

9 September 2009

Companies Announcements Office  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

Dear Sirs

**RE: PORT GEOGRAPHE LOAN FACILITIES**

I refer to Axiom's Appendix 4E for year ended 30 June 2009 lodged with ASX on 31 August 2009. Under the 'Review of Operations' section of the document the Company referred to the review of the Port Geographe Joint Venture finance facilities being undertaken by St George Bank Limited ("**St George**"). The Company's subsidiary, Tallwood Nominees Pty Ltd in its own right and as trustee for The No 59 Unit Trust ("**Tallwood**"), owns 40% of the Port Geographe Joint Venture and is a joint borrower (as to 40%) with Macsea Nominees Pty Ltd ("**Macsea**") (as to 60%), under the financing facilities. Macsea is jointly owned by Macquarie Bank Limited and interests associated with Mr Luke Saraceni.

Tallwood and Macsea (together, the "**Borrower**"), have now received a Breach Notice from St George notifying them of alleged breaches of the St George facility agreement and requesting the Borrower to provide St George with formal written submissions by 18 September 2009 identifying how and by when the alleged breaches will be rectified. The Borrower is presently investigating the alleged breaches. The loan by St George to the Borrower is a limited recourse loan, effectively secured against the Project and the Company's interest in Tallwood.

As announced in the Company's Appendix 4E, the Company via Tallwood will continue to work with its partners in Port Geographe to achieve a satisfactory financial structure going forward that is acceptable to all parties, including St George. The Company will update the market once more information is to hand.

Yours Faithfully  
AXIOM PROPERTIES LTD



A J Gardiner  
Company Secretary