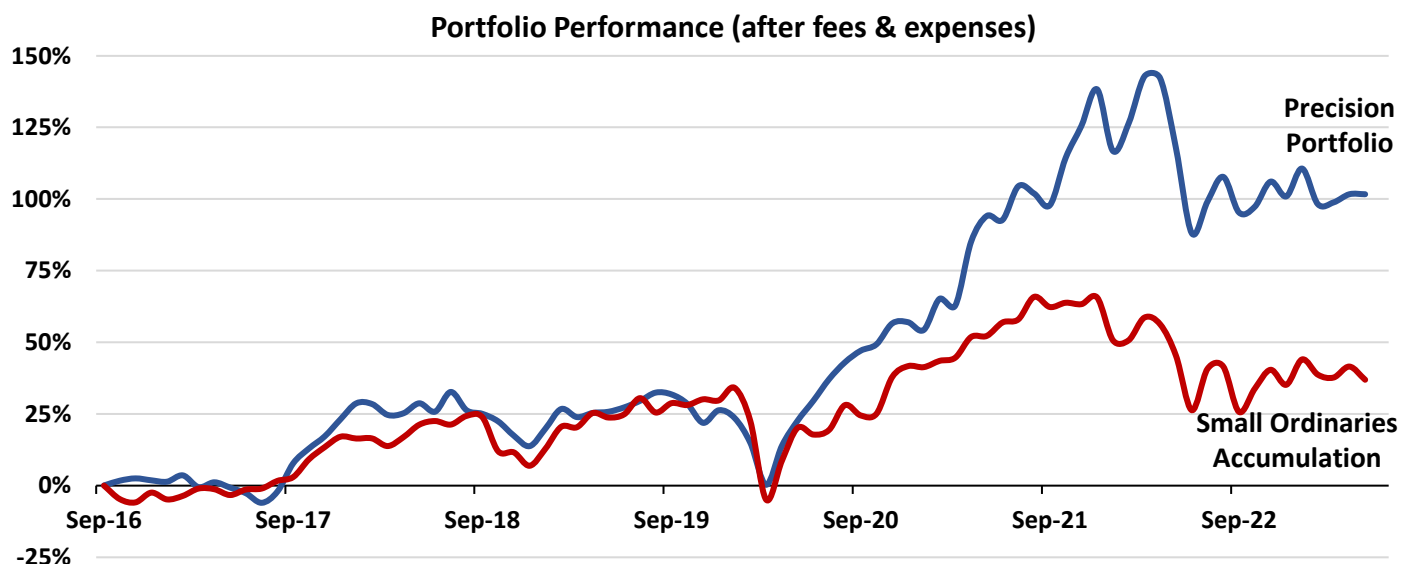
Fear and volatility reigned supreme in May, with worries over an old-fashioned economic downturn over-taking concerns of an extended uptick in interest rates. Germany entered a recession, global manufacturing indicators uniformly headed south, and there was growing evidence of a tightening of purse strings by the Aussie consumer. Bellwether commodity prices declined 5-15%, with gold (-0.7%) proving relatively resilient, particularly for local producers given renewed weakness in the Aussie dollar. The ASX All Ords. decreased 2.6%, with the small resources component especially weak (-7.1%) as lower commodity prices and decreasing liquidity compounded to send share prices sharply lower. Notable areas of solace for investors included large US tech companies (NASDAQ +5.8%), the lithium sector and West Arunta niobium plays.

The POF portfolio was flat over the month, which felt akin to victory given the conditions described above. Portfolio highlights included a 78% share price rise for Encounter Resources as investors grew to appreciate its land position surrounding WA1's West Arunta discovery. Delta Lithium (+43%) benefited from increased corporate activity in the lithium sector, and uranium play Berkeley Energia (+31%) got a boost following a distinct move to the right in Spanish regional elections. On the negative side was a 26% decline for Austin Engineering (ANG) following the announcement of delayed orders for the company's Australian business. We note that ANG's orderbook got a significant boost later in the month.

Portfolio trading activity was more elevated than in recent months. Following strong share price runs we realised profits from holdings in Emerald Resources and Delta Lithium. Share price machinations surrounding the bidding for St Barbara's Gwalia mine presented the opportunity to build up a position in Silver Lake Resources at what we consider to be an attractive entry point versus near term cash flow potential.

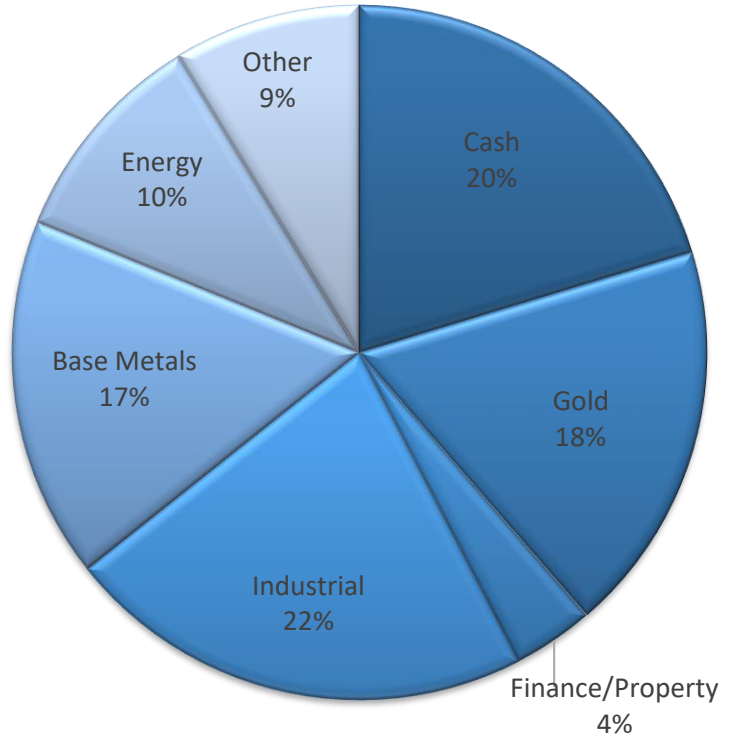
We continue to manage the portfolio with a view that market volatility is likely to provide very attractive entry points to stocks over the course of the next 6-12 months. This is reflected in the high cash balance, large holdings in gold companies and increased focus on stock liquidity.

Portfolio Performance (after fees and expenses)



Portfolio Composition

Company	Portfolio %
Develop Global	8%
SRG Global	6%
Silver Lake Resources	4%
Genesis Minerals	4%
Macmahon Holdings	4%
Delta Lithium	3%
West African Resources	3%
Australian Finance Group	3%
Centaurus Metals	3%
Talon Energy	3%
Other holdings	38%
Cash	20%



About Precision Opportunities Fund Ltd & Precision Funds Management

Precision Opportunities Fund Ltd ("POF") is an unlisted investment company that invests in emerging opportunities and undervalued companies listed on the ASX and other recognised exchanges. The investment focus is predominantly in the small-mid cap companies outside the ASX100.

POF is suitable for investors who wish to gain exposure to small-mid cap companies and are willing to accept highly volatile returns and increased levels of risk over the short term, including returns which could be negative, with the aim of seeking higher returns over the medium to long term. The Company should only be considered by wholesale investors with a significant risk tolerance and a long-term investment time horizon.

The investment manager for POF is Precision Funds Management Pty Ltd (PFM). PFM is a specialist, independent investment manager. Precision Funds Management’s principals have significant diversified investment experience in the small and mid-cap sectors of the ASX. The principals are significant investors in the fund, contributing approximately A\$9m between them, thereby aligning their interests with all shareholders of POF.

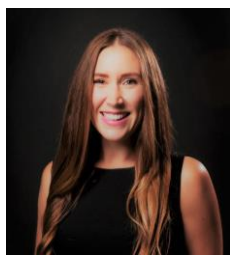
Management Team



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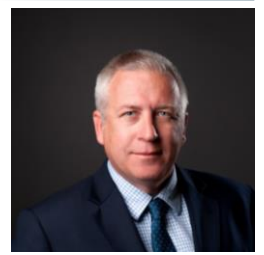
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