VERUS INVESTMENTS LIMITED

ABN 59 009 575 035

9 August 2007

Company Announcement Office
Australia Stock Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Ms

Verus Investment Limited – Non Renounceable Rights Issue

Verus Investment Limited today lodged a prospectus ("Prospectus") with the Australian Securities and Investments Commission for a non renounceable rights issue of 2 New Options exerciseable at $0.10 cents on or before 30 June 2010 at an issue price of $0.002 each for every 3 Shares held in Verus Investment Limited, with fractions rounded up to nearest whole number of New Options.

A copy of the Prospectus together with the Entitlement and Acceptance Form will be mailed to all share holders no later than 27 August 2007.

The rights issue is seeking to raise approximately $318,392 (before costs of the issue). The purpose of the issue is to pay the costs of the issue and raise working capital.

Summary of Key Information

Type of offer:	Non renounceable rights issue of 159,196,107 Options to Shareholders as at the Record Date.
Exercise price:	$0.10 per Option at issue price of $0.002.
Issue Price:	$0.002 per New Option

Proposed Timetable

Prospectus date:	09 August 2007
Record Date:	23 August 2007
Prospectus mailing date:	27 August 2007
Offer closes:	12 September 2007
Allotment of New Shares:	20 September 2007

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The non-renounceable rights issue is only being extended to shareholders with registered addresses in Australia and New Zealand, and only those shareholders will be offered entitlements. If you have any queries, please contact the Verus Investments Limited share register on 1300 850 505 or if dialing from outside of Australia 61 3 9615 5970.

Yours sincerely

Dean L Gallegos
Chairman

Level 15, 25 Bligh Street Sydney NSW 2000
Ph: +61 2 9233 2520 Fax: +61 02 9233 2530

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

VERUS INVESTMENTS LIMITED

ABN

59 009 575 035

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	OPTIONS
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	159,196,107
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	THE OPTIONS ARE EXERCISABLE AT $0.10 ON OR BEFORE 30 JUNE 2010

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A
5	Issue price or consideration	$0.002
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	TO PAY THE COSTS OF THE ISSUE AND FOR WORKING CAPITAL
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	20 SEPTEMBER 2007

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	238,794,160	ORDINARY SHARES
		159,196,107	OPTIONS

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	N/A	

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	OPTION HOLDERS DO NOT PARTICIPATE IN DIVIDENDS UNLESS THE OPTIONS ARE EXERCISED AND THE RESULTANT SHARES ARE ISSUED PRIOR TO THE RECORD DATE TO DETERMINE ENTITLEMENTS TO THE DIVIDEND

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	NO
12	Is the issue renounceable or non-renounceable?	NON-RENOUNCEABLE
13	Ratio in which the +securities will be offered	TWO (2) OPTIONS FOR EVERY THREE (3) SHARES HELD
14	+Class of +securities to which the offer relates	ORDINARY SHARES
15	+Record date to determine entitlements	23 AUGUST 2007
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	FRACTIONAL ENTITLEMENTS WILL BE ROUNDED UP
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	HONG KONG, PHILIPPINES, AUSTRIA, SWIZERLAND, GERMANY, FRANCE, HUNGARY & SOUTH AFRICA

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	12 SEPTEMBER 2007
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	13 AUGUST 2007
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A

32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Dispatch date	20 SEPTEMBER 2007

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: (Director) Date: 9 AUGUST 2007

Print name: DEAN LLOYD GALLEGOS

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