



SVC Group Limited

ACN 009 161 522

Level 8, 55 Hunter Street
Sydney, NSW 2000

Company Announcements Supervision
Australian Securities Exchange
20 Bond Street
Sydney
NSW 2000

31st August 2012

Attention: Companies Officer

Hunter Valley Joint Venture – Update

SVC has a Joint Venture Agreement with Coast and Country Developments Pty Limited to develop a Hunter Valley property into a Manufactured Home Estate. Under the terms of the JV Agreement, SVC will lodge a development application in accordance with New South Wales State and local government guidance and technical requirements, facilitate the purchase of pre-manufactured homes by each home purchaser from the home manufacturer, and manage the sales and siting of the homes, and connection to services.

In exchange for its services, SVC will look to recoup its costs from the sale of the manufactured homes and receive 80% of any remaining profits from the sale of the homes.

D.A. Submission

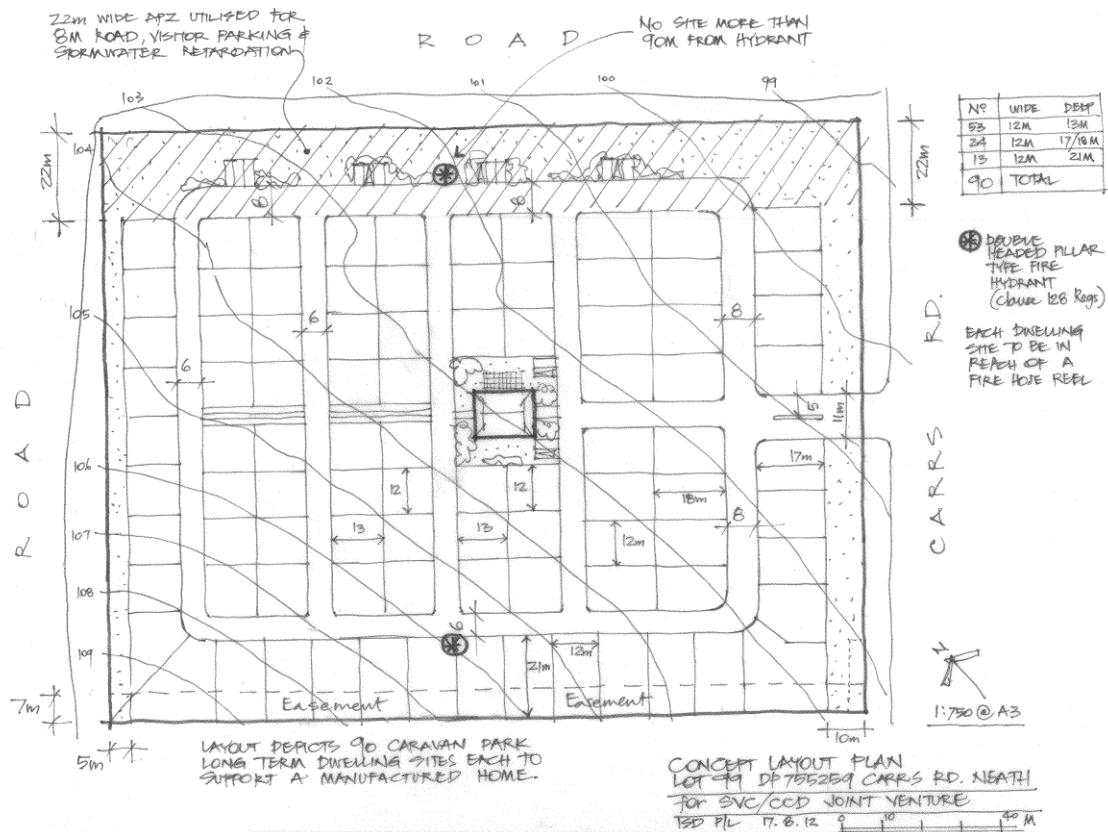
SVC Group Limited has continued to work with its consultants to develop a proposal for submission to Cessnock City Council. As described in SVC's quarterly report for the June quarter, a number of issues had been flagged for consideration including;

- Bush Fire Safety,
- Flora and Fauna,
- Traffic Impact,
- Mines Subsidence, and;
- Contamination,

Initial review of these issues utilizing historic information provided through Cessnock City Council have found that the site is not affected by contamination, or is it designated as sensitive flora and fauna, and although in a mines subsidence area, this should not have a significant effect on the development due to the light weight nature of the dwellings being proposed.

SVC Group Limited is now engaging with the Rural Fire Service to obtain its consideration of fire safety requirements based on the preliminary site layout produced below. The initial yield is for 90 plots, further consideration for the retention of remnant trees and fire safety requirements may reduce this

number; however this should not be overly significant and we would expect this reduction to remain within the Company's expectations of between 10 and 20 plots.



Please do not hesitate to contact the Company for any further information or clarification on the matters addressed in this update.

Yours faithfully,



Richard Pritchard
Chairman and joint Company Secretary
SVC Group Limited