

HOPGOOD GANIM LAWYERS

15 March 2007

Attention : Anthea
Newcastle Stock Exchange
BY FAX: 02 4929 1556

Dear Anthea

**RE: VENTUREAXESS CAPITAL LIMITED OFF-MARKET BID FOR JAB
TECHNOLOGIES LIMITED – SUPPLEMENTARY TARGET'S STATEMENT**

We act for JAB Technologies Limited ABN 42 087 426 953.

In accordance with Section 647(3)(b) of the *Corporations Act 2001 (Cwlth)*, on behalf of our client, we hereby provide a copy of our client's supplementary target's statement in relation to the off-market takeover bid made by VentureAxess Capital Limited ABN 30 085 039 818 for the shares and options in JAB Technologies Limited ABN 42 087 426 953 on 19 February 2007 (**Supplementary Target's Statement**).

The Supplementary Target's Statement was lodged with the Australian Securities and Investments Commission and served on VentureAxess Capital Limited earlier today.

Yours faithfully



Enc

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SUPPLEMENTARY TARGET'S STATEMENT BY

JAB TECHNOLOGIES LTD ABN 42 087 426 953 ("JAB") IN RESPECT OF THE OFFER BY VENTUREAXESS CAPITAL LTD ABN 30 085 039 818 (VAC) FOR ALL ORDINARY SHARES AND OPTIONS IN JAB DATED 15 MARCH 2007

This statement (**Supplementary Target's Statement**) supplements, and must be read together with, the Target's Statement of JAB dated 21 February 2007 and lodged with the Australian Securities and Investments Commission (**ASIC**) on 21 February 2007 (**Target's Statement**) in connection with VAC's takeover bid for all the ordinary shares and options in JAB lodged with ASIC on 19 February 2007 (**Bidder's Statement**).

This document is important and should be read in its entirety in conjunction with the Target's Statement. If you are in any doubt as to the contents of this document, you should consult your sharebroker, solicitor, banker or accountant without delay.

The definitions and interpretation provisions of the Target's Statement apply to this Supplementary Target's Statement.

ASIC takes no responsibility for the content of this Supplementary Target's Statement.

1. CHANGES IN INFORMATION

1.1 In Specie Distribution

As noted in section 3.1 of the Target's Statement, on 25 January 2007 the shareholders of JAB approved the Capital Return which took place on 13 February 2007 and consequently all JAB Shareholders as at 2 January 2007 became the holders of shares in Jab Resources on 13 February 2007. As the Capital Return has now been effected, there is no connection between the VAC offer made pursuant to the Bidder's Statement and JAB Resources.

1.2 Consequential Amendments to the Target's Statement

As a consequence of the matters set out in Section 1.1 above, the Target's Statement is to be amended as follows:

- (a) On pages 5 and 6, Section 3.1 shall be deleted and replaced with the following:

"3.1 VAC Offer

The following were Directors of JAB as at the date of the Target's Statement:

Mr Robert Murdoch - Executive Chairman

Mr Stephen Ioannides - Non Executive Director

Mr Sean Stark - Non Executive Director

On 23 February 2007 Mr Stephen Ioannides resigned as a director of JAB.

Accordingly, the following are Directors of JAB as at the date of this Supplementary Target's Statement:

Mr Robert Murdoch - Executive Chairman

Mr Sean Stark - Non Executive Director

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The Directors of JAB unanimously recommend that JAB Shareholders and JAB Optionholders accept the Offer in the absence of a superior offer for the JAB Shares and the JAB Options.

The Directors of JAB make this recommendation as acceptance of the Offer will provide JAB Shareholders with shares in VAC and JAB Optionholders with options in VAC. In Section 5 of the Bidder's Statement VAC stated that particular synergies exist between JAB and some of VAC's investee companies' businesses and with this in mind, VAC sees potential for the more efficient operation of JAB through the introduction of strategic alliances, partnerships and/or merger partners.

Whilst no guarantee can be given that VAC will be successful in achieving a stock exchange listing, the stated intention of VAC (as disclosed in the Bidder's Statement) is to pursue such a listing.

If VAC is ultimately successful in achieving a listing on the ASX, then JAB Shareholders will hold shares in an ASX listed company and JAB Optionholders will hold listed options in an ASX listed company.

In making their recommendation that you accept the Offer, the Directors of JAB advise that they are unable to form an opinion on the following matters.

- The Directors have no information on the other investments within VAC other than that included in Initial Bidder's Statement, the Bidder's Statement and the Offer Information Statement.*
- The Directors have no information other than that included in the Initial Bidder's Statement, Bidder's Statement and the Offer Information Statement on the financial position, ongoing prospects and capabilities of the directors of VAC.*
- The Directors do not know if the capital raising proposed to be undertaken by VAC pursuant to the Proposed Prospectus will be successful or not.*
- The Directors cannot form an opinion as to whether the conditions of the Offer will be met and hence whether the Offer will be finalised.*
- The Directors cannot form an opinion as to whether VAC will ultimately list on the ASX or not."*

(b) On page 9, Section 3.6 is deleted.

(c) On page 10, Section 4.2, paragraph 2 is deleted.

(d) On pages 10 and 11, Section 7.2 is deleted and replaced with the following:

*Austex Mining Pty Ltd, a company associated with Mr Robert Murdoch, a Director of JAB, has previously agreed to provide funding to JAB to an amount of \$100,000 (**Prior Loan**).*

Most of the Prior Loan has been applied to provide working capital to JAB, and recently some of the Prior Loan has been applied to the exploration activities of JAB Resources.

*As part of the Capital Return, JAB Resources has agreed to assume sole responsibility for repayment of the Prior Loan. For these purposes, a Converting Loan Agreement (**Agreement**) has been entered into by JAB, Austex and JAB Resources. The Agreement results in JAB being released from any liability to Austex to repay the Prior Loan. JAB Resources has agreed to be solely responsible for repayment of the Prior Loan."*

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1.3 Proposed Prospectus of VAC

VAC has stated in the Bidder's Statement that on 16 November 2006 an application was made for admission to the official list of the ASX and for official quotation of all VAC shares and options on the ASX and that VAC intended to lodge a prospectus to satisfy ASX listing criteria. The supplementary Bidder's Statement lodged by VAC with ASIC on 8 March 2007 (**Supplementary Bidder's Statement**) states that a VAC prospectus has not yet been lodged with ASIC and lodgement of a prospectus or money raised under a pre-IPO offer should not be considered as reasonably material to the decision to accept the Offer.

Accordingly, the Target's Statement is to be amended as follows:

- (a) On page 4, Section 1.1, the definition of Proposed Prospectus is deleted.
- (b) On page 7, Section 3.2, the second last paragraph is deleted and replaced with the following:

Whilst the Offer is not expressed on its face to be conditional upon VAC or the securities offered as consideration under the Offer being granted quotation on ASX, JAB believes that by virtue of s 625(3) of the Corporations Act this is the case. VAC has stated that on 16 November 2006 an application was made for admission to the official list of the ASX and for official quotation of all VAC shares and options on the ASX. Accordingly, the Directors have also taking into account in making their recommendations the fact that acceptance of the Offer may result in JAB Shareholders having securities in VAC which if listed on ASX, will be listed on a more liquid market than NSX. This may be considered to be of more value and benefit to JAB Shareholders than retaining their JAB Shares and seeking to trade them on NSX which appears to the Directors to be a market with less liquidity than ASX.

- (c) On page 7, Section 3.3(d) is deleted and replaced with the following:

VAC stated in the Bidder's Statement that VAC shareholder may be offered the opportunity to participate in pre-IPO fundraising by investee companies of VAC. VAC stated in the Supplementary Bidder's Statement that this prospect should not be considered as reasonably material to the decision to accept the Offer and that there are currently no opportunities for JAB Shareholders to participate in pre-IPO fundraising by investee companies. JAB makes no comment in this regard.

1.4 Advantages and Disadvantages in respect of Acceptance of the Offer

The Target's Statement is to be amended by deleting Section 3.4 and replacing it with following:

"3.4 Advantages and Disadvantages in Respect of Acceptance of the Offer

In making the recommendations the JAB Directors have had regard to the following:

- *Acceptance of the Offers may afford the following advantages:*
 - *The potential for JAB Shareholders to receive securities in VAC which will be quoted on ASX and thereby having potentially greater liquidity than they currently enjoy;*
 - *the potential for JAB Optionholders to hold options in an ASX listed company and thereby having potentially greater liquidity;*

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- *Acceptance of the Offers may afford the following disadvantages:*
 - *Although VAC may be successful in listing on the ASX, no guarantee can be given that the market for securities of VAC will be more liquid than that of securities on issue in JAB on the NSX.*
 - *In Section 1.1 of the Bidder's Statement, VAC states that if the Offer is successful, JAB Shareholders will account for approximately 15% of VAC's total shareholding (undiluted for options), not taking into account any shares or options that may be issued under the Offer Information Statement.*
 - *By virtue of the existence of other existing shareholders in VAC and that JAB Shareholders will only account for approximately 15% of VAC's total shareholding if the Offer is accepted in full (not taking into account any shares or options that may be issued under the Offer Information Statement), the accepting JAB Shareholders will have a limited capacity to influence the future direction and management of JAB and VAC if the Offer is successful.*
 - *The Supplementary Bidder's Statement set out the top 20 shareholders and optionholders of VAC. Based on the information contained in the Supplementary Bidder's Statement, the Board of JAB understands that Mr Emyr Jones controls approximately 26.29% of all VAC shares as at 28 February 2007 and that the top 20 holders of VAC shares control approximately 68.82% of all VAC shares as at 28 February 2007. In addition to those matters set out above regarding the percentage holding of JAB Shareholders in VAC shares if the Offer is accepted in full, JAB shareholders should also be aware that given the concentrated holdings of the top 20 shareholders of VAC, in particular, Mr Emyr Jones, that the top 20 VAC shareholders have the ability to exercise significant control over VAC.*
 - *In Section 2.1.2 of the Bidder's Statement, VAC stated that it has now been over three years since the management of VAC was taken over by VentureAxess Fund Managers Limited (**Fund Manager**), a wholly owned subsidiary of VentureAxess Limited. In Section 3.1 of the Bidder's Statement, VAC states that VAC has 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 VAC the first right to take up these investment opportunities; and*
 - *The Fund Manager will provide management and guidance for investee companies.*

In the Supplementary Bidder's Statement, VAC stated that the Management Agreement with the Fund Manager is for a term of 5 years commencing on 9 December 2005 and outlined the basis on which the Management Agreement could be terminated.

Based on the information contained in the Bidder's Statement and the Supplementary Bidder's Statement, the Board of JAB understands that the Fund Manager is responsible for the abovementioned matters and the management of VAC. JAB Shareholders and JAB Optionholders should be aware that acceptance of the Offer will not provide them with any securities in the Fund Manager. Accordingly, acceptance of the Offer will not provide JAB Shareholders and JAB Optionholders with any equity interest in nor any direct control over the Fund Manager, which controls the management of VAC's business activities. Accordingly there are risks to JAB Shareholders and JAB Optionholders in accepting the Offer

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where the management of VAC is the responsibility of the Fund Manager pursuant to the Management Agreement entered by VAC and the Fund Manager and the Fund Manager is an entity over which they have no direct control. For example, whilst if VAC shareholders are not satisfied with the performance of VAC they may be able to exercise rights to remove the directors of VAC in accordance with the Corporations Act, VAC will remain obliged to perform the Management Agreement in accordance with its terms. In these circumstances, unless rights of VAC to terminate the Management Agreement are exercised, the Fund Manager will continue to control the business operations of VAC.

1.5 Funding Arrangements

In the Target's Statement, JAB stated that it had requested VAC to provide additional funding to JAB (**VAC Funding**) and that the Bidder's Statement noted that VAC has advised the NSX that subject to the receipt of acceptable six month cash flow forecasts from JAB, VAC will supply the funds necessary to ensure JAB's on going liquidity. The Target's Statement further stated that in the event that the Austex Funding is exhausted and the VAC funding has not been made available, JAB will require additional funding to continue to carry on business.

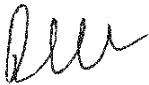
At present JAB is in discussions with VAC with respect to the provision of the VAC Funding, however to date, VAC has not provided nor agreed to provide the VAC Funding as requested by JAB. If VAC does not agree to provide the funds requested by JAB, the Austex Funds are exhausted and JAB is unable to secure alternative funding, the JAB Board will need to consider:

- (a) whether it ought to seek suspension of its securities from the NSX; and
- (b) whether it ought to commence the orderly realization of its assets to ensure that sufficient funds are available to enable JAB to pay its debts as and when they fall due.

This Further Supplementary Bidder's Statement was approved by a resolution of directors of JAB on the 15th day of March 2007.

Dated the 15th day of March 2007

Signed for and on behalf of JAB Technologies Ltd by Robert Boutflower Murdoch, being a director who was authorised to sign this statement by a resolution of the directors.



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Director