

Bidder's Statement

In relation to an off-market bid by

VENTUREAXESS



VentureAxess Capital Limited
ABN 30 085 039 818

to acquire all the issued capital in

jabtechnologies

JAB Technologies Limited
ABN 42 087 426 953

19th February 2007

This is an important document that requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your financial or other professional adviser as soon as possible.

Important Information

Key dates

Date of Bidder's Statement	19 February, 2007
Date of offer conditions notice	16 March 2007
Offer Closes (unless extended)	23 March 2007

Notice

This offer is dated 19 February 2007 and is given by VentureAxess Capital Limited (ABN 30 085 039 818) ("**VentureAxess Capital**") to JAB Technologies Limited ABN 42 087 426 953) ("**JAB**" or "the **Target**") under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the offer to acquire your JAB Shares and JAB Options.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are capitalised. Unless a contrary intention appears or the context requires otherwise, terms used in this Bidder's Statement are defined in Section 12 of this Bidder's Statement.

Investment decisions

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each JAB Technologies Limited shareholder. You should seek independent financial, taxation and legal advice before deciding whether or not to accept the Offer for your JAB Shares and JAB Options.

ASIC

A copy of this Bidder's Statement was lodged with ASIC on **19** February 2007.

Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

QUERIES

If you have any queries about the Bidder's Statement or enclosed Offer, please contact the offer enquiry line on (02) 9999 0720 (or +61 2 9999 0720 for international callers) or your stockbroker, legal or financial adviser. As required by the Corporations Act, calls to the offer enquiry line will be recorded.

HOW TO ACCEPT THIS OFFER

Acceptances must be received by the end of the Offer Period. The manner by which you accept the Offer is by completing and signing the Acceptance Form at the end of this Bidder's Statement in accordance with the instructions provided on the form and return it, together with any other documents required by those instructions, in the envelope provided.



CHAIRMAN'S LETTER

19 February 2007

Dear JAB Shareholder,

I am please to enclose our offer to acquire all of your shares and options in JAB (**Offer**).

As you are aware VentureAxess Capital has previously offered to acquire all of the issued capital in JAB. That previous offer closed on 12 January 2007 subject to a number of defeating conditions which were unsatisfied and had not been waived. Accordingly all acceptances received pursuant to the previous offer were void.

Given the support for the previous offer from JAB Shareholders, we are happy to once again offer to acquire your JAB Shares and JAB Options (if any) on terms set out in this Bidder's Statement and Offer document.

Under this Offer, as with the previous offer, for every 5 JAB Shares you will receive 3 VentureAxess Capital Shares with an issue price of \$0.20 each. This equates to the attractive value of \$0.12 for each of your JAB Shares. In addition you are offered 3 VentureAxess Capital Options exercisable at \$0.20 on or before 31st December 2009 for every 5 JAB Options you may hold.

This Offer delivers to you some very tangible benefits and most importantly the opportunity to exchange your shares in JAB which is a small, poorly performing company listed on the National Stock Exchange of Australia (**NSX**) for shares in VentureAxess Capital. We also note that as a JAB Shareholder you have had little opportunity to trade your shares. If you choose to accept this Offer you will receive shares in an established and well-performed company that has applied for listing on the ASX and intends to lodge a prospectus within the next month with the aim of satisfying the ASX listing criteria.

I strongly encourage you to accept this exciting Offer for the reasons set out in detail in the Bidder's Statement. A summary of how to accept is set out inside the cover of this Bidder's Statement and in the Acceptance Form that accompanies this Offer. The Offer is subject to the condition set out in Section 7.6 of this Bidder's Statement.

If you have any questions, please do not hesitate to contact the offer enquiry line on (02) 9999 0720.

The Offer is scheduled to close at 5pm (Sydney time) on 23 March 2007.

Thank you for your consideration of the Offer.

Yours sincerely

Geoff Mullins
Chairman
VentureAxess Capital Limited

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ACCEPTANCE FORM

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CORPORATE DIRECTORY

1. REASONS TO ACCEPT THIS OFFER

1.1 Features of the Offer

What you receive for your JAB Shares

For every 5 JAB Shares held by you, you will receive 3 VentureAcess Capital Shares of \$0.20 each. Under this Offer, for each JAB Share you will receive a value equivalent to \$0.12.

What you receive for your JAB Options

For every 5 JAB Options (if any) that you own you will receive 3 VentureAcess Capital Options exercisable at \$0.20 on or before 31 December 2009.

Opening date of Offer

The Offer opens on 21 February 2007

Closing date of Offer

Unless the Offer is extended, acceptances for the Offer close at 5.00pm Sydney time on 23 March 2007.

JAB Shares on Issue

According to the June 2006 Annual Financial Statement lodged with ASIC by JAB, JAB has the following securities on issue;

- 14,862,911 JAB Shares.
- 8,865,029 JAB Options, exercisable at \$0.20 each until 31 December 2009.

VentureAcess Capital Shares as consideration

VentureAcess Capital currently holds no JAB Shares and has no relevant interest in JAB.

In order to acquire all JAB Shares on issue, VentureAcess Capital will have to issue 8,917,747 new VentureAcess Capital Shares.

In order to acquire all JAB Options, VentureAcess Capital will have to issue 5,319,017 VentureAcess Capital Options exercisable at \$0.20 each until 31 December 2009.

Total Shareholding

If the Offer is successful, JAB Shareholders will account for approximately 15% of VentureAcess Capital's total Shareholding (undiluted for options). This does not take into account any VentureAcess Capital Shares that may be issued under an Offer Information Statement dated 9 November 2006 or the Prospectus expected to be lodged within a month. See Section 2.7 for details.

Brokerage and Stamp Duty

VentureAcess Capital will pay stamp duty or brokerage charges, if any, payable on the transfer to it of your JAB Shares and JAB Options.

1.2 Eligibility

JAB Shares and JAB Options to which the Offer relates

The Offer relates to JAB Shares and JAB Options that exist or will exist as at 5.00pm on 18 February 2007. If securities exist or will exist at that date that may be converted to or that confer rights to be issued JAB Shares then the Offer also relates to JAB Shares issued during the period from the 18 February 2007 to the end of the Offer Period due to a conversion or the exercise of such rights.

Expected date of issue of consideration to JAB Shareholders who accept the Offer

Assuming the conditions of the Offer are met, if you accept the Offer you will become entitled to receive VentureAcess Capital Shares for your JAB Shares when the takeover is completed. VentureAcess Capital Shares and Options will be issued to you 21 days after the Closing Date. It is expected that share and option certificates will be posted to you shortly after, or, if VentureAcess Capital is at that time admitted to the official list of ASX, holding statements will be dispatched to you at that time.

1.3 Why you should accept this Offer

- If the Offer is unsuccessful, JAB's Going Concern status may be jeopardised. You will benefit from the synergies and support offered by VentureAcess Capital.
- You will receive good value for your JAB Shares.
- You will receive shares in an established investment company with a sound track record, a diverse investment portfolio and established position in Australia's venture capital industry.
- In order to generate liquidity for VentureAcess Capital Shareholders VentureAcess Capital intends to seek admission to the official list of the ASX and for official quotation of all VentureAcess Shares and Options including the VentureAcess Shares and Options to be issued as consideration for the Offer.
- You may benefit from VentureAcess Capital's proven management experience and Australia-wide deal flow.
- From time-to-time you may be offered the opportunity to take pre-IPO positions in selected VentureAcess Capital investee companies, subject to the Corporations Act and your own individual circumstances.

Due to these reasons the board of VentureAcess Capital strongly advises you to ACCEPT the offer for JAB Shares and JAB Options

Set out below is a more detailed explanation of the comments made under Section 1.3 above:

1. If the Offer is unsuccessful, JAB's Going Concern status may be jeopardised. You will benefit from the synergies and support offered by VentureAcess Capital.

VentureAcess Capital currently has interests in companies in the IT sector with synergistic potential with JAB. VentureAcess Capital is capable of offering significant support for JAB as well as playing a role in developing functional relationships for JAB. Should the Offer be successful, VentureAcess Capital is committed to helping JAB achieve full-scale business success.

JAB is currently making a significant loss per year. In the Auditors report to the 2006 financial year accounts it is stated:

"As a result of the financial position of the company outlined above, there is significant uncertainty whether the company and consolidated entity will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. The continuation of the company and consolidated entity as a going concern is dependent upon their ability to achieve the following:

- *Obtaining additional facilities, funding or capital from financiers, shareholders, directors and/or related parties to enable the company and consolidated entity to achieve a sufficient working cash flow level.*
- *The generation of future profits by the major underlying business."*

On 30 January 2007 the NSX wrote to JAB querying the solvency of JAB. A copy of this letter is attached as Annexure B. The JAB board responded on 2 February 2007 noting that although the JAB directors believe that JAB is currently solvent it is expecting loan funds from VentureAcess Capital to operate its business as normal. A copy of this letter is attached as Annexure C.

VentureAcess Capital has advised the NSX that subject to the receipt of acceptable six month cash flow forecasts from JAB, VentureAcess Capital will supply the funds necessary to ensure JAB'S on going liquidity.

Should JAB fail to continue as a Going Concern, JAB Shareholders are likely to make a significant loss on their Shareholding in JAB. VentureAcess Capital's offer is an opportunity for you to take shares and invest in an established entity with a sound track record.

2. You will receive good value for your JAB Shares and JAB Options

In JAB's 2006 financial report, JAB had net assets per share of \$0.0071 and a price earnings ratio of -4.2. Recently JAB Shares have been offered on the NSX at \$0.08 a share, but there have been no buyers. However, during the last 12 months there have been two trades in JAB shares. On 26 May

2006 Austex Mining NL (a company controlled by Robert Murdoch, the Chairman of JAB) announced that it had acquired 47,491 JAB shares at \$0.1274 per share and on 2 June 2006 there was a trade in JAB Shares at \$0.15 per share.

VentureAcess Capital has net assets of \$0.201 per VentureAcess Capital Share and recently VentureAcess Capital Shares have been issued and taken up at \$0.20 per share. Based on the audited financial statement of VentureAcess Capital for the 2006 financial year its basic earnings per share is \$0.0324. Refer to paragraph 2.5(d) below for the pro-forma net asset position of VentureAcess Capital at 30 June 2006, post the JAB takeover and adjusting for the additional deferred tax arising on loss of PDF status.

3. You will receive shares in an established investment company with a sound track record, a diverse investment portfolio and established position in Australia's venture capital industry.

JAB is a non-diversified company, operating in a single volatile sector of the Australian market. As such, many investors would consider it a high risk investment.

VentureAcess Capital however has a diverse portfolio of investee companies in multiple industries. This diversification allows for a decrease in exposure risk and should help you as a shareholder to be protected from sector specific issues.

VentureAcess Capital investments bridge a range of technologies, but with particular concentration in:

- Medical Technology;
- Aquaculture and Agribusiness;
- Information Technology & Communications; and
- Energy & Water.

VentureAcess Capital has and intends to continue to invest principally in companies with a unique focus and the potential to become internationally dominant in their field. Such opportunities will normally be supported by a proprietary interest in novel technology, which can be protected by patents. These companies have the potential for outstanding growth, and VentureAcess Capital is poised to take advantage of this potential, as it has done in the past.

4. Intention to list on ASX

VentureAcess Capital plans to list on the ASX during this financial year. If, after VentureAcess Capital's proposed listing on the ASX, you hold a marketable parcel of VentureAcess Capital Shares (of at least \$500 in value based on the closing price of VentureAcess Capital Shares), you would then be able to trade your VentureAcess Shares electronically. The board of VentureAcess expects that this will result in a marked increase in liquidity from the current liquidity of JAB Shares.

An application was made by VentureAcess Capital to the ASX on 16 November 2006 for admission to the official list of the ASX and for official quotation of all VentureAcess Capital Shares and Options. However, at that time, VentureAcess Capital was not in a position to satisfy the ASX listing criteria. VentureAcess Capital intends to lodge a Prospectus within the next month to satisfy the ASX listing criteria with the intention to be admitted to the official list of the ASX shortly afterwards, subject to raising sufficient funds and satisfying the ASX listing criteria. There is no certainty that the Company will achieve the listing criteria and be admitted to official quotation on ASX.

5. You will benefit from VentureAcess Capital's proven management experience and Australia-wide deal flow.

VentureAcess Capital has a proven track record in the Venture Capital Industry with an increase in the audited value of the investment portfolio over the last 3 years in excess of 1,000%. VentureAcess Capital has an experienced board of directors which together with the assistance of the VentureAcess Group of companies, assists it to remain competitive in the market and to achieve efficiency.

6. You may be offered the opportunity to take pre-IPO positions in selected VentureAcess Capital investee companies.

Due to the nature of VentureAcess Capital's business, there are times when investee companies require additional capital and additional shareholders. In specific circumstances, VentureAcess Capital Shareholders may be offered the possibility to acquire pre-IPO positions in these companies subject to the Corporations Act and individual circumstances.

2. VENTUREAXESS CAPITAL LIMITED

2.1 VentureAxess Capital Limited

2.1.1 Background

VentureAxess Capital has and will continue to invest principally in emerging Australian companies with a unique focus and the potential to become internationally dominant in their field. Such opportunities are usually supported by a proprietary interest in novel technology, which can be protected by patents. These emerging companies need to demonstrate the potential to offer substantial commercial advantages over existing and emerging alternatives.

VentureAxess Capital seeks to invest in young developing companies by subscribing for new shares, acquiring non-transferable options to subscribe for shares, or lending money to eligible investee companies that meet the VentureAxess Capital selection criteria, who have completed the VentureAxess "investor ready" process and passed a stringent due diligence review. VentureAxess Capital considers investments in emerging businesses across a range of technologies, but it has particular interest in:

- Medical & Life Sciences;
- Aquaculture & Agribusiness;
- IT & Communications; and
- Energy & Water.

The experience of VentureAxess Capital and its Fund Manager, VentureAxess Fund Managers Limited is such that investment opportunities have arisen regularly. The Fund Manager is owned 100% by VentureAxess Limited. This ownership allows a faster decision-making process than larger, institutionalised fund managers. While still carrying out appropriate due diligence, the Fund Manager is not overburdened by bureaucratic structures and procedures. The Fund Manager is able to make decisions quickly and efficiently, taking early advantage of opportunities.

2.1.2 VentureAxess Capital - Successful Investing

It is now over three years since the management of VentureAxess Capital was taken over by the Fund Manager. Since then VentureAxess Capital has recorded a number of substantial achievements. These achievements include:

- Growth of VentureAxess Capital from an audited investment value of \$941,986 at 30 June 2003 to a current audited investment value of over \$12 million at 30 June 2006. This represents an increase of over 1,000% over 3 years.
- An increase in net asset backing per VentureAxess Capital Share prior to the Offer from \$0.099 to \$0.2001 between June 2003 and June 2006 (based on audited accounts as at 30 June 2003 and 30 June 2006). This represents an increase of 106%.
- Increase in the number of investee companies from 5 in June 2003 to 12 at 30 June 2006. This represents an increase in investee company numbers of 140% in 3 years.
- An increase in the price at which VentureAxess Capital Shares have been issued from \$0.10 in June 2003 to \$0.20 in 2006 which takes the Company's unlisted share price increase to 100% in 3 years.
- The acquisition of \$2,056,009 of investment assets from VA1 Pty Ltd in December 2005.
- The acquisition of Bridgewater Development Capital Fund Limited (a Queensland based pooled development fund) in December 2005.

2.1.3 VentureAxess Capital - Definition of "Emerging Business"

VentureAxess Capital defines Emerging Business as business at a stage "just before coming into prominence." VentureAxess Capital seeks outstanding emerging companies to add to its investment portfolio with the following characteristics:

- The company controls its proprietary technology and that technology is or can be adequately protected;
- The company is unlisted;
- The company has good management or recognises the need to introduce good management;

- The technology owned by the company can be developed to command significant, sustainable competitive advantages;
- The company represents an excellent market opportunity with superior growth potential;
- The prospects for early cash flows are realistic;
- The company's business is capable of becoming dominant internationally and appears to be in advance of practice in sophisticated markets such as North America and Europe; and
- The company has a realistic medium term (less than three years) prospect of either a stock exchange listing or trade sale .

2.1.4 VentureAcess Capital - Overview of Emerging Business

A sound emerging business, which is enjoying growth, will inevitably require funding for its working capital and expansion. Sadly, aside from traditional loans and government grant assistance there is relatively little investment available in Australia. Often emerging businesses close their doors or sell for low prices (frequently to off-shore interests).

Emerging businesses generally require only relatively small sums of initial funding, often in the range of \$500,000 to \$5 million. By funding the development of commercialisation strategies along with key technical developments, such companies can potentially multiply in value many times. Skilled investment by a manager specialising in early stage companies can help reduce risk and increase returns associated with these opportunities.

VentureAcess Capital and the Fund Manager have hands-on experience with, and an understanding of, the risks that must be managed during early stage commercialisation. By investing in carefully selected emerging businesses VentureAcess Capital seeks to share in medium-term gains and to deliver attractive returns to shareholders, subject to availability of funds to invest. Section 3 provides additional detail of the Fund Manager's approach to investment.

As can be seen from section 2.4 below VentureAcess Capital has historically invested between \$55,000 and \$1.5 million in investee companies and considers that \$3 million is likely to be the maximum that it would invest in any one investee company.

2.1.5 The VentureAcess Group

The VentureAcess Group commenced business in 2001 and is dedicated to assisting emerging businesses to successfully source investment to secure their future growth and development. The approach of the VentureAcess Group is to make an emerging business investment ready prior to securing investment.

The VentureAcess Group offers corporate advisory services, funds management and investment and is planning to further broaden its offering. All services are directed towards emerging business.

The VentureAcess Group is now a growing investment group dedicated to delivering advice and investment to emerging business in Australia. In meeting its vision the VentureAcess Group adopts the following values:

- Commitment to the needs of the client
- Reliability
- Passion for development of enterprise
- Wealth creation
- Respect in the marketplace
- Innovation
- Commitment to the future of emerging Australian business, an ideal which it believes is the future for Australia.

The VentureAcess Group, which, through its subsidiary, manages VentureAcess Capital, sees VentureAcess Capital as a key vehicle in the delivery of investment in emerging businesses.

2.2 Directors

Geoff Mullins (Chairman)

For over 25 years, Geoff has been providing corporate advice on the commercialisation of new technologies and ventures. Geoff has high-level experience in information technology and communications. He has strong

background in commerce and law with dual degrees and was admitted as a Barrister-at-Law to the NSW Supreme Court in 1979. This experience was compounded by his roles as chairman or director of numerous companies. Geoff's dedication to emerging business in Australia has led him to launch a unique business model and take a leading role in the delivery of investment access to emerging business in Australia. Geoff has been and remains fundamental in the foundation, development and growth of VentureAcess Capital. He is Chairman of VentureAcess Capital Limited, VentureAcess Limited, The National Investor Database Limited, Aquaculture Research & Marketing Pty Ltd, VA1 Pty Ltd, VentureAcess Fund Managers Limited, Pittwater Business Limited and Sydney's North 2030. Geoff is also a director of Heart Assist Technologies Pty Ltd.

Emyr Jones (Non-Executive Director)

Emyr has accumulated over 25 years professional experience as a corporate financial officer in various listed UK companies and non-executive director of and investor in, emerging businesses. Emyr relocated to Sydney in 2001 and formed a mentoring and angel investment business. He joined the VentureAcess Group as a Director and shareholder in 2002 and is a Director of VentureAcess Limited, VA1 Pty Ltd, VentureAcess Fund Managers Limited and The National Investor Database Limited as well as being Chairman of WebND Technologies Limited.

Dame Leonie Kramer (Independent Director)

Dame Leonie Kramer has served on numerous public bodies during her distinguished career. Her numerous appointments include; Chair of the Australian Broadcasting Corporation (1982-83), Member of the ABC Board since 1977, Member of the Secondary Schools Board (1976-82), Member of the Council of the National Library (1975-81), Senior Fellow of the Institute of Public Affairs (1988-96), Commissioner of the NSW Electricity Commission (1988-95), Chairman of the Board of Directors of NIDA (1987-92) and many others.

She has also served on the boards of several large corporations including Western Mining Corporation and ANZ Banking Group. Dame Leonie was Deputy Chancellor of the University of Sydney from 1989-91 and Chancellor from 1991-2001. Dame Leonie Kramer was awarded an OBE in 1976 and DBE in 1983.

Robin Forbes (Independent Director)

Joining the stock broking company Hartley Poynton & Co in 1969, Robin became a partner in 1971, and that year was later elected a member of the Stock Exchange of Perth. He served as Chairman of the Stock Exchange of Perth from 1982 to 1984. Director of Orbital Engine Corp Ltd 1984 to 2002 and Deputy Chairman Hartleys Ltd April 2001 to October 2003. He is currently an investment adviser for Hartleys Limited and Chairman of the Board of Solco Ltd. Robin has extensive experience on investing in and listing technology companies.

Karalyn Day (Company Secretary) Karalyn Day was co-founder of the VentureAcess Group and is currently Company Secretary of VentureAcess Capital Limited, Booma Hyland Aquaculture Limited, Heart Assist Technologies Pty Ltd and a director and company secretary of VA1 Pty Ltd, VentureAcess Fund Managers Limited, The National Investor Database Limited and VentureAcess Limited. She has worked in the venture capital industry for the past seven years.

2.3 Investee Companies

VentureAcess Capital's investments are listed in Section 2.4. Its more significant investments are described below.

WebND Technologies Pty Ltd

WebND Technologies Pty Ltd (WebND) has used hosting and portal technology to develop and successfully implement innovative business models and solutions both in Australia and China. It is a user-friendly networking application that provides communication and commerce capability within and between business, government and the community.

WebND has partnered with major Chinese IT businesses, strategic channel partners and a Chinese National Government organisation, to implement its software and infrastructure for a rollout of a hosted on-line communication and marketplace networks across China. The recently won Chinese National Government contract provides credibility for WebND's product in the China market.

The combined market of all existing business models potentially includes hundreds of thousands of Chinese businesses and therefore the opportunity to leverage off the commercial networks established collectively is enormous. Within these businesses there is significant scope to employ the WebND hosted solution in varied business relationships, vertical channels, regional marketplaces and channel partnerships.

Heart Assist Technologies Pty Ltd

Heart Assist Technologies Pty Ltd (HAT), was incubated by Sydney's Royal North Shore Hospital, and is well advanced in the development of its proprietary Heart Assist Direct Cardiac Compression (DCC) Device. It is well positioned to develop internationally to build upon ten years of intense co-operative research and development and to secure a share of the multi-billion dollar heart failure treatment market. The incidence of heart failure is increasing at 15% per annum in developed countries.

The DCC Device, which incorporates computer controlled pneumatic 'Heart Patches' that fix externally to the heart wall, represents ground-breaking technology as it does not connect to the blood stream. This overcomes the major problems of thrombosis (formation of blood clots) with resulting stroke and haemorrhage complications associated with existing flow-through heart assist devices. The technology has been demonstrated to work for extended periods in animal models and is protected by patent and surrounding intellectual property rights.

The DCC device acts by assisting the heart in both the expansion (diastole) or blood filling phase and in the contraction (systole) or blood ejection phase. Assistance during both phases is important, as normal blood flow cannot be re-established unless the ventricles are filled with newly oxygenated blood prior to the ejection phase. Being physically attached (by the company's proprietary attachment technology) to the heart wall, deflation of the HeartPatch expands the ventricle and draws blood into the chamber. Subsequent inflation of the HeartPatch causes contraction of the ventricle and ejection of blood into the aorta (left ventricle) and the pulmonary artery (right ventricle).

HAT is now preparing itself for an IPO and listing on the ASX. This is likely to progress by way of "backing" the company into a currently listed vehicle.

Ceebron Pty Ltd

Ceebron is developing 'The Smart-Trace System' - a unique wireless-based, identity, temperature, time and location monitoring system, targeted at the growing, multi-billion dollar Australian and OECD markets for monitoring the temperature of 'perishable goods' from producer to consumer.

The system is patent protected and supported by key partners, Meat & Livestock Australia (for development funding and local and export market access) and Motorola Inc. (for development and technology). Ceebron estimates the 2007 market for perishable shipped goods to be around \$32b in Australia and greater than \$1300b in targeted OECD markets.

Motorola is a major global communications technology company and Meat & Livestock Australia is the national body representing the red meat industry of Australia, which has revenues in excess of \$6 billion. Australia is the world's largest beef exporter.

Ceebron has proven the viability of the communications protocol within the hostile environment of chilled and frozen perishable products in the supply chain, where well-known wireless protocols such as Bluetooth, WiFi and RFID failed. Extensive trials demonstrated continuous identity, time and temperature trace in the worst conditions likely to be experienced in frozen food distribution. Important breakthroughs in antenna and powering design have now been made to achieve the credit-card form factor for the Smart-Trace™ Tag which is fixed to the pallet-load at the commencement of the supply chain. In field trials, signals from multiple Tags have been captured, processed, integrated with GPS location data and stored in the Smart-Trace™ Gateway. The assembled data has then been successfully transmitted via GPRS to the Smart-Trace™ Database Server. Ceebron has protected its intellectual property with an early Priority Date.

Aquaculture Research & Marketing Pty Ltd

Aquaculture Research & Marketing Pty Ltd ("ARM") has been located at Jurien Bay in Western Australia but is now preparing to relocate to New South Wales. It owns and in conjunction with another VentureAcess Capital investee company, Para Tech International Pty Ltd has developed technology that promises to deliver a reliable commercial supply of aquaculture feed capable of underpinning and expanding the global aquaculture and mariculture industries (seafood/products derived from land-based hatcheries and marine farms) and which also has the potential to have a positive impact on animal feeds and possibly human nutrition.

At present up to 95% of aquaculture hatcheries globally are reliant upon the cysts of the brine shrimp *Artemia* to provide a primary feed source for the early stages of aquaculture production as the stock is grown from eggs to juveniles. *Artemia* is principally derived from wild capture in the US and China, having never been successfully cultivated on a commercial scale in captivity (despite extensive research). The ARM technology involves the commercial harvesting of cysts (eggs) from cultivation of the Australian brine shrimp, *Paratemia*. Fifteen species of *Paratemia* are found exclusively in Australian salt lakes and are slightly larger and carrying more protein than

the Artemia. The technology has demonstrated an outstanding potential for intensive cultivation in captivity under laboratory conditions and in larger scale baths and tanks not previously possible. These results support the construction of the first full scale production unit to support larger scale grow-out and international sales.

Data-Cast.Net Limited

Data-Cast.Net's (DCN) current portfolio of products include, AeroTV - an in-flight digital entertainment system for commuter and regional aircraft and VPTV - a system for the delivery of dynamic digital programming and advertising to specific displays at multiple locations. This includes the DVC system, which is a digital movie delivery system for hotels and motels.

DCN have commissioned AeroTV (an in-travel digital entertainment system) on National Express a large European bus operation. There are now 44 modern coaches in the National Express fleet operating AeroTV on a 24-hour schedule. The services are branded NXTV and National Express has spent a lot of time and money in marketing the brand and service to its passengers. It is seen as a significant enhancement of the travelling experience. DCN is now moving to bed down Stage Two installations of over 100 coaches.

XempleX Pty Ltd

XempleX is a software tool that provides a visual environment for business and process modelling. Existing specialist business intelligence products are expensive and highly structured. Changes to the structure or inclusion of new modelling constraints require costly and time consuming programmer input. In contrast XempleX provides the flexibility and ease of use normally associated with spreadsheets combined with the comprehensive data analysis capabilities of specialist modelling tools. The power to develop new models is in the hands of the subject expert. This enables corporations to capture intellectual capital that is normally lost when spreadsheets are developed by expert users. XempleX separates the process logic from the data, so models can easily be reused with different data sets and shared between users.

XempleX is initially targeting the mining industry, both directly and through leveraging partner relationships. The recent launch of the Enterprise Version of the XempleX software enables easier integration with the clients enterprise software, and is expected to lead to an increase in sales.

VentureAxess Capital was an early investor in XempleX when their unique graphical business intelligence software was at concept stage. Since then product development has advanced through concept, to proof of concept, beta release and the first commercial release in April 2003.

Conditional Terms Sheets

VentureAxess Capital is in the process of negotiating two new investments in the aquaculture and medical fields, both are conditional on completion long form documentation and due diligence to the satisfaction of VentureAxess Capital.

2.4 Shares in Investee Companies and Financial Position

Value of investments in the audited accounts to 30 June 2006

	Cost \$	% owned of Issued Capital	30 June 2006 \$
Data-Cast.Net Limited	150,000	15.6%	1,500,000
XempleX Pty Ltd	260,000	21.8%	3,053,600
Telroy Pty Ltd	115,000	11.5%	57,500
Lumitex Ltd	111,000	5.7%	111,000
EON Pty Ltd	283,137	84.1%	283,137
Booma Hyland Aquaculture Ltd	1,501,288	34.6%	-
Para Tech International Pty Ltd	1,442,324	18.6%	1,442,324
Heart Assist Technologies Pty Ltd	769,518	16.3%	1,263,761
Ceebron Pty Ltd	674,062	15.7%	1,787,007
Web ND Technologies Pty Ltd	774,324	11.9%	2,586,692
Aquaculture Research & Marketing P/L	55,000	1.0%	55,000
Sub total - parent entity	6,135,653		12,140,021
Virtual Meeting Online Pty Ltd	253,591	30.0%	253,591
Total – economic entity	6,389,244		12,393,612

The Company's accounting policy for the valuation of investments is as reproduced below:

Investments are classified as financial assets at fair value through the profit and loss or as available for sale financial assets. The company values investments on the fair value basis. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities as follows.

Due to the lack of a liquid market and the inherent uncertainty of the future maintainable cash flows of seed and early stage venture capital investments, the most appropriate indicator of fair value is usually cost. Prudence in assessing fair value necessitates the avoidance of unwarranted optimism and also excessive caution. The fair value of the investments will be assessed on the basis outlined below depending on their classification as either, Early Stage, Venture Stage or Quoted Investments.

The company complies with the Australian Venture Capital Association (AVCAL) "Guidelines for the Valuation and Disclosure of Venture Capital Portfolios" and all applicable accounting standards in determining the carrying value of its investments. Investments are classified into early stage and venture stage investments.

- (i) Early Stage Investments are seed, start up and other early stage venture capital investments in immature companies which are typically not earning significant maintainable profits. The fair value of an Early Stage investment is assessed by directors to be equal to cost in most circumstances less any provision required if the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. The only time that the fair value of early stage investments will be assessed higher than cost is where there has been a significant cash transaction involving a new independent third party that values the investment at a materially different value. The higher valuation may be calculated with reference to the price at which a subsequent issue of capital is made.

Bidder's Statement for JAB Technologies Limited

(ii) Venture Stage investments are unquoted investments, including management buy-outs and buy-ins, which are not Early Stage investments. Directors value all Venture Stage investments at their fair value according to one of the following basis:-

- Cost (less any provision required)
- Third Party Transaction
- Earnings Multiple
- Net Assets
- Discounted Future Cash Flow (DCF)

As a general rule, recent material arm's length third party transaction valuations is prima facie evidence of fair value and takes precedence over other methods until circumstances change.

Pro-forma Statement of Financial Position as at 30 June 2006

	VAC Audited	JAB Audited	Adjustments	Combined	Minimum Issue
	\$	\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	3,244	123,598		126,842	2,397,953
Trade and other receivables	97,850	54,360		152,210	152,210
Total Current Assets	101,094	177,958		279,052	2,550,163
Non Current Assets					
Goodwill on consolidation			1,677,854	1,677,854	1,677,854
Other financial assets	12,393,612			12,393,612	12,393,612
Deferred expenses	-	58,140		58,140	58,140
Property, plant & equipment	-	37,803		37,803	37,803
Total Non Current Assets	12,393,612	95,943		14,167,409	14,167,409
Total Assets	12,494,706	273,901		14,446,461	16,717,572
Current Liabilities					
Trade and other Payables	607,449	168,206		775,655	775,655
Short term borrowings	449,890	-		449,890	-
Total Current Liabilities	1,057,339	168,206		1,225,545	775,655
Non-Current Liabilities					
Deferred tax liabilities	552,184	-		552,184	1,640,921
Provisions	1,200,874	-		1,200,874	1,200,874
Total Non-Current Liabilities	1,753,058	-		1,753,058	2,841,795
Total Liabilities	2,810,397	168,206		2,978,603	3,617,450
Net Assets	9,684,309	105,695		11,467,858	13,100,122
Equity					
Contributed Equity	6,514,304	2,215,805	(432,256)	8,297,853	11,018,854
Option holders equity	40,970	96,140	(96,140)	40,970	40,970
Retained earnings(losses)	3,129,035	(2,206,250)	2,206,250	3,129,035	2,040,298
Total Equity	9,684,309	105,695	1,677,854	11,467,858	13,100,122

The pro-forma consolidated statement of financial position has been prepared based on the following assumptions:

- Audited balance sheet of VentureAxess Capital as at 30 June 2006;
- Audited balance sheet of JAB at 30 June 2006;
- Acquisition of the entire issued share capital of JAB by the issue of 8,917,747 fully paid ordinary shares in the Company at \$0.20 per share;
- Maximum of 2,040,000 ordinary shares in the Company to be issued if Short Term Loan Note holders exercise their right to use the proceeds of repayment of the Short Term Loans of \$255,000 to subscribe for shares at \$0.125 per share pre IPO
- Maximum pre-IPO placing of 4,995,833 ordinary shares in the Company at an average price of \$0.1533 per share, raising \$716,000 net of estimated costs of \$50,000;
- Issue of a minimum of 10,000,000 Shares in the Company at \$0.20 per share to raise \$1,750,000 cash, net of estimated cash costs of \$250,000; and
- Adjustment of **\$1,088,737** for the increase in deferred taxation arising on the surrender of Pooled Development Fund status; and

2.5 Financial Performance of VentureAxess Capital

VENTUREAXESS CAPITAL PERFORMANCE UNDER THE MANAGEMENT OF VENTUREAXESS FUND MANAGERS LIMITED SINCE SEPTEMBER 2003				
	Year ended 30-Jun-2003	Year ended 30-Jun-2004	Year ended 30-Jun-2005	Year ended 30-Jun-2006
Profit from ordinary activities before tax	\$53,861	\$1,552,556	\$650,207	\$1,465,041
Basic earnings per share	\$0.005	\$0.0911	\$0.0204	\$0.0324
Funds (gross) raised during the year	\$85,000	\$1,818,338	\$873,200	\$3,119,475
Ordinary Shares issued during the year	850,000	12,857,450	8,461,310	17,197,687
Carrying value of investments	\$941,986	\$4,671,673	\$6,703,326	\$12,393,612
Other assets/(liabilities)	\$(17,077)	\$(779,700)	\$(1,400,808)	\$(2,709,303)
Shareholder Total Equity	\$924,919	\$3,891,973	\$5,302,518	\$9,684,309
Net assets per share	\$0.095	\$0.172	\$0.171	\$0.201

The historical figures have been adjusted to reflect the 10 for 1 subdivision of VentureAxess Capital Shares in October 2005 and the adoption of Australian Equivalents to International Financial Reporting Standards for the year ended 30 June 2006.

Once VentureAxess Capital relinquishes its PDF status it will become subject to income tax on profits at the normal rate of 30%, instead of the PDF rate of 15%. Whilst this will not affect the profit before tax figures shown above, the following adjustments would result:

- (a) the basic earnings per VentureAxess Capital Share adjusted for the loss of PDF status for the financial years 2003 to 2006 would be \$0.04, \$0.075, \$0.0168 and \$0.0267 respectively;
- (b) as at 30 June 2006 there would be a cumulative increase in the deferred tax provision of \$1,088,737 resulting from providing for deferred tax at the increased rate of 30% and the disallowance of trading losses incurred up to 30 June 2006;
- (c) shareholder total equity at 30 June 2006 would become \$8,595,572; and
- (d) net assets per share at 30 June 2006 would be adjusted to \$0.178.

2.6 Financial Forecasts

The Directors have considered the matters set out in ASIC Policy Statement 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of VentureAxess Capital are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of

potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

2.7 Capital raisings and ASX listing

On 9 November 2006 VentureAcess Capital lodged an Offer Information Statement (**OIS**) in conjunction with the original offer to acquire JAB, to raise funds at \$0.20 per VentureAcess Capital Share. On 17 November 2006 VentureAcess Capital lodged a Supplementary OIS supplementing the OIS dated 9 November 2006. The OIS closed on **31 January 2007** with subscriptions of **\$168,677** received. The issue of VentureAcess Capital Shares under the OIS is conditional on ASX listing. Accordingly if investors under the OIS choose to proceed with their investment rather than have their monies returned, VentureAcess Capital may issue up to 843,389 new VentureAcess Capital Shares under the OIS. These shares are expected to be issued in April 2007 subject to VentureAcess Capital being admitted to the official list of ASX. As noted earlier, VentureAcess Capital has applied to the ASX to be admitted to the official list and expects to lodge a Prospectus to raise up to \$5,000,000 and satisfy ASX listing criteria within the next month. The offer under the Prospectus will be for a minimum subscription of \$3,000,000 with the right to accept over subscriptions for a further \$2,000,000.

2.8 Capital Structure

	Ordinary shares*	2009 Options	Other options
Currently on issue	50,238,947	8,089,915	31,113,929
To be issued on conversion of loan notes*	1,680,000	-	-
Maximum to be issued under Pre IPO offer	3,333,333	3,333,333	-
To be issued on 100% acceptance of the JAB takeover offer	8,917,747	5,319,017	-
Minimum to be raised under the Prospectus	10,000,000	5,000,000	-
	74,170,027	21,742,265	31,113,929

* This table does not include shares or options that may be issued under the OIS

2.9 Loan Notes converting to VentureAcess Capital shares

On 27 June 2005 the Company made an offer to existing shareholders of 7.5% Short Term Loan Notes with Loan Note Holders having the choice of using the proceeds of repayment of the Loan Notes to subscribe for shares in the Company at \$0.125 per share prior to lodgement of a Prospectus with ASIC. The Company may also exercise a right to issue shares in the Company at \$0.125 per share to repay the Loan Notes in the event that the Loan Note holder fails to do so.

2.10 Pre-IPO offer

Since 1 July 2006 the Company has raised \$266,000 by the issue of 1,662,500 shares at \$0.16 per share. VentureAcess Capital is currently raising up to \$500,000 in a pre-IPO offer by the issue of up to 3,333,333 shares at \$0.15 per share.

2.11 Move from Pooled Development Fund Status

VentureAcess Capital is currently a registered Pooled Development Fund. PDFs are registered and regulated by the Pooled Development Funds Registration Board (PDF Board) under the Pooled Development Funds Act of 1992, with the objective of developing and demonstrating the potential of the market for patient equity capital including venture capital, for growing small to medium sized enterprises and to provide a more competitive tax regime for such investment.

2.12 The Pooled Development Fund Industry

At 30 June 2005, there were 95 companies registered as PDFs. During 2004-05 the PDF Board granted registration to 8 companies and revoked the registration of 20 companies. For the fourth straight year more companies left the program than entered. PDFs raised \$74 million and invested \$69 million in 79 companies in the 2004-2005 financial year. Most funds were raised from private investor networks and public offerings. The 79 investee companies were from a range of industries including; financial services, resources and energy, science and technology and building products. In the May 2006 Budget it was announced that from 31 December 2006 no new PDF's would be registered.

2.13 Reasons for relinquishing PDF Status

During the course of the last few years VentureAcess Capital has been presented with a number of opportunities to acquire pre-existing shares in its current investee companies at attractive prices, as well as in complementary businesses to its existing portfolio companies, where the prospects for merger and rationalisation could have delivered substantial benefits to VentureAcess Capital and its shareholders. Whilst the PDF Board can exercise its discretion to allow the acquisition of pre-existing shares, as it did in the case of VentureAcess Capital acquiring a portfolio of pre-existing shares from VA1, it has to the Director's knowledge only ever exercised this discretion in one other instance.

At 30 June 2006 the Company had an investment portfolio valued at \$12.3 million; if the Offer is successful this investment portfolio will exceed \$14 million. Most investment companies can take advantage of "gearing" by borrowing medium to long term funds at market rates of interest below the average rate of return from their investment portfolios, to deliver additional gains to shareholders. A PDF cannot borrow long term funds and therefore this additional net revenue opportunity was not available to VentureAcess Capital whilst it remained a PDF.

Listed companies, including investment companies, may find it beneficial at times to raise new funds via the issue of convertible preference shares or convertible notes carrying an attractive coupon, with the conversion price normally at a premium to the current share price. Such investment opportunities are attractive to institutional funds seeking above average income with the possibility of a capital gain on conversion or redemption of the preference shares or loan notes. VentureAcess Capital was not able to raise such funds whilst it remained a PDF.

At the Annual General Meeting of VentureAcess Capital held on 20 December 2006 VentureAcess Capital Shareholders renewed the authority previously given to the Directors to apply for deregistration as a Pooled Development Fund if this assisted the Company in its listing on the ASX. As noted above, immediately prior to issuing the consideration under the Offer the Directors intend to apply to the PDF Board for deregistration as a PDF.

2.14 Tax Consequences of ceasing to be a PDF

To encourage the provision of patient equity capital to small and to medium sized companies, which carry on certain activities, a PDF and its shareholders qualified for certain income tax concessions.

The main taxation concessions for shareholders in a PDF were:

- Resident shareholders are exempt from tax on unfranked dividends that are paid by a PDF. In general, resident shareholders in a PDF are also exempt from tax on franked dividends that are paid by a PDF, but no franking credits are available in respect of these dividends.
- Gains or losses made by shareholders on the sale or disposal of shares in a company that is a PDF at the time of the sale or disposal are disregarded for CGT purposes. They are also exempt from income tax and are not deductible.
- Dividends paid by a PDF are exempt from dividend withholding tax for non-residents.
- Exemption from capital gains tax for non-resident tax-exempt pension funds that invest in PDFs.

Following revocation of the PDF status the consequence for shareholders who had acquired their VentureAcess Shares while the Company was a PDF is that on the date of deregistration as a PDF they are deemed to have disposed of their VentureAcess Shares immediately before it ceases to be a PDF and to have immediately re-acquired the VentureAcess Shares for their market value. The deemed sale or disposal will not, by itself, give rise to any tax liabilities for the shareholders.

The main taxation concession for the PDF itself was a concessional rate of income tax for its own income, being 15% on dividends and capital gains from investee companies and 25% for interest income.

Following revocation of the Company's PDF status it will pay income tax at the general corporate tax rate (currently 30%) from the commencement of the year in which it ceases to be a PDF. Any tax losses incurred as a PDF will no longer be deductible against future profits.

The consequence for the Company of revocation of its PDF status in respect to liabilities for deferred tax on the revaluation of investee companies at 30 June 2006 is that provision will have to be made at 30% instead of the provision at 15% (extra \$913,599). In addition trading losses incurred to that date of \$1,167,587 can no longer

be offset against the revaluation surplus leading to a further increase of \$175,138 in the deferred tax provision. The total increase in the deferred tax provision is \$1,088,737.

As VentureAxess Capital will no longer be a PDF when the consideration under the Offer is issued, there are no direct income tax consequences for JAB Shareholders accepting the Offer as a result of the Company ceasing to be a PDF.

2.15 Importance of Independent Advice

If you are in any doubt as to how to deal with this document, you should consult your financial or other professional adviser as soon as possible.

3 THE FUND MANAGER

VentureAcess Fund Managers Limited is a wholly-owned subsidiary of VentureAcess Limited and is a licensed wholesale fund manager, holding Australian Financial Services Licence #266712.

3.1 Agreement with the Fund Manager

VentureAcess Capital has entered into a Management Agreement with the Fund Manager, the key elements of which are:

- The Fund Manager will use its skills, resources and networks to identify appropriate investment opportunities;
- The Fund Manager will offer VentureAcess Capital the first right to take up these investment opportunities; and.
- The Fund Manager will provide management and guidance for investee companies;

3.2 Remuneration of the Fund Manager

The Fund Manager receives a fixed annual management fee and a performance-related component:

- An annual management fee of 2% per annum of the value of investments (including cash) held by the Company; and
- A success fee of 20% of any realised net capital gain to the extent such gain expressed as a percentage of the acquisition costs of an investments is greater than growth in the All Ordinaries Index over the same period.

3.3 Directors of the Fund Manager

The Board of the Fund Manager is Geoff Mullins, Emyr Jones and Karalyn Day. Details of the experience of these Directors are included in section 2 above.

3.4 Track Record of the Fund Manager

VentureAcess Fund Managers Limited was formed specifically for the purpose of managing VentureAcess Capital. The Fund Manager is run as a separate entity for the administration of the Fund but will draw on the resources of VentureAcess Group.

VentureAcess Group has extensive experience and established infrastructure and networks for the technical and market assessment and early-stage development of research breakthroughs, inventions, and new technology venture proposals. It delivers a range of value-adding new venture services including intellectual property strategies, business model development, negotiation of commercialisation and licensing arrangements and sourcing of early-stage financial support. It operates across the broad spectrum of high-growth ventures with a management team that has over 25 years of first hand experience in working with emerging businesses and executing strategies for value maximisation.

3.5 Value Added by the Fund Manager

VentureAcess Capital will target emerging businesses where the returns from successful investments can potentially be many times higher than from later stage investments. This requires more than the traditional "monitoring" approach used for later stage investments. The unique skills and experience mix of the Fund Manager allow it to operate in the early stage market with confidence.

VentureAcess Capital draws on the skill base and early venture experience of its Board, the Fund Manager and the VentureAcess Group to:

- Select high-potential ventures.
- Qualify those ventures and make them "investor ready".
- Conduct intensive professional due diligence before investment.
- Conduct early stage valuation.
- Create appropriate investment agreements for shareholder protection in all new investee companies.
- Invest the appropriate funds against milestones to initiate and progress commercialisation.
- Work up the new companies in a "hands on" manner.

- Provide ongoing management of early stage companies with active board participation.
- Anticipate and organise subsequent funding rounds to ensure the smooth progress of the companies into more mature stages of development.
- Create and manage optimal exit opportunities for stakeholders.

3.6 Exposure to Investment Opportunities

The Fund Manager has well developed networks within:

- Universities.
- The Macquarie University Incubator
- National Stock Exchange.
- Industry and industry associations.
- Cooperative Research Centres.
- State, federal and local governments.
- Accounting and legal firms.
- Referrals from the VentureAxess Group and its past clients.
- The venture capital community.

Directly and through these networks, the Fund Manager has gained exposure to a significant number of high quality opportunities.

3.7 Selection of Investments

The Fund Manager applies its investment criteria to potential opportunities and subjects potential candidates to a well-honed vetting processes.

In-house skills available to the Fund Manager include:

- Technology assessment.
- Market research.
- Business/Revenue model development.
- Optimising Market Entry and Business Development Strategy.
- Technology Commercialisation.
- Innovation Management.
- Intellectual Property Management.

3.8 Investment and Milestones

Following successful vetting, due diligence and VentureAxess Capital board approval, legal agreements are drawn up incorporating a draw-down plan against agreed milestones. Funding is made available against these milestones.

3.9 Mentoring of Projects

Successful technology entrepreneurs generally have an overriding sense of optimism, self-confidence, drive and creativity. They are rarely individuals of broad general managerial background. They are frequently technically oriented, possessing a particular insight. They seldom appreciate marketing and other functional specialities necessary for company success. This is particularly true in seed stage situations.

To increase a seed stage company's chance of success, it is necessary to provide constructive advice and value added support during the early months of development. The Fund Manager and the Company have experience working with these new companies and recognise the time and investment required. The intensive commitment to mentoring new projects limits the number of investments that the Company will make each year but increases the likelihood that each investment will succeed.

3.10 Access to Follow-on Capital

To succeed, seed stage companies require the ability to attract subsequent rounds of venture capital financing. The Fund Manager and the VentureAxess Group have developed strong networks of venture capital investors, ready for involvement in the later stages of funding for the Fund's "worked-up" companies. These strategic

relationships within the venture capital community in Australia and offshore and knowledge of the characteristics of attractive venture capital investments lay the groundwork for smooth transition to later stage financings.

3.11 Ongoing Monitoring and Guidance

Beyond the seed stage, companies still face developmental hurdles such as sales ramp up, quality manufacturing, subsequent product development, team building, reaching profitability and evaluating additional financial options. Both the Company and the Fund Manager are committed to building a strong Board of Directors for each investee company, thereby increasing the developing investees' long-term chances of success.

4. JAB TECHNOLOGIES LIMITED

4.1 Disclaimer

The following information about JAB has been prepared by VentureAxess Capital using publicly available information, including, but not limited to, annual reports, JAB announcements and other publicly available information and has not been independently verified. Accordingly VentureAxess Capital does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Further information relating to JAB's business may be included in the JAB Target's Statement in response to this Bidder's Statement.

4.2 Overview of JAB

JAB Technologies entered the market with the development of a multi-media based marketing system that embedded rich media content, branding, purchasing and payments facilities within an email. JAB has a patent and trademarks protecting key aspects of this technology.

Seeking to expand its core services for use in the broader business application services market, JAB announced on 30 March 2006, that it had released its EZBiz e-business service, in line with projections contained in JAB's prospectus which was issued pursuant to JAB's Initial Public Offering and listing on the Newcastle Stock Exchange in September 2005.

The EZBiz service is now operational with approximately 300 organisations as customers.

The EZBiz services span the following functions:

- Website Generation, namely, creation of the complete website including pre selected design templates and web navigation facilities;
- Business Sites
- Photographic Galleries
- Blogs & News wire portals
- e-Commerce (Catalogues) / On-Line Purchasing / Secure Payments;
- Email marketing and Newsletter / e-Zine facilities including automated opt-in management;
- Promotion and Marketing Support;
- Optional Website Hosting Support;
- Domain Management;
- Management Reporting and Monitoring.

4.3 JAB's previous financial year

JAB made a net loss after income tax of \$515,903 for the year ended 30 June 2006, compared with a net profit of \$11,556,272 in the previous financial year (this large profit arose due to debt forgiveness by the former parent company).

Following the issue of the JAB Prospectus dated 10 June 2005 JAB was admitted to the official list of the Stock Exchange of Newcastle Limited ("NSX") on 6 September 2005, and official quotation of the Company's securities on NSX commenced on 16 September 2005.

In September 2005 JAB acquired the web-hosting and domain registration services of Gumnut Systems Pty Ltd. Through the acquisition JAB acquired approximately 250 hosted websites and approximately 520 domain names.

JAB continued to develop its EZBiz e-business automation platform which is a set of integrated internet products that enable a user to easily design, launch and operate an internet e-business service. In September 2005 JAB expanded research and development of the EZBiz system to enable the system to be used for managing the hosting and domain registration services of the approximately 250 business customers acquired from Gumnut Systems Pty Ltd.

During the 2005/2006 financial year JAB continued to look for strategic merger and acquisition opportunities, and held discussions with several interested parties.

On 15 May 2006 the Company lodged an OIS with ASIC. Under the OIS the Company sought to raise a minimum of \$300,000 and up to \$1,200,000 to provide funds for the continued research and development of its EZBiz business and the acquisition of assets to fast track growth. This offer failed to raise the minimum funds required. On 30 January 2007 the NSX wrote to JAB querying the solvency of JAB, see Annexure B. The JAB

board responded on 2 February 2007 noting that although the directors believe that JAB is currently solvent it is expecting loan funds from VentureAcess Capital to operate its business as normal, see Annexure C.

4.4 Directors of JAB

As at the date of this Bidder's Statement, there are three directors of JAB:

R B Murdoch	(Chairman)
S Ioannides	(Non-Executive Director)
S J Stark	(Non-Executive Director)

4.5 Further Information on JAB

Further information about JAB (including copies of financial statements) can be found on JAB's website: www.jabtechnologies.com.au.

5. VENTUREAXESS CAPITAL'S INTENTIONS FOR JAB

5.1 Introduction

This Section sets out VentureAcess Capital's intentions for JAB based on the information concerning JAB and its business known to VentureAcess Capital at the time of preparation of this Bidder's Statement.

Actual decisions on the business will be made based upon current information available to VentureAcess Capital and further decisions will be made in light of new information becoming available as circumstances change. The statements set out in this Section are therefore statements of current intentions only, which may vary as new information becomes available or circumstances change.

5.2 Rationale for the Offer

VentureAcess Capital has a current core objective of listing on the Australian Stock Exchange. VentureAcess Capital intends to utilise JAB's broad shareholder base to assist it to achieve a sufficient spread of shareholders.

Particular synergies exist between JAB and some VentureAcess Capital investee companies; with this in mind VentureAcess Capital sees potential for the more efficient operation of JAB through the introduction of strategic alliances, partnerships and/or merger partners.

If JAB is acquired by VentureAcess Capital and VentureAcess Capital lists successfully on the ASX, VentureAcess Capital Shareholders will gain significant liquidity, allowing shareholders to exit their position in the Merged Group if they so wish. If you hold a marketable parcel of VentureAcess Capital Shares, after VentureAcess Capital's proposed listing on the ASX, you will then be able to trade your shares electronically and with relative ease. This will represent a marked increase in liquidity from the current position of JAB Shareholders.

5.3 Intentions upon becoming entitled to proceed with Compulsory Acquisition

If VentureAcess Capital becomes entitled to compulsorily acquire all of the JAB Shares in accordance with the Corporations Act, its intentions for JAB would be as follows:

5.3.1 Corporate Matters

VentureAcess Capital intends to proceed with compulsory acquisition of all the JAB Shares and subsequently replace the directors of JAB with its own nominees. Such nominees have not yet been identified by VentureAcess Capital and their identity will depend upon the relevant circumstances at the time.

5.3.2 Head Office and employees

VentureAcess Capital anticipates it would seek to centralise JAB corporate functions such as company secretarial, treasury, financial management, legal, risk management and overall corporate administration to reduce and eliminate duplication where appropriate. JAB currently has no employees with the above functions currently being outsourced to consultants.

5.3.3 Review of JAB

VentureAcess Capital anticipates conducting an immediate review of the business, operations and assets of JAB to identify:

1. business opportunities and areas of revenue generation which may provide overall strategic operational benefits;
2. areas of cost saving which may provide overall strategic and operational benefits; and
3. any business or businesses in the existing investment portfolio of VentureAcess Capital that may be suitable to merge into JAB, and evaluate the best and most appropriate way of organising such merger.

The review may or may not lead to changes in the business, operations or assets of JAB contrary to the statements of intention referred to in this Section 5. However, VentureAcess Capital does not currently have any intention to make any such changes.

5.3.4 Divestment policy

On the information presently available to it, VentureAcess Capital does not currently intend to dispose of any assets of JAB in the short-term.

5.3.5 Converting Loan Agreement and Other Share Related Agreements

The Converting Loan currently held in JAB by Austex Mining Pty Ltd is to be repaid by JAB Resources Pty Ltd without any recourse to JAB. VentureAcess Capital will seek to acquire any JAB Shares that may be issued pursuant to JAB's existing contract with Leadenhall Australia Limited on terms identical to those contained in this Offer.

5.4 Intentions for Target as a partly owned company

If VentureAcess Capital obtains majority control of JAB but is not entitled to compulsorily acquire the outstanding JAB Shares, its intentions for JAB would be:

1. Subject to the Corporations Act and the Constitution of JAB, replace some or all of the directors of JAB to reflect VentureAcess Capital's ownership interest in JAB. Replacement directors have not yet been determined by VentureAcess Capital and their number and identity will depend upon the circumstances at the relevant time;
2. Propose to the board of directors of JAB that they conduct a review of all of JAB's operations and, subject to the approval of JAB's board, allow VentureAcess Capital to participate in that review;
3. In conjunction with the board of JAB, implement any recommendations arising from this review which were believed to be in the interests of JAB and VentureAcess Capital;
4. Until such time as these recommendations are implemented VentureAcess Capital envisages that JAB would remain listed on the National Stock Exchange. The continuation of this listing would rely upon the recommendations of the board of JAB (see 5.4 (2) and (3));
5. VentureAcess Capital has advised the NSX that subject to the receipt of acceptable six month cash flow forecasts from JAB, VentureAcess Capital will supply the funds necessary to ensure JAB'S on going liquidity.

5.5 Business and assets

Whether JAB becomes wholly owned or majority owned by VentureAcess Capital, other than as set out elsewhere in this Section 5, it is VentureAcess Capital's present intention based on information publicly available:

1. to continue to develop and expand the JAB business; and
2. not to make any major changes to the business of JAB including any redeployment of any fixed assets.

VentureAcess notes that JAB has no employees.

6. DEALINGS IN JAB SECURITIES

6.1 Acquisition of JAB Shares by VentureAxess Capital

There have been no dealings in JAB Shares or securities by VentureAxess Capital.

As at the date immediately before the Offer is made VentureAxess has no relevant interest in any JAB Shares or Options. Accordingly VentureAxess has no voting power in JAB.

6.2 Consideration provided or agreed to be provided for JAB Shares by VentureAxess Capital in previous 4 months

At the date of this Offer, no JAB Shares or other securities of JAB have been acquired by VentureAxess Capital or its associates.

Pursuant to a takeover offer for JAB made by VentureAxess Capital pursuant to a bidder's statement dated 9 November 2006 and replacement bidder's statement dated 17 November 2006 (**Original Bid**) VentureAxess Capital received acceptances from approximately **81%** of JAB Shareholders. The Original Bid closed on 12 January 2007 subject to a number of defeating conditions. All acceptances received under the Original Bid were therefore void and no transfers of JAB Shares took place.

The consideration offered under the Offer is the same ratio to that offered under the Original Bid.

ASIC has granted VentureAxess Capital an exemption from Sections 636(1)(h)(iii) and (2) of the Corporations Act so that information as to the value of the consideration per JAB Share or JAB Option under the Original Bid and expert's report in this regard is not required.

6.3 Escalation Agreements

Neither VentureAxess Capital nor any associate of VentureAxess Capital has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

6.4 Benefits

During the 4 months before the date of this Bidder's Statement, neither VentureAxess Capital nor any associate of VentureAxess Capital gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

1. accept the Offer; or
2. dispose of JAB Shares; or
3. dispose of JAB Options

and which is not offered to all JAB Shareholders under the Offer.

7. OFFER

7.1 The Offer

- (1) VentureAcess Capital offers to acquire all of your JAB Shares on the basis of paying three (3) fully paid shares of \$0.20 each in VentureAcess Capital for every five (5) of your JAB Shares and subject to the terms and conditions set out in this Section 7.
- (2) In addition VentureAcess Capital offers to acquire all of your JAB Options (if any) on the basis of paying three (3) options to acquire VentureAcess Capital Shares exercisable at \$0.20 each on or before 31 December 2009 for every five (5) of your JAB Options (if any) and subject to the terms and conditions set out in this Section 7.
- (3) If you accept the Offer, you will, subject to satisfaction of the conditions in Section 7.6, receive consideration of 3 VentureAcess Capital Shares for every 5 of your JAB Shares and 3 VentureAcess Capital Options exercisable at \$0.20 each on or before 31 December 2009 for every 5 of your JAB Options (if any).
- (4) By accepting the Offer, you undertake to transfer to VentureAcess Capital not only your JAB Shares and JAB Options (if any), but also all Rights attached to them (see Section 7.5(3)).
- (5) The Offer is being made to:
 - (a) each person registered as the holder of JAB Shares and JAB Options in the register of JAB shareholders and option holders at 5.00pm (Sydney time) on the 18 February 2007; and
 - (b) any person who becomes registered or entitled to be registered as the holder of JAB Shares and JAB Options during the period commencing on 18 February 2007 and ending at the end of the Offer Period due to the conversion of, or exercise of rights attached to, such securities as are convertible into JAB Shares and are on issue as at the 18 February 2007 or by virtue of any contract for services with JAB executed before the 18 February 2007.
- (6) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of your JAB Shares or JAB Options:
 - (a) a corresponding Offer will be deemed to have been made to that other person in respect of those JAB Shares and JAB Options (if any); and
 - (b) a corresponding Offer will be deemed to have been made to you in respect of any other JAB Shares and JAB Options (if any) you hold to which the Offer relates.
- (7) If you are registered or entitled to be registered as the holder of one or more parcels of JAB Shares or JAB Options (if any) as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in subsection 653B(3) of the Corporations Act.
- (8) If your JAB Shares or JAB Options are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (9) The Offer is dated 19 February 2007.

7.2 Offer Period

- (1) The Offer will remain open for acceptance during the period commencing on the date the first Offer is made under the bid and ending at 5.00pm (Sydney time) on 23 March 2007 unless withdrawn or extended in accordance with the Corporations Act.
- (2) VentureAcess Capital reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

7.3 How to accept this Offer

- (1) General
 - (a) Subject to section 7.1(6) and 7.1(7), you may accept the Offer **only** in respect of **all** of your JAB Shares and JAB Options (if any).

- (b) You may accept the Offer at any time during the Offer Period.
- (2) Acceptance Form
To accept the Offer, you must:
 - (a) complete and sign the Acceptance Form enclosed with this Bidder's Statement (and which forms part of this Offer) in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
 - (b) ensure that the Acceptance Form and any documents required by the terms of this Offer and the instructions on the Acceptance Form are received by VentureAxess Capital before the expiry of the Offer Period at the address indicated on the Acceptance Form.
- (3) Receipt of Acceptance Form
 - (a) If your Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is returned by post, it will be deemed to be received in time if the envelope in which it is sent is post-marked before the end of the Offer Period even if it is received after that date.
 - (b) If your Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration to which you are entitled, until your original Acceptance Form (including any documents required by the terms of the Offer and the instructions on the Acceptance Form) is received at the address specified above.
 - (c) The transmission of the Acceptance Form and other documents is at your own risk.

7.4 The effect of acceptance

- (1) You will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, except as follows:
 - (a) if, by the relevant time specified in section 7.4(2), the conditions in section 7.6 have not all been satisfied or waived in accordance with section 7.8, the Offer will automatically terminate and your JAB Shares and JAB Options will be returned to you; or
 - (b) if the Offer Period is extended for more than one month and, at the time, the Offer is subject to one or more of the conditions in section 7.6, you may be able to withdraw your acceptance. A notice will be sent to you at the time explaining your rights in this regard.
- (2) The relevant time for the purposes of section 7.4(1)(a) is 3 business days after the end of the Offer Period.
- (3) By signing and returning the Acceptance Form, or otherwise accepting the Offer pursuant to section 7.3, you will be deemed to have:
 - (a) accepted the Offer (and any variation of it) in respect of all your JAB Shares and JAB Options (if any) (even if the number of JAB Shares or JAB Options (if any) specified on the Acceptance Form differs from the number of your JAB Shares or JAB Options (if any));
 - (b) agreed to transfer to VentureAxess Capital all your JAB Shares and JAB Options (if any), subject to this Offer .
 - (c) represented and warranted to VentureAxess Capital that at the time of acceptance, and the time the transfer of your JAB Shares and JAB Options (if any) to VentureAxess Capital is registered, all your JAB Shares are and will be fully paid up, and VentureAxess Capital will acquire good title and full beneficial ownership of them and your JAB Options free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and adverse interests of any nature and restrictions on transfer of any kind, and that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in those JAB Shares and JAB Options (if any) to VentureAxess Capital;

- (d) irrevocably authorised VentureAcess Capital (or any nominee or nominees of VentureAcess Capital) as your attorney to exercise all your powers and rights attaching to your JAB Shares and JAB Options (if any). This includes, without limitation, powers and rights to requisition, convene, attend and vote in person or by proxy at all general meetings of JAB from the time the contract resulting from your acceptance of this offer becomes unconditional, to the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period or, if all the conditions of the Offer have been satisfied or waived, the registration of VentureAcess Capital as the holder of those JAB Shares and JAB Options (if any);
 - (e) agreed that in exercising the powers conferred by the power of attorney in section 7.4(3)(d) above, VentureAcess Capital or its nominee is entitled to act in the interest of VentureAcess Capital;
 - (f) agreed not to attend or vote in person at any general meeting of JAB, or to exercise or purport to exercise any of the powers conferred on VentureAcess Capital or its nominee in section 7.4(3)(d) above;
 - (g) irrevocably authorised VentureAcess Capital (or any nominee or nominees of VentureAcess Capital) to alter the Acceptance Form by rectifying any errors in or omissions from it as may be necessary to make it an effective acceptance of this Offer or to enable registration of the transfer of your JAB Shares and JAB Options (if any) to VentureAcess Capital;
 - (h) irrevocably authorised and directed JAB to pay to VentureAcess Capital, or to account to VentureAcess Capital for, all Rights in respect of your JAB Shares and JAB Options (if any). If this Offer is withdrawn or rescinded, VentureAcess Capital will account to you for any such Rights received by VentureAcess Capital;
 - (i) irrevocably authorised VentureAcess Capital to notify JAB on your behalf that your place of address for the purpose of serving notices upon you in respect of your JAB Shares and JAB Options (if any) is the address specified by VentureAcess Capital in the notification;
 - (j) agreed to execute all such documents, transfers and assurances as may be necessary or desirable to convey your JAB Shares and JAB Options (if any) registered in your name and distributions to VentureAcess Capital.
- (4) VentureAcess Capital may, at any time, in its sole discretion and without further communication to you, determine that any Acceptance Form it receives is a valid acceptance, even if one or more of the requirements for acceptance has not been complied with.
 - (5) VentureAcess Capital will provide the consideration to you in accordance with section 7.5, in respect of any part of an acceptance determined by VentureAcess Capital to be valid.
 - (6) When you have satisfied the requirements for acceptance in respect of only some of your JAB Shares and JAB Options (if any), VentureAcess Capital may, in its sole discretion, regard the Offer to be accepted in respect of those JAB Shares but not the remainder.
 - (7) The representations, warranties and authorities referred to in section 7.4(3) will remain in force after you receive the consideration for your JAB Shares and JAB Options and after VentureAcess Capital becomes registered as the holder of your JAB Shares and JAB Options.

7.5 When you will receive your consideration

- (1) Subject to this section 7.5 and the Corporations Act, if you have accepted this Offer and the contract resulting from your acceptance becomes unconditional, VentureAcess Capital will provide the consideration (as set out in section 7.1) to you on or before the earlier of:
 - (a) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer within one month after the contract resulting from your acceptance becomes unconditional; and .
 - (b) 21 days after the end of the Offer Period.
- (2) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):

- (a) if that document is delivered with your acceptance, VentureAcess Capital will provide the consideration in accordance with section 7.5(1);
 - (b) if that document is given after acceptance and before the end of the Offer Period, while this Offer is subject to a defeating condition, VentureAcess Capital will provide the consideration to you by the earlier of:
 - (i) one month after this Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer period;
 - (c) if that document is delivered after acceptance and before the end of the Offer Period, while this Offer is not subject to a defeating condition, VentureAcess Capital will provide the consideration due to you for your JAB Shares and JAB Options by the earlier of:
 - (i) one month after that document is delivered; and
 - (ii) 21 days after the end of the Offer period; and
 - (d) if that document is given after the end of the Offer Period, VentureAcess Capital will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the takeover contract is still subject to a defeating condition that relates to a circumstance or event referred to in subsection 652C(1) or (2) of the Corporations Act 2001, VentureAcess capital will provide the consideration due to you for your JAB Shares and JAB Options (if any) within 21 days after the Offer becomes unconditional.
- (3) If you accept this Offer, VentureAcess Capital is entitled to all Rights in respect of your JAB Shares and JAB Options (if any). VentureAcess Capital may require you to provide all documents necessary to vest title to those Rights in VentureAcess Capital, or otherwise to give it the benefit or value of those Rights. If you do not do so, or if you have received the benefit of those Rights, VentureAcess Capital will be entitled to deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by VentureAcess Capital) of those Rights.
- (4) The share and option certificates issued by VentureAcess Capital in payment of the consideration to which you are entitled will be made sent to you, at your risk, by ordinary mail (or in the case of overseas shareholders, by airmail) to your address as shown on the Acceptance Form or such other address as you may notify to VentureAcess Capital in writing before dispatch.
- (5) If, at the time you accept this Offer, you are a resident in, or a resident of, a place outside Australia to which the Banking (Foreign Exchange) Regulations apply you will not be entitled to receive any consideration for your JAB Shares and JAB Options until all requisite authorities or clearances of the Reserve Bank of Australia or of the Australian Taxation Office have been received by VentureAcess Capital.

7.6 Conditions of the offer

Subject to section 7.7, the completion of the Offer and any contract that results from an acceptance of the Offer, are subject to, during the period from the Announcement Date to the date 3 business days after the end of the Offer Period, none of the occurrences listed in Annexure A (being the occurrences listed in Section 652C of the Corporations Act) happen other than an issue of JAB Shares in the circumstances referred to in clause 7.1(5)(b).

7.7 Nature and benefit of conditions

- (1) The conditions in clause 7.6 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until three business days after the end of the Offer Period, prevent a contract to sell your JAB Shares and JAB Options from arising, but entitles VentureAcess Capital by written notice to you, to rescind the contract resulting from your acceptance of this Offer.
- (2) Subject to the Corporations Act, VentureAcess Capital alone is entitled to the benefit of the conditions in clause 7.6, or to rely on any non-fulfilment of any of them.
- (3) Each condition in clause 7.6 is a separate, several and distinct condition.

7.8 Freeing Offer of conditions

- (1) VentureAcess Capital may free this Offer and any contract resulting from acceptance from all or any of the conditions in section 7.6 generally or in relation to any specific occurrence by giving notice in writing

to JAB declaring this Offer to be free from the relevant condition or conditions specified in accordance with section 650F of the Corporations Act. This notice may be given not less than three business days after the end of the Offer Period.

- (2) If, within three business days after the end of the Offer Period, the conditions in section 7.6 have not been fulfilled and VentureAxess Capital has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

7.9 Notice on the status of conditions

The date for giving the notice on the status of the conditions referred to in section 7.8 required by section 630(1) of the Corporations Act is 17 March 2007 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

7.10 Withdrawal of Offer

- (1) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If so, VentureAxess Capital will give notice of the withdrawal to JAB and will comply with any other conditions imposed by ASIC.
- (2) If this Offer is withdrawn, all contracts arising from its acceptance become void.

7.11 Variation of Offer

VentureAxess Capital reserves the right to vary this Offer in accordance with the Corporations Act.

7.12 No stamp duty or brokerage

VentureAxess Capital will pay any stamp duty or brokerage charges, if any, payable on the transfer of your JAB Shares and JAB Options to it.

7.13 Governing law

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in New South Wales.

8. CORPORATE GOVERNANCE

VentureAcess Capital has adopted the following corporate governance policies.

Lay solid foundations for management and oversight by the Board

The major roles adopted by the Board of Directors of VentureAcess Capital to fulfil its responsibilities to Shareholders and the community are:

- Set the strategic direction of VentureAcess Capital with the Fund Manager and monitor the Fund Manager's implementation of that strategy;
- Approve conditions of service and performance monitoring procedures to apply to the Fund Manager;
- Monitor financial outcomes and the integrity of reporting, in particular, approve annual budgets and longer-term strategic and business plans;
- Ensure that effective audit, risk management and compliance systems are in place to protect VentureAcess Capital's assets and to minimise the possibility of VentureAcess Capital operating beyond legal requirements or beyond acceptable risk parameters;
- Monitor compliance with regulatory requirements and ethical standards;
- Ensure clear alignment between the needs and requirements of key stakeholder groups (ie. investee companies, shareholders and communities) and the objectives and values of VentureAcess Capital; and
- Provide effective and timely reporting to Shareholders.

Structure the Board to add value

The Board determines Board size and composition, subject to limits imposed by VentureAcess Capital's Constitution. The Constitution provides for a minimum of three Directors. For the time being, the Board has determined that there shall be four Directors, two of whom are independent.

Promote ethical and responsible decision making

VentureAcess Capital wishes to conduct all its business ethically and responsibly. It has policies on share trading by Directors and on conflicts of interest. It has a Code of Conduct, which applies to Directors as well as any consultants or associates.

Equally important is the encouragement of ethical conduct, not only by edict, but also by example from all involved in VentureAcess Capital. It is the Board's objective that all dealings with others should be conducted honestly, fairly, diligently and in accordance with all applicable laws. Any departure from such practice is treated very seriously.

Safeguard integrity in financial reporting

In view of the Board's size and to ensure that the appropriate mix of experience is available, it has established an Audit & Risk Management Committee which comprises all members of the Board but chaired by Robin Forbes who is an independent non-executive director.

The minutes of each Committee meeting are reviewed at the subsequent meeting of the Board and the Chairman of the Committee reports on the Committee's conclusions and recommendations. The Committee will meet five times during the year.

The role and responsibilities of the Audit & Risk Management Committee include:

- Reviewing any annual audit plan with the external auditor;
- Reviewing and approving any internal audit requirements, ensuring appropriate coverage of significant business risks;
- Reviewing VentureAcess Capital's accounting and financial reporting practices, including the effect of changes in accounting standards and practices and corporate legislation;
- Reviewing significant transactions which are not a normal part of the business of VentureAcess Capital;
- Reviewing half-year and full-year accounts;
- Receiving and approving significant Company audit reports;
- Reviewing the performance of the external auditor and proposing changes where considered necessary;

- Receiving and reviewing reports on VentureAcess Capital's risk management activities; and
- Considering any other financial matters of VentureAcess Capital which the Audit & Risk Management Committee or the Board determines is desirable.

Respect the rights of Shareholders

VentureAcess Capital endeavours to keep its Shareholders fully informed of matters likely to be of interest to them. It does this through:

- Annual and Half-Yearly Reports;
- Shareholder briefing meetings at various interstate locations;
- Conformance with the continuous disclosure regime; and
- Website updates.

At the Annual General Meeting, the Chairman encourages questions and comments from Shareholders and seeks to ensure the Meeting is managed to give the maximum number of Shareholders an opportunity to participate. The Chairman also travels from State-to-State at least twice a year to address shareholders and provide information on the activities and performance of VentureAcess Capital.

The external auditor attends VentureAcess Capital's Annual General Meeting and is available to respond to questions about the conduct of the audit and the preparation and content of the Audit Report.

Remunerate fairly and responsibly

The Board is charged with considering, among other things, remuneration policies and packages applicable to its members. In the case of remuneration of Directors the Board takes counsel from third party advisers in order to avoid any conflict of interest.

Board Composition

The Board will comprise both non-executive and independent Directors, initially with two non-executive and three independent Directors.

The full Board is responsible for setting the strategic direction of VentureAcess Capital within the context of the aim to increase shareholder value. Its responsibilities include:

- reviewing VentureAcess Capital's long term goals and strategic plans to achieve these goals.
- reviewing and approving annual budgets and VentureAcess Capital's statutory reporting.
- monitoring the effective and responsible conduct of the business.
- ensuring that risk management practices are in place to protect shareholder value as represented by VentureAcess Capital's assets.
- establishing the criteria for Board membership, reviewing its composition and identifying and nominating Directors.

Independent professional advice

In fulfilling their duties, the Directors may obtain independent professional advice at VentureAcess Capital's expense.

Remuneration Committee

The Remuneration Committee will consist of all Directors. As there are no Executive Directors, the Chairman will on a regular basis, but at least annually, establish with third party advisers the market rate for non-executive and independent Directors of similarly sized companies. The Chairman will make recommendations to the Board based on this information, and the Board will approve, or otherwise, taking into account the historic and prospective performance of VentureAcess Capital.

9. RISK FACTORS

The business activities of VentureAcess Capital are subject to risks which may adversely impact on its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside the control of VentureAcess Capital and cannot be mitigated. There are also general risks associated with any investment. Investors should carefully consider all of these risks and uncertainties before they decide whether to apply for Shares. In addition, investors should seek their own professional advice in relation to the risks associated with an investment in VentureAcess Capital and should make their own assessment as to whether to invest.

9.1 Ongoing Monitoring and Guidance

Regard should be given to the stage of VentureAcess Capital's business development and uncertainty surrounding the nature and extent of the growth of VentureAcess Capital.

In addition, potential investors should be aware that the value of VentureAcess Capital Shares may rise and fall depending on a range of factors that affect the market price. These include; local, regional, and global economic conditions and sentiment towards equity markets in general. The VentureAcess Capital Shares to be issued as consideration under the Offer carry no guarantee with respect to the profitability, the payment of dividends, return of capital or the price at which the VentureAcess Capital Shares may be sold.

VentureAcess Capital and its Fund Manager seek to reduce this risk by;

- Investing in a diversified portfolio of companies
- Carrying out due diligence on each investment
- Actively monitoring investee companies activities and performance
- Appointment of a VentureAcess Capital representative on the board of the investee company
- Taking action under its shareholders' agreement where appropriate to protect itself from under-performance by an investee company.

9.2 Operating History

VentureAcess Capital commenced operations in October 2000 as Add Venture Capital Limited and was renamed VentureAcess Capital Limited in the second half of 2003 when management of the fund was assumed by VentureAcess Fund Managers Limited. Accordingly, investors can only evaluate VentureAcess Capital's business based on a limited operating history. Investors should consider VentureAcess Capital's prospects for revenue growth in light of the risks, expenses and difficulties typically encountered by companies in their early stages of operation. While VentureAcess Capital has experienced considerable growth since commencing operations, there can be no assurance that this growth will continue or that VentureAcess Capital will operate profitably in the future.

9.3 Management of Growth

Implementation of investee companies' growth strategies is likely to require additional staffing, management, operations and systems resources. There is also the risk that the investees may not be able to deploy suitable resources (including staff) to take advantage of the growth opportunities to the extent expected within expected time frames. While many of the investees have experienced considerable growth since commencing operations, there can be no assurance that individual investees will be successful in implementing and managing its growth strategy.

9.4 Uncertainty of Future Capital Needs and Additional Funding

If VentureAcess Capital is not successful in raising capital under the proposed Prospectus alternative funding sources will be considered. However any failure to or delay in raising capital as detailed may affect VentureAcess Capital's ability to meet all its objectives. The future capital requirements of VentureAcess Capital will depend on many factors, including the pace and magnitude of its development of its investee businesses. VentureAcess Capital believes that its available cash and the net proceeds of the offer made under the proposed Prospectus this Offer will be adequate to satisfy its anticipated current working capital and other capital requirements. Should it require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all.

9.5 ASX Listing

As noted earlier the Company has applied for admission to quotation on the ASX. The Company proposes to lodge a Prospectus within the next month to raise further capital and satisfy ASX listing criteria. There is no guarantee that the Company will be admitted to the official list of the ASX nor that its securities will be quoted on ASX. In the event that the Offer is successful and the Company is **not** admitted to the official list of the ASX VentureAcess Capital Shareholders will hold shares in an unlisted public company and will be unable to trade those shares on a public exchange.

9.6 Specific Risks

- VentureAcess Capital is dependant upon its Directors and key consultants. There is a risk should these individuals change.
- Each investment is subject to its own unique risk profile and each has factors that may impact on that investment businesses' ability to continue operating.
- The ultimate success of VentureAcess Capital will significantly depend on the performance of the Fund Manager.
- Whilst VentureAcess Capital will not directly be subject to any technology risk the returns on its investments will be partly determined by how successfully its investee companies deal with technological risk. Many of the outcomes of the research and development undertaken by the investee companies will be unknown at the time of investment by VentureAcess Capital. Funding from VentureAcess Capital will allow investee companies to test and further develop their new technologies.
- The commercialisation risk for new technologies is high.
- The level of distributions is dependent on successful exits and realisations from the VentureAcess Capital portfolio. There is a risk that these may not occur as planned. Further, distributions are likely to be of irregular frequency and the specific timing of such distributions cannot be predicted at this time.
- Strategies, plans, policies, intentions and expectations outlined in this Bidder's Statement may change.

9.7 Other Business Risks

The Directors of VentureAcess Capital have attempted to address relevant risks. However, there are other factors, which are not specific to the Fund, which may impact on the Fund including:

- Government policies including but not limited to economic and taxation policies;
- Foreign exchange rates;
- Interest rate changes;
- Inflation rate changes;
- Business confidence and consumer sentiment;
- The state of the world stock markets;
- The state of the Australian economy and global economies;
- The labour market in Australia;
- The levels of protection against imports; and
- The inability of investee companies to achieve their goals regardless of the factors outlined above.

10. TAXATION CONSIDERATIONS

10.1 General Outline Only

The following is a general outline of the main Australian income tax consequences for an Australian resident individual JAB Shareholder who disposes of JAB shares by accepting the Offer.

The outline does not take into account or anticipate changes in the law (by legislation or judicial decision) or practice (by ruling or otherwise). The outline is also not exhaustive of all income tax consideration which would apply in the circumstances of any given JAB Shareholder. In particular special rules apply to certain shareholders (such as persons not resident in Australia for income tax purposes, insurance companies, superannuation funds, banks, employees of JAB or its associated companies who acquire their JAB Shares in respect of their employment and those JAB Shareholders who hold their JAB Shares on revenue account, such as those JAB shareholders who trade in shares or hold JAB Shares as trading stock) which are not covered by this outline.

All JAB Shareholders, and particularly those shareholders not covered by this outline as noted above (eg. non-resident shareholders), should consult their own tax advisers regarding the Australian and, if applicable, foreign income tax consequences of disposing of JAB Shares and JAB Options given the particular circumstances which apply to them.

10.2 Capital Gain or Loss

The sale of JAB Shares pursuant to the Offer will involve the disposal by JAB Shareholders of their JAB Shares by way of transfer to VentureAcess Capital. This change in ownership of the JAB Shares will constitute a Capital Gains Tax event for Australian income tax purposes.

JAB Shareholders (who are Australian residents) may make a capital gain or incur a capital loss in respect of the sale of their JAB Shares.

A capital gain will arise to the extent the capital proceeds from the disposal of JAB Shares (being the notional gain received by the JAB Shareholder under the Offer) exceed the cost base (or, in some cases discussed below, the indexed cost base) of the JAB Shares. However, as this is a paper-for-paper transaction you may be able to defer the payment of Capital Gains Tax until your gain is crystallised.

A capital loss will be incurred to the extent the capital proceeds are less than the cost base of the JAB Shares.

The capital gains and capital losses of an individual taxpayer from all Capital Gains Tax events are aggregated to determine whether there is a net capital gain or net capital loss in any given tax year. A net capital gain may be discounted (as discussed below). Any net capital gain, after applicable discounts, is included in the assessable income of the individual taxpayer and may be subject to income tax. Net capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

Individuals, trustees of complying superannuation entities or trustees of trust who do not make the indexation election referred to above may be entitled to discount the amount of their net capital gain from the disposal of JAB Shares by:

- (i) 50% in the case if individuals and trustees of trusts (other than a trust that is a complying superannuation entity); or
- (ii) 33 1/3% for trustees of complying superannuation entities.

JAB Shareholders which are companies (not acting as trustees) are not entitled to any discount in respect of their net capital gains.

Whether it is better for any given JAB Shareholder to make the indexation election or not will depend upon the particular JAB Shareholder's individual circumstances, including the cost base of the JAB Shares and whether the JAB Shareholder has any available capital losses. JAB Shareholders should consult their own tax advisers in this regard.

10.3 Transfer Taxes

No stamp duty is payable for the transfer of listed shares (such as JAB Shares).

No GST (Goods and Services Tax) applies to the transfer of listed shares (such as JAB).

11. OTHER MATERIAL INFORMATION

11.1 Introduction

There is no other information that is material to the making of the decision by a holder of JAB Shares and/or JAB Options whether to accept the Offer, which is known to VentureAcess Capital, other than the following information.

11.2 Exclusivity Agreement

There is no pre-bid agreement with JAB or any of its shareholders.

11.3 Date for determining holders of JAB Shares and JAB Options

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is the 18 February 2007.

11.4 Incorporation

VentureAcess Capital was incorporated under its former name of Add Venture Capital Limited in Western Australia on 24 March 1999. It changed its name to VentureAcess Capital Limited on 21 July 2003. VentureAcess Capital changed its registered office to Suite 303, 20 Bungan Street, Mona Vale NSW 2103 on 1 September 2005.

11.5 Constitution

Immediately after issue and allotment, the VentureAcess Capital Shares will be fully paid Shares. There will be no liability on the part of shareholders for any calls and the VentureAcess Capital Shares will rank pari passu with VentureAcess Capital Shares currently on issue.

Detailed provisions relating to the rights attaching to the VentureAcess Capital Shares are set out in VentureAcess Capital's Constitution and the Corporations Act. A copy of the constitution can be inspected during office hours at the registered office of VentureAcess Capital.

The rights attaching to VentureAcess Capital Shares under the constitution and the Corporations Act are summarised below:

Each VentureAcess Capital Share will confer on its holder:

- the right to receive notice of and to attend general meetings of VentureAcess Capital and to receive all financial statements, notices and other documents required to be sent to them under the constitution, the Corporations Act and the Listing Rules;
- the right to vote at a general meeting of shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per VentureAcess Capital Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on VentureAcess Capital Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the VentureAcess Capital Share;
- in a winding up, subject to priority given to holders of VentureAcess Capital Shares that have not been classified by ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of VentureAcess Capital with the consent of members by special resolution:
 - (a) where the assets available for distribution are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the right to receive a proportion of the excess according to the capital paid up by the shareholder at the commencement of the winding up; or
 - (b) where the assets available for distribution are insufficient to repay the whole of the paid up capital, the burden of bearing the loss is in proportion to the capital paid up by the shareholder at the commencement of the winding up.

Subject to the Corporations Act and the Listing Rules, VentureAcess Capital Shares are fully transferable.

The rights attaching to VentureAcess Capital Shares may be varied with the approval of shareholders in general meeting by special resolution.

The constitution of VentureAcess Capital is to be interpreted subject to the Corporations Act and, while VentureAcess Capital is a listed company, the Listing Rules. VentureAcess Capital and the Directors must, notwithstanding any contrary provision in the constitution, comply with the obligations imposed on them under the Corporations Act and while VentureAcess Capital is a listed company, the Listing Rules.

11.6 Consents

Each of the parties referred to in this section:

- does not make, or purport to make, any statement in this Bidder's Statement other than those (if any) referred to in this section; and
- to the maximum extent permitted by Law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and (if applicable) a statement included in this Bidder's Statement with the consent of that party as specified in this section.

This Bidder's Statement includes statements made by or based on statements made by VentureAcess Capital. VentureAcess Capital has consented to the inclusion of the statements it has made in the form and context in which they are included and as at the date of this Bidder's Statement, has not withdrawn its consent.

In addition, this Bidder's Statement contains statements made or based on statements made in documents lodged with ASIC or NSX. The terms of ASIC Class Order 01/1543 allow such statements to be included without the consent of the parties who made them. JAB Shareholders may obtain copies of these documents (free of charge) during the Offer Period by calling VentureAcess Capital on (02) 9999 0720¹. JAB Shareholders should note that the directors of VentureAcess Capital have assumed, for the purposes of preparing this Bidder's Statement that the information contained in the documents lodged with ASIC are accurate. However, the directors do not take responsibility for the content of these documents and are not to be taken as endorsing, in any way, any or all statements contained in such documents, except to the extent required by law.

WHK Greenwoods has given and has not withdrawn its consent to be named as auditor to VentureAcess Capital for the purposes of this Offer in the form and context in which it is included. It takes no responsibility for any part of the Bidder's Statement other than references to its name.

11.7 Interests of Directors and Promoters

Geoff Mullins, Emyr Jones and Karalyn Day all hold beneficial interests in ordinary shares in VentureAcess Limited, and Mr Mullins and Ms Day are majority shareholders in VA Holdings Pty Ltd, which is a major shareholder of VentureAcess Limited. VentureAcess Limited is the parent company of the Fund Manager.

Generally other than set out below or elsewhere in this Offer:

- No Director or proposed Director of VentureAcess Capital and no firm in which a Director of VentureAcess Capital is or was at the relevant time a partner has, or has had in the 2 years before lodgement of this Offer, any interest in the promotion of, or in any property proposed to be acquired by, VentureAcess Capital;
- No amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid to any Director or proposed Director of VentureAcess Capital (or any firm in which he or she is or was a partner) either to induce him or her to become, or to qualify him or her as, a Director, or otherwise for services rendered by him or her or by the firm in connection with the promotion or formation of VentureAcess Capital.

As at the date of this Bidder's Statement, the beneficial interests of the Directors in the shares and options of VentureAcess Capital are:

¹ The Corporations Act 2001 makes it compulsory for all calls made to or received by the Offer information lines to be recorded, indexed and stored.

Bidder's Statement for JAB Technologies Limited

	VentureAcess Capital Limited		
	Ordinary Shares (Fully Paid)	Loan Notes	Options over Ordinary Shares
G E Mullins	-	-	323,341
R S Forbes	500,000	\$20,000*	768,511
E W Jones	13,199,082	-	3,588,286
Dame L Kramer	-	-	96,380

* Convertible to ordinary shares in VentureAcess Capital at \$0.125 each on or prior to ASX listing.

Messrs Mullins and Jones are interested in 4,409,795 Ordinary Shares and 20,000,000 Share Options in VentureAcess Capital Limited held by VA1 Pty Ltd, a company in which they have an indirect controlling interest.

11.8 Directors' Remuneration

The following VentureAcess Capital Options were granted to directors in consideration of their services as directors during the 2006 financial year. Each VentureAcess Capital Option entitles the holder to subscribe for a fully paid ordinary share at an exercise price of \$0.10 per share for those in respect of the period to 31 December 2005, and at \$0.16 per share for those granted thereafter, on or before the expiry date shown in the table below.

Service for Quarter Ending	Number of Options	Issue Date	Expiry Date
30 September 2005	79,383	30 June 2006	30 September 2010
31 December 2005	160,869	30 June 2006	31 December 2010
31 March 2006	171,649	30 June 2006	31 March 2011
30 June 2006	186,478	30 June 2006	30 June 2011

The Company's Constitution provides that Directors may be paid by way of remuneration for their services as Director such sums as determined by the Company at general meetings from time to time.

In the normal course of business, the Directors are entitled to be reimbursed for reasonable travelling, hotel and other expenses incurred by them in the performance of their duties as Directors.

Total fees payable to non-executive Directors may not exceed \$150,000 divided amongst the non-executive Directors as the board agrees. The total remuneration must not be increased except pursuant to a resolution passed at a general meeting. A non-Executive Director may not be paid a commission or percentage of operating revenue.

VentureAcess Capital currently has no executive Directors.

11.9 Rights Attaching To Options

For every 5 JAB Options (if any) that you own you will receive 3 VentureAcess Capital Options exercisable at \$0.20 on or before 31st December 2009 on the following terms:

- Each VentureAcess Capital Option entitles the holder to subscribe for one VentureAcess Capital Share upon exercise by notice in writing and payment of the exercise price, during the exercise period;
- The exercise price of each VentureAcess Capital Option is \$0.20;
- The exercise period of the VentureAcess Capital Options is from the date VentureAcess Capital issues the options to 5.00pm (EST) on 31 December 2009;
- A VentureAcess Capital Option will not confer an entitlement to receive a dividend declared or paid by VentureAcess Capital, or an entitlement to vote at a general meeting of VentureAcess Capital nor will it confer an entitlement to participate in any pro rata or entitlement offer of securities to VentureAcess Capital Shareholders;
- Subject to VentureAcess Capital's Constitution, each share issued pursuant to the exercise of an option will rank equally in all respects with other issued shares;

- VentureAcess Capital has applied to the ASX for official quotation of the VentureAcess Capital Option and will apply to the ASX for official quotation of the VentureAcess Capital Shares issued upon exercise of options within the time period required by the Listing Rules;
- The VentureAcess Capital Options will be freely transferable;
- Any VentureAcess Capital Option not exercised before the end of the exercise period will lapse at the end of the exercise period;
- All VentureAcess Capital Options may be exercised if a takeover bid (as defined in the Corporations Act) is made for VentureAcess Capital Shares;
- In the event of a reorganisation or reconstruction of the capital of VentureAcess Capital, the rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reorganisation or reconstruction of capital at the time of the reorganisation or reconstruction;
- If VentureAcess Capital makes a rights issue (other than a bonus issue), the exercise price of VentureAcess Capital Options on issue will be reduced according to this formula:

$$A = O - \frac{E \{P - (S + D)\}}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days ending on the day before the ex rights date or ex entitlement date (excluding special crossings or overnight sales);

S = the subscription price for an ordinary share under the pro rata issue;

D = any dividend due but not yet paid on each ordinary share at the relevant time (except those to be issued under the pro rata issue); and

N = the number of ordinary shares that must be held to entitle holders to receive a right to one new ordinary share in the pro rata issue.

- If there is a bonus issue to the holders of ordinary shares in the capital of VentureAcess Capital the number of ordinary shares over which a VentureAcess Capital Option is exercisable will be increased by the number of ordinary shares which the holder of the VentureAcess Capital Option would have received if the VentureAcess Capital Option had been exercised before the record date of the bonus issue;
- Option holders appearing on VentureAcess Capital's register of option holders at the relevant date will be entitled to receive and will be sent all reports and accounts required to be laid before shareholders in general meetings and all notices of general meetings and will have the right to attend but shall have no right to vote at that meeting.

11.10 Loan Notes

On 27 June 2005 the Company made an offer to existing shareholders of 7.5% Short Term Loan Notes with Loan Note Holders having the choice of using the proceeds of repayment of the Loan Notes to subscribe for shares in the Company at \$0.125 per share prior to lodgement of a Prospectus with ASIC. The Company may also exercise a right to issue shares in the Company at \$0.125 per share to repay the Loan Notes in the event that the Loan Note holder fails to do so.

11.11 Transfer of Shares

The directors may refuse to register a transfer of shares in the circumstances identified in the Constitution or as otherwise permitted or required under the Corporations Act 2001. Other than as provided in the Constitution, the Corporations Act 2001 and any other laws, shares in VentureAcess Capital are freely transferable, and, if VentureAcess Capital is admitted to the official list of ASX, its securities will be transferred in accordance with the ASX Listing Rules.

11.12 Voting

Each shareholder of VentureAcess Capital is entitled to receive notice of, attend and vote at a general meeting, whether by proxy, attorney or representative. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands, each eligible voter present or a proxy, attorney or representative of an eligible voter has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member, whether by proxy, attorney or representative has one vote for each share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

11.13 Dividends

The directors may from time to time determine to distribute the profits of VentureAcess Capital by way of dividend. Subject to the rights of holders issued with any special or preferential rights (at present there are none), any dividend will be declared and paid to shareholders so entitled to those dividends in proportion to the shares held by them. The Directors cannot give any assurances as to the extent, timing, level of franking or payment of any future dividends.

11.14 Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by section 249D of the Corporations Act 2001. The constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. VentureAcess Capital holds annual general meetings in accordance with the Corporations Act 2001.

11.15 Governing Law and Jurisdiction

The agreement between us arising out of your irrevocable acceptance of the terms of the Offer shall be governed by the laws of New South Wales, Australia. If you accept the Offer you will be and remain obliged to submit to the non-exclusive jurisdiction and determination of the courts of the State of New South Wales.

11.16 Documents Available for Inspection

The following documents are available for inspection at the offices of VentureAcess Capital during business hours:

- VentureAcess Capital's annual report for the year ending 30 June 2006;
- VentureAcess Capital's Constitution;
- The Management Contract between the Fund Manager and VentureAcess Capital; and
- VentureAcess Capital's Share Register.

11.17 Consent to early Despatch

The directors of JAB have consented to VentureAcess Capital sending this Bidder's Statement to JAB Shareholders earlier than would otherwise be permitted under the Corporations Act.

11.18 Litigation

As at the date of this Bidder's Statement, there is no litigation of any nature pending or threatened which may significantly affect the operations of VentureAcess Capital. Having regard to the nature of VentureAcess Capital's business, it may be involved in litigation from time to time.

11.19 Directors' Indemnity and Insurance

VentureAcess Capital has agreed to indemnify, to the extent permitted by the Corporations Act, each officer in respect of certain liabilities which the officer may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of VentureAcess Capital. VentureAcess Capital has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are an officer and for a period of 7 years after the officer ceases to be an officer of VentureAcess Capital.

11.20 Deed of Access

VentureAcess Capital has agreed to provide access to the books and records of VentureAcess Capital to the current officers of VentureAcess Capital while they are officers and for a period of 7 years from when they cease to be officers.

11.21 Related Party Transactions

Other than as set out in this Bidder's Statement, the Company is not a party to any transactions with related parties.

11.22 Interests of Experts and Advisers

Other than as set out in this Prospectus, no expert, promoter, or any person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement, nor any firm in which any of those persons is or was a partner has, or has had in the 2 year period ending on the date of this Bidder's Statement, any interest in:

- the formation or promotion of VentureAxess Capital; or
- property acquired or proposed to be acquired by VentureAxess Capital in connection with its formation or promotion or the Issue under this Bidder's Statement,

and no amounts, whether in cash or shares or otherwise, have been paid, or agreed to be paid, to any expert, promoter or any other person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement, nor any firm in which any of those persons is or was a Partner, in the 2 year period ending on the date of this Bidder's Statement for services rendered by that person in connection with the promotion or formation of VentureAxess Capital or the offer of securities.

11.23 Directors' Statement

The Directors report that, in their opinion, since the date of the audited financial statements of 30 June 2006, no circumstances have arisen that materially affect or will materially affect the profitability of VentureAxess Capital or the value of VentureAxess Capital's assets and liabilities, except as disclosed in this Bidder's Statement

12. DEFINITIONS AND INTERPRETATIONS

12.1 Definitions

In this Bidder's Statement and in the Acceptance form, the following terms have these meanings unless the contrary intention appears or the context otherwise requires.

"Acceptance Form" means the acceptance form enclosed with this Bidder's Statement which forms part of the Offer.

"Announcement Date" means 19 March 2007

"ASIC" means the Australian Securities & Investments Commission.

"ASX" means Australian Stock Exchange Limited.

"Bidder's Statement" means this document and each schedule and annexure to it.

"Closing Date" means 23 March 2007, unless the Offer is extended.

"Corporations Act" means the *Corporations Act* 2001.

"Directors" means the directors of VentureAcess Capital.

"Fund Manager" means VentureAcess Fund Managers Limited (ABN 63 088 006 106).

"Going Concern" means the idea that a company will continue to operate indefinitely and will not go out of business and liquidate its assets.

"IPO" means Initial Public Offering.

"JAB" means JAB Technologies Limited (ABN 33 009 475 736).

"JAB Group" means JAB and its subsidiaries.

"JAB Shares" means fully paid ordinary shares in JAB.

"JAB Shareholders" means holders of JAB Shares.

"JAB Options" means options to acquire shares in JAB.

"Merged Group" means the group formed should VentureAcess Capital gain control over 90% of JAB as a result of this offer.

"Offer" means this offer by VentureAcess Capital to acquire JAB Shares and JAB Options set out in Section 6 of this Bidder's Statement.

"Original Bidder's Statement" means the Bidder's Statement lodged with ASIC on 9 November 2006, as replaced by a replacement Bidder's Statement dated 16 November 2006.

"Offer Information Statement" means the Offer Information Statement released by VentureAcess Capital dated 9 November 2006.

"Offer Period" means the period commencing on the Opening Date and ending on the Closing Date;

"Opening Date" means 21 February 2007

"Pooled Development Fund" or **"PDF"** means a Pooled Development Fund registered under the Pooled Development Funds Act 1992.

"Prescribed Occurrence" means an occurrence listed in Annexure A, being the occurrences listed in Section 652C of the *Corporations Act*.

"Rights" means all accretions, rights or benefits of whatever kind attaching to or arising from the JAB Shares and JAB Options directly or indirectly at or after the date of this Bidder's Statement including, without limitation, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by JAB or by any JAB subsidiary.

"Section" means a section of this Bidder's Statement.

"Target" and **"JAB"** means JAB Technologies Limited (ABN 33 009 475 736).

"Target's Statement" means the target's statement to be issued by JAB in response to this Bidder's Statement in accordance with section 633(1) of the Corporations Act.

"VentureAcess Capital" or "Company" means VentureAcess Capital Limited (ABN 30 085 039 818).

"VentureAcess Group" means VentureAcess Limited ACN 115 306 745 and any related body corporate pursuant to Section 50 of the Corporations Act.

"VentureAcess Capital Share" means a fully paid ordinary share in VentureAcess Capital.

"VentureAcess Capital Option" means an option to acquire a VentureAcess Capital Share exercisable on or before 31 December 2009 with an exercise price of \$0.20.

12.2 Interpretation

- (1) Reference to:
 - (a) words and phrases given a particular meaning in Chapter 6 of the Corporations Act have the same meaning in this Bidder's Statement, unless the context otherwise requires;
 - (b) one gender includes the others;
 - (c) the singular includes the plural and the plural includes the singular;
 - (d) a person includes a body corporate;
 - (e) a party includes the party's executors, administrators, successors and permitted assigns;
 - (f) a statute, regulation or provision of a statute or regulation ("Statutory Provision") includes:
 - (i) that Statutory Provision as amended or re-enacted;
 - (ii) a statute, regulation or provision enacted in replacement of that Statutory Provision; and
 - (iii) another regulation or other statutory instrument made or issued under that Statutory Provision
 - (g) money is to Australian dollars, unless otherwise stated.
- (2) "Including" and similar expressions are not words of limitation.
- (3) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (4) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Bidder's Statement.

13. APPROVAL OF THE BIDDER'S STATEMENT

This Bidder's Statement has been approved by a unanimous resolution passed by all the directors of VentureAxess Capital Limited.

Dated: 19 February 2007.

A handwritten signature in black ink, appearing to read 'G Mullins', with a stylized flourish at the end.

Geoff Mullins
Chairman
VentureAxess Capital Limited

ANNEXURE A

Prescribed Occurrences

The offer and any contract resulting from the acceptance of the Offer, are subject to no prescribed occurrences between the date of the announcement of the bid and the end of the offer period;

- (a) JAB converts all or any of its shares into larger or smaller number of shares subject to Section 245 of the Corporations Act;
- (b) JAB resolves to reduce its share capital in any way (with the exception of the distribution of shares in JAB Resources Pty Ltd to JAB Shareholders as approved at the JAB General Meeting held on 25 January 2007);
- (c) JAB
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy back-agreement under subsection 257C(1) or 257D(1) of the Corporations Act.
- (d) JAB issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) JAB issues, or agrees to issue, convertible notes;
- (f) JAB disposes, or agrees to dispose, of the whole, or substantial part, of its business or property;
- (g) JAB charges or agrees to charge, the whole or substantial part, of its business property;
- (h) JAB resolves to be wound up
- (i) A liquidator or provisional liquidator of JAB is appointed;
- (j) A court makes an order for the winding up of JAB
- (k) An administrator of JAB, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) JAB executes a deed of company arrangement;
- (m) A receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of JAB.

ANNEXURE B

NSX letter of 30 January 2007

ANNEXURE C

JAB LETTER OF 2 FEBRUARY 2007

VENTUREAXESS

Acceptance Form

Offer by VentureAxess Capital Limited
("VAC") (ABN 30 085 039 818)
for all of your shares and options in JAB Technologies Limited
("JAB") (ABN 42 087 426 953)

NAME:
(Please print)

NUMBER OF JAB
SHARES YOU HOLD:
(Please print)

ADDRESS:
(Please print)

NUMBER OF JAB
OPTIONS YOU HOLD:
(Please print)

Offer consideration: 3 VAC Shares for 5 JAB Shares
3 VAC Options exercisable at 20¢ each on or before 31 December 2009 for 5 JAB Options

NUMBER OF VAC
SHARES TO WHICH YOU ARE
ENTITLED:
(Please print)

NUMBER OF VAC
OPTIONS TO WHICH YOU ARE
ENTITLED:
(Please print)

1 YOUR DETAILS

Please ensure that you enter your name (i.e. shareholder name), postal address, number of JAB Shares and JAB Options above.

2 ACCEPTING THE OFFER

Please read the further instructions overleaf and then sign in the space provided at the bottom of this page.

3 SIGN HERE (See signing instructions below)

By signing this Acceptance Form, I/We, the person (s) named above, being the holder (s) of the JAB Shares and JAB Options shown above:

- Accept the Offer in respect of all my / our JAB Shares and JAB Options (**under the terms of the Offer you cannot accept for only part of your holding**) and agree to transfer to VAC the number of JAB Shares and JAB Options described above for the consideration specified in the Offer ;
- Agree to be bound by the terms and conditions of the Offer set out in the Bidder's Statement;

Individual or Security holder 1

Director

Individual or Security holder 2

Director/Company Secretary (delete one)

Individual or Security holder

Sole Director and Sole Secretary/Sole
Director no Secretary (delete one)

DATED / /2007
Day Month

Please enter a contact name and your telephone number where you may be contacted during business hours

Contact name

Contact Business Hours telephone No.....

**Your acceptance must be received by not later than the end of the Offer Period which is 5pm Sydney time on 23 March 2007
(Unless the Offer is extended)**

Further Instructions

Acceptance and signing instructions

- **If you are accepting the Offer** please sign and date this Acceptance Form in the box (s) for signature (s) set out in **part 3** of this Acceptance Form in accordance with the following instructions:
 - **For Individuals:** a single signature is required.
 - **For Joint Holders** all of the holders must sign this Acceptance Form.
 - **Companies:** signed by two directors, a director and company secretary, or by the sole director in the case of an Australian company with a sole director who is also the sole company secretary. Delete titles as applicable.
 - **If signed under power of attorney:** please attach a certified copy of the power of attorney when you return this Acceptance Form. By signing this form, the attorney declares that he/she has no notice to revocation of the power of attorney.
 - **Deceased Estates:** when you return this Acceptance Form, please attach the probate, letters of administration or Certificate of Grant accompanied (where required by law for the purpose of transfer (by a certificate of payment of death or succession duties (if necessary) and by a statement in terms of section 1071B (9) (b) (iii) of the Corporations Act 2001.

Supply of Information

Information you supply on this Acceptance Form will be used by VentureAxess Capital for the primary purpose of processing your acceptance of the Offer. If you fail to supply this information your acceptance may not be processed and you may not receive the consideration.

Mail or delivery instructions

JAB Shareholders should mail or deliver their completed Acceptance Form and any other documents required by these instructions to:

Mail to:
VentureAxess Capital Limited
PO Box 1356
MONA VALE
NSW 1660

or

Deliver To:
VentureAxess Capital Limited
Suite 303, 20 Bungan Street
MONA VALE
NSW 2103

A reply envelope is enclosed for shareholders with an Australian address.

Where to get help

If you have any questions about the terms of the Offer or about how to accept the Offer, please call the JAB Offer information line on (02) 9999 0720. Please note that the Corporations Act 2001 makes it compulsory for all calls made to or received by the Offer information lines to be recorded, indexed and stored. If you need information on your JAB Shareholding then call the JAB Share Registry (Link Market Services Limited) between 9.00am and 5.00pm (Brisbane time) Monday to Friday on (02) 8280 7454.

IMPORTANT – YOUR CHECKLIST

- ☐ Read Bidder's Statement and the instructions on how to accept
- ☐ Check the accuracy of your details in the Bidder's Statement Acceptance Form.
- ☐ Insert your daytime contact number at the bottom of the Acceptance Form in your Bidder's Statement

Corporate Directory

CORPORATE INFORMATION - VENTUREAXESS CAPITAL LIMITED

ADDRESS:

Suite 303
20 Bungan Street
Mona Vale NSW 2103
TEL: (02) 9999 0720
FAX: (02) 9999 0150

POSTAL ADDRESS:

PO Box 1356
Mona Vale NSW 1066

WEB SITE: www.ventureaxess.com

DIRECTORS:

Geoff Mullins (Chairman)
Emyr Jones
Robin Forbes
Dame Leonie Kramer

COMPANY SECRETARY:

Karalyn Day

BANKERS:

Bendigo Bank
Dee Why Branch

AUDITORS:

WHK Greenwoods

30 January 2007

Mr Robert Murdoch
Executive Chairman
JAB Technologies Limited
PO Box 728
SPRING HILL QLD 4004

By fax: +61 7 3367 8999

Dear Mr Murdoch,

Re: JAB Quarterly Cash Flow Report and Quarterly Activities Report

I refer to the two announcements lodged with NSX on 30th January 2007 being (1) Quarterly Activities Report and (2) Quarterly Cash Flow Report.

The Quarterly Cash Flow report states that the company had \$3,000 cash in the bank as at 31 December 2006. The NSX also notes that the company entered into an agreement with a director of the company for funding of \$100,000 via a convertible note facility. Please advise the following:

1. That the company has sufficient cash for the foreseeable future to operate;
2. That the company is solvent;
3. The remaining amount, if any, of the Convertible Note;
4. What steps the company is taking to remain in compliance with NSX Listing Rule Section 1 2.18(3); and
5. What steps the company is taking to remain in compliance with NSX Listing Rule Section 6.54.

Please provide a response suitable for release to the market by no later than 4pm Friday 2nd February 2007.

Yours Sincerely

Scott Evans
General Manager



National Stock Exchange of Australia

NSX Melbourne

Level 8, 410 Collins Street, Melbourne, VIC, 3000
P: +61 3 9664 0000
F: +61 3 9664 0011

NSX Newcastle

384 Hunter Street, Newcastle NSW, 2300
PO BOX 283, Newcastle, NSW, 2300
P: +61 2 4929 6377
F: +61 2 4929 1556

www.nsx.com.au

Incorporating

NSX Limited

ABN: 33 089 447 058

National Stock Exchange of Australia Limited

ABN: 11 000 902 063

Bendigo Stock Exchange Limited

ABN: 41 087 708 898

BSX Services Pty Ltd (t/a) BSX Taxi Markets

ABN 57 084 885 683

2 February 2007

Mr Scott Evans
National Stock Exchange of Australia
PO Box 283
Newcastle NSW 2300

By fax 02 49291556

Dear Mr Evans

Re: Jab quarterly cashflow report and quarterly activities report

I refer to your letter on the above subject dated 30th January 2006 and the 5 questions raised therein. JAB Technologies Limited (JAB) answers your questions as follows.

1. The directors believe the company has sufficient cash at present under a combination of the Austex converting note arrangement and loan funds to be provided by Venturexess Capital Limited (VAC), to continue to operate its business as normal and to meet the company's working capital requirements. As you are aware, VAC has made a take over offer for all the shares in JAB. VAC have indicated to JAB that they will take over control of JAB, pursuant to the takeover bid on or about 14th Feb 2007. I understand that VAC, will send a letter to you, confirming anticipated financial arrangement extending beyond that date.
2. The directors believe that the company is currently solvent.
3. The remaining amount available under the Austex converting note as of 31st December was \$ 40,000. That was drawn down a further \$ 10,000 in January.
4. With respect to NSX Listing rule 12.18(3) JAB continues to operate its Ezbiz business and continues to service its 250-300 customers and hence complies with this listing rule.
5. With respect to NSX Listing rule 6.54 JAB considers that there is a sufficient level of operations to support the continued listing on NSX.

We thank you for your support of JAB during the takeover process and please contact me should you require further information.

Yours Faithfully
JAB TECHNOLOGIES LIMITED



Rob Murdoch
Executive Chairman