AXIOM
PROPERTIES LIMITED

10 November 2005

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

Dear Sirs

SARAMAC NOMINEES PTY LTD

I refer to the trading halt requested by the Company on 9 November 2005.

The Directors of Axiom Properties Limited advise that Axiom Properties Limited ("the Company") has received a proposal from Saramac Nominees Pty Ltd ("Saramac") where Saramac proposes to subscribe for Shares, Convertible Notes and Options in Axiom.

Summary

Saramac proposes to inject capital into the Company by subscribing to the following shares, Convertible Notes and options in the Company:

(a) 25,000,000 shares at 4 cents to raise $1,000,000;

(b) Convertible notes to the value of $4,000,000 convertible into 100,000,000 shares at 4 cents per share; and

(c) 140,000,000 options exercisable between 13 months from shareholder approval and 15 January 2008 at 4 cents per option,

In addition, Saramac will require the appointment of four of its nominees to act as directors of the Company.

The proposal by Saramac is subject to shareholder approval and other conditions.

These conditions include the completion of due diligence by Saramac to Saramac's satisfaction.

Ground Floor, 168 Stirling Highway
NEDLANDS WA 6009

PO Box 677
NEDLANDS WA 6909

TEL: 61 8 9386 9711
EMAIL: axiom@axiompl.com.au

FAX: 61 8 9386 9722

A.B.N. 40 009 063 834

Background on Saramac

Saramac Nominees Pty Ltd is a company which the Company understands is owned by interests associated with Macquarie Bank Limited. Mr Luke Saraceni is a director of Saramac. These parties are also the Company's partners in the Port Geographe Joint Venture.

Fundraising

There are 3 components to the fundraising proposal. These components are (subject to shareholder approval):

(a) the Company will place 25,000,000 shares at 4 cents per share to Saramac to raise $1,000,000. It is proposed that this will occur within 2 business days of shareholder approval.

(b) Saramac will provide to the Company $4,000,000 by way of convertible notes which will be secured by a fixed and floating charge over the Company. The Company will be able to draw down on this convertible note facility in 4 tranches being:

  (i) $1,000,000 on the date of issue of the Convertible Notes which, it is proposed, will be within 2 business days of shareholder approval;

  (ii) $1,000,000 six months after the date of issue of the first tranche of the Convertible Notes;

  (iii) $1,000,000 twelve months after the date of issue of the first tranche of the Convertible Notes; and

  (iv) $1,000,000 eighteen months after the date of issue of the first tranche of the Convertible Notes.

  The Company would be required to pay a 5% fee upon each drawdown to Saramac and interest would be calculated at 10% per annum, payable quarterly. The convertible notes are to be repayable in full at the expiry of 3 years but Saramac may convert all or part of the convertible notes to shares any time up to 35 months after the issue of the first tranche of the Convertible Notes. Conversion would be at 4 cents per share; and

(c) the Company will grant to Saramac 140,000,000 options to subscribe for shares at 4 cents per share. Under the Saramac proposal it is proposed that these will be issued within 2 business days of shareholder approval. It is proposed that these options may not be exercised prior to 13 months from the completion date and expire on 15 January 2008.

Shareholder Approval

The Company has informed Saramac that it intends to give shareholders the opportunity to consider and vote on its proposal.

The company has previously announced that it has signed a Heads of Agreement with Pivot Group Pty Ltd ("Pivot"). The Pivot transaction is also subject to shareholder approval. The Company will endeavour to ensure that the Pivot transaction and the Saramac proposal will be put to shareholders at a General Meeting in December 2005.

The Company will be preparing a detailed Notice of Meeting and Explanatory Memorandum for shareholders which will include independent expert's reports on the relative merits of the Pivot transaction and the Saramac proposal.

Yours Sincerely
For and on behalf of Axiom Properties Limited

Peter Meagher
Managing Director