



STOCK EXCHANGE ANNOUNCEMENT

31/8/2005

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The Board of Directors of Australian Property Systems Ltd wish to announce that an important milestone has been achieved in relation to the APSL System. The Ferry Road project in West End Brisbane owned by the Australian Affordable Housing Association Inc and Managed by Napier Blakeley has just received an investment grade rating by Property Investment Research Pty Ltd (PIR).

PIR is Australia's leading provider of independent property research and provides property ratings and analysis to investment managers, financial planners, stockbrokers, corporate advisers and fund managers.

The Directors believe that this is the first investment grade rating that has been achieved by an affordable housing residential product in Australia. The significance of this rating is that it should attract Institutional investment and Super Fund investment into the high quality affordable housing product that is able to be delivered as a result of the APSL System.

Following this announcement are two reports prepared by PIR on the Ferry Road project, the first report is the Geared version showing one of the highest investment grade ratings issued by PIR of AA+ and is suitable for wholesale investors. The report shows the investment is delivering an expected IRR of 23.14% per annum after tax for an investor on the 31.5% tax rate, on 80 % gearing over a 10 year investment period.

The second PIR report is the un-g geared version showing an investment grade rating of AA and is suitable for Super Funds, who are unable to borrow funds to gear the investment. The report shows the un – geared investment delivering an expected IRR of 10.52 % per annum for a Super Fund on 15% tax rate.

These ratings are a major step forward towards the credibility of the APSL System as a scalable and acceptable investment product in the market place. These ratings have only been achieved through the total dedication of the staff at APSL over the last 2 years in working diligently to ensure that the procedures were put in place to meet PIR's high standards of compliance and independent research.

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Geoff Jamieson
Company Secretary