

7 August 2012

ANNOUNCEMENT - SHAREHOLDER UPDATE

AFSL Upgrade VentureAxess Fund Managers Limited

The wholly owned subsidiary VentureAxess Fund Managers Limited (VAFM) currently holds a wholesale Australian Financial Services Licence allowing the company to provide corporate advice.

Know Compliance has been retained to amend this licence to include providing general advice to retail investors, and to provide ongoing compliance services. This has required adding two responsible managers, Ian Yeates and Christine Hicks, to the licence.

Richard Green remains as responsible manager on the licence for corporate advisory services. Charles Wantrup will join the board of VAFM to assist VentureAxess Group Limited (VAX) in meeting with the requirements of the Nomad Licence, which is currently being renewed.

Director Resignation

It is with regret that Simon Van Assche has resigned as a director of VAFM and VAX due to family illness. The board is thankful for the assistance he provided in meeting the challenges of re-quoting VAX.

New Director Nominated

Ms Christine Hicks has been nominated as a director of VAX and VAFM.

Compliance Listings and Share Issue to VentureAxess Group Limited

VAX and VAFM are currently in the process of assisting Island Concepts Group Limited (ICG) achieve a compliance listing on the National Stock Exchange. ICG is part of the Island Regency Group Limited which operates a real estate and property sales brokerage in both Hong Kong and Bali, Indonesia.

ICG holds a strategic investment of 4.9% in PT Island Concepts Indonesia Tbk, a public corporation listed on the Indonesian Stock Exchange ("IDX") whose

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securities are quoted under the ticker symbol "ICON". ICON operates the Bali Island Villa & Spa Resort in Seminyak, Bali and through its subsidiary PT Patra Supplies and Services, operates as a commercial caterer with customers in the mining, manufacturing, and oil and gas business sectors throughout Indonesia.

ICG has issued 1,948,000 shares at 20c per share equating to value of \$389,600 to VAX for assisting in the listing of ICG.

VAFM believes ICG now has sufficient shareholder base and asset base to apply for compliance listing. The company is now completing the financial audit over the coming weeks in order to move towards the compliance listing.

VAX & VAFM are also committed to two other compliance listings introduced by Walter Kaminski, Chairman of PT Aim Trust, which is a registered Fund Manager in Indonesia. These potential listings are currently progressing through due diligence.

Distressed Management Investment Schemes and Companies

The company proposed to issue Redeemable Converting Preference Shares (RCPS) to the members of distressed funds in exchange for their present interests in the Funds in order to provide liquidity to these members through quotation of the RCPS. This will create a market for these interests and it is expected that liquidity will be created through the pricing mechanism.

The VAFM AFSL is being upgraded with two new Responsible Officers, Ian Yeates and Christine Hicks, who will give those investors in distressed funds general advice on the exchange of their distressed investment in a frozen managed investment scheme for RCPS.

RCPS would be linked to the current value of the underlying assets of these managed investment schemes.

These RCPS will be convertible into ordinary shares in the capital of the company based on the same underlying asset values in the future following a determined work out strategy being agreed with investors.

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VAX is still carrying out due diligence on a number of frozen mortgage funds and given the status of the Australian property market and its near term future, is proceeding with caution.

Potential funding arrangements are being negotiated through the alliance between Lion Advantage Limited and PT Aim Trust.

The VAX board have also agreed to focus on distressed managed investment schemes and companies in the sectors of food, healthcare and retirement and education.

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