

31st October 2006

The Manager
Company Announcements
The Stock Exchange of Newcastle Limited
384 Hunter Street
Newcastle Australia

Dear Sir

Jab Technologies Limited (JAB) was originally focused on a multi-media based marketing system that embeds rich media content, branding, purchasing and payment facilities within an email. JAB has a patent and trademarks protecting key aspects of this technology. More recently, JAB has expanded its services for use in the broader e-Commerce application services market, with the release of its "EZBiz" e-business service.

"EZBiz" provides an integrated web based facility for the set-up and management of Internet business services, including:

- Website generation and hosting
- Domain management
- E-Commerce
- Email marketing and newsletters

The EZbiz services allow anyone to easily design, launch and operate their own website and e-business service. EZbiz provides facilities that range from simple information services such as instant domain management and ISP hosting to more advanced Internet services such as e-commerce websites, Internet marketing, email automation and multi-media based content management.

Whilst JAB succeeded in completing the technical development of the product and attaining some 300 customers, this level of business was found insufficient to cover its costs. In order to finance the launch of a major promotion and marketing campaign of its services, JAB attempted to undertake a capital raising in May 2006 under an "Offer Information Statement" (OIS), to raise \$1,200,000. However, despite the OIS being extended, it failed to reach the minimum subscription and the funds raised had to be returned to the investors.



In order to provide working capital for the Company JAB entered into a Converting Note agreement with Austex Mining Pty Ltd, an investment company associated with the Chairman of JAB Rob Murdoch. The Converting Note is providing an opportunity for directors to evaluate other opportunities for the Company, going forward.

On 19 September 2006, JAB announced that the Company had received a letter from VentureAcess Capital Limited ("VAC") advising that VAC is preparing a Bidder's Statement for lodgement with ASIC and dispatch to the Company's shareholders containing a conditional offer to acquire 100% of Jab Technologies Limited's issued capital and all outstanding options. In its letter VAC advised that the proposed offer price to Jab shareholders is 3 fully paid ordinary shares of 20 cents each in VAC for every 5 Jab shares, and 3 options in VAC for every 5 Jab options. The VAC options will have the same expiry date and strike price as the Jab options. VAC also stated that subject to successful closure of the offer, it intends to apply for listing on the Australian Stock Exchange. It is expected that this transaction will be completed by the end of November 2006. However, to the date of release of this quarterly report JAB has not received a Bidder's Statement from VAC, and hence JAB has continued to examine other opportunities.

One possible opportunity is for JAB to take up projects in the resources industry and the Company will seek shareholder approval at its Annual General Meeting on 30 November 2006 to add investment in the resources industry, whilst the Company finalises its strategy with its existing technology business.

During the quarter, Mr Stephen Ioannides resigned as the Company's Managing Director and whilst he has remained a director of the Company, the Chairman of Directors, Mr Rob Murdoch, has assumed responsibility for the day-to-day operations of the Company. The registered office of the Company was moved to 6th Floor, 200 Creek St, Brisbane 4000.

Yours Faithfully

Jab Technologies Limited



Rob Murdoch
Executive Chairman

