



23rd July 2013

Dear Shareholders,

SHAREHOLDER UPDATE

Almost four years ago the board made a decision to seek a development approval that would optimise the use of the properties it owned at Toowoomba. It commenced a process that would achieve the maximum number of units possible and included construction of commercial space.

After many months spent on this project by directors and hard work from architects, a town planner and various consultants along with Council, this was successfully achieved with an approval to construct 86 units and 1,100 square metres of commercial space.

The properties were marketed for sale with the development approval as one entire site but no acceptable offers were forthcoming. Like a number of other developments in Toowoomba the project stalled, one of the main reasons being reluctance by banks to fund development projects. Following the disappointing result from our rights issue last year it was not possible, without additional capital, to continue holding the properties. Additionally there was no change to the saleability of the project in sight and therefore, and regrettably, it was necessary to sell the properties individually. As a result the sale price we had expected was not achieved and the properties were written down in value by \$800,000 to reflect the prices we were able to achieve as single holdings.

At the end of the financial year the Group had sold seven of the eight properties it owned at Toowoomba. The sale proceeds were applied to fully repay the mortgage loan from National Australia Bank Limited and the Group's bank balance stood at \$525,000.

The remaining property is one of the larger blocks and it has potential for a small development. We are undertaking a feasibility for this project and will report to shareholders when we have a clearer view of the likely outcome.

In the meantime the Board has taken a number of measures to reduce costs, which include ceasing the payment of director fees, bringing the company secretarial work in house at no cost to the Group and a significant reduction in management and administration fees, which are now below commercial rates.

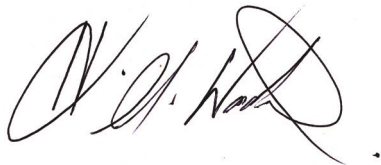
We have been keeping shareholders informed of company developments through our regular announcements to the NSX. These can be viewed on the NSX web site at the following link:

http://www.nsx.com.au/marketdata/search_by_company?nsxcode=VERA

We have completed the accounts for 2013 and they will be audited shortly. We anticipate sending the Annual Report to shareholders by the end of August or early September. The Annual General Meeting this year will be held in Sydney and details of the time and venue will be advised when the Annual Report is sent to shareholders.

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In summary, this was a disappointing and frustrating year for the Group and consequently shareholders as well. The Board will endeavour to improve the Group's position in the ensuing year and thank shareholders for their continuing support.

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

Howard Woolcott
Director/Company Secretary