

28 May 2008

Mr Colin Archer
Chairman
Appollo Assets Limited
PO BOX 788
Edgecliff
Sydney NSW Australia 2027

E: colinarcher@apecgroup.org

CC:

Mr Andrew Whitten
Nominated Adviser to AAW
Whittens Solicitors

E: awhitten@whittens.com.au

By email

Dear Mr Archer,

RE: Announcement Lodged by Appollo Assets Limited (“the Company”)

I refer to the announcement sent to NSX on 26th May 2008 at 5:12pm and subsequent release of the announcement by the NSX on 27th May 2008 10.26am and phone discussion with you concerning the lodgement and proposed merger with Australian Small Scale Offerings Board Limited

Method of Lodgement of Announcements

The NSX is concerned that the method lodgement made the Company lead to delays in release of the announcement to the market. The NSX reminds the company that they should not send announcements to an individual staff member in case that staff member is away or ill on the following day.

The NSX would like to remind the Company about the preferred method of lodgement of announcements. The NSX operates an online submission mechanism for the lodgement of announcements. The Company has been previously been issued with a username and password for this purpose and instructions on how to use the system. A copy of the instructions have been included with this letter for your information.

In the event that the online lodgement system is not available then announcements can be made via trading@nsxa.com.au

In the event that the company does not have internet or email access, then announcements can be faxed to (02) 4929 1556.

All announcements must be made in Adobe PDF format. Announcements lodged in any other file format will experience delays in release and may not be to the satisfaction of the Company.

Announcements lodged after 5pm AEST cannot be guaranteed to be released to the market on the same day, especially if the electronic lodgement system has not been used

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

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

Canberra
Ground Floor, 40 Brisbane Avenue, Barton, ACT, 2600
P: +61 2 6112 8123
F: +61 3 8282 4528

www.nsxa.com.au
Incorporating
NSX Limited
ABN: 33 089 447 058
National Stock Exchange of Australia Limited
ABN: 11 000 902 063
Bendigo Stock Exchange Limited
ABN: 41 087 708 898
BSX Services Pty Ltd (t/a) BSX Taxi Markets
ABN 57 084 885 683
The Waterexchange Pty Ltd
ABN 19 084 332 132

1. Please advise what arrangements and procedures the Company will make in future for the successful lodgement of announcements to the market?

Timeliness of Lodgement

NSX would like to remind the Company of its continuous disclosure obligations. These obligations are embodied in the Listing Rules Section 2A Rules 6.4 and 6.5. The obligations are also described in Practice Note 6 attached to this email for your information.

The announcement states the following.

- The cover letter is dated 27th May 2008.
 - The cover letter and associated documents were emailed to an NSX staff member between 5.12pm and 5.24 (outside of office hours) on 26th May 2008
 - The documents were in a mixture of word and pdf formats.
 - The cover letter states that the Company and ASSOB have “today” entered into an agreement to merge.
 - The merger agreement states that the agreement was signed on 23rd May 2008
 - The explanatory memorandum states that the announcement was made to the NSX on 26th May 2008.
2. Please advise on what day exactly the agreement was signed?
 3. If the correct date was 23rd May please explain why the Company did not seek a Trading Halt in its shares commencing on or before Friday 23rd May pursuant to Listing Rules Section 2A 5.4?
 4. Did the Company avail itself of advice from its Nominated Adviser in relation to disclosure? If not why not?

Content of Announcement

The letter to shareholders signed by Michael Marchett states that there is an “Indicative Valuation Report by WMS Solutions Pty Ltd (Chartered Accounts)”.

5. Did the Company consider releasing this report to the market as part of the associated documents? If not why not?
6. Will the Company be releasing this report to the market? If not why not?

Please consider your obligations pursuant to Listing Rules Section 2A 6.4 and 6.5A.

Trading in the Company's Shares

The NSX is aware that there was a trade in the Company's shares as follows:

Security	Price \$	Volume	Value \$	Date/Time
Appollo Assets Limited FPO (AAW)	0.01	60,000	600.00	23-May-2008 10:10:20 AM

The NSX notes that there has not been a trade in the Company's shares since September 2007 yet a trade was executed on 23rd May 2008.

7. Is the Company aware of the details (name, address etc) of the buyer or sellers? Please provide these details once settlement has been effected on 28th May 2008. Details can be obtained from your share registry service.
8. Is the Company aware if these buyers or sellers are associated with the Company or ASSOB?
9. Is the Company aware if these buyers or sellers would or could have known about the impending agreement signed on 23rd May 2008?



Your Response

The NSX would like a written response from the Company by 4pm Friday 30th May addressing the above matters in detail. The NSX will review the response and reserves the right to ask additional questions that it sees fit. Also, the response should be prepared with the knowledge that NSX will release the response, in conjunction with this letter, to the market.

The Company should also take this opportunity to consult with its Nominated Adviser in framing its response.

What further action NSX can take

Please be aware that if the NSX forms the opinion that there has been a breach of the Rules then NSX can apply sanctions according to Section 1 Rule 2.23. For breaches of Listing Rules or the Corporations Act 2001 NSX can also refer the matter to ASIC for their action.

If you or your Nominated Adviser have Questions

If there are any questions concerning this matter please contact me on (02) 4929 6377 or 0419 787 582 or via email at scott.evans@nsxa.com.au

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Scott Evans'.

Scott Evans
General Manager &
Company Secretary