



1 August 2008

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

Dear Sirs

**RE: PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE**

Axiom is pleased to announce a pro – rata, non – renounceable, rights issue to raise \$10.8m before costs.

The basis of the issue will be 2 new shares for every 5 shares held at the record date of 20 August 2008. The issue price will be 8 cents per share. Full details of the issue are contained in the attached prospectus.

Whilst the company remains optimistic about its projects, the Directors believe that in the present difficult market circumstances it is wise to be prudent and conservative. The \$10.8m before costs raised via the Rights Issue will strengthen the company's Balance Sheet and provide the necessary capital to maintain timely progress on our World Park Adelaide Project. In addition to the Rights Issue, other revenues are anticipated this financial year, principally from the Port Geographe Canal Development where Stages 1 and 2 are due for settlement. Titles to these two stages have been delayed by the regulatory approval process but are still expected in the second half of the calendar year 2008. Directors believe that it is prudent to raise capital via the Rights Issue at this time in case there are any further delays to the Port Geographe settlements caused by the regulatory approval process.

Yours Faithfully  
AXIOM PROPERTIES LTD

A handwritten signature in black ink that reads "Ian Laurance". The signature is written in a cursive, flowing style.

Ian Laurance AM  
Chairman