AXIOM PROPERTIES LIMITED

7 February 2006

Company Announcements Office
The Australian Stock Exchange Ltd
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sirs

Saramac Nominees Pty Ltd ("Saramac") Revised Proposal

Axiom Properties Limited ("Axiom") advises that it has entered into a Subscription Agreement ("Agreement") with Saramac.

The Agreement cancels and replaces an earlier offer and undertaking from Saramac.

Under the Agreement, subject to shareholder approval, Saramac will subscribe for shares, partly paid shares and options in Axiom to be issued on the following basis:

- Issue to Saramac 25,000,000 shares at $0.06 per share ("Subscription Shares");
- Issue to Saramac 85,000,000 partly paid shares at $0.06 ("Partly Paid Shares"); and
- Grant 50,000,000 options to Saramac ("Options").

The Partly Paid Shares will be a subject to a call program ie.

- $0.015 per Partly Paid Share six months after issue; and
- further calls of $0.015 at six monthly intervals thereafter so that the Partly Paid Shares become fully paid 24 months after issue.

The Options are exercisable at $0.10 per share from thirteen months after issue up to 36 months after issue.

Following issue of the Subscription Shares and completion of the call program for the Partly Paid Shares, Saramac would hold a 40% shareholding interest in Axiom. The new capital raised by Axiom from Saramac would total $6.6 million after issue of the Subscription Shares and full payment of the Partly Paid Shares.

Exercise of all of the Options by Saramac would raise a further $5 million of new capital for Axiom. Total new capital raised would be $11.6 million upon which Saramac would hold a shareholding interest of 49% in Axiom.

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The abovementioned issue of Subscription Shares, Partly Shares and Options to Saramac is subject to approval by Axiom shareholders at a General Meeting.

Axiom shareholders must also resolve at the General Meeting to appoint three persons nominated by Saramac as directors of Axiom.

It is also a condition of the Agreement that the General Meeting of Axiom shareholders not approve the Pivot Proposal. (See ASX release dated 19 January 2006 for details of the Pivot Proposal).

It is a term of the Pivot Proposal that the General Meeting of Axiom shareholders must be convened prior to 28 February 2006. The General Meeting will not be held prior to 28 February 2006. However Pivot may extend beyond 28 February 2006 if it wishes. So far Pivot has not notified the company as to whether it wishes to extend.

All of the above mentioned terms and conditions as well other terms and conditions are contained in a Subscription Agreement that has been signed today by Axiom and Saramac.

Axiom will endeavour to forward to shareholders, as soon as possible, a Notice of Meeting along with an Explanatory Memorandum and Independent Experts' Report containing information necessary to assist shareholders in assessing both the Pivot and Saramac Proposals.

Yours sincerely

Peter Meagher
Managing Director