

PROSPECTUS







For the issue of up to 40,000,000 Shares at an issue price of \$0.50 each, together with one free attaching Option for every four Shares subscribed, to raise up to \$20,000,000.

Proposed NSX Code: SSP



IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisors.

THE SHARES AND OPTIONS OFFERED BY THIS PROPECTUS ARE SPECULATIVE IN NATURE

Neither Startan Properties Limited nor any other person guarantees the performance of the Shares offered pursuant to this Prospectus, or the performance of Startan Properties Limited, or the return on any investment.

This is a Replacement Prospectus dated 25 January 2008, which replaces the Prospectus dated 14 January 2008 issued by Startan Properties Limited.

Startan Properties Limited ABN 82 127 332 549

Sponsoring Broker
Cameron Stockbrokers Limited
Holder of Australian Financial Services Licence No. 246705











IMPORTANT NOTICES

Date

This Replacement Prospectus (Prospectus) for Startan Properties Limited ABN 82 127 332 549 (**Startan** or **the Company**) is dated 25 January 2008. It was lodged with ASIC on that date. Neither ASIC nor the NSX takes any responsibility for the contents of this Prospectus. No Shares will be allotted or issued, or Options granted, on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Application for Official Quotation

Application will be made within seven days after the date of this Prospectus for permission for the Shares and Options offered by this Prospectus to be listed for Official Quotation on the securities market operated by the NSX.

The fact that the NSX may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities. The NSX takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

Licensed Intermediary

The Offer under this Prospectus will be made pursuant to an arrangement between the Company and Dealers pursuant to section 911A(2)(b) of the Corporations Act. The Company will only authorise Dealers to make offers to persons to arrange for the issue of Shares and Options by the Company under the Prospectus, and the Company will only issue Shares and Options in accordance with such offers if they are accepted.

The Company will forward all Application Forms and Application Monies to Camerons (Cameron Stockbrokers Limited ABN 38 090 472 012 Australian Financial Services Licence No. 246705). Camerons will deal with the Application Monies pursuant to this Prospectus. Any Application Form received which does not bear a Dealer's stamp will be forwarded to Camerons.

Camerons' function should not be considered as an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor. Camerons does not guarantee the success or performance of the Company or the returns (if any) which may be received by investors. Neither Camerons nor any Dealer is responsible for or has caused the issue of this Prospectus. The Company reserves the right to enter into arrangements to with other Dealers similar to those with Camerons.

Electronic prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the internet at www.staroftheseaterrigal.com.au/prospectus. The Offer pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

During the Offer period, any person may obtain a hardcopy of this Prospectus by contacting the Company by email at patsergi@startan.com.au.

Foreign jurisdictions

This Prospectus has been prepared in accordance with the Corporations Act for distribution only within the Commonwealth of Australia. It does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No authority

No person is authorised to give any information or to make any representation regarding the Offer. Any information or representation in relation to the Offer which is not contained in this Prospectus may not be relied upon as having been authorised by the Company or its Directors.

Speculative

The Shares and Options offered by this Prospectus are of a speculative nature. Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares and Options. The Shares and Options offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares or Options.

Privacy

When you apply to invest in the Company, you will provide the Company and the Share Registrar with certain personal information to facilitate the assessment of the Application; enable the Company to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and carry out appropriate administration.

The Company and the Share Registrar may be required to disclose this information to third parties who carry out functions on behalf of the Company; and other third parties to whom disclosure is required by law.

Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

Photographs and diagrams

Items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

Definitions

Throughout this Prospectus defined terms are used and are contained in Section 13 of this Prospectus.

Acceptance of Applications

The Directors reserve the right to allocate any lesser number of Shares and Options than those for which the Applicant has applied. Where the number of Shares allotted and Options granted is fewer than the number applied for, surplus Application Monies will be refunded without interest.

Enquiries

Investors with questions on how to complete the Application Form or who require additional copies of this Prospectus should contact Startan on (02) 9620 1140.

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1. INVESTMENT FEATURES

If the issue is fully subscribed, the Company will own five *Star of the Sea* apartments, a *Star of the Sea* property and strata management business, and two properties adjacent *to Star of the Sea* with potential for complementary development.

If the minimum subscription only is raised, the initial portfolio will comprise four *Star of the Sea* apartments and the property and strata management business.

Income will be derived from renting the apartments and from the operation of the *Star of the Sea* property and strata management business.

Star of the Sea resort complex

- Situated at the Esplanade at Terrigal Beach on the Central Coast of NSW
- Overlooks 4km of classic Australian sandy beach with views to the Norah Head Lighthouse
- Comprises 52 residential apartments in a densely landscaped rainforest environment

Borrowings

The Directors do not intend that Startan raise funds by borrowing.

Key risks

- An investment in Shares in the Company is speculative as a result of the nature of the Company's business as a
 property investment and management company
- The material risks associated with an investment in the Company of both a specific and general nature are outlined in Section 7. A summary of these key risks is:

General risks

The success and profitability of the Company in part will depend upon the ability of the Company to invest in well-managed properties which increase in value over time, changes to the general economic climate and other factors outside the Company's control, changes to Government policy and legislation, variation to Australian taxation laws, a fall in the price of the Company's investments, the Company's Share price falling below net tangible assets per Share, and substantial long term fluctuations in the prices of the Company's investments.

Specific Risks

Downturn in Central Coast tourism, exposure to the resort property market in Terrigal and Central Coast regions, oversupply of residential property, competition from other asset classes, unforseen circumstances or changing market conditions, asset risk, property investment becoming uneconomic, reduced rental returns, tenant payment default, unexpected property damage, extended unfavourable weather, and termination of existing strata management contracts.

This information is selective only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. Investors should read this Prospectus in its entirety.

2. CHAIRMAN'S LETTER



25 January 2008

Dear Investor

I am pleased, on behalf of the Directors of Startan Properties Limited (Startan), to present to you an opportunity to become a Shareholder in Startan.

Startan was recently incorporated to create a portfolio of property assets, initially investing in various assets associated with the *Star of the Sea*, a high quality 52 apartment resort constructed three years ago at Terrigal on the Central Coast of New South Wales.

If the issue is fully subscribed, the portfolio will comprise five *Star of the Sea* apartments, the *Star of the Sea* property and strata management business, and two adjacent properties with potential for complementary development. If only the minimum subscription is raised, the initial portfolio will comprise four apartments and the property and strata management business.

The Directors do not intend that Startan raise funds by borrowing.

Startan's Managing Director is Pasquale (Pat) Sergi, an experienced property developer and former licensed real estate agent for over 25 years. The first four units proposed to be purchased by Startan are currently owned by entities associated with Mr. Sergi. Startan engaged the services of two independent registered valuers to assess the fair market value of the units.

Startan's investment strategy is to actively manage a portfolio of quality real property assets so as to generate rental and property management income and longer-term capital appreciation.

Upon successful completion of this initial public offering, Startan proposes to make application for quotation of its Shares and Options on the Newcastle exchange of National Stock Exchange of Australia Limited.

I encourage you to read this prospectus carefully and to consult your professional advisers before making your investment decision, taking particular note of Section 3.7 dealing with dividend policy and Section 7 dealing with risk factors.

I look forward to welcoming you as a Shareholder of Startan.

Britail Braham.

Yours sincerely

Michael Braham Non-executive Chairman

Startan Properties Limited
ABN: 82 127 332 549
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PO Box 49 Horsley Park 2175 NSW Australia

The Offer



Entrance to Star of the Sea Luxury Apartments







Luxury Apartments



Indoor swimming pool and recreation area







Tennis Court, Outdoor pool & Gym Facilities

3. DETAILS OF THE OFFER

3.1 The Offer

The Company invites investors to subscribe for up to 40,000,000 Shares at \$0.50 each, together with one free attaching Option for every four Shares subscribed totaling up to 10,000,000 Options to raise up to \$20,000,000. The rights attaching to the Shares offered pursuant to this Prospectus are described in Section 11.4 of this Prospectus. The Options are to be issued for nil consideration on the basis of one Option for every four Shares subscribed pursuant to the Offer with an exercise price of \$0.60 each and to be exercised at any time during the first calendar month following the expiry date, which is five years from the grant date.

3.2 Key terms

Offer Price (per Share)	\$0.50
Minimum amount to be raised by the Company under this Prospectus	\$12,000,000
Minimum number of Shares to be allotted under this Offer	24,000,000
Maximum amount to be raised by the Company under this Prospectus	\$20,000,000
Maximum number of Shares to be allotted under this Prospectus	40,000,000
Shares on issue following completion of the Offer (assuming capital raising of \$20,000,000) ¹	40,800,001
Implied market capitalisation at Offer Price (assuming maximum number of Shares are allotted)	\$20,400,000

3.3 Capital structure

On completion of the Offer, the capital structure of the Company will be as set out below.

Securities	Minimum	subscription	Maximum subscription		
	Number of Shares	Number of Options	Number of Shares	Number of Options	
On incorporation	1	-	1	-	
Shares issued and options granted to Nalod (Nalod Pty Ltd) ² on NSX listing		-	800,000	200,000	
Shares offered under this Prospectus	24,000,000	6,000,000	40,000,000	10,000,000	
Directors' Options	-	2,400,000	-	4,000,000	
Total securities on completion of Offer	24,000,001	8,400,000	40,800,001	14,200,000	

¹ Assumes issue of 800,000 shares to Nalod. Refer to Section 10.3

² Nalod is unrelated to the Company. See Section 10.3 of this Prospectus for more details.

The final number of Shares will depend on the actual funds raised between the minimum subscription of \$12,000,000 and the maximum subscription of \$20,000,000. This capital structure table includes:

- up to 4,000,000 Options to be issued to the Directors (see Section 11.9);
- up to 10,000,000 Options to be issued pursuant to the Offer (see Section 3.1); and
- Shares that would be issued on the exercise of any of those Options.

3.4 Indicative timetable

The indicative timetable for completion of this Offer is outlined below. The Company reserves the right to close the Offer early or extend the Closing Date. This may impact on subsequent dates. Investors who decide to subscribe for Shares are therefore urged to lodge their Application Forms as soon as possible.

Prospectus lodged with ASIC	25 January 2008
Opening Date	29 January 2008
Closing Date	7 April 2008
Issuing of Shares and granting of Options	10 April 2008
Despatch of shareholding statements	14 April 2008
Date of Official Quotation of Shares on the NSX	18 April 2008

3.5 Purposes of the Offer

The purposes of the Offer are to:

- enable the Company to comply with the admission requirements for Official Quotation on the NSX; and
- provide the Company with funds:
 - o to acquire up to five luxury apartments in the Star of the Sea resort complex (see Section 4.5);
 - to acquire and operate the property and strata management business (see Section 4.6);
 - to acquire one or both of the two properties adjoining the Star of the Sea comprising 19 and 21 Scenic Highway, Terrigal (see Section 4.7); and
 - o for administration and general working capital.

Details of the use of the funds raised pursuant to the Offer are set out in Section 4.2 of this Prospectus.

3.6 Minimum subscription and oversubscriptions

The minimum subscription in this Prospectus is \$12,000,000 (before the costs of the Offer are taken into account). The Offer is not underwritten. The maximum subscription under this Prospectus is \$20,000,000.

The Company will not issue any Shares pursuant to this Prospectus unless the minimum subscription is satisfied. If for

any reason the minimum subscription is not reached within three months from the date of this Prospectus, the Company will:

- repay the Application Monies; or
- issue a supplementary or replacement prospectus and allow Applicants the opportunity over a period of one month to withdraw their Application and be repaid their Application Monies.

Details of the capital structure of the Company on successful completion of the Offer are set out in Section 3.3 of this Prospectus.

3.7 Dividend policy

The initial objective of the Company is to raise sufficient capital to enable it to fund the purposes of the Offer (see Section 3.5).

The ability of Startan to pay dividends depends on many factors including future capital requirements, the financial position of the Company generally and the achievement of a satisfactory level of profitability. Given that the Company's focus is on the creation of a property portfolio, the Directors cannot give assurance as to the amount, timing, franking or payment of any future dividends by Startan.

Directors intend that Startan would not pay any dividend for the first two years after the listing of the Company on the NSX. It is the Directors' intention to review this dividend policy after this initial two-year period and then from time to time. The Directors propose that any cash flow received from any profit during this initial two-year period would be used to maintain working capital and, if sufficient, to make improvements to the Company's properties. Commencement of the payment of a regular dividend would only occur once Startan is able to generate a substantial and sustainable cash flow after allowing for property investment expenditure and other commitments.

Startan has adopted a dividend re-investment plan, which is described in more detail in Section 11.7 of this Prospectus.

3.8 Risk factors

An investment in the Company is speculative and involves a number of risks. While Startan intends to use prudent management techniques to minimise the risks to Shareholders, no assurances can be given by the Company as to the success or otherwise of its business.

Investors should consider the risk factors identified in this Prospectus, particularly those identified in Section 7, before applying for Shares and Options.

Investors should take into consideration their own personal circumstances (including financial and taxation issues) and consult with their professional advisors before deciding to invest in the Company.

3.9 Offer not underwritten

The Offer is not underwritten.

3.10 Sponsoring broker to the Offer

Camerons has been engaged as the sponsoring broker and the licensed intermediary to the Offer. Camerons was paid a sponsoring broker fee of \$20,000 (plus GST), being a non-refundable cash payment paid by the Company upon

execution of Cameron's mandate letter.

The Company will also pay Camerons an issue management and licensed intermediary fee of 1.0% (plus GST) of total proceeds upon the allotment of Shares in accordance with the Offer. This fee may be payable from proceeds of the Offer.

The Company will reimburse Camerons for all out-of-pocket expenses incurred in its capacity as sponsoring broker to the Offer in accordance with the mandate letter. Any single expense greater than \$1,000 requires the prior approval of the Company.

In addition, the Company will pay a commission of 4% together with applicable goods and services tax of any amounts committed to be subscribed (and accepted by the Company) to any dealer, including Camerons, in respect of valid Applications bearing their stamp.

Camerons does not guarantee the success or performance of the Company or the returns (if any) to be received by investors. Neither Camerons, nor any other dealer, is responsible for or has caused the issue of this Prospectus.

3.11 How to apply for Shares

Applications for Shares and Options must be made and will only be accepted on the Application Form issued with and attached to this Prospectus.

An Application Form must be completed in accordance with the instructions set out on the reverse side of the Application Form. Applications must be for a minimum of 4,000 Shares and 1,000 Options for a total of \$2,000. Applications may be made for additional Shares and Options in multiples of 200 Shares and 50 Options for a total of \$100.

Applications must be accompanied by payment in Australian currency of \$0.50 for each Share applied for. Cheques must be made payable to **Cameron Stockbrokers Limited – Startan Float Account (and crossed Not Negotiable)**. Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. No stamp duty or brokerage is payable by Applicants. The amount payable on Application will not vary during the period of the Offer and no further amount is payable on allotment.

Completed Application Forms and accompanying cheques may be lodged with:

Startan Properties Limited Share Offer c/- Registries Limited Level 7 307 Kent Street SYDNEY NSW 2000

A binding contract to issue Shares and grant Options will only be formed at the time Shares are allotted and Options granted to Applicants.

Application Forms will be accepted at any time after the issue of this Prospectus and prior to the close of business on the Closing Date. Early lodgement of your Application is recommended as the Offer may be closed early.

If you have any queries about how to invest in the Company, you should contact your stockbroker, accountant or financial advisor.

3.12 NSX listing

Application will be made to the NSX within seven days after the date of this Prospectus for the Company to be admitted to the Official List of the NSX and for quotation of the Shares and Options issued and granted pursuant to this Prospectus and all other Shares on issue and Options granted as at the date of such quotation.

The fact that the NSX may list the Company is not to be taken as an indication of the merits of the Company; the Shares; or the Options. NSX quotation, if granted, will commence as soon as practicable after holding statements are despatched.

The Directors do not intend to allot any Shares or grant any Options under this Prospectus unless and until the NSX grants permission for the Shares to be listed for quotation unconditionally or on terms acceptable to the Directors. If permission is not granted for the Shares or Options to be listed for quotation before the end of three months after the date of this Prospectus or such longer period permitted by the Corporations Act with the consent of ASIC, all Application Monies received pursuant to the Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

3.13 Allotment

No allotment of Shares or grant of Options will be made until the minimum subscription has been received and permission has been granted by the NSX for quotation of the Shares and Options unconditionally or on terms acceptable to the Directors.

It is expected that allotment of the Shares and granting of Options will take place by 10 April 2008.

All Application Monies pursuant to this Offer will be held in a subscription account until allotment.

An Application constitutes an offer by the Applicant to subscribe for Shares and Options on the terms and subject to the conditions set out in this Prospectus. Where the number of Shares allotted and Options granted is less than the number applied for or where no allotment is made, the surplus Application Monies will be returned by cheque within seven days of the Closing Date. Interest will not be paid on the refunded Application Monies.

3.14 CHESS

The Company will apply to the NSX to participate in the Securities Clearing House Electronic Subregister System (CHESS). CHESS is operated by the NSX's Securities Clearing House in accordance with the NSX Listing Rules and the ASTC Settlement Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. The two subregisters together will make up the Company's principal register of securities.

Under CHESS, the Company will not be issuing certificates to investors who elect to hold their Shares and Options on the CHESS subregister. After allotment of Shares and granting of Options, Shareholders will receive a CHESS statement. The CHESS statements, which are similar to bank account statements, will set out the number of Shares allotted and Options granted to each Shareholder pursuant to this Prospectus. The statement will also advise holders of their holder identification number and explain for future reference the sale and purchase procedures under CHESS.

Further statements will be provided to holders which reflect any changes in their Share and Option holdings in the Company during a particular month.

3.15 Overseas Shareholders

No action has been taken to register or qualify the Shares, the Options or the Offer or otherwise permit an offering of the Shares and Options in any jurisdiction outside of Australia.

The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

3.16 Financial forecasts

In Regulatory Guide 170, Prospective Financial Information, ASIC indicates that where there are no reasonable grounds to include prospective financial information in a prospectus, such information should not be included.

There are inherent uncertainties surrounding the rental of holiday apartments and the returns from property development, including the difficulty in accurately forecasting the returns from such activities. The Company has limited history on which to base financial forecasts, having been incorporated on 31 August 2007.

The Directors do not believe they have reasonable grounds to include any estimate of future performance, in the nature of financial forecasts, in this Prospectus.

3.17 Restricted securities

The NSX may classify certain Existing Shares; Nalod Shares; Nalod Options; or Directors' Options as being subject to the restriction provisions of the NSX Listing Rules. These securities may be required to be held in escrow for periods up to 24 months from the date of quotation to be determined by the NSX.

3.18 Privacy disclosure

By submitting an Application Form, an Applicant provides the Company with certain personal information. If an Applicant does not provide complete and accurate personal information on the Application Form, the Application may not be able to be processed.

The Company's securities registers are maintained by Registries. These registers are required by law to contain certain information about security holders such as name, address and details of securities held. In addition, the Company collects personal information from security holders including contact details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends; despatch of yearly and half-yearly reports, notices of meetings and newsletters, and notification to the Australian Taxation Office. In addition, contact information will be used from time to time to inform security holders of new initiatives concerning the Company.

The Company will only disclose personal information about security holders:

- when they agree to disclosure;
- when the information is used for the purposes for which it was collected;
- when disclosure is used for compliance by the Company with legal and regulatory requirements;
- to their brokers; or

 to external service providers who supply services in connection with the administration of the Company's securities registers.

Security holders have the right to access, update and correct the personal information held by the Company and its Share Registry, except in certain limited circumstances. Security holders may do so by contacting the Company or its Share Registry.

3.19 Taxation matters

The following comments are intended to provide a general summary of the Australian taxation implications that may arise for certain Shareholders in respect of holding and disposing of Ordinary Shares.

The following comments are based on the provisions of the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor, and no representations are made with respect to the Australian income tax consequences to any particular investor. Accordingly, prospective purchasers of shares in the Company should consult their own tax advisors for advice with respect to their particular circumstances. Investors should also be cognisant that any changes to the legislation or judicial interpretation of the legislation may affect their investment. You should also note that taxation is only one of the matters that you need to consider when making a decision on a financial product.

The comments are based on the law and understanding of the practice of the tax authorities in Australia at the date of this document.

Taxation of Future Share Disposals

Australian Resident Shareholders

The taxation treatment on the disposal of Ordinary Shares will depend upon whether the shares are held on revenue or capital account.

Australian resident Shareholders who trade in Ordinary Shares as part of the ordinary course of their business would hold their shares on revenue account. These Shareholders will be required to include the profit arising from the disposal of their Ordinary Shares in their assessable income. Conversely, a loss arising from the disposal of Ordinary Shares on revenue account would be allowed as a deduction from assessable income.

Generally, all other Australian resident Shareholders will hold their Ordinary Shares on capital account. These Australian resident Shareholders should consider the impact of Australian capital gains tax rules on the disposal of their Ordinary Shares.

A Shareholder acquires an Ordinary Share on the date the Ordinary Share is issued or transferred. The cost base of an Ordinary Share acquired is generally the amount the Shareholder pays to acquire the Ordinary Share and any associated costs incurred, including, for example, brokerage.

An Australian resident Shareholder will derive a capital gain where the proceeds received on disposal exceed the cost base of an Ordinary Share for capital gains tax purposes.

Similarly, a Shareholder will make a capital loss on the disposal of an Ordinary Share where the disposal proceeds received are less than the reduced cost base of the Ordinary Share for capital gains tax purposes. Capital losses can only

be used to offset current year capital gains or carried forward to offset future capital gains, they cannot be used to reduce non capital income.

Any net capital gain (after recoupment of capital losses) is included in the Shareholder's assessable income. The applicable tax payable on the net capital gain will be dependent on the type of Shareholder. An Australian tax resident individual Shareholder will be taxed at their marginal rate. Alternatively, an Australian resident company Shareholder will be subject to tax at the corporate rate of 30% of taxable income.

Where an Australian resident Shareholder has held the Ordinary Share as a capital asset for at least 12 months the capital gain may be reduced by the general CGT discount concession for particular Shareholders. The discount percentage for individual and trusts is 50%, and for complying superannuation funds and life insurance companies 33%. This means generally only 50% (for individuals and trusts) and 67% (for complying superannuation funds) of the capital gain is included in the Shareholder's assessable income after the offset of any capital losses. Corporate Shareholders are not eliqible for the general CGT discount concession.

Non-Australian Resident Shareholders

Where Non-Australian resident Shareholders hold Ordinary Shares on revenue account, the profits on sale of the Ordinary Shares may be required to be included in the Shareholder's assessable income. This is subject to the application of any double tax treaty relief which may exclude such profits from Australian taxation.

Generally, all other Non-Australian resident Shareholders will hold their Ordinary Shares on capital account. These Non-Australian resident Shareholders should consider the impact of Australian capital gains tax rules on the disposal of their Ordinary Shares.

Non-Australian resident shareholders are only subject to Australian capital gains tax where those shareholders are disposing of shares in an Australian company if the company predominately holds interests in land within Australia.

Non-Australian resident shareholders will need to seek specific advice in respect of their particular circumstances with respect to Australian capital gains tax on the disposal of shares in the Company at the time of any disposal.

Dividends

Broadly, dividends paid on Ordinary Shares may be "franked" or "unfranked". Franked dividends have franking credits attached. These credits represent underlying Australian corporate tax that has been paid on the profits distributed. To the extent a dividend is "unfranked" no franking credits are attached.

Depending on the residency status of the Shareholder and whether a dividend is franked or unfranked will have different income tax implications as set out below.

Australian Resident Shareholders

Australian resident Shareholders will include dividends received together with any attached franking credits in their assessable income. A tax offset will be allowed equal to the amount of franking credits attached to the dividend.

Generally, to be eligible for the franking credit or franking offset, the Shareholder must have held the shares at risk for 45 days (not counting the day of acquisition or disposal). However, this rule should not apply where the tax offset entitlement does not exceed A\$5,000 in respect of all dividends received during the income year in which the dividend is paid.

Individual Shareholders and Complying Superannuation Funds may receive a tax refund if the franking credits attached to the dividend exceed their tax liability for the income year.

Where the Shareholder is a corporate entity, the Shareholder will be entitled to a franking tax offset. Where the franking tax offset is greater than the tax payable by the company in an income year, the balance of the franking tax offset is grossed up and carried forward as a loss that can be used to reduce income in the future years. The receipt of a franked dividend will also generally give rise to a credit in the corporate entity's franking account to the extent the dividend is franked.

Non-Australian Resident Shareholders

Fully franked dividends, and dividends to the extent they are credited with franked dividend account credits, paid to Non-Australian Resident Shareholders are generally not subject to withholding tax.

Unfranked dividends paid to Non-Australian Resident Shareholders will be subject to withholding tax at a rate of 30% on the unfranked component of the dividend paid. The withholding tax rate is generally reduced to 15% (lower for certain other countries) where there is an applicable double tax treaty. Where a withholding tax applies the Company will be required to deduct the appropriate amount of withholding tax prior to making the dividend payment.

Australian Stamp Duty

There is no liability for stamp duty in Australia on the issue of Ordinary Shares by the Company. Similarly, there will be no liability for stamp duty in Australia if the Ordinary Shares are disposed of by a Shareholder on the basis that the Company is listed.

Other Matters

Australian Resident Shareholders will generally be required to notify the Company of their tax file number (or Australian Business Number if carrying on an enterprise) in respect of Ordinary Shares held. Failure to do so may result in the Company being required to withhold tax at the top marginal individual rate including Medicare levy (currently 46.5 per cent.). The Shareholder will however be entitled to a credit or refund in their tax returns to the extent of the tax withheld.

Tax Disadvantages

Subject to the Company's dividend policy described in more detail in Section 3.7 of this Prospectus, any dividends paid to investors may be unfranked assessable income due to the availability of depreciation and other tax-deductible capital allowances in respect of the properties to be acquired by the Company.



4. DETAILS OF STARTAN PROPERTIES LIMITED

4.1 Company background and business strategy

The Company, Startan Properties Limited ABN 82 127 332 549, was incorporated on 31 August 2007. Startan was formed with a view to providing investors with the opportunity to invest in a company that would own and operate luxury-style resort accommodation and associated facilities.

The immediate objectives of the Company are to:

- acquire five luxury apartments in the *Star of the Sea* resort complex and to rent those apartments to the public to generate rental income;
- acquire and operate the property and strata management business for the Star of the Sea resort complex; and
- acquire two properties adjoining the Star of the Sea, comprising 19 and 21 Scenic Highway Terrigal.

Startan's investment strategy is to actively manage this portfolio of diversified quality real property assets with a view to generating relatively stable rental flows, longer-term capital appreciation and investment returns realized through property investment.

At the date of this Prospectus, it is intended that the luxury *Star of the Sea* units and adjoining properties, each containing single dwellings presently held by the owner as vacant possession, would be retained and rented. There are not any plans at present to develop the adjoining properties.

In the future, the Directors may consider acquiring different categories of properties for rent or development; develop the adjoining properties; or consider all these investment strategies.

4.2 Use of proceeds of the Offer

The proceeds of the Offer are to be applied towards the purchase of a number of properties, a property and strata management business, the costs of the Offer and to meet working capital requirements. The following table details the specific use of the proceeds and the proposed purchases are from unrelated entities unless noted otherwise:

	Minimum	Maximum
	\$000	\$000
Units 30,32, 34, 35 and 41 the Star of the Sea		
Purchase price of Units 30,32, 34 and 35, excluding furniture and including stamp		
duty (refer Section 5) purchased from a related entity ³	8,250	8,250
Furniture for Units 30,32, 34 and 35 purchased from a related entity ³	140	140
Legal fees for Units 30,32, 34 and 35	45	45
Purchase price of Unit 41, including furniture and including stamp duty (refer		
Section 5)	-	1,990
Legal fees for Unit 41	-	11
	8,435	10,436
Property and Strata Management business acquisition		
Purchase price of property and strata management business (refer Section 10.2)	2,000	2,000
Stamp Duty	95	95
Legal fees	30	30
	2,125	2,125
19 Scenic Highway, Terrigal		
Purchase price of 19 Scenic Highway, Terrigal (refer Section 10.3)	-	2,425
Stamp Duty (refer Section 10.3)	-	119
Payment to Nalod (refer Section 10.3) ⁴	-	110
Legal fees	-	10
	-	2,664
21 Scenic Highway, Terrigal		
Purchase price of 21 Scenic Highway, Terrigal (refer Section 10.4)	-	2,400
Less deposit paid prior to 13 December 2007 (refer Section 10.4)	-	(48)
Stamp Duty (refer Section 10.4)	-	117
Legal fees	-	10
	-	2,479
Working capital	640	1,315
Costs of the Offer	800	981
Total	12,000	20,000

The identity and number of properties to be acquired if more than the minimum is raised will be determined by reference to such additional amounts up to the maximum.

³ Proposed to be purchased from Hiltan Pty Limited (Hiltan), being a company associated with the Company's Managing Director, Mr. Sergi.

⁴ Nalod payment includes 10% GST.

4.3 Costs of the Offer

It is anticipated that the cash expenses of the Offer will be approximately \$981,000 (based on the maximum subscription being achieved). These expenses include the cost of the Investigating Accountant's Report, general capital raising fees and costs, the Sponsoring Broker's fees, legal fees, Share Registry fees, accounting fees, NSX fees, printing and other expenses.

It is estimated that fees and commissions will be paid in connection with the Offer as follows:

Nature of Fee	Minimum Subscription Amount	Maximum Subscription Amount
	\$000*	\$000*
Investigating Accountant's Report (Grant Thornton)	48	48
Legal Fees (Homes Wilkinson Lowry)	100	100
Graphic design, printing, advertising and marketing	130	130
Valuations (including MJ Davis and CB Richard Ellis)	41	41
Capital raising costs	284	462
Corporate advisory fees	40	40
Company Secretarial fees	40	40
Other	117	120
	800	981

^{*} inclusive of GST

4.4 Overview of the Star of the Sea resort complex

The *Star of the Sea* resort complex is situated at 8 The Esplanade, Terrigal, on the Haven Headland at Terrigal Beach on the Central Coast of NSW. It overlooks 4km of classic Australian sandy beach with views to the Norah Head Lighthouse 20kms away. The *Star of the Sea* resort complex is a 90-minute drive from Sydney.

The *Star of the Sea* resort complex was conceived by its developers, including Mr. Sergi, in early 2002. Thrum Architects was commissioned by the developers for the design work and Multiplex was engaged as the builder. Development approval was obtained from Gosford Council and completion achieved within 14 months of the development approval in February 2004.

The Star of the Sea's builder issued Dexta home warranty insurance for each unit in the Star of the Sea building project.

The Star of the Sea resort complex comprises 52 residential apartments plus a manager's residence. Apartments have generous internal floor areas (ranging between 150 square metres and 360 square metres in size), outstanding views and large private external terraces.

The main theme of the site is a densely landscaped rainforest environment into which is placed four apartment buildings, each of individual design. The emphasis is on the dense canopy of trees and lush vegetation to create a tranquil setting for residents. The subtropical forest theme is complemented by an extensive system of active water features, streams, waterfalls, ponds and swimming pools.

Supplementary facilities in the resort complex for the exclusive use of residents are squash and tennis courts, underground car parking and garages, three swimming pools (including one indoor), library, games room, meeting room,

office, caretakers flat, maintenance workshop, swim-up summer kitchen cabana (at the main swimming pool), foyers and terraces.

4.5 Summary of units

Apartment	Туре	Interior Area (sq metres)	Garage (sq metres)	Total Area (sq metres)	View	No. of Cars	Level	Gross rental income for the year ended 30 June 2007
								\$
30	3 Bedroom	177	43	220	North Easterly Ocean View	2	1	37,086
32	3 Bedroom	219	41	260	North Easterly Ocean View	2	2	71,433
34	3 Bedroom	193	44	237	Views through corridor to Ocean	2	2	94,200
35	4 Bedroom	300	60	360	Easterly Views to Skillion & Ocean	3	Penthouse	97,890
41	3 Bedroom	211	38	249	North Easterly Ocean View	2	1	90,250

Independent valuations have been obtained for each of these properties. Further details of these valuations are included in section 5 of this Prospectus. Historically, the above Units have been rented. The present property manager has provided the Company with historical gross rental income for each Unit. These amounts are included in section 4.5 of this Prospectus. This gross rental income is not audited and should not be considered to be a reliable estimate of future gross rental income for these Units.

4.6 Property and Strata Management Business

Startan has an agreement to purchase, for \$2,000,000, the property and strata management business to operate the *Star of the Sea*. Further details of this agreement and the property and strata management business are included in Section 10.2 of this Prospectus.

Directors believe that this property and strata management business complements Startan's proposed acquisition of five apartments in the *Star of the Sea* and acquisition of 19 and 21 Scenic Highway, Terrigal.

An independent valuation has been obtained for this property and strata management business. Further details of this valuation are included in section 5 of this Prospectus.

4.7 19 and 21 Scenic Highway Terrigal

Startan proposes that two adjoining residential properties, 19 and 21 Scenic Highway, Terrigal be acquired for potential for redevelopment.

Startan has entered into options to purchase these properties for \$2,425,000 and \$2,400,000 respectively. Independent valuations have been obtained for each of these properties. Details of these valuations are included in section 5 of this Prospectus.

These properties have street frontages and are available for the Company to purchase and further develop its investment. The vendors of the properties are unrelated parties to the Company and negotiations for the properties were on arms length terms. The Directors agreed to enter into options to acquire the properties at a premium to their existing value. The Directors see the potential of the properties for future development in a manner complementary to the *Star of the Sea*. The Directors could not secure better prices from the vendors and believe the long term potential for the properties justifies the premiums.

Any redevelopment, which will be subject to statutory approvals including a development application, is expected to enhance the value of Startan's other proposed investments in the *Star of the Sea*. In addition, any redevelopment would be subject to the ability of the Company to raise additional funds at the relevant time. There is no current proposal to develop the properties.

4.8 Central Coast tourism

A Tourism NSW review of March 2007 domestic travel to the NSW Central Coast reported the number of trips to the NSW Central Coast, taken domestically by Australians, increased by 5.1% on the previous year to 31 March 2006, but was down by 2.4% compared to four years ago. The region received nearly 1,400,000 domestic overnight visitors – up by 6.5% on year ended March 2006. These visitors spent over 4,200,000 nights in the region – up by 14.8% on year ended March 2006.

The predominant reason (56.3%) for spending a night in the region was stated as being holiday or leisure. Of these nights, 9.4% were spent in a rented house, apartment, flat or unit.⁵

4.9 Working capital adequacy and future capital requirements

On completion of the raising of the minimum subscription of \$12,000,000, the Directors believe that the Company will have sufficient working capital to carry out its stated objectives.

The Directors do not intend that the Company would borrow. Directors also intend that the existing borrowing payable to Mr. Sergi would be repaid from the proceeds of the Offer under this Prospectus. The amount borrowed from Mr. Sergi is included in the total costs of the Offer described in section 4.3 of this Prospectus and the pro-forma adjustments described in section 8.5 of this Prospectus.

Should the Company require additional funds in the future, at the time the Directors would investigate the most appropriate manner in which to obtain further funds.

⁵ http://corporate.tourism.nsw.gov.au 22 September 2007

At the date of this Prospectus, it is intended that the luxury *Star of the Sea* units and adjoining properties would be retained and rented. There are not any plans at present to develop the adjoining properties described in Section 4.7 of this Prospectus.

In the future, subject to raising further funds, the Directors may consider acquiring different categories of properties for rent or development; develop the adjoining properties; or consider all these investment strategies.

Floor Plans









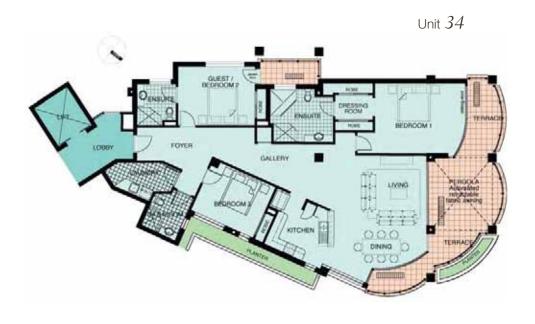


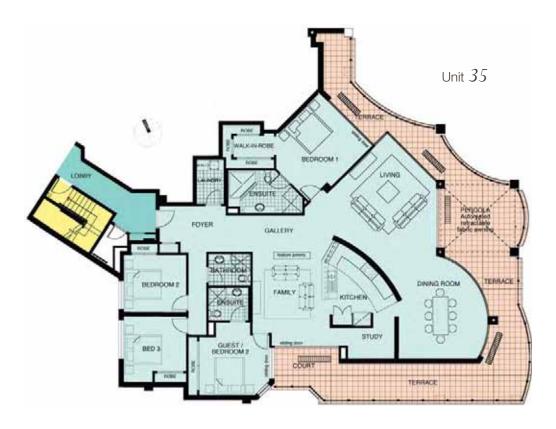




Images of views are taken from Unit 34 and 35

Unit *32*















Images of views are taken from Unit 34 and 35

STAGE 2

Unit 41



5. INDEPENDENT VALUATIONS

Unit Valuations

The Company obtained independent valuations from MJ Davis and CB Richard Ellis. For further details of these valuations refer Sections 5.1 and 5.2 of this Prospectus.

These valuations are of each of the units, at the *Star of the Sea,* proposed to be purchased by Startan. Each valuer valued each unit individually.

Startan initially considered acquiring 11 units at the *Star of the Sea* and obtained an independent valuation from MJ Davis in respect of Units 17, 23, 24, 26, 30, 31, 32, 34, 35, 39 and 41. This initial proposal was then amended, so that Units 30, 32, 34, 35 and 41 are included in this Offer. The remaining Units 17, 23, 24, 26, 31 and 39 are not included in this Offer.

Based upon the valuations of the five individual units, the independent Directors agreed to buy four units at a price determined by reference to an average of the two valuations less a 5% one line sale discount. Unit 41 was offered as a single property and Directors were able to negotiate the lower price of the two valuations received. Following is a summary of these valuations:

	MJ Davis		CE	CBRE		Average valuation		
Unit	Total \$000	Net of sale in one line 5.0% discount \$000	Total \$000	Net of sale in one line 5.0% discount \$000	Average valuation \$000	Net of sale in one line 5.0% discount \$000	Stamp Duty \$000	Net price \$000
30	1,550	1,473	1,500	1,425	1,525	1,449		
32	1,900	1,805	1,900	1,805	1,900	1,805		
34	2,050	1,948	2,150	2,043	2,100	1,995		
35	2,700	2,565	2,600	2,470	2,650	2,518		
	8,200	7,790	8,150	7,743	8,175	7,766	484 ⁶	8,250
41	2,050		1,900				90	1,990

Terrigal Property Valuations

Startan has obtained independent valuations from MJ Davis of the properties 19 and 21 Scenic Highway, Terrigal. For further details of these valuations, see sections 5.4 and 5.5 of this Prospectus. The valuation of 19 Scenic Highway is \$2,000,000 and the valuation of 21 Scenic Highway is \$1,680,000.

Business Valuation

Startan has obtained an independent valuation of the property and strata management business to operate the *Star of the Sea.* Based upon certain assumptions, on 23 November 2007 CB Richard Ellis concluded that the market value of the property and strata management business was \$2,350,000. For further details of this valuation refer Section 5.3 of this Prospectus.

⁶ The amount of duty was determined by aggregating the purchase price for Units 30, 32, 34 and 35 and applying a premium rate of NSW stamp duty.



23 January 2008

Real Estate Valuers & Property Consultants

Our Ref: apl.se.l-startan

Home, Wilkinson, Lowry Solicitors GPO Box 5408 SYDNEY NSW 2001

Attention: Mr David Clarke

Dear Sir.

PROPERTY VALUATION SUMMARY – STARTAN PROPERTIES LIMITED

1.0 Instructions

We refer to your instructions to provide assessments of market value of Units 30, 32, 34, 35 and 41/8 Terrigal Esplanade, Terrigal NSW 2260 and our full and formal Valuations of 17 October 2007, updated by further market enquiry on 22 January 2008. The valuation assessments are relevant to 22 January 2008 for inclusion within the Startan Prospectus.

We have been requested to provide a property summary extracting relevant data from our full Valuation Report for inclusion within Prospectus documentation. We report as follows:-

2.0 Property/Title

'Star of the Sea' Apartments 30, 32, 34, 35 and 41/8 Terrigal Esplanade, Terrigal. Lots 30, 32, 34, 35 & 41 in Strata Plan 72535.

3.0 Interest to be Valued

Unencumbered fee simple in possession.

4.0 Basis of Valuation

Current market value. Valuations have been completed in accordance with Australian property Institute Professional Practice Standard – Fifth Edition.

5.0 Brief Description

Five (5) luxury units within the 'Star of the Sea' Resort Apartments. The complex comprises 52 units over four (4) medium rise blocks. Ancillary features incorporate '5 Star' Resort facilities including indoor and outdoor swimming pools, tennis courts, squash courts, gymnasium facilities, conference facilities, snooker room, steam room and landscaping.

The subject units comprise three (3) bedroom accommodation excluding Unit 35 which has an additional guest bedroom.

6.0 Market Commentary

The units are let to the holiday market on a fully furnished basis and are professionally managed by an on-site management team.

The complex occupies a prominent peninsula position with most units offering excellent views over Terrigal and the Tasman Sea. Individually the units are well appointed.

PROPERTY VALUATION SUMMARY – STARTAN PROPERTIES LIMITED

7.0 Market Supply/Demand

Terrigal has developed as a holiday style destination, particularly given its close proximity to the northern suburbs of the Sydney metropolitan area. In recent times, similar to the majority of the Sydney metropolitan area, the Central Coast has slowed in residential turnover, however sales and market research confirm that the prestige end of the market has remained reasonably buoyant. Generally, properties within the 'Star of the Sea' complex that come onto the market are sold within a relatively short marketing period. We would caution that a 'sale in one line' of the five (5) units may require an extended realisation period.

Sales within the complex are considered of most relevance and we have analysed such sales evidence based upon floor area and position/outlook within the development and according to Unit Entitlements. Council records indicate seven (7) sales having occurred from mid 2006 to current date, such have been analysed. Sales outside of the subject complex with similar views are selling in the range of \$1,500,000 to \$2,300,000, based upon our analysis and research.

The units are let predominantly to the holiday rental market at present and have been returning a yield in the order of 2.5% - 3.5% net, based upon information from the existing strata managers (however, no audited figures have been sighted). Yields vary dependent upon occupancy by the individual owners and the time at which such occupancy occurs. Such return would appear appropriate for prestige residential units.

8.0 General Commentary

The information contained herein has been extracted from our full Valuation Report and subsequent updates and may be relied upon. We confirm:-

- Zoning of the property is appropriate;
- Maintenance to the complex is above average;
- From Building Report sighted, there are no major outstanding repairs noted;
- Management of the complex indicate a current occupancy rate in the order of 72%. With increased exposure to the Sydney marketplace and particularly the conference sector of the market, there appears to be scope to increase rental returns.

The Valuations, being the subject of this summary, have been primarily based upon a Direct Comparison approach with sales within the complex and outside the complex analysed.

Rental returns (yields) to date have varied to the individual owners as each retains the right to occupy premises for a certain number of weeks annually. It follows that yields vary due to the frequency of use by individual owners in the complex as opposed to those purchased purely for investment.

We confirm the areas and assessments included at 4.5 of the Prospectus.

We understand that 'Startan Properties Limited' intend to re-assess the market value of the holdings each year.

PROPERTY VALUATION SUMMARY - STARTAN PROPERTIES LIMITED

8.0 General Commentary (Contd)

This Valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this Valuation is relied upon after the expiration of 3 months from the date of this assessment being 22 January 2008, or such earlier date if you become aware of any factors that have any effect on the Valuation.

9.0 Valuation Assessments

Unit 30:	\$ 1,550,000
Unit 32:	\$ 1,900,000
Unit 34:	\$ 2,050,000
Unit 35:	\$ 2,700,000
Unit 41:	\$ 2,050,000
Total:	\$10,250,000

We have adopted a discount factor in respect of any proposed 'sale in one line' of 5%, reflective of the current market. Such is subjective and can fluctuate with market variations and the circumstances regarding any intended sale.

10.0 Qualifications and Experience

Anthony Patrick Looby, is a Fellow of the Australian Property Institute and Registered Valuer 1973 (Without Limitation) under the Valuers' Registration Act. He has operated as a valuer predominantly throughout Sydney, the Central Coast and Illawarra environs since qualifying in 1976 and has undertaken limited work in rural areas of New South Wales. M J Davis Valuations Pty Limited was established in the 1950's as a Real Estate and Valuation Consultancy office. M J Davis Valuations Pty Limited was separately incorporated in April 1992, with the principals being Anthony Patrick Looby, F A P I and Colin Robert Sorrenson, F A P I. The company provides a wide range of valuation services for financial institutions, Government departments, developers, private and public entities. A full résumé can be provided upon enquiry.

Yours faithfully

M J DAVIS VALUATIONS PTY LIMITED

APLOOBY, FAPI

Certified Practising Valuer

Registered Valuer No. 1973



CB Richard Ellis Pty Ltd ABN 57 057 373 574

> 8a/11 Lord Street Botany NSW 2019

25 January 2008 T 61 2 9316 8611 F 61 2 9316 8411

The Directors

Startan Properties Limited

PO Box 491

Horsley Park NSW 2175 Valuation Summary

Property: Star of the Sea Apartments

30, 32, 34, 35 & 41/8 The Esplanade, Terrigal

New South Wales 2260

Client: Hiltan Pty Limited & Clem Tacca Pty Limited

Purpose: Assessment of Current Market Value for Inclusion in a Prospectus to be issued by

Startan Properties Limited

Interest Valued: Freehold

Basis of Valuation: Current Market Value

Registered Proprietor: Hiltan Pty Limited & Clem Tacca Pty Limited

Town Planning: Residential 2(b) under the Gosford Planning Scheme Ordinance

Brief Description: A residential apartment complex with a 5 Star Rating from AAA Tourism completed in

2004. The complex has a total of 52 apartments consisting of 2 x 5 bedrooms, 8 x 4 bedrooms and 42 x 3 bedrooms. At the date of valuation 3 of the apartments were occupied by permanent residents, 6 apartments are used exclusively for personal use and 43 apartments rent via management. The subject apartments all comprise of 3 bedrooms excluding unit 35 which has an additional guest bedroom.

Comments: The apartment complex is positioned in a prestigious location offering an outlook

from most of the apartments. This area has seen good rates of property growth and has regularly appeared in the highest prices for residential property on the Central Coast. The residential market has slowed down over the past 3 to 4 years, however we consider that prestige property such as the subject has not been affected as much with record prices still continuing to occur in this category. We believe that this property with its location and quality, would be a well sought after group of apartments if offered for sale however an extended selling period may occur if

offered for sale in one line.

Supply and Demand: The residential market in Terrigal has shown reasonable growth over the past 10

years. There have been a number of prestigious apartments entering the market recently at prices well above \$1,000,000 and these have been met with good

demand.

Functionality: The apartments appear to meet all requirements and are functional as both

residential dwellings and also high quality short term holiday letting accommodation.

Risk Assessment:

Strengths * A highly sought after residential locality constructed to a high standard of finish.

* Most apartments offer some form of view to the north or east.

* Situated close to Terrigal's main beach and retailing precinct.

Weaknesses * Large number of luxury apartments which could prove difficult to dispose of quickly

if offered for sale in one line

Opportunities * The continued growth of the short term letting demand.

Threats * The possible general downturn in the prestige residential real estate market.

Valuation Approaches:

The primary method of valuation was on a Direct Comparison approach.

Apartments sold within the Star of the Sea Complex and also within the suburb of Terrigal were compared to the subject apartments. The valuation is consistent with comparable sales.

Our secondary approach was the Capitalisation of estimated net annual rental. Based on the information received and our own investigations the estimated combined net annual rental of the 5 apartments was assessed at approximately \$221,070. There has been very limited sales evidence of groups of prestige units such as the subject sold to demonstrate yields. Ancetodal evidence suggests residential units such as the subject provide very low returns as they are not usually purchased by investors for their rental return but more by owner occupiers for capital gain. Typically a prestige residential unit or group of units will return anywhere between say 1.50% to 5.00%. Based upon our more appropriate Direct Comparison method of valuation a value of \$10,050,000 was demonstrated. Once combined with the assessed net annual rental return of approximately \$221,070 a yield of 2.20% was calculated and this is considered an acceptable return for valuation purposes.

There were no special factors considered in our assessment of value.

Date of Inspection:

8 October 2007 8 October 2007

Date of Valuation: Valuation:

Apartment Market Value Net Sale in One Line 5% Discount

Total	\$10,050,000	\$9,548,000
41	\$1,900,000	\$1,805,000
35	\$2,600,000	\$2,470,000
34	\$2,150,000	\$2,043,000
32	\$1,900,000	\$1,805,000
30	\$1,500,000	\$1,425,000

This valuation is inclusive of GST

Review of Valuation:

We have been advised by the Issuer that these properties will be independently valued every year.

Assumptions, Disclaimers Limitations & Oualifications All data provided in this summary is more thoroughly detailed in our more extensive valuation reports dated 8th October 2007 and all material assumptions have been noted within this summary. This document is a summary only designed to provide a brief overview. This valuation summary is provided subject to the assumptions, qualifications, limitations and

disclaimers detailed upon the next page. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgment and understanding of these statements. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By:

CB Richard Ellis Pty Ltd

Per: Chris Bailey AAPI

Registered Valuer no. 3169

Director - Valuation & Advisory Services

CB Richard Ellis

Qualifications &

Experience:

The Valuer has been a Registered Valuer with the Office of Fair Trading since May 1992 and an Associate of the Australian Property Institute since July 1993. He has carried out valuations of other prestigious developments throughout Sydney for the majority of that period.

Assumptions, Disclaimers, Limitations & Qualifications

Virtuation Subject To

Real estate values vary from time to time in response to changing market discurstances and it should, therefore, be noted that this valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the value on be reviewed periodically.

Chr. franklig utlons

This valuation is conducted on the basis that we are not engaged to carry out all possible levelsigations in relation to the property. We have identified extrain finitiations to our investigations to enable you to instruct further investigations if you consider this appropriate. CB Richard Elia is not liable for any loss occasioned by a decision not to instruct further investigations:

Assumetion

Assumptions, and a necessary part of this valuation. CB Richard Ellis adopts assumptions because some matters are not capable of accurate calculation or full outside the scope of our experts a or our instructions. Assumptions adopted by CB Richard Ellis will be formulated on the basis that they could reasonably be sepected from a professional and seperienced valuer undertaking a similar valuation. However the risk that any of the assumptions adopted in this document may be incorrect should be taken into account.

Information Supplied

This document contains information which is derived from other sources. Unless otherwise specifically instructed by you, we have only independently verified that information to the extent that such verification would be respectfully expected from a professional and experienced valuer undertaking a similar valuation.

Future Moment III

BH CREMIN

To the either that this document includes any statement as to a future matter, that statement is provided as an estate and/or opinion based on the information known to CS Sichard Blis at the date of this document. CB Rehard Blis of second warrant that such statements are accurate or correct. This general nature of this operation of the GST is now known, however, specific issues continue to orbit which impact on market values. This valued on its based on the assumptions relating to GST set out in the Valuetion Ricionals section of this document. If any of the assumptions are found to be incorrect, or if the party on whose instructions this valuetion is provided wisher our valuetion to be based on different sourreption. This valuetion should be referred back to CB Richard Blis for comment and, in appropriate state, unrendment.

Site Dietally:

A current survey his not been provided. This subustion is made on the basis that there are no encroschments by of upon the property and this should be confirmed by obtaining a current survey report and/or odvice from a neglistered surveyor. If any encroschments are noted by the survey report, we should be consulted to reassess any effect on the scale stated herein.

Prografty Titler

We have conducted a brief life search only. We have therefore not persed the original Crown Grant documentation. We have assumed that there are no further essensive or encumbrances, not disclosed by this brief life search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further essensits or encumbrances, we should be considered to necessary effect on the value stated harvin.

Environmental Conditions: In the absence of an environmental site assessment relating to the subject property, we have assumed that the alla is free of elevated levels of contaminants. Our visual inspections of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. Furthermore, we have inside no allowance in our valuation for site remediation works. However, it is important to point out that our visual inspection is an inconstance include condition of the site. We make no representation as to the uctual environmental status of the subject property. If a test is undertaken at some time in the future to insens the degree. If any, of contamination of the site and this is found to be positive, we reserve the right to review our valuation assessed herein, should see deem it to be necessary.

Tesin Himshirt

It is assumed that information provided to us by the relevant Local Authority Town Planning Deportment is occurate. In the event that is Town Planning Certificate is obtained and the information therein is found to be materially different to the town planning information delined within this report, we reserve the right to unend the advice provided herein. We were not advised of any road widening or other adverse planning proposals affecting the property.

Inclusions & Exclusions: Our voluntion includes these thems that form part of the building service indultations such as healing and cooling equipment, lifts, sprinklers, lighting, etc. that would normally pass with the said of the property, but excludes all items of plant, mochlowy, equipment, puritions, furniture and other such teems which may have been installed (by the occupant) or are used in connection with the business/businesses carried on within the property.

Floor Areas

We have parented that the floor areas have been calculated in accordance with the Property Council of Australia (PCA) Method of Mecouniment of Latable Areas. We recommend that is survey be undertaken to determine whether the areas provided differ from PCA guidelines. In the event that there is a material variance in areas, we never the right to review our valuation us assessed herein.

Disability
Disability
Disability

The Disability Discrimination Act davis with discrimination against persons with disabilities in respect to access to premise as well us many other areas. Should there be any concern us to whether the subject property may have any shortcomings in respect to this Act, we recommend that expect advice be sought from professionals qualified in this union.

Condition & Requir

We have imported the building. However we advise that we have not corried out a structural survey not helded any of the vervious or facilities and are therefore another from defect. We advise that we have not inspected unseptied or inaccessible portions of the building and are therefore unable to state that there are free from not, infection, asbestos or other hazardous material. We have, however, viewed the peneral state of require if the property and advise that we did not notice any obvious signs of structural defect or displatations. Furthermore, the property appears to be in reasonable condition having regard to its age and use unless offerwise stated. Our saluation assumes that a detailed report of the structure and sense installations of the building would not repeat any defects requiring significant expenditure. Additionally, we assume that the building complets with all mission statutory regularization in respect of maters such as health, building and fire sofety regularization.

Virialian Methodology The primary valuation methodologies used by CBRE in safating the income dependent property, the income Copital union Approach and Discounted Cash Flow Analysis, are based upon an estimation of future results and are not predictions. Each methodology begins with a set of assumption, as to the projected income and separes of the subject property and future economic conditions in its local market. The income and separes figures are market residually extended with adjustments for assimilated changes in economic conditions and lease series. The result is the best estimate of value CBRE can produce, but if is an estimate and not a prediction or guarantee and it is fully dependent upon the accuracy of the assumptions as to income, expense and market conditions. These primary methodologies are market defined assumptions, including ners, yields and discount rates, obtained from unalityed transactions. A cross-section of transactions is detailed in this report. We do not represent ourselves as experts for Data, such as economic, demographic or constructions costs, which has been obtained from external sources.



5.3 CB Richard Ellis - Property and Strata Management Business

CB Richard Ellis Pty Ltd ABN 57 057 373 574

Level 26, 363 George Street Sydney NSW 2000 DX 10262

> T 61 2 9333 3333 F 61 2 9333 3330

www.cbre.com.au

25 January 2008

The Directors
Startan Properties Limited
PO Box 49
HORSLEY PARK NSW 2175

Dear Sirs

Summary of Management Rights Valuation Report STARTAN PROPERTIES LIMITED – 8 TERRIGAL ESPLANADE, TERRIGAL

Instructions

At your request, CB Richard Ellis (CBRE) has prepared this letter summarising the valuation results from our completed, self contained valuation report. The purpose of our report was to render our opinion of market value of the management rights for the property as at 23 November 2007.

The value conclusions are subject to the assumptions and limiting conditions contained within this summary report and reflect all information known by the valuer at CBRE who worked on report for the subject property and the market conditions within the general area of the property.

Our report is based upon the most current information available at the time that the valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease or management agreement terms will also have a corresponding change to the value.

Reliance on this Letter

We have prepared this letter summarising our report and this outlines key factors that have been considered in arriving at our opinion of value. This letter alone does not contain all of the data and support which is included in our report.

CBRE has provided Startan Properties Limited with a valuation of the property. The valuation is not a guarantee or prediction of the future performance of the particular property.

Critical Assumptions, Limiting Conditions and Reliance on Information Provided

 We have had regard to actual trading details provided by Get Active Management Services Pty Ltd (Caretakers for the Owners Corporation) and Startan Properties Limited for details regarding financial trade and projections for the management rights for the Star of the Sea Terrigal.

A critical assumption adopted in the valuation follows:

- We have been advised that there are currently 43 apartments in the letting pool;
- That the apartments are permitted for short stay accommodation and that this will continue into the future.



We have also included our standard valuation assumptions, disclaimers, limitations & qualifications at the rear of this summary.

Brief Description of the Properties

A purpose built, residential/short stay facility comprising 52 strata titled residential apartments within four separate buildings, which opened in July 2004. Currently there are 43 apartments available for short term accommodation, all of which are in the letting pool.

Facilities include three pools, gym, spa, sauna, tennis court, squash court, snooker room, library, two basement car spaces per apartment and views across Terrigal Beach and the Pacific Ocean. The property is zoned Residential 2 (a).

Management Rights

Management rights entitle the owner to receive an income from the Owners Corporation (via a Strata Caretaking Agreement) for providing caretaking services of the common property as well as a Letting Service to individual apartment owners via an Appointment of Letting Agent agreement.

The current Strata Caretaking Agreement between the Owners Corporation of Strata Plan No 72535 (Star of the Sea) and Get Active Management Services Pty Ltd is for a period of 10 years from the commencement date (16 December 2004). The agreement can be assigned with the consent from the Owners Corporation, who can not unreasonably withhold consent.

The provision of a Letting Service entitles the on-site manager (caretaker) to directly charge individual apartment owners a fee for rent collection and maintenance of the apartment. The agreement is reviewed at three month intervals or as required and may be cancelled with 30 days notice.

Management rights in tourism/casual styled properties generally are more complex than longer term/permanent residential facilities and require a higher level of service due to the short stay nature of the clients, understanding the tourism market and the likelihood that the individual unit holders are investors.

Valuation Rationale

The market value for the management rights was determined via reconciliation between the capitalisation of the actual and estimated net income and direct comparison.

In preparing our projections we have considered the historic financial details, the projections of the operators and our own benchmarking details based on other similar facilities.

Valuation parameters adopted are:

Actual Net income (2006/07)	\$421,207	5.5 Multiplier
Forecast Net income (2007/08)	\$523,209	4.5 Multiplier
Value per Apartment		\$54,651

The Multiplier has been derived after analysis of the tourism/casual stay properties, with a large percentage of pooled units. This suggests a multiplier of 5.50 would be appropriate to be applied to the actual net operating income in 2006/07. The high multiplier is due to the property still being



in a growth phase and not operating with the full complement of apartments in the letting pool for the whole of the 2006/07 operating year.

We have also applied a multiplier of 4.50 to our forecast net income for the 2007/08 period. The lower multiplier reflects the uncertainty in meeting forecast revenues, that all of the short stay apartments are now in the letting pool (under current individual ownership) and only seven years remaining under the terms of the current management agreement.

The forecast net income has been assessed upon our analysis of the market and benchmark operating ratios considered appropriate for this asset class. We have also taken into account the trading projections provided by Get Active Management Services Pty Ltd for the financial year ending June 2008.

Valuation Summary

Subject to the qualifications and assumptions contained within this summary report, we are of the opinion the open market value of the management rights, assuming that this interest is free from encumbrances, restrictions or other impediments of an onerous nature which would affect value is as follows:

Date of Valuation	Valuation	
23 November 2007	\$2,350,000	

Our opinion of value excludes GST, if any.

Events Subsequent to the Valuation

We have been advised and provided with an undated copy of a contract for sale for these management rights. The copy provided has been signed by the vendor only. It includes 42 apartments in the letting pool and has a contract price of \$2,000,000.

Consent

CB Richard Ellis Pty Ltd provides it consent for the inclusion of this summary letter within the Prospectus ("Prospectus") issued on or about 25 January 2008 subject to Startan Properties Limited making recipients of the offer Document aware of the following liability disclaimers.

Liability Disclaimer

- (a) CB Richard Ellis Pty Ltd is not operating under an Australian Financial Services Licence when providing the formal valuation or this letter, and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest with Startan Properties Limited.
- (b) CB Richard Ellis Pty Ltd disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Prospectus, other than in respect to this letter and the formal valuation.
- (c) The formal valuation and this letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Prospectus. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss)



- suffered as a consequence of fluctuations in the market subsequent to the date of valuation.
- (d) Neither this letter nor the full valuation report may be reproduced in whole or in part without prior written approval of CB Richard Ellis Pty Ltd.
- (e) CB Richard Ellis Pty Limited charges a professional fee for producing valuation reports, and the fee paid to CBRE by Startan Properties Limited for the formal valuation report and this letter was \$7,920 inclusive of GST and disbursements.
- (f) CB Richard Ellis Pty Ltd has prepared this letter on the basis that the financial and other information (including market information and third party information) is accurate, reliable and complete and confirm that we have not tested the information in that respect.
- (g) We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the property.

Yours faithfully CB Richard Ellis Pty Ltd

Wesley Milsom BBus (Prop. Ec.), AAPI

Valuer - CBRE Hotels

Registered Valuer No 12013



Valuation Assumptions, Disclaimers, Limitations & Qualifications

Vellution Subject To Change: Real estate values very from time to time in response to changing market circumstances and it should, therefore, be noted that this valuation was based on evaluable information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the valuation be reviewed periodically.

Our Investigations

This valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. We have identified certain limitations to our investigations to enable you to instruct further investigations. If you consider this appropriate. C6 Richard Ellis is not liable for any loss occasioned by a decision not to instruct further investigations:

Assumptions.

Assumptions are a necessary part of this valuation. CB Richard Ellis adopts, assumptions because some matters are not capable of occurrate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CB Richard Ellis will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer undertaking a similar valuation. However the risk that any of the essumptions adopted in this document may be incorrect should be taken into account.

Information Supplied By Others: This document contains information which is derived from other sources. Unless otherwise specifically instructed by you, we have only independently verified that information to the extent that such verification would be reasonably expected from a professional and experienced valuer undertaking a similar valuation.

Future Motters & GST To the extent that this document includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CB Richard Ellis of the date of this document. CB Richard Ellis does not warrant that such statements are accurate or correct. The general nature of the operation of the GST is now known, however, specific issues continue to arise which impact on market values. This valuation is based on the assumptions relating to GST set out in the Valuation Rationale section of this document. If any of the assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to CB Richard Ellis for comment and. In appropriate cases, amendment.

She Details

A current survey has not been provided. This valuation is made on the besis that there are no encroachments by or upon the property and this should be confirmed by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, we should be consulted to reassess any effect on the value stated herein.

Property Title:

We have conducted a brief title search only. We have therefore not perused the original Crown Grant documentation. We have essumed that there are no further essements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further essements or encumbrances, we should be consulted to reassess any effect on the value stated herein. Our valuation is made on the basis that the property is free of mortgages, charges or any other financial liens.

Environmental Conditions In the obsence of an environmental site assessment relating to the subject property, we have assumed that the site is free of elevated levels of contaminants. Our visual inspections of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. Furthermore, we have made no allowence in our visual inspection for site remediation works. However, it is important to point out that our visual inspection is an incondusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, we reserve the right to review our valuation assessed herein, should we deem it to be necessary.

Town Flanning

It is assumed that information provided to us by the relevant Local Authority Town Planning Department is accurate. In the event that a Town Planning Certificate is obtained and the information therein is found to be materially different to the town planning information detailed within this report, we reserve the right to amend the advice provided herein. We were not advised of any road widening or other adverse planning proposals affecting the property.

Inclusions & Exclusions Our valuation includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, together with all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business/businesses carried on within the property, excluding stock.

Floor Arees

We have assumed that the floor areas have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement of Building / Letable Areas. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.

Discrimination Act.

The Disability Discrimination Act deals with discrimination against persons with disabilities in respect to access to premises as well as many other ereas. Should there be any concern as to whether the subject property may have any shortcomings in respect to this Act, we recommend that expert advice be sought from professionals qualified in this area.

Condition & Report.

We have inspected the building, however we advise that we have not carried out a structural survey nor tested any of the services or feelilities and are therefore unable to state that these are free from defect. We advise that we have not inspected unapposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hozardous material. We have, however, viewed the general state of repair of the property and advise that we did not notice any obvious signs of structural defect or dilapidations. Furthermore, the property appears to be in reasonable condition having regard to its age and use unless otherwise stated. Our valuation assumes that a detailed report of the structure and service installations of the building would not reveal any defects requiring significant expenditure. Additionally, we assume that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.

Veluction Methodology The primary valuation methodologies used by CBRE in valuing the subject property, the Income Cepitalisation Approach and the Direct Cepitalisation Methodology), are based upon an estimation of future results and are not predictions. Each methodology begins with a set of assumptions, as to the projected income and expenses of the subject property and future economic conditions in its focal market. The Income and expense figures are projected based on Historic trading analysis, and future trading expectations having regard to any forecast capital expenditure supply and demand factors and estimated changes in economic conditions and management/lease terms. The result is the best estimate of value CBRE can produce, but it is an estimate and not a prediction or guarantee and it is fully dependent upon the occurricy of the assumptions as to income, expense and market conditions. These primary methodologies use market derived assumptions, including business operating parameters, yields and discount rates, obtained from comparable properties and analysed transactions. The most relevant transactions are detailed in this report. Data, such as economic or demographic, have been obtained from external sources. Where appropriate these have been referenced.

Lost Updated: 6 November 2003



23 January 2008

Real Estate Valuers & Property Consultants

Our Ref: bd.se.l-startan vn12537

Home, Wilkinson, Lowry Solicitors GPO Box 5408 SYDNEY NSW 2001

Attention: Mr David Clarke

Dear Sir,

PROPERTY VALUATION SUMMARY - STARTAN PROPERTIES LIMITED

1.0 Instructions

We refer to instructions to provide assessment of market value of 19 Scenic Highway, Terrigal NSW 2260. The property was inspected 22 January 2008. We have been requested to provide a property summary for inclusion within Prospectus documentation. We report as follows:-

2.0 Property/Title

19 Scenic Highway, Terrigal NSW 2260 (Lot 8 in Deposited Plan 28595)

3.0 Interest to be Valued

Unencumbered fee simple in possession.

4.0 Basis of Valuation

Current market value. Valuation has been completed in accordance with Australian property Institute Professional Practice Standard – Fifth Edition.

5.0 Brief Description

A two-storey residence situated on the western side of Scenic Highway, approximately 300 metres south of the intersection with Ash Street.

The residence occupies the majority of the 467.9 square metre site and has a building area of approximately 254 square metres.

6.0 Market Commentary

The Central Coast region has emerged over recent times as not only a strong and growing residential area, but also a preferred holiday destination for residents of the Sydney metropolitan area.

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PROPERTY VALUATION SUMMARY - STARTAN PROPERTIES LIMITED

7.0 Market Supply/Demand

The residential market is strong for prestige locations with water views and access. The shortage of well located residential property to amenities will ensure strong demand for the subject.

8.0 General Commentary

The quality of works being undertaken at inspection and the general layout of the residence is functional and will meet the needs of the market.

Features in favour of the property include proximity to the beach and amenities; north/easterly aspect and ocean views.

This Valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this Valuation is relied upon after the expiration of 3 months from the date of this assessment being 22 January 2008, or such earlier date if you become aware of any factors that have any effect on the Valuation.

9.0 Valuation Approach

The primary method of valuation is a 'direct comparison' approach. Our assessment reflects the value as inspected, not the 'on completion' aspect. The valuation excludes any added value to an adjoining owner and benefit of amalgamation with the adjoining site, which would allow development of residential flat building or motel, subject to Council approval.

Valuation as per full Valuation Report VN12537:

\$2,000,000

Qualifications and Experience

Brett Davis, is an Associate of the Australian Property Institute and Registered Valuer 2304 (Without Limitation) under the Valuers' Registration Act. He has operated as a valuer predominantly throughout Sydney, the Central Coast and Illawarra environs since qualifying in 1976 and has undertaken limited work in rural areas of New South Wales. M J Davis Valuations Pty Limited was established in the 1950's as a Real Estate and Valuation Consultancy office. M J Davis Valuations Pty Limited was separately incorporated in April 1992, with the principals being Anthony Patrick Looby, FAPI and Colin Robert Sorrenson, FAPI. The company provides a wide range of valuation services for financial institutions, Government departments, developers, private and public entities. A full résumé can be provided upon enquiry.

Yours faithfully

M J DAVIS VALUATIONS PTY LIMITED

B DAVIS, A A P I

Certified Practising Valuer

Registered Valuer No. 2304



23 January 2008

Real Estate Valuers & Property Consultants

Our Ref: bd.se.l-startan vn12538

Home, Wilkinson, Lowry Solicitors GPO Box 5408 SYDNEY NSW 2001

Attention: Mr David Clarke

Dear Sir,

PROPERTY VALUATION SUMMARY – STARTAN PROPERTIES LIMITED

1.0 Instructions

We refer to your instructions to provide assessment of market value of 21 Scenic Highway, Terrigal NSW 2260. Property inspected 22 January 2008. We have been requested to provide a property summary for inclusion within

Prospectus documentation. We report as follows:-

2.0 Property/Title

21 Scenic Highway, Terrigal NSW 2260 Lot 9 in Deposited Plan 28595

3.0 Interest to be Valued

Unencumbered fee simple in possession.

4.0 Basis of Valuation

Current market value. Valuation has been completed in accordance with Australian property Institute Professional Guidelines – Fifth Edition.

5.0 Brief Description

An older style two-storey residence, originally constructed in the 1970's, on the western side of Scenic Highway, approximately 300 metres south of the intersection with Ash Street.

The residence occupies the majority of the 467.9 square metre site and has a building area of approximately 384 square metres. The second floor of the premises has external timber stair access and both levels are self-contained with bathroom and kitchen facilities.

.../2



PROPERTY VALUATION SUMMARY – STARTAN PROPERTIES LIMITED

6.0 Market Commentary

The Central Coast region has emerged over recent times as not only a strong and growing residential area, but also a preferred holiday destination for residents of the Sydney metropolitan area.

7.0 Market Supply/Demand

The residential market is strong for prestige locations with water views and access. The shortage of well located residential property to amenities will ensure strong demand for the subject.

8.0 General Commentary

Features in favour of the property include proximity to the beach and amenities. The subject property is suitable under the current zoning for development as a residential flat building or motel only when amalgamated with the adjoining property.

Our assessment is provided on an 'as inspected' basis.

This Valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this Valuation is relied upon after the expiration of 3 months from the date of this assessment being 22 January 2008, or such earlier date if you become aware of any factors that have any effect on the Valuation.

9.0 Valuation Approach

The primary method of valuation is a 'direct comparison' approach.

Valuation as per full Valuation Report VN12538: \$1,680,000



- 3 -

PROPERTY VALUATION SUMMARY - STARTAN PROPERTIES LIMITED

10.0 Qualifications and Experience

Brett Davis, is an Associate of the Australian Property Institute and Registered Valuer 2304 (Without Limitation) under the Valuers' Registration Act. He has operated as a valuer predominantly throughout Sydney, the Central Coast and Illawarra environs since qualifying in 1976 and has undertaken limited work in rural areas of New South Wales. M J Davis Valuations Pty Limited was established in the 1950's as a Real Estate and Valuation Consultancy office. M J Davis Valuations Pty Limited was separately incorporated in April 1992, with the principals being Anthony Patrick Looby, F A P I and Colin Robert Sorrenson, F A P I. The company provides a wide range of valuation services for financial institutions, Government departments, developers, private and public entities. A full résumé can be provided upon enquiry.

Yours faithfully

M J DAVIS VALUATIONS PTY LIMITED

B DAVIS, A A P I

Certified Practising Valuer Registered Valuer No. 2304 <u>Director</u>

6. DIRECTORS

Non-executive Chairman - Michael Braham

Michael Braham is a Director of Sydney Ports Corporation and Chairman of D&D Technology Group and Kingsway Capital Group. He is a former Chairman of the listed Galileo Shopping America Trust and former Non-Executive Director of Neptune Orient Lines Australia and other companies. Formerly he was Regional Commissioner for New South Wales for the Australian Securities Commission, an Executive Director of Schroders Australia and a Partner of Arthur Young & Co (now Ernst & Young) in New Zealand. He is President of Glaucoma Australia.

Managing Director - Pasquale (Pat) Sergi OAM

Pasquale (Pat) Sergi OAM is an experienced property developer. He was a licensed real estate agent for over 25 years. He is Chairman of the Italian Affair Committee, which was involved with The Spastic Centre for 20 years, raising millions of dollars and building their Fairfield Marconi Centre. He received an OAM in 1996 for services to the community. He has raised funds for The Spastic Centre, Fred Hollows Foundation, Bali Appeal, Wadell Family Appeal and Tsunami Appeal. Mr. Sergi is also the chairman and founder of the Paint a Rainbow Foundation, launched in 2005, in support of worthy causes.

Mr. Sergi's achievements include:

- Honorary Life Member of the Spastic Centre NSW;
- Rotarian since 27 February 1993 (Wetherill Park Rotary Club);
- Olympic Torch Bearer 2000;
- Cerebral Palsy Foundation Governor, awarded for assistance in helping to raise \$50,000,000 towards research;
 and
- Youth Off the Streets Macquarie Fields "Project Rainbow".

Further details about these achievements can be found at http://www.patsergi.com.au/

Non-executive Director and Company Secretary – Ian Morgan

lan Morgan has over 25 years experience in corporate administration. He consults extensively to provide company secretarial services to several listed and unlisted companies and is Company Secretary of other publicly listed companies. He also has six years' experience with the Republic Group merchant bank and its listed and unlisted public company affiliates as Financial Controller and Company Secretary. Prior to that he spent two years with Green's Foods Limited as Group Financial Controller and five years as Financial Accountant for Akzo Australia, the Australian subsidiary of the Dutch chemical and pharmaceutical company. His initial experience was with Price Waterhouse.

7. RISK FACTORS

7.1 General risks

The following matters, as well as others described elsewhere in this Prospectus, should be carefully considered in evaluating the Company and its prospects:

- a) the success and profitability of the Company in part will depend upon the ability of the Company to invest in well-managed properties which increase in value over time;
- the future earnings of the Company and the value of the investments of the Company may be affected
 by the general economic climate and other factors beyond the control of the Company. As a result. no
 guarantee can be given in respect of the future earnings of the Company or the earnings and capital
 appreciation of the Company's investments;
- c) variations in legislation and government policies generally could materially affect operating results of the Company;
- d) any variation in the taxation laws of Australia could materially affect the operating results of the Company;
- e) the price of investments that the Company has purchased can fall as well as rise;
- f) the price at which Shares are traded on the NSX may be below the net asset backing of those Shares. The constitution of the Company does not entitle Shareholders to require the Board to implement a share buy-back or any other capital reconstruction or to take any other remedial action; and
- g) investors are strongly advised to regard any investment in the Company as a long term proposition and to be aware that, as with any property investment, substantial fluctuations in the value of their investment may occur.

This list is not exhaustive and potential investors should read this Prospectus in full and, if they require further information on material risks, seek professional advice.

7.2 Specific risks

Downturn in Central Coast tourism

There is the risk that there may be a specific downturn in the tourism market on the Central Coast . Such a downturn means a potential lowering of occupancy rates and lower management fee income.

Property values

Shareholders will be exposed to the real property market in general and the resort property market in particular. The value of the Company's businesses may fluctuate depending on real estate market conditions, particularly the Terrigal and Central Coast regions and including the supply and demand for residential property for rent and owner occupation, which are beyond the influence of the Company.

Factors influencing the value of property include:

- a) Oversupply of residential property, or type of residential property;
- b) Competition from other asset classes; and
- c) Unforeseen circumstances or changing market conditions.

Asset risk

If the properties require major capital repairs, or improvements to ensure properties are well maintained, the Company may have to reduce returns, raise additional equity, or undertake a combination of both these actions to ensure there is sufficient funding.

The Company proposes to ensure that the properties are insured, with residential property cover for major risks such as fire and flood, damage caused by tenants, theft and public liability. However, there is asset risk that this insurance would only partially cover because the loss exceeds the sum insured or not cover the loss incurred. For example, standard property insurance does not cover terrorism, war, nuclear or biological perils, pollution, contamination and remediation.

Property development

There are the risks that any property development would not receive an approved development application; or there will be a significant overrun of costs compared to budget, making the development uneconomic.

Property rental

Distributions available to Shareholders will be affected by rental returns achieved by the Company. Decreased demand for rental properties, particularly the apartments in the *Star of the Sea* (to be owned by the Company), may decrease the Company's profits and the dividends available for distribution to Shareholders.

Directors expect that, at certain times, the rental properties will be vacant as tenants leave and new tenants are sought.

Factors which affect rental income include:

- a) Increased supply of rental properties or reduced demand for properties to rent;
- b) Tenant default on rental payment or unexpectedly damage to the properties, causing increased repair costs and increased management and professional fees associated with legal actions;
- c) Other unforeseen costs; and
- d) Lengthy periods of unfavorable weather.

Property Management

There is the risk that existing strata management contracts may be terminated or not extended.

Taxation considerations

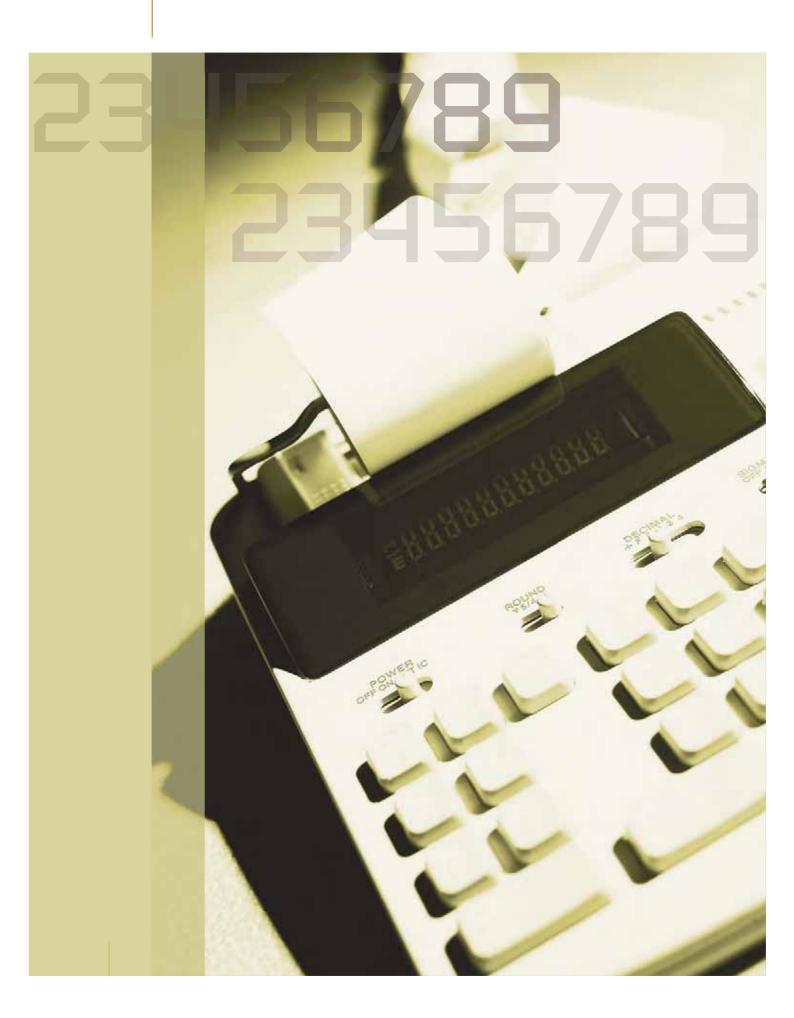
There may be tax implications arising from the Application for Shares, the receipt of dividends (either franked and/or unfranked) from the Company, participation in the Dividend Reinvestment Plan, participation in any on-market share buyback, or the disposal of Shares. Applicants should carefully consider these taxation implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

Investor considerations

Before deciding to subscribe for Shares, Applicants should consider whether Shares are a suitable investment. There are general risks associated with any investment in the stock market. The value of Shares listed on the NSX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to whether you should subscribe for Shares, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

FINANCIAL INFORMATION



8. FINANCIAL INFORMATION

8.1 Overview

Introduction

The financial information contained in this Section should be read in conjunction with the Investigating Accountant's report set out in Section 9, the material risks associated with an investment in the Company set out in Section 7 and other information contained in this Prospectus.

Investors should note the scope and limitations of the Investigating Accountant's report.

This Section contains a summary of the Historical Financial Information and Pro forma Financial Information ("Financial Information") that the Directors' consider relevant to investors.

Historical Financial Information

• the unaudited balance sheet as at 13 December 2007 as set out in Section 8.4.

Pro forma Financial Information

• the pro forma balance sheet as at 13 December 2007 as set out in Section 8.4 has been derived from the unaudited historical balance sheet of the Company as at 13 December 2007 and adjustments as set out in Section 8.5.

The Company was incorporated on 31 August 2007 and accordingly its trading history is limited. The Directors have not included a pro forma income statement to reflect the trading performance of the Company as if it was incorporated prior to 31 August 2007 due to limited access to reliable and detailed financial records relating to rental yields and property management costs. The Directors have considered including a pro forma historical income statement of the Company, but noted that the Company's business activities in the future will include the following:

- investments in units at the Star of the Sea resort in Terrigal;
- management of the Star of the Sea resort through the acquisition of the business and assets of Get Active Management Services Pty Ltd (the current property manager); and
- purchase of two properties adjoining the *Star of the Sea* resort if the Maximum Subscription is raised.

Given the increase in scale and nature of business activities, the inclusion of a pro-forma income statement may be misleading to potential investors. There are several factors which impact the financial performance of each business unit which can not be reasonably estimated. Furthermore the capital funding structure of the Company is different from the historical funding of the assets to be acquired.

8.2 Sources of Information

The Pro Forma Financial Information has been derived from the unaudited balance sheet of the Company as at 13 December 2007, which has been prepared in accordance with the recognition and measurement principles prescribed under AIFRS and other mandatory professional reporting requirements in Australia.

Differences between the Pro forma and Unaudited Balance Sheet

The pro forma balance sheet of the Company has been derived from the unaudited balance sheet of the Company as at 13 December 2007 and adjusted to reflect the pro forma assets and liabilities of the Company as if the completion of the Offer had occurred on 13 December 2007, by including the impact of the pro forma transactions described in Section 8.5.

The Pro Forma Financial Information has been reviewed by Grant Thornton Corporate Finance Pty Ltd as Investigating Accountant and a copy of their report is included in Section 9.

8.3 Prospective Financial Information

The Directors of the Company have not provided Prospective Financial Information such as forecast income statements, cash flow statements and balance sheets.

ASIC Regulatory Guide 170 on prospective financial information provides that a prospectus should only include prospective financial information if there are reasonable grounds for its inclusion, such reasonable grounds being where there is relevant factual foundation for the information and the information is not contrived (such as based on hypothetical assumptions).

The Directors have considered including prospective financial information concerning the Company in this Prospectus, but in light of ASIC Regulatory Guide 170 has not included such information as the Company believes it would be based on hypothetical assumptions and could be misleading to investors. The Company believes that if prospective financial information were provided, it would necessarily be based on hypothetical assumptions relating to:

- property yields;
- occupancy rates;
- rental returns;
- future operating costs; and
- timing of future sales of property investments

Investors should note that any investment in the Company should be considered speculative. Although the Company believes its plans and intentions outlined in this Prospectus are reasonable, the Company gives no assurance that such plans and intentions will be achieved. Investors should read carefully the "Risk Factors" section of the Prospectus for a description of certain risks that could, amongst other things, affect the Company.

8.4 Pro forma Balance Sheet

Set out below is the unaudited and pro forma balance sheet of the Company as at 13 December 2007 in accordance with the measurement and recognition requirements of AIFRS. The basis of preparation of the pro forma balance sheet is set out in Section 8.2.

Balance Sheet as at 13 December 2007

		Unaudited		
		as at	Pro forma	Pro forma
		13 December	Minimum	Maximum
		2007	Subscription	Subscription
	Note	\$	Subscription \$	Subscription \$
CURRENT ASSETS		•	Ψ	_
Cash and cash equivalents	2	52,262	501,085	1,176,085
Receivables	_	30,082	30,082	30,082
Other assets	3	59,823	1,000	1,000
TOTAL CURRENT ASSETS	_	142,167	532,167	1,207,167
	_			
NON-CURRENT ASSETS				
Property, plant and equipment	4	-	30,000	30,000
Investment property	5	48,000	8,483,000	16,055,000
Management Rights	6	-	2,095,000	2,095,000
TOTAL NON-CURRENT ASSETS	_	48,000	10,608,000	18,180,000
	_			
TOTAL ASSETS	_	190,167	11,140,167	19,387,167
CURRENT LIABILITIES				
Payables		42,285	42,285	42,285
Non-interest bearing liabilities	7	250,000	42,203	42,203
TOTAL CURRENT LIABILITIES	' –	292,285	42,285	42,285
TOTAL CORRENT LIABILITIES	_	292,203	42,203	42,203
TOTAL LIABILITIES		292,285	42,285	42,285
NET ACCETO	_	(402 440)	44 007 002	40 244 002
NET ASSETS	_	(102,118)	11,097,882	19,344,882
EQUITY				
Issued capital	8	1	11,317,001	19,539,001
Reserves	9	-	-	28,000
Accumulated losses	10	(102,119)	(219,119)	(222,119)
TOTAL EQUITY		(102,118)	11,097,882	19,344,882

The unaudited and pro forma balance sheet is to be read in conjunction with the following notes set out in Section 8.5 and 8.6.

8.5 Adjustments to the Pro forma Balance Sheet

The pro forma balance sheet has been prepared to illustrate the effect of the Offer. The pro forma balance sheet of the Company assumes the completion of the Offer and is based on the assumption that the following transactions and events contemplated in this Prospectus, referred to as pro forma adjustments, which are to take place on or before the completion of the Offer, as if they had occurred on or before 13 December 2007:

Minimum Subscription

- the issue of 24,000,000 ordinary shares at \$0.50 each, if the Minimum Subscription of \$12,000,000 is received;
- the payment of \$683,000 of costs associated with the capital raising under the Prospectus has been charged against issued capital. This payment include costs incurred prior to 13 December 2007;
- the payment of costs associated with listing of the Company on the NSX of \$117,000 has been charged to retained earnings;
- the issue of 2,400,000 options to the Directors of the Company;
- the repayment of a loan of \$250,000 from Mr. Sergi used for costs incurred by the Company prior to the IPO;
- the payment of \$8,435,000 for the acquisition of Units 30, 32, 34 and 35 at the Star of the Sea Resort,
 Terrigal, which include payments to the vendor Hiltan Pty Limited (Hiltan), applicable stamp duties and legal fees; and
- the payment of \$2,125,000 for the acquisition of the business and assets from Get Active Management Services Pty Limited including applicable stamp duty and legal costs.

Maximum Subscription

- the issue of 40,000,000 ordinary shares at \$0.50 each, if the Maximum Subscription of \$20,000,000 is received;
- the payment of \$861,000 of costs associated with the capital raising under the Prospectus has been charged against issued capital. This payment include costs incurred prior to 13 December 2007;
- the payment of costs associated with listing of the Company on the NSX of \$120,000 has been charged to retained earnings;
- the issue of 4,000,000 options to the Directors of the Company;
- the repayment of \$250,000 to Mr. Sergi for costs incurred by the Company prior to the IPO;
- the payment of \$10,436,000 for the acquisition of Units 30, 32, 34, 35 and 41 at the Star of the Sea Resort, Terrigal, which include payments to the vendors Hiltan and Clem Tacca Pty Ltd (Clem Tacca), applicable stamp duties and legal fees;
- the payment of \$2,125,000 for the acquisition of the business and assets from Get Active Management Services Pty Limited including applicable stamp duty and legal costs;

- the payment of \$2,664,000 for the acquisition of 19 Scenic Highway, Terrigal including applicable stamp duties and legal costs;
- the issue of 800,000 ordinary shares and 200,000 options to Nalod in part consideration for Nalod agreeing to provide the Company with an option to acquire the property at 19 Scenic Highway, Terrigal in accordance with the Deed as set out Section 10.3; and
- the payment of \$2,479,000 for the acquisition of 21 Scenic Highway, Terrigal including applicable stamp duties and legal costs.

8.6 Notes to the Financial Information

Note 1 – Summary of Significant Accounting Policies

The Financial Information has been prepared in accordance with the measurement and recognition requirements, (but not all of the disclosure requirements) of the Corporations Act 2001 including applicable Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations for the presentation of financial information for inclusions in a Prospectus in Australia. The balance sheet of the Company complies with Australian Accounting Interpretations and other applicable financial reporting standards.

Basis of Preparation

The Financial Information is presented in Australian dollars and has been prepared on an accrual basis based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Financial Information in conformity with AIFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and judgements are continually evaluated and are based on historical experience adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom exactly equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Some of the Company's pro forma investment property assets are carried at fair value on the balance sheet. Usually the fair value of these assets can be reliably determined within a reasonable range of estimates. However, pro forma investment property assets have been fair valued using valuation techniques, including reference to the current fair values of other investment property assets that are substantially the same (subject to the appropriate adjustments).

Fair value estimates are made at a specific point in time, based on market conditions and information about the investment property. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rates, volatility, estimated cash flows) and therefore cannot be determined with precision. For certain financial instruments, including accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The carrying amounts of all the Company's financial assets and financial liabilities at the reporting date approximate their fair values, as all financial assets and financial liabilities not fair valued are short-term in nature.

Going concern basis of accounting

The Financial Information has been prepared on the basis that the Company will continue as a going concern. Management recognises that the Company will need to generate additional financial resources in order to meet its planned business objectives. The Company's ability to continue as a going concern is contingent upon successfully raising capital, including the Company's proposed initial public offering. However, there can be no assurance that the Company would obtain additional financial resources, achieve profitability or achieve positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which could differ significantly from the going concern basis. No allowance for such circumstances has been made in the Financial Information.

Investment properties

Investments in residential complexes are held to generate long-term rental yields. This type of investment property is measured at cost or fair value based upon an independent valuation prior to purchase less any accumulated impairment losses and depreciation. Cost includes original purchase price and associated purchase and financing costs incurred to the date of taking possession of the property. Anticipated future losses are taken to the profit and loss statement as soon as identified by writing down properties held for investment to their net recoverable values.

Development properties

Any properties acquired for future development and sale in the ordinary course of business are carried at the lower of cost and net realisable value. Costs includes the original purchase price and associated purchase costs, development costs and direct holding costs (such as rates and taxes and capitalised interest) incurred until completion of the development. Where the property is utilised for a significant income producing purpose prior to or during development, direct holding costs are not capitalised but are expensed during this period.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Investment Property

Freehold land and buildings are shown at their cost or fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate		
Buildings	2.5%		
Office equipment, furniture and fittings	10% to 50%		

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of assets

At each reporting date, the Directors review the carrying values of tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value-in-use, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangibles

Only intangibles, including management rights, which have been purchased or paid for by the Company, are recognised in the financial information. Internally generated intangibles on property that the Company may construct will not be recognised in future financial reporting periods.

Intangibles, including management rights, are carried at the lower of cost or recoverable amount. The management rights are amortised using the straight line method over 7 years, being the term of the management agreement.

Employee benefits

Provisions are made for the Directors liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares (equity-settled transactions). The Company has an Employees Share Option Plan (ESOP) in place which provides benefits to Directors, senior executives and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Binomial Option model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Accounts receivable

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

Accounts payable

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods or services.

Income Tax

A charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will

be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Revenue

Rental Revenue

Rental revenue comprises rent received and receivable and recoverable outgoings charged to tenants in accordance with lease agreements.

Revenue and Profit Recognition on Sale of Investment Properties

Revenue and profits from sale of investment properties are recognised in the period in which contract of sale conditions are fulfilled. Anticipated future losses are taken to the income statement as soon as identified by writing down properties held for investment to net recoverable value.

Revenue and Profit Recognition on Development Properties

Any revenue and profits from development projects would be recognised in the period in which contract conditions are fulfilled. Any anticipated future losses would be taken to the income statement as soon as identified by writing down properties held for investment to net recoverable value.

Revenue from services rendered

Revenue from the rendering of a service is recognised upon the delivery of this service to customers.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax ("GST").

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Note 2 - Cash and cash equivalents

	Pro forma	Pro forma Maximum Subscription	
	Minimum		
	Subscription		
	\$	\$	
Unaudited cash and cash equivalents at 13 December 2007	52,262	52,262	
Pro forma transactions:			
Proceeds of shares issued under the Prospectus	12,000,000	20,000,000	
Expenses of raising capital under the Prospectus ⁷	(741,177)	(922,177)	
Repayment of Directors loan (refer Section 11.9)	(250,000)	(250,000)	
Cash paid for the acquisition of units at Terrigal Esplanade, Star of the Sea Resort	(8,435,000)	(10,436,000)	
Cash paid for the acquisition of business and assets of Get Active Management Services Pty Limited	(2,125,000)	(2,125,000)	
Cash paid for the acquisition of 19 Scenic Highway, Terrigal (refer Section 4.2)	-	(2,664,000)	
Cash paid for the acquisition of 21 Scenic Highway Terrigal (refer Section 4.2)	-	(2,479,000)	
Pro forma cash and cash equivalents at 13 December 2007	501,085	1,176,085	

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⁷ Costs incurred subsequent to 13 December 2007 only.

Note 3 – Other assets

	Pro forma Minimum Subscripti on \$	Pro forma Maximum Subscripti on \$
Unaudited other assets at 13 December 2007	59,823	59,823
Pro forma transactions:		
Costs associated with the Offer paid prior to 13 December 2007	(58,823)	(58,823)
Pro forma other assets at 13 December 2007	1,000	1,000
Note 4 – Property, plant and equipment		
	Pro forma Minimum Subscription \$	Pro forma Maximum Subscription \$
Unaudited property, plant and equipment at 13 December 2007 Pro forma transactions:	-	-
Furniture and office equipment acquired from Get Active Management Services Pty Limited	30,000	30,000
Pro forma property, plant and equipment at 13 December 2007	30,000	30,000
Note 5 – Investment property		
	Pro forma Minimum Subscription \$	Pro forma Maximum Subscription \$
Unaudited investment property at 13 December 2007	48,000	48,000
Pro forma transactions:		
Acquisition of units at Terrigal Esplanade, Star of the Sea Resort (refer Section 4.2)	8,435,000	10,436,000
Cash paid for the acquisition of 19 Scenic Highway Terrigal (refer Section 4.2)	-	2,664,000
Shares and options issued to Nalod Pty Ltd in consideration for 19 Scenic Highway, Terrigal	-	428,000
Cash paid for the acquisition of 21 Scenic Highway Terrigal (refer Section 4.2)	-	2,479,000
Pro forma investment property at 13 December 2007	8,483,000	16,055,000

Note 6 – Management Rights

			Pro forma Minimum Subscription	Pro forma Maximum Subscription
Unaudited management rights ba	alance at 13 Decer	mber 2007	<u> </u>	\$ -
Pro forma transactions:	nanoc at 10 Beech	11501 2001		
Management rights recognised from the acquisition of business and assets of Get Active Management Services Pty Limited		2,095,000	2,095,000	
Pro forma management rights at	13 December 200	7	2,095,000	2,095,000
Note 7 – Non interest bearing liab	oilities			
			Pro forma Minimum Subscription \$	Pro forma Maximum Subscription \$
Unaudited non interest bearing li	abilities at 13 Dec	ember 2007	250,000	250,000
Pro forma transactions:				
Repayment of loan owing to Mr. Se	rgi	_	(250,000)	(250,000)
Pro forma non interest bearing lia	abilities at 13 Dec	ember 2007	-	-
Note 8 – Issued capital				
	Pro forma Minimum Subscription No. of shares	Pro forma Maximum Subscription No. of shares	Pro forma Minimum Subscription \$	Pro forma Maximum Subscription \$
Unaudited issued capital at 13 December 2007			·	<u> </u>
Pro forma transactions:				
Proceeds of shares issued under the Prospectus	24,000,000	40,000,000	12,000,000	20,000,000
Shares issued to Nalod Pty Ltd in consideration for 19 Scenic Highway, Terrigal	-	800,000	-	400,000
Capital raising costs		-	(683,000)	(861,000)
Pro forma issued capital at 13 December 2007	24,000,001	40,800,001	11,317,001	19,539,001

Note 9 - Reserves

	Pro forma Minimum Subscription \$	Pro forma Maximum Subscription \$
Unaudited reserves at 13 December 2007	-	-
Pro forma transactions:		
Options issued to Nalod Pty Ltd in consideration for 19 Scenic Highway, Terrigal	-	28,000
Pro forma reserves at 13 December 2007	-	28,000
Note 10 – Accumulated losses		
	Pro forma	Pro forma
	Minimum	Maximum
	Subscription	Subscription
	\$	\$
Unaudited accumulated losses at 13 December 2007	(102,119)	(102,119)
Pro forma transactions:		
Expenses associated with listing on the NSX	(117,000)	(120,000)
Pro forma accumulated losses at 13 December 2007	(219,119)	(222,119)

Note 11 - Adjustments not included in the Pro Forma Balance Sheet

Options

The following options have been issued by the Company on the date the Company is listed on the NSX.

	Pro forma Minimum Subscription No. of options	Pro forma Maximum Subscription No. of options
Options issued to Directors		
Mr. Pasquale Sergi	1,500,000	2,500,000
Mr. Michael Braham	600,000	1,000,000
Mr. Ian Morgan	300,000	500,000
·	2,400,000	4,000,000
Other options		
Nalod Pty Ltd	-	200,000
Options issued to IPO investors	6,000,000	10,000,000
Total options on issue	8,400,000	14,200,000

The options issued by the Company have an exercise price of \$0.60 each and a term of five years from the date of granting the Option.

The funds raised from the exercise of these options have not been included in the pro forma balance sheet as it is expected these options will be exercised at some period subsequent to the date the Company is listed on the NSX.



Grant Thornton Corporate Finance



Mr Pat Sergi Startan Properties Limited Level 12 32 Martin Place SYDNEY NSW 2000

25 January 2008

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Introduction

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") has been engaged by Startan Properties Limited ("the Company") to prepare an Investigating Accountant's Report for inclusion in a Replacement Prospectus dated 25 January 2008 ("the Prospectus") seeking to raise \$12,000,000 by issuing 24,000,0000 ordinary shares at \$0.50 each ("Minimum Subscription"). The Company has reserved the right to accept further subscriptions of up to 16,000,000 ordinary shares at \$0.50 each to raise an additional \$8,000,000 ("Maximum Subscription"). The Company's proposed capital raising is collectively referred to as "the Offer."

Expressions defined in the Prospectus have the same meaning in this report.

Financial Information

Grant Thornton Corporate Finance has been requested to prepare a report covering the statutory historical financial information and pro forma historical financial information as described in Section 8 of the Prospectus.

Statutory Historical Financial Information

The statutory historical financial information of the Company, set out in Section 8 of the Prospectus, comprises the unaudited historical balance sheet of the Company as at 13 December 2007.

The Directors of the Company are responsible for the preparation and presentation of the statutory historical financial information which has been prepared in accordance with Australian equivalents to International Financial Reporting Standards ("AIFRS").

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Liability limited by a scheme approved under Professional Standards Legislation. Grant Thornton Corporate Finance Pty Ltd is an independent business entitled to trade under the international name Grant Thornton. Grant Thornton is a trademark owned by Grrant Thornton International and used under licence by independent firms and entities throught the world. The statutory historical financial information in the Prospectus is presented in an abbreviated form in so far as it does not include all the disclosures required under AIFRS applicable to annual financial reports prepared in accordance with the Corporations Act 2001 ("Corporations Act").

Pro forma Historical Financial Information

The pro forma historical financial information of the Company, set out in Section 8 of the Prospectus, comprises the unaudited pro forma historical balance sheet of the Company as at 13 December 2007.

The Directors of the Company are responsible for the preparation and presentation of the proforma historical financial information which has been prepared in accordance with AIFRS.

The pro forma historical financial information in the Prospectus is presented in an abbreviated form in so far as it does not include all the disclosures required by AIFRS applicable to annual financial reports prepared in accordance with the Corporations Act.

Scope

Review of the Statutory Historical Financial Information

We have reviewed the statutory historical information in order to report whether anything has come to our attention, which causes us to believe that the statutory historical financial information of the Company, as set out in Section 8 of the Prospectus, does not present fairly the unaudited historical balance sheet of the Company as at 13 December 2007, in accordance with the recognition and measurement principles prescribed in AIFRS and other mandatory professional reporting requirements in Australia, and accounting policies adopted by the Company disclosed in Section 8 of the Prospectus.

We have conducted our review of the statutory historical financial information in accordance with the Australian Auditing and Assurance Standard AUS 902 "Review of Financial Reports". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of work papers, accounting records, audit files of the Company and other documents and reports;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Company disclosed in Section 8 of the Prospectus; and
- enquiry of Directors, management, auditors and others of the Company.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review of the Pro forma Historical Financial Information

We have reviewed the pro forma historical financial information in order to report whether anything has come to our attention, which causes us to believe that the pro forma historical financial information of the Company, as set out in Section 8 of the Prospectus, does not present fairly the pro forma historical balance sheet of the Company as at 13 December 2007 on the basis of the pro forma transactions and adjustments described in Section 8.5 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in AIFRS and other mandatory professional reporting requirements in Australia, and accounting policies adopted by the Company disclosed in Section 8.6 of the Prospectus.

We have conducted our review of the pro forma historical financial information in accordance with the Australian Auditing and Assurance Standard AUS 902 "Review of Financial Reports". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of the pro forma transactions and adjustments;
- a review of work papers, accounting records, of the Company and other documents and reports;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in Section 8.6 of the Prospectus; and
- enquiry of Directors and management of the Company.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Review Statement on the Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that the statutory historical financial information, as set out in Section 8 of the Prospectus does not present fairly the unaudited historical balance sheet of the Company as at 13 December 2007, in accordance with the recognition and measurement principles prescribed in AIFRS and other mandatory professional reporting requirements, and accounting policies adopted by the Company disclosed in Section 8.6 of the Prospectus.

Review Statement on the Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that the pro forma historical financial information of the Company, as set out in Section 8 of the Prospectus does not present fairly the pro forma historical balance sheet of the Company as at 13 December 2007 on the basis of the pro forma transactions and adjustments described in Section 8.5 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in AIFRS and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company disclosed in Section 8.6 of the Prospectus.

Subsequent events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief, no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

Responsibility

Grant Thornton Corporate Finance has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is included, but has not authorised the issue of the Prospectus. Accordingly, Grant Thornton Corporate Finance makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Independence

Grant Thornton Corporate Finance does not have any interest in the outcome of this issue other than in connection with the preparation of this report and participation in due diligence procedures for which normal profession fees will be received.

General Advice Warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

SCOTT GRIFFIN

Director

NEIL COOKE

Director

10. MATERIAL CONTRACTS

The Directors consider that the material contracts described below and elsewhere in this Prospectus are the contracts which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Offer. This Section 10 contains a summary of the material contracts and their substantive terms.

10.1 Sponsoring broker agreement

Camerons has been engaged as the sponsoring broker and licensed intermediary to the Offer. Camerons was paid a sponsoring broker fee of \$20,000 (plus GST), being a non-refundable cash payment paid by the Company upon execution of Camerons' mandate letter.

The Company will also pay Camerons an issue management and licensed intermediary fee of 1.0% (plus GST) of total proceeds upon the allotment of Shares in accordance with the Offer. This fee may be payable from proceeds of the Offer.

The Company will reimburse Camerons for all out-of-pocket expenses incurred in its capacity as sponsoring broker to the Offer in accordance with the mandate letter. Any single expense greater than \$1,000 requires the prior approval of the Company. Subject to the Company approving Camerons' appointment of any legal advisors, the Company will also reimburse Camerons for legal fees it incurs in relation to the provision of sponsoring broker services pursuant to the Offer.

In addition, the Company will pay a commission of 4% together with applicable goods and services tax of any amounts committed to be subscribed (and accepted by the Company) to any dealer, including Camerons, in respect of valid Applications bearing their stamp.

10.2 Acquisition of the Star of the Sea property and strata management business

By an agreement dated 20 December 2007, Get Active Management Services Pty Ltd (**GAMS**) has agreed to sell to Startan the property and strata management business (the Business), including the goodwill, various office equipment, telephone numbers and contracts and leases associated with the business. The principal contracts to be assigned to the Company comprise various letting agreements with owners of apartments in the *Star of the Sea* resort complex.

The purchase price is \$2,000,000, mostly allocated to management rights.

There are four employees to whom Startan may decide to offer employment. GAMS is responsible for all employee entitlements up to the date of completion of the acquisition.

The completion date is nominated as 1 July 2008.

GAMS, Bob Lloyd and his wife, Anne Lloyd have given various non-compete undertakings which, at their maximum reach, extend to all of NSW for eight years from the completion date, scaling back to a minimum of one year for an area within a radius of 5km from Terrigal, subject to an exception to allow them to be engaged and/or interested in the management of the short-term residential letting business at Magenta Shores, North Entrance, NSW but with the further limitation that they must not market their services in relation to the same to clients of the Business.

The performance of GAMS' obligations under the acquisition agreement is guaranteed by Bob Lloyd and Anne Lloyd, who are directors of GAMS.

10.3 Option to acquire 19 Scenic Highway, Terrigal

- 1. On 7 November 2007 Nalod entered into a contract for sale of land to acquire 19 Scenic Highway.
- 2. The terms of the contract for sale of 19 Scenic Highway provide as follows:
 - (a) Standard terms for sale of land in NSW using the Law Society of NSW form of contract with a number of special conditions;
 - (b) Purchase price of \$2,425,000.00 inclusive of GST with a deposit of 10% released to the vendor on exchange. If the contract is rescinded by Nalod, or the contract is terminated due to the vendor's default, then the deposit is immediately repayable to Nalod.
 - (c) The vendor must carry out building works to repair and reinstate the improvements on or before 21 December 2007 and obtain an occupation certificate for the improvements. The vendor has entered into a building contract with Ralph Peters dated 30 May 2007 to carry out the works.
 - (d) The vendor has granted Nalod the right to inspect the land and make applications with council for development of the land, and the vendor agrees to signs all relevant applications.
 - (e) Completion is to take place on or before 30 June 2008.
 - (f) Stamp duty payable on the contract is \$118,869.00. This must be paid within 90 days of the date of the contract that is on or before 7 February 2008.
- 3. Nalod and Startan have entered into a deed that provides as follows:
 - (a) Provided Startan is listed on the National Stock Exchange on or before 30 April 2008 and raises \$20,000,000.00 in the listing, then Nalod will transfer the legal interest in 19 Scenic Highway to Startan so that Startan will, after completion, be registered as proprietor of 19 Scenic Highway. This will be effected by a trust deed, where Startan as beneficiary will fund the purchase price.
 - (b) Within 14 days after Startan is listed on the National Stock Exchange, Startan must:
 - Pay to Nalod all acquisition costs including the deposit and legal costs and other related expenses;
 - ii. Pay to Nalod \$100,000.000 plus GST;
 - iii. Issue to Nalod 800,000 Shares in Startan; and
 - iv. Grant Nalod 200,000 Options in Startan.

10.4 Option to acquire 21 Scenic Highway, Terrigal

- 1. On 10 October 2007, 21 Scenic Highway Pty Limited entered into a put and call option deed with the registered proprietor to acquire 21 Scenic Highway.
- 2. The terms of the put and call option deed provide as follows:

- (a) 21 Scenic Highway Pty Limited may exercise the call option between the date that is 43 days after the date of the option deed and 5 August 2009;
- (b) If 21 Scenic Highway Pty Limited does not exercise the call option, the vendor may exercise the put option between 5 August 2009 and 4 September 2009.
- (c) 21 Scenic Highway Pty Limited must pay a security sum as a deposit as follows:
 - i. \$48,000.00 on the date of the option deed;
 - ii. \$96,000.00 on 4 April 2008; and
 - iii. \$96,000.00 on 3 October 2008.
- 3. The terms of the contract to acquire 21 Scenic Highway following exercise of the put option or the call option are as follows:
 - (a) Standard terms for sale of land in NSW using the Law Society of NSW form of contract with a number of special conditions;
 - (b) Purchase price of \$2,400,000.00 inclusive of GST with a deposit of 10% released to the vendor on exchange.
 - (c) The vendor has granted 21 Scenic Highway Pty Limited the right to inspect the land and make applications with council for development of the land, and the vendor agrees to signs all relevant applications.
 - (d) Completion is to take place on or before 3 October 2009, unless the purchaser gives the vendor a notice, in which case completion will be 21 days after that notice.
 - (e) Stamp duty payable on the contract is \$ 117,490.00.
- 4. On 18 December 2007, Startan entered into a call option with 21 Scenic Highway Pty Limited to acquire 21 Scenic Highway. The terms of the call option provide as follows:
 - (a) The call option may be exercised by Startan before 30 April 2008.
 - (b) The option fee is \$1.00.
 - (c) Upon exercise of the option, an enforceable contract to acquire 21 Scenic Highway will be entered into.

10.5 Acquisition of lots 30, 32, 34, 35 and 41 Star of the Sea

- 1. On 18 December 2007, Startan entered into a call option with Hiltan to acquire lots 30, 32, 34 and 35 in SP72353. The terms of the call option provide as follows:
 - (a) The call option may be exercised by Startan before 5.00pm 30 April 2008.
 - (b) The option fee is \$1.00.

- (c) Upon exercise of the option, an enforceable contract to acquire the four Lots will be entered into by Hiltan and Startan.
- 2. The terms of the proposed contract to acquire the four lots provides as follows:
 - (a) Standard terms for sale of land in NSW using the Law Society of NSW form of contract with a number of special conditions.
 - (b) Purchase price will be \$7,766,400.00 inclusive of GST with a deposit of 10% released to the vendor on exchange. The vendor will apply the margin scheme.
 - (c) The four lots are sold subject to the margin scheme.
 - (d) Completion is to take place on or before 42 days after exchange.
 - (e) Stamp duty payable on the contract is \$ 484,138.00.
- 3. On 18 December 2007, Startan entered into a call option with Clem Tacca to acquire lot 41 in SP72353. The terms of the call option provide as follows:
 - (a) The call option may be exercised by Startan before 5.00pm 30 April 2008.
 - (b) The option fee is \$1.00.
 - (c) The option may be exercised by Startan delivering a notice of exercise of the option and a contract for sale of land with a cheque for the deposit to Clem Tacca's solicitor's office before the option period expires.
 - (d) Upon exercise of the option, an enforceable contract to acquire lot 41 will be entered into by Clem Tacca and Startan.
- 4. The terms of the proposed contract to acquire lot 41 provides as follows:
 - (a) Standard terms for sale of land in NSW using the Law Society of NSW form of contract with a number of special conditions.
 - (b) Purchase price will be \$1,900,000.00 inclusive of GST with a deposit of 10% released to the vendor on exchange. The vendor will apply the margin scheme.
 - (c) Lot 41 is sold subject to the margin scheme.
 - (d) Completion is to take place on or before 42 days after exchange.
 - (e) Stamp duty payable on the contract is \$89,990.00. This must be paid within 90 days of the date of the contract.

10.6 Deeds of access and indemnity

Parties

The Company and each Director.

Access

The Company has agreed to provide access to Board papers to current and former officers of the Company while they are officers and for a period of seven years from when they cease to be officers.

Indemnity

The Company 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 the Company. The Company has also agreed to use its reasonable commercial endeavours 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 seven years after the officer ceases to be officers.

10.7 Employment Agreement – Managing Director, Pasquale Sergi

The Company and Pasquale Sergi are parties to a letter of appointment dated 18 December 2007 that sets out the terms, conditions and duties of Mr. Sergi's employment as Managing Director of the Company (**Letter of Appointment**).

Under the terms of the Letter of Appointment, the Managing Director will be paid a salary of \$120,000 per annum (plus superannuation in accordance with the *Superannuation Guarantee Charge Act* 1992 (Cth)) commencing 31 August 2007. This remuneration is subject to an annual review by the Board.

If the Managing Director undertakes work in addition to the duties set out in the Letter of Appointment then, subject to the agreement of the Company's independent Directors or Shareholders in general meeting, the Managing Director is entitled to additional remuneration.

The Managing Director will also be entitled to a performance bonus, which includes a retirement bonus. If the return to Shareholders of the Company exceeds 10% per annum on a compounding basis, the Company would pay the Managing Director an amount equal to 15% of the excess. See section 11.9 of this Prospectus for further details about calculating this performance bonus.

The retirement allowance described in section 11.9 of this Prospectus would not be paid by the Company to the Managing Director if the Managing Director ceases his employment with the Company before the end of 5 years commencing 31 August 2007, except as a consequence of severe illness or death. The retirement allowance would be paid in the event of the Managing Director's severe illness or death.

If the Managing Director's employment with the Company exceeds 5 years from 31 August 2007, the retirement allowance described in section 11.9 of this Prospectus would be paid by the Company to the Managing Director, except if the engagement of the Managing Director is terminated by the Company with cause (e.g. for misconduct). The retirement allowance would not be paid in these circumstances.

Under the terms of the Letter of Appointment, the Managing Director may request that this performance bonus be paid in cash or provided in Shares or a combination of both. Any such request will be considered by the Board, which also may acquire Shares on market to satisfy the performance bonus.

The Company will also reimburse the Managing Director for all reasonable expenses incurred in the performance of his duties, including travel, accommodation and entertainment.

The Letter of Appointment may not be terminated by either party for a period of 5 years from 31 August 2007, except that the Company may terminate the Letter of Appointment without notice where the Managing Director is:

- guilty of any serious misconduct;
- incapacitated by illness or injury from performing employment duties for a period of not less than three consecutive months or any periods aggregating not less than three months in any period of 12 months;
- charged with any criminal offence which in the reasonable opinion of the Board brings him or the Company into serious disrepute;
- prohibited by law from becoming or holding office as a director;
- bankrupt or makes a composition or arrangement with his creditors or takes advantage of any statue for the relief
 of insolvent debtors; or
- of unsound mind or liable to be dealt with under any law relating to mental health.

After 31 August 2012, the Letter of Appointment may be terminated by either party by providing three months' notice in writing.

The Letter of Appointment details the key areas of responsibility of the position of Managing Director and contains standard provisions relating to intellectual property and confidential information to protect the Company's interests.

11. ADDITIONAL INFORMATION

11.1 Incorporation

The Company was incorporated in New South Wales on 31 August 2007 under the name Startan Properties Limited ABN 82 127 332 549.

11.2 Capital structure

When incorporated, the Company had one ordinary fully paid Share on issue and the Company has not issued any Shares since incorporation.

11.3 Balance Date and Company tax status

The accounts for the Company will be made up to 30 June annually. The Company will be taxed as a public company.

11.4 Rights attaching to the Shares

There is only one class of Share on issue in the Company being fully paid ordinary Shares. Immediately after issue and allotment, the Shares will be fully paid Shares. There will be no liability on the part of Shareholders for any calls and the Shares will rank pari passu with Shares currently on issue. The rights attaching to the Shares are set out in the Company's constitution and in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law. A copy of the constitution can be inspected during office hours at the registered office of the Company while the Prospectus is current.

The detailed provisions relating to the rights attaching to Shares under the constitution and the Corporations Act are summarised below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders. To obtain such a statement, persons should seek independent legal advice.

Each Share will confer on its holder:

- a) 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 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 Shares (at present there are none);
- b) The right to receive dividends, according to the amount paid up on the Share;
- c) The right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to the rights of a liquidator to distribute the surplus assets of the Company with the consent of members by special resolution.

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

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

11.5 Rights attaching to Options

The terms and conditions of the Options are as follows:

Register

The Company will maintain a register of holders of Options in accordance with Section 168(1)(b) of the Corporations Act.

Transfer/Transmission

Otherwise than a transfer on market, an Option may be transferred or transmitted by instrument in writing in such form as the Directors approve, such instrument to be executed by or on behalf of both the transferor and the transferee.

Exercise

An Option may be exercised by delivery to the Company of a duly completed notice of exercise of options signed by the registered holder of the Option, together with payment to the Company of \$0.60 per Option being exercised.

An Option may be exercised any time during the first calendar month following the expiry date, which is five years from the grant date.

A notice of exercise of options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

Dividend Entitlement

Options do not carry any dividend entitlement until they are exercised. When exercised they will qualify for dividends declared after the date of the allotment.

Participating rights

An optionholder may only participate in new issues of securities to holders of Shares if the Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give at least 7 Business Days' notice to optionholders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

If there is a bonus issue to the holders of Shares, the number of Shares over which the Option is exercisable will be increased by the number of bonus Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

Reconstructions and Alteration of Capital

In a reorganisation of the Company's share capital the number of Options must be adjusted in accordance with the Listing Rules.

NSX Listing

The Company will make application for quotation of Options on NSX in accordance with the Listing Rules. The Company will make application for quotation of Shares issued on exercise of the Options on NSX in accordance with the Listing Rules. Shares so issued will rank equally with other issued Shares."

11.6 Corporate Governance

The Board is responsible for the corporate governance of the Company and the members of the Board recognise the need for the highest standards of behaviour and accountability. Even though not a specific requirement of listing on the NSX the Board will aspire to follow the ASX's Corporate Governance Principles and Recommendations set by the ASX Corporate Governance Council as far as they are practical and are within their capability, taking into account the size of the Company, its available funds and its level of activities. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of separate Board committees. Accordingly, all matters that may be capable of delegation to committees will be dealt with by the full Board.

As such, the Directors are responsible for setting the strategic direction of the Company and establishing the policies of the Company. It is their responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the shareholders, by whom the Directors are elected and to whom they are accountable. The Directors also address issues relating to internal control and the Company's approach to risk management. Section 6 of this Prospectus contains summaries of the Directors' experience.

The primary responsibilities of the Board include:

- the establishment of long term goals for the Company and strategic plans to achieve these goals;
- implementing adequate systems of internal control together with appropriate monitoring of compliance activities and establishment of an adherence to ethical and environmental standards;
- reviewing and approving the financial reports of the Company and receiving the audit/review reports;
- preparing, implementing and monitoring policies to ensure that all major developments affecting the financial position and state of affairs of the Company and any subsidiaries are announced to the NSX immediately.

11.7 Dividend Re-Investment Plan

The Company has a dividend re-investment plan should the Directors in the future declare dividends. Directors intend that Startan would not pay dividends for the first two years after the proposed listing of the Company on the NSX.

The terms of Startan's dividend re-investment plan are as follows:

1. PARTICIPATION IN THE PLAN

- 1.1 Participation in the Dividend Reinvestment Plan (the Plan) is optional and open to all Shareholders of Startan Properties Limited (the Company) unless expressly excluded by these terms and conditions.
- 1.2 By applying to participate in the Plan a Shareholder agrees to be bound by the Constitution of the Company in respect of all shares allotted to the Shareholder under the Plan.
- 1.3 The laws of certain countries may preclude participation in the Plan and the Plan is therefore at all times subject to any laws applicable in the country of residence of Shareholders who are not resident in Australia at the time of allotment of shares pursuant to the Plan. It is the responsibility of Shareholders who are not resident in Australia at the time of allotment of shares pursuant to the Plan to ensure that they obtain all necessary government approvals. Before electing to participate in

the Plan, Shareholders who are not resident in Australia should seek professional advice to ascertain if any restrictions apply.

1.4 Participation in the Plan and the right to take up shares is not transferable.

2. APPLICATION TO PARTICIPATE IN THE PLAN

- 2.1 Application to participate in the Plan must be made on each occasion that a declaration of dividend has been made by the Company.
- 2.2 Application must be in the form as prescribed by the Company from time to time (**Election Form**).
- 2.3 The Election Form must be received within 21 days of the date of release to market pursuant to sub-paragraph 4.2 of the subscription amount determined in accordance with sub-paragraph 4.1.
- 2.4 The Directors of the Company have an overriding and unfettered discretion to refuse to accept applications for participation in the Plan.

3. DEGREE OF PARTICIPATION

- 3.1 Participation in the Plan may be either 'full' or 'partial'.
- 3.2 Full participation applies to dividends payable by the Company on all the participant's shareholding.
- 3.3 Partial participation applies to dividends payable by the Company on the number of shares nominated in the Election Form by the participant. If, at the time of allotment of shares pursuant to the Plan, the number of shares held by the participant is less than the nominated number of shares, then participation in the Plan will be restricted to such lesser number of shares.
- 3.4 In the event the Election Form does not indicate the degree of participation, it shall be deemed to be an application for full participation.

4. OPERATION OF THE PLAN

- 4.1 The subscription amount for the shares allotted under the Plan will be the amount as reasonably determined by resolution of the Board of Directors of the Company.
- 4.2 The Company will cause to be released to market within a reasonable period of time the subscription amount determined in accordance with sub-paragraph 4.1.
- 4.3 On each dividend payment to be made by the Company the Company will for each Shareholder participating in the Plan:
 - (a) determine the amount of the dividend payable in respect of the shares of the participating Shareholder subject to the Plan;
 - (b) deduct from each amount determined in accordance with sub-paragraph (a) any applicable withholding tax;
 - (c) determine the maximum whole number of fully paid ordinary shares to be issued o the participating Shareholder by dividing the amount determined in accordance with

sub-paragraphs (a) and (b) by the subscription amount determined in accordance with sub-paragraph 2.1;

- (d) on behalf of and in the name of the participating Shareholder subscribe for that number of additional fully paid ordinary shares at the subscription amount determined in accordance with sub-paragraph 2.1; and
- (e) allot that number of additional fully paid shares to the participating Shareholder within 10 Business Days after the date of payment of a dividend in respect of shares not participating in the Plan.

5. FULLY PAID ORDINARY SHARES ALLOTTED UNDER THE PLAN

- 5.1 Shares allotted under the Plan will, from the date of allotment, rank equally in all respects with all other ordinary shares in the Company and will be registered on the register on which the participant's holding of ordinary shares is currently registered. In the event that the participant's holding of ordinary shares are registered on more than one register the shares allotted under the Plan may be recorded on any of those registers unless otherwise requested by the participant.
- 5.2 Application will be made by the Company for the shares allotted under the Plan to be officially quoted on the relevant financial market (as defined by the *Corporations Act* 2001 from time to time) as "ex dividend" as soon as practicable after the allotment of the shares.

6. COSTS TO PARTICIPANTS

No brokerage, commission or other transaction costs will be payable by a participant on shares allotted under the Plan and no stamp or other duties will, under present law, be payable by a participant.

7. PLAN STATEMENTS

The Company will send to each participant a statement providing full details of the participant's transactions under the Plan within a reasonable time following the allotment of any shares under the Plan by the Company.

8. MODIFICATION, SUSPENSION AND TERMINATION OF THE PLAN

- 8.1 The Plan may be modified, suspended or terminated by the Company at any time by giving notice of same in writing to all ordinary Shareholders.
- 8.2 Any modification, suspension or termination will take effect upon the date specified by the Company which date shall not be less than one month from the date of notice by the Company of the modification, suspension or termination.

9. APPLICATIONS AND NOTICES

Applications and notices to the Company must be in writing and in accordance with the Election Form. Applications will only be effective and binding on the Company upon the receipt and unconditional acceptance of same by the Company.

10. TAXATION

The Company takes no responsibility for the taxation liability of participants resulting from participation in the Plan. Specific taxation advice should be obtained by the participant.

11. LIMITATION OF LIABILITY

The Company will not be liable or responsible to any participant for any loss or alleged loss or disadvantage suffered or incurred by any participant as a result, directly or indirectly:

of the establishment or operation of the Plan; or their participation in the Plan; or in relation to any advice given with respect to participation in the Plan.

12. GENERAL

The Plan and its operation and the terms and conditions herein shall be governed by the laws of the State of New South Wales. The accidental omission by the Company to give notice of modification, suspension or termination to or the non receipt of any such notice by any Shareholder shall not invalidate the modification, suspension or termination of the Plan. The Company reserves the right to waive strict compliance with any of these terms and conditions.

11.8 Employee Share and Option Plan

There are no employees of the Company who are members of the Employee Share and Option Plan and the Directors currently have no proposals to offer this plan to any employees.

Following is a summary of Startan's Employee Share and Option Plan

The Board shall administer the Plan in accordance with the terms and conditions set out in the Rules and otherwise as it determines from time to time in its absolute and uncontrolled discretion.

The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

The Board may not issue any further Plan Options after the Plan has been terminated.

However, these Rules will continue to apply to Plan Options on issue at the date of such termination until the last of those Plan Options lapses or is exercised.

NUMBER OF OPTIONS TO BE ISSUED

The Company shall not offer or issue Plan Options to any Eligible Person in accordance with the Plan if the total number of Shares the subject of Plan Options, when aggregated with:

(a) the number of Shares in the same class which would be issued were each outstanding offer or option to acquire unissued Shares in the Company, being an offer made or option acquired pursuant to the Plan or any

other employee share scheme extended only to employees, or directors of the Company, to be accepted or exercised (as the case may be); and

(b) the number of Shares in the same class issued during the previous five years pursuant to the Plan or any other employee share scheme extended only to employees, or directors of the Company, (but disregarding any offer made, or option acquired or share issued by way of or as a result of an offer to a person situated at the time of receipt of the offer outside Australia or any offer which, pursuant to section 708 of the Corporations Act, does not need disclosure to investors),

would exceed 5% of the total number of issued Shares in that class of the Company as at the time of the proposed offer.

ENTITLEMENT TO PARTICIPATE

The Board may from time to time determine in its absolute and uncontrolled discretion that any Eligible Person is entitled to participate in the Plan and the extent of that participation. The determination of the Board shall be binding and neither the Board nor any Director of the Company shall be obliged to give any reason for a determination.

The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

Unless otherwise determined by the Board in its absolute and uncontrolled discretion, no Eligible Person shall be entitled to participate in the Plan unless that Eligible Person has been in continuous employment with the Company for at least 12 months prior to the issue date.

The Plan shall not form part of any contract of employment between any Company and any of its employees and shall not confer directly or indirectly on any such employee any legal or equitable right whatsoever against any Company.

OFFER OF OPTIONS

Subject to these Rules and to the Listing Rules, the Company (acting through the Board) may offer Plan Options to any Eligible Persons at such times and on such terms as the Board considers appropriate in its absolute and uncontrolled discretion. Each offer must state:

- (a) that the Eligible Person to whom it is addressed may accept the whole or any lesser number of Plan Options offered. The offer may stipulate a minimum number of Plan Options and any multiple of such minimum or any other number which may be accepted;
- (b) the period within which the offer may be accepted; and
- (c) any other matters which the Board may determine.

Upon receipt of an offer of Plan Options, an Eligible Person may, within the period specified in the offer:

- (a) accept the whole or any lesser number of Plan Options offered by notice in writing to the Board; or
- (b) nominate a nominee in whose favour the Eligible Person wishes to renounce the offer by notice in writing to the Board. The Board may, in its absolute and uncontrolled discretion, resolve not to allow such renunciation of an offer in favour of a nominee without giving any reason for such decision.

Each Plan Option will be issued free.

Upon:

- (a) receipt of the acceptance referred to above; or
- (b) the Board resolving to allow a renunciation of an offer in favour of a nominee (**Permitted Nominee**) and the Permitted Nominee accepting the whole or any lesser number of Plan Options offered by notice in writing to the Board, then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and will be issued Plan Options subject to the Rules.

Certificates for Options will only be issued if the Company does not have an uncertificated electronic share and option register. If it has an electronic share and option register then holding statements regarding options will be issued in accordance with the Listing Rules. If it has certificated register then certificates will be despatched within 10 Business Days after their Plan Option issue date (or within such lesser period (if any) as may be required by the Listing Rules).

If Plan Options are issued to a Permitted Nominee of an Eligible Person, the Eligible Person must, without limiting any provision in the Rules, ensure that the Permitted Nominee complies with the Rules.

QUOTATION

The Company will not apply for official quotation by the NSX of any Plan Options.

If the Company's Shares have been granted official quotation by the NSX, the Company must apply for official quotation of all Shares allotted pursuant to the exercise of Plan Options not later than 10 Business Days after the date of allotment (or within such lesser period (if any) as may be required by the Listing Rules).

TRANSFER OF PLAN OPTIONS

Subject to clause 10.3 of the Plan, Plan Options are only transferable with Board approval.

EXERCISE OF PLAN OPTIONS

Subject to the Rules, Plan Options may be exercised at any time during the period commencing after the Plan Option issue date and ending on the Expiry Date subject to any condition imposed by the Board precluding the exercise of any option before a particular date or requiring the achievement of specified performance criteria before any Option may be exercised.

Plan Options not exercised on or before the Expiry Date will automatically lapse.

Plan Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Plan Options being exercised and must be accompanied by:

- (a) the Exercise Price for the number of Plan Options specified in the notice; and
- (b) the Certificate for those Plan Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).

Subject to clause 8.2 of the Plan, within 10 Business Days after the notice referred to in clause 8.3 of the Plan becomes effective (or within such lesser period (if any) as may be required by the Listing Rules), the Board must:

- (a) allot and issue the number of Shares specified in the notice to the Holder;
- (b) cancel the Certificate for the Plan Options being exercised; and
- (c) if applicable, issue a new Certificate for any remaining Plan Options covered by the Certificate accompanying the notice.

SHARES ALLOTTED ON EXERCISE OF PLAN OPTIONS

All Shares allotted upon exercise of Plan Options rank pari passu in all respects with Shares previously issued and, in particular, entitle the Holders to participate fully in:

dividends declared by the Company after the date of allotment; and

all issues of securities made or offered pro rata to holders of Shares.

CEASING TO BE AN ELIGIBLE PERSON

If at any time prior to the Expiry Date of any Plan Options, an Eligible Person ceases to be an Eligible Person for any reason other than retirement, permanent disability, redundancy or death, all Plan Options held by such Eligible Person or his Permitted Nominee (as the case may be), will, to the extent that they have not been exercised beforehand, automatically lapse on the first to occur of:

- (a) The expiry of the period of three calendar months from the date of such occurrence, and
- (b) The Expiry Date.

A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the date of such occurrence.

If at any time prior to the Expiry Date of any Plan Options a Holder dies, the deceased Holder's legal personal representative may:

- (a) elect to be registered as the new Holder of the deceased Holder's Plan Options;
- (b) whether or not he becomes so registered, exercise those Plan Options as if it were the Holder of them in accordance with these Rules; and
- (c) if the deceased Holder had already given the Company a notice of exercise of his Plan Options, pay the Exercise Price in respect of those Plan Options.

ENTITLEMENT TO PARTICIPATE IN FUTURE ISSUES

New Issues

Holders may only participate in entitlements issues of securities to holders of Shares if a Plan Option has been exercised and Shares allotted in respect of the Plan Option before the record date for determining entitlements to the issue. The Company must give at least nine Business Days' notice (or such greater period of notice (if any) as

may be required by the Listing Rules) to Holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

There will be no increase in the number of Shares over which any Plan Option is exercisable or any adjustment in the exercise price of any option in consequence of any bonus issue or any pro rata issue to Shareholders.

Reorganisation of Capital

If, prior to the expiry or lapse of any Plan Options, there is a reorganisation of the issued capital of the Company, the rights of an option holder will be changed in a manner consistent with the Listing Rules applying to a reorganization of capital at the time of reorganisation.

Advice

In accordance with the Listing Rules, the Company must give notice to each Holder of any adjustment to the number of Shares for which the Holder is entitled to subscribe or to the Exercise Price pursuant to the provisions of clause 11.4 of the Plan.

EXERCISE PRICE OF OPTIONS

The Exercise Price of each Plan Option will be determined by the Board when it resolves to offer the Plan Option and will be not less than the Market Value of a Share at that time unless a placement or share issue has been announced within 60 days previously, in which case the Exercise Price may be the lesser of the Market Value and the relevant placement or issue price.

AMENDMENTS TO THE RULES

The Board may alter, delete or add to these Rules at any time (save for the provisions of clause 3 of the Plan), but, where the Company is admitted to the Official List of the NSX, its resolution to do so has no effect unless the requirements of the Listing Rules in relation to the alteration, deletion or addition have been complied with.

11.9 Matters Relevant to the Directors

An entity controlled by Mr. Sergi owns all the issued Shares in the Company as at the date of this Prospectus.

Except as set out in this Prospectus (including in Sections 3 and 11), there are no interests that exist at the date of this Prospectus and there were no interests that existed within two years before the date of this Prospectus that are or were, interests of a Director or a proposed Director in the promotion of the Company or in any property proposed to be acquired by the Company in connection with its formation or promotion.

Further, except as set out in this Prospectus, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce him to become or qualify him as a Director or otherwise for services rendered by him in connection with the promotion or formation of the Company.

Mr. Sergi has advised the Company that he, or his nominees or associates, intend to subscribe for 2,000,000 Shares pursuant to the Offer.

The unaudited and pro forma balance sheet of the Company as at 13 December 2007 includes a total of \$250,000

repayable by the Company to entities controlled by Mr. Sergi. This amount was lent to the Company to fund the costs of the Offer. This amount payable by the Company to entities controlled by Mr. Sergi and any further amount lent to the Company by Mr. Sergi or his related entities to fund the costs of the Offer would be repaid after successful completion of the Offer. Also refer to Sections 4.2 and 8.5.

Remuneration of Directors

Under the Company's constitution, each Director (other than a Managing Director or an Executive Director) may be paid out remuneration for ordinary services performed as a Director.

The maximum total remuneration of non-executive directors of the Company has been set at \$200,000 per annum to be divided among them in such proportions as they agree.

Directors have resolved that:

- a) Remuneration, excluding statutory superannuation, for each non executive Director be \$20,000 per annum and \$40,000 per annum for the Chairman; a total of \$60,000 per annum;
- b) The Managing Director's salary remuneration, excluding statutory superannuation, is \$120,000 per annum;
- c) The Managing Director will be entitled to a performance bonus comprising the following:
 - (i) an annual bonus calculated at the end of each financial year equal to 15% of the cumulative earnings of the Company less 10% of the gross moneys raised from the Shareholders of the Company where such moneys raised are compounded annually; and
 - (ii) a retirement allowance payable on the later of 5 years from the commencement of the engagement of the Managing Director and that date on which the Managing Director retires. The retirement allowance is equal to 15% of the value of the Company as determined by independent valuers as at the entitlement date less:
 - I Gross moneys raised from Shareholders of the Company compounded annually at the rate of 10% per annum; and
 - II the aggregate of all bonuses paid by the Company to the Managing Director under paragraph (i) as at the entitlement date.

For clarity, the performance bonus is intended to reward the Managing Director where the annual return to Shareholders of the Company exceeds 10% per annum on a compounding basis by paying to the Managing Director an amount equal to 15% of the excess, and

d) Directors, or their nominees, are entitled to be granted Options totalling up to 10% of the total number of Shares on issue upon admission to the Official List.

The number of Directors' Options granted would be between 2,400,000 and 4,000,000, as between 24,000,000 and 40,000,000 Shares may be issued under this Offer. These Directors' Options would be divided in the ratio of Non-executive Chairman two; Managing Director five; and Non-executive Director one.

Total number of Shares issued under this Offer

Number of Directors' Options Granted to:

Non-executive Chairman	Managing Director	Non-executive Director	Total
600,000	1,500,000	300,000	2,400,000
650,000	1,625,000	325,000	2,600,000
700,000	1,750,000	350,000	2,800,000
750,000	1,875,000	375,000	3,000,000
800,000	2,000,000	400,000	3,200,000
850,000	2,125,000	425,000	3,400,000
900,000	2,250,000	450,000	3,600,000
950,000	2,375,000	475,000	3,800,000
1,000,000	2,500,000	500,000	4,000,000
	Chairman 600,000 650,000 700,000 750,000 800,000 850,000 900,000	Chairman 600,000	Chairman Director 600,000 1,500,000 300,000 650,000 1,625,000 325,000 700,000 1,750,000 350,000 750,000 1,875,000 375,000 800,000 2,000,000 400,000 850,000 2,125,000 425,000 900,000 2,250,000 450,000 950,000 2,375,000 475,000

Any Director who renders or is called upon to offer extra services in connection with the affairs of the Company would be entitled to be paid extra remuneration as determined by the independent Directors.

11.10 Related Party Transactions

Four of the five apartments proposed to be purchased by the Company are, on the date of this Prospectus, owned by Hiltan, being a company associated with the Company's Managing Director, Mr. Sergi.

The Company has engaged the services of two independent registered valuers to assess the fair market value of each of these apartments, and to establish the price at which each property is to be purchased by the Company. These valuations have been completed for these properties.

A company related to the Company's Non-executive Chairman, Mr. Michael Braham, was paid a non-refundable deposit totaling \$10,000 excluding GST to assist with this Offer and is entitled to an additional \$30,000 excluding GST upon successful completion of the Offer.

A company related to the Company's Non-executive Director and Company Secretary is entitled to a fee at the rate of \$150 per hour excluding GST for Company Secretarial services provided by Mr. Ian Morgan. At the date of this Prospectus, these fees total \$23,250 excluding GST.

Mr. Sergi has entered into a letter of appointment with the Company which is summarized in Section 10.7.

Each Director has entered into a Deed of Access and Indemnity with the Company which is summarized in Section 10.6.

One Director, Mr. Sergi or his nominee, intends to apply for Shares under this Offer (see Section 11.9).

11.11 Legal Proceedings

The Company is not and has not been, during the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings which have had a significant effect on the financial position on the Company. As far as the Directors are aware, no such proceedings are threatened against the Company.

11.12 Consents and Responsibility Statements

Each of the parties referred to in this Section 11.12:

- (a) does not make, or purport to make, any statement in this Prospectus, and is not aware of any statement in this Prospectus which purports to be based on a statement by any of them, other than as specified in Section 9: and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in Section.11.12.

Grant Thornton Corporate Finance Pty Ltd (**Grant Thornton**) has given its written consent to the inclusion in this Prospectus of its Investigating Accountants Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

MJ Davis Valuations Pty Ltd (**MJ Davis**) has given its written consent to the inclusion in this Prospectus of an executive summary of its valuations and to all statements referring to that summary in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

CB Richard Ellis Pty Ltd (**CB Richard Ellis**) has given its written consent to the inclusion in this Prospectus of an executive summary of its valuations and to all statements referring to that summary in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC. To the maximum extent permitted by law, each of the persons referred to below expressly disclaims and takes no responsibility for any part of this Prospectus other than references to their name:

- (a) Home Wilkinson Lowry, as solicitors to the Offer;
- (b) Grant Thornton as author of the Investigating Accountants Report;
- (c) Get Active Management Services Pty Ltd as provider of historical gross rental income included in section 4.5 of this Prospectus;
- (d) Cameron Stockbrokers, as the Sponsoring Broker;
- (e) Hymans Feitelberg as Auditor to the Company;
- (f) Registries Limited as the Share Registry.
- (g) MJ Davis, as one valuer; and
- (h) CB Richard Ellis, as another valuer.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this prospectus and did not authorise or cause the issue of this Prospectus.

12. CAMERONS FINANCIAL SERVICES GUIDE

Issue Date: 25 January 2008

This Financial Services Guide (FSG) is provided by Cameron Stockbrokers Limited ABN 38 090 472 012 ("we", "us" or "our") Australian Financial Services Licensee No. 246 705 of Level 5, 10 Spring Street, Sydney NSW 2000. Our further contact details are set out on the last page of this FSG.

This FSG is an important document. It will provide you with information about Cameron Stockbrokers Limited and its role in offering to arrange for you the issue of Startan Properties Limited shares and options to help you decide whether to use the financial services we offer. This FSG contains information on:

- The services we can offer you;
- Remuneration received by us, our staff and other related persons in connection with our dealing with Startan Properties Limited shares and options;
- Our internal and external complaints handling procedures and how you can access them.

Financial services and products that we are authorised to provide

Cameron Stockbrokers Limited is authorised to offer the following financial services:

- Deal in financial products;
- Provide financial products advice

We can provide financial product advice in respect of, and deal in:

- Deposits
- Derivatives
- Government debentures, stocks or bonds

- Managed Investments
- Retirement Products
- Securities
- Superannuation

The purpose of this FSG is to set out the financial services we provide in relation to our dealing in the Startan Properties Limited shares and options. This FSG does not relate to any other financial services that we might provide other than those in relation to offering to arrange for the issue of Startan Properties Limited shares and options.

Who we act for

Cameron Stockbrokers Limited is responsible for the financial services it provides for you under its Australian Financial Services Licence. Cameron Stockbrokers Limited acts as an agent for Startan Properties Limited in making offers to arrange the issue of shares and options.

How you can give us instructions

If you want to receive general advice on Startan Properties Limited shares, or our role in offering to arrange for the issue of Startan Properties Limited shares and options:

- Call us on (02) 8223 5100 or 1800 657 753; or
- Write to us at:
 Cameron Stockbrokers Limited
 GPO Box 4248,
 Sydney. NSW. 2001

The main way you can give us instructions is by completing an Application Form to subscribe for the

shares and options. You can also give us instructions by telephone or in person, using the contact details set out above.

Do you pay for our services?

We will not charge you for any financial services provided by us in connection with offering to arrange for the issue of the Startan Properties Limited shares and options.

Fees and commissions

We will receive a fee or commission for providing these financial services to you of up to 5% (plus applicable Goods and Services Tax) of the amount of money you subscribe to the offer. This will be paid directly by Startan Properties Limited to us in accordance with the prospectus for the issue of the shares and options.

How are our representatives remunerated?

Our representatives are remunerated by a combination of some or all of the following

- Commission
- Profit Share Arrangements
- Salary

The privacy of your personal information

At Cameron Stockbrokers Limited, the privacy of your personal information is important to us. We collect your personal information to ensure that we are able to provide you with the products and services that you ask us to provide to you.

We have adopted the set of principles set out in the Privacy Act as part of out continuing commitment to client service and maintenance of client confidentiality. What should I do if I have a complaint?

If you are not satisfied with the services you receive from us, you are entitled to complain.

If you have a complaint, please contact us on 1800 657 753 or (02) 8223 5100.

If you are not satisfied with the response, please provide us with a written complaint to:

Compliance Officer,

Cameron Stockbrokers Limited

GPO Box 4248,

Sydney. NSW. 2001.

If you are not satisfied with our response to your written complaint and wish to proceed further, you may refer the matter to an independent complaint handling body. Cameron Stockbrokers Limited is a member of the Financial Industry Complains Service Limited ("FICS"), a body recognised by the Australian Securities and Investment Commission.

For further information please contact FICS at:

Mail: PO Box 579

Collins Street

West Melbourne. VIC. 8007

Telephone: 1300 780 808 Facsimile: (03) 9621 2291

13. GLOSSARY

19 Scenic Highway means the property known as 19 Scenic Highway, Terrigal (Lot 8 deposited plan 28595).

19 Scenic Highway Trust means the trust between Nalod as trustee and Startan Properties Limited as beneficiary created by deed dated 18 December 2007.

21 Scenic Highway means the property known as 21 Scenic Highway (Lot 9 DP 28595).

Applicant(s) means a person(s) who submits an Application.

Application means a valid application to purchase or subscribe for a specified number of Shares pursuant to this Prospectus.

Application Form means the form attached to this Prospectus through which an Application can be made.

Application Monies means monies received pursuant to this Prospectus by way of an Application.

ASIC means the Australian Securities and Investments Commission.

Associated Company means at any time any body corporate that at that time is a related body corporate of the Company within the meaning of section 50 of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691.

Australian Financial Services Licence means Australian Financial Services Licence granted pursuant to section 911A of the Corporations Act

Board means the board of Directors, as it is constituted from time to time.

Business Day means a day on which the stock market of the NSX is open for trading in securities;

Camerons means Cameron Stockbrokers Limited ABN 38 090 472 012 (Australian Financial Services Licence No. 246705).

CB Richard Ellis means CB Richard Ellis Pty Ltd ABN 57 057 373 574.

Certificate means the certificate issued by the Company to a Holder in respect of a Plan Option.

Closing Date means 7 April 2008.

Company means Startan.

Corporations Act means Corporations Act 2001 (Cth).

Dealer means Australian Financial Services Licensees

Director(s) means a director(s) of Startan.

Directors' Options means Options totalling up to 10% of Shares issued by Startan and described in more detail in Section 11.9 of this Prospectus.

Eligible Person means at any time a person who then is an employee (whether full-time or part-time) of the Company or any Associated Company but does not include any Director of the Company.

Existing Shares means Shares on issue at the date of this Prospectus.

Expiry Date means, in relation to a Plan Option, the period of five years or such lesser period as the Board may determine from and including the issue date of the Plan Option.

GAMS means Get Active Management Services Pty Ltd ABN 45 075 002 210.

Holder means, in relation to a Plan Option, the person (whether an Eligible Person or a Permitted Nominee) entered in the Company's register of Plan Options as the holder of that Plan Option.

Listing Rules means the official listing rules of the NSX.

Manager means Startan Properties Management Pty Ltd ABN 82 127 338 756, a wholly-owned subsidiary of Startan.

Managing Director means Mr. Pasquale Sergi.

Market Value means:

- (a) the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of the NSX during the five trading days immediately preceding the day on which the Board resolves to offer a Plan Option (excluding special crossings and overnight sales); or
- (b) in circumstances where there has been no trading in the Shares during the five trading days immediately preceding the day on which the Board resolves to offer a Plan Option, the last sale price recorded on the stock market of the NSX (excluding special crossings and overnight sales);

MJ Davis means MJ Davis Valuations Pty Ltd 50 002 324 209 real estate valuers and property consultants.

Multiplex means Multiplex Constructions Pty Ltd ABN 70 107 007 527.

Nalod means Nalod Pty Ltd ABN 93 128 189 659.

Nalod Options means Options granted in accordance with Startan's deed, summarised in Section 10.3 of this Prospectus, with Nalod.

Nalod Shares means Shares issued in accordance with Startan's deed, summarised in Section 10.3 of this Prospectus, with Nalod.

NSX means the National Stock Exchange of Australia Limited ABN 11 000 902 063.

Offer means the offer of up to 40,000,000 Shares and 10,000,000 Options in accordance with the terms and conditions set out in this Prospectus.

Official List means the official list of the NSX.

Official Quotation means, in relation to a Share or an Option, officially quoted by the NSX.

Opening Date means 25 January 2008.

Option(s) means an option(s) to acquire one Share for an exercise price of \$0.60 each, at any time during the first calendar month following the expiry date, which is five years from the grant date.

Optionholder means a holder of Options.

Plan means The Startan Properties Limited Employee Share Option Plan.

Plan Option means an option issued under the Plan to subscribe (subject to clause 11 of the Plan) for a Share.

Prospectus means this Replacement Prospectus dated 25 January 2008 which is intended to replace a Prospectus dated 14 January 2008 issued by Startan.

Registries means Startan's securities registry, Registries Limited ABN 14 003 209 836.

Rules mean the rules of the Plan, as amended from time to time.

Share(s) means a fully paid ordinary share(s) in the issued capital of Startan.

Share Registry means Registries.

Shareholder(s) means a shareholder(s) of Startan.

SP72353 means Strata Plan 72353

Startan means Startan Properties Limited ABN 82 127 332 549.

Trust Deed means the deed creating the 19 Scenic Highway Trust

AUTHORISATION OF REPLACEMENT PROSPECTUS

Every Director of the Company has consented to the lodgement of this Replacement Prospectus with ASIC under the Corporations Act and has not withdrawn that consent and this Prospectus has been signed by the Chairman of the Company.

Michael Braham

Non - Executive Chairman

APPLICATION FORM

PART ONE

Fill out this Application Form if you wish to apply for Shares in Startan Properties Limited

- Please read the Replacement Prospectus (Prospectus) dated 25 January 2008
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

A	Number of shares you are applying for			Total amount payable							
		x \$0.5	x \$0.50 per share =								
	n of 4,000 Shares and 1,000 Options to be applied for, and ther				Options.						
C	Write the name(s) you wish to register the Shares in	(see reverse f	for instruc	tions)							
	Applicant 1						1 1				
	Name of Applicant 2 or < Account Designation >										
	Name of Applicant 2 or Appoint Designation										
	Name of Applicant 3 or < Account Designation >										
D	Write your postal address here										
	Number / Street										
	0.1.17						01.1				
	Suburb/Town						State)	_ Р] Г	ostcode	$\overline{}$
							Ш				
Е	E CHESS participant – Holder Identification Number (HIN) Important please note if the name & address details above in sections C & D						C & D				
	X			do not match Securities is							
				Sponsored s			и иррпс	Jac. 011 Will	20 11010 01	1 110 100401	
F	Enter your Tax File Number(s), ABN, or exemption ca	atagany									
	Applicant #1		Applicant #	2							
	Applicant #3							<u> </u>	_		
G	Cheque payment details – FIN CHEQUE(S) HERE			ers Limited	– Starta	n Float Acc	ount (ar	nd crosse	d Not Neg	jotiable)	
	Please enter details of the cheque(s) that accompany	this application	٦.								
	Name of drawer of cheque	Cheque No.	В	SB No.		Account No). 	Chequ	ie Amour	t A\$	
Н	H Contact telephone number (daytime/work/mobile)										

DIRECTOR'S OFFER

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are compete and accurate. I/We agree to be bound by the constitution of Startan Properties Limited (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

Application Form for Shares – Part Two

Identification form

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires the Company to confirm the identity of each Applicant eligible to participate in the Offer. If the Company is not able to confirm an eligible Applicant's identity, it may not be able to issue Shares to that eligible Applicant.

If you are an eligible Applicant who wishes to participate in the Offer, you are required to complete this identification form and return it together with any other document requested as soon as practicable. If you do not provide the documents requested, the Company may not be able to issues Shares to you. Please return the Application Form (Part One and Part Two) and documents to mailing address:

Startan Properties Limited Share Offer c/- Cameron Stockbrokers Limited Level 5 10 Spring Street Sydney NSW 2000

Depe	ending	on the capacity in which you are applying under the Offer, you will need to supply certain items of identification.
Plea	se ind	icate the documents provided by ticking the relevant box.
	Indiv	ridual
		A certified copy of your driver's licence. Your licence must be current, contain a photograph of you and both the front and back of the licence must be provided; or
		a certified copy of your passport. Your passport must be current if issued by a foreign government. For an Australian passport, it must be current or have expired within the last two years. The passport must contain a photograph of you.
	Aust	tralian company
		A certified copy of the Certificate of Registration of the company as issued by ASIC; or
		a certified copy of the Certificate of Incorporation as issued by the applicable Corporate Affairs Office.
	Indiv	vidual holding Shares as a trustee
	You	must provide identification as both an individual and as a trustee.
		A certified copy of your driver's licence; or
		a certified copy of your passport.
	and	
		A certified copy or a certified extract of the trust deed for the trust. The extract must include the full name of the trust. A full certified copy of the trust deed is not required; or
		a certified copy of a letter from an accountant or solicitor dated within the last 12 months confirming the name of the trust.
	Aust	tralian company holding Shares as a trustee
	You	must provide identification as both a company and as a trustee. Please provide:
		A certified copy of the Certificate of the Registration of the Company as issued by ASIC; or
		a certified copy of the Certificate of the Registration of Incorporation as issued by the applicable Corporate Affairs Office.
In ad	dition,	please provide the following if the trust is not:
(a)	a re	egistered managed investment scheme;
(b)	a m	anaged investment scheme that only has wholesale clients and does not make small-scale offerings;
(c)	a g	overnment superannuation fund established by legislation; or
(d)	reg	istered and subject to regulatory oversight of a Commonwealth statutory regulator in connection with its activities as a trust.
		A certified copy or a certified extract of the trust deed for the trust. The extract must include the full name of the trust. A full certified copy of the trust deed is not required; or
		a certified copy of a letter from an accountant or solicitor dated within the last 12 months confirming the name of the trust.
Plea	se pro	vide the following if the trust is:
(a)	a re	egistered managed investment scheme;
(b)	a m	anaged investment scheme that only has wholesale clients and does not make small-scale offerings;
(c)	a g	overnment superannuation fund established by legislation; or
(d)	reg	istered and subject to regulatory oversight of a Commonwealth statutory regulator in connection with its activities as a trust.
		A certified copy or a certified extract of the trust deed for the trust. The extract must include the full name of the trust. A full certified copy of the trust deed is not required; or
		a certified copy of a document that indicates that the trust is either a registered managed investment scheme, is an unregistered managed investment scheme and only has wholesale clients and does not make small-scale offerings, is a government superannuation fund established by legislation or is registered and subject to regulatory

Any documentation provided in a language other than English must be accompanied by an English translation prepared by an accredited translator.

oversight in connection with its activities as a trust.

For all other categories of eligible Shareholders, if you are unsure what documentation is required to confirm your identity, please contact the Company on 02 9620 1140.

Details of certification

Each document provided with this form must be certified by an acceptable certifier. We will not accept photocopies or faxes of a certification. Please ask the certifier to include the following certification on the front page of the document:

Details of certifier

- their full name;
- by reference to the listing below, a statement as to which category of authorised certifier the person is;
- a statement either the same as or to the effect of:
 - "I certify this is a true and correct copy of the original document which I have sighted" (for use where there is only a single page); or
 - "I certify that this page and the following ___ pages are true and correct copies of the original document which I have sighted"; and
- date of certification.

Acceptable certifiers

- a legal practitioner enrolled in a Supreme Court of a State, or Territory or the High Court of Australia;
- a judge of a court;
- a magistrate;
- a chief executive officer of a Commonwealth court;
- a registrar or deputy registrar of a court;
- a Justice of the Peace;
- a notary public;
- a police officer;
- an agent of the Australian Postal Corporation who is in charge of an office supplying postal services;
- a permanent employee of the Australian Postal Corporation who supplies postal services;
- an Australian consular officer or Australian diplomatic officer;
- an officer with two or more continuous years' service with one or more financial institutions;
- a finance company officer with two or more continuous years' service with one or more finance companies;
- an officer with, or authorised representative of, a holder of an Australian financial services licence, having two or more years' continuous service with one or more licensees; and
- a member of the Institute of Chartered Accountants in Australia, CPA Australia, or the National Institute of Accountants with two or more years' continuous membership.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM. Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the *number* of Shares for which you wish to subscribe at Item A (not less than 4,000 and then in multiples of 200. Multiply by \$0.50 AUD to calculate the total for Shares and enter the *\$amount* at B.
- B. Write your *full name*. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
 - NB: your registration details provided must match your CHESS account exactly.

- E. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- F. Complete cheque details as requested. Make your cheque payable to Cameron Stockbrokers Limited –Startan Float Account, cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- G. Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- H. Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <j a="" c="" d="" family="" smith=""></j>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <est a="" c="" john="" lte="" smith=""></est>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <smith a="" c="" investment=""></smith>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <j a="" c="" fund="" smith="" super=""></j>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address: Delivery address:

Startan Properties Limited Share Offer c/- Cameron Stockbrokers Limited

Level 5 10 Spring Street Sydney NSW 2000 Startan Properties Limited Share Offer c/- Registries Limited Level 7 307 Kent Street SYDNEY NSW 2000

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Registries Limited on 02 9290 9600.

Privacy Statement:

Registries Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (http://www.registriesltd.com.au/help/share_privacy.html).









Corporate Directory

REGISTERED OFFICE

Level 12 32 Martin Place Sydney NSW 2000

POSTAL ADDRESS

PO Box 49

Horsley Park NSW 2175

T: 02 9620 1140 F: 02 9620 1148

SPONSORING BROKER TO THE ISSUE

Cameron Stock Brokers Limited (Australian Financial Services Licence No 246705) Level 5, 10 Spring Street

Sydney NSW 2000 T: 02 8223 5100 F: 02 9232 7272

AUDITOR

Hymans Feitelberg Chartered Accountants PO Box 1821

Bondi Junction NSW 1355 T: 02 9369 3044

F: 02 9369 4375

INVESTIGATING ACCOUNTANT

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 Holder of Australian Financial Services License No: 247140 PO Locked Bag Q800 QVB Post Office Sydney NSW 1230

Sydney NSW 1230 T: +61 2 8297 2400 F: +61 2 9299 4445

STOCK EXCHANGE LISTING

Startan Properties Limited will apply for listing on the NSX at Newcastle. Proposed NSX Code: SSP

DIRECTORS

Michael Braham (Non Executive Chairman)
Pasquale Sergi (Managing Director)
Ian Morgan (Non Executive Director)

COMPANY SECRETARY

Ian Morgan

SHARE REGISTRY

Registries Limited Level 7 207 Kent Street Sydney NSW 2000 T: 02 9290 9600

F: 02 9290 9600 F: 02 9279 0664

LEGAL ADVISERS

Home Wilkinson Lowry Level 14 264 - 278 George Street Sydney NSW 2000 T: 02 9334 8555

F: 1300 369 656

WEB SITE

www.staroftheseaterrigal.com.au











Pat Sergi OAM

Startan Properties Limited P: 02 9620 1140 F: 02 9620 1148 M. **0418 226 633** E. patsergi@startan.com.au

PO Box 49 Horsley Park 2175 NSW Australia www.staroftheseaterrigal.com.au

PROSPECTUS