



1<sup>st</sup> September 2014

By E-Lodgement  
National Stock Exchange of Australia  
Level 2, 117 Scott Street  
Newcastle NSW 2300

Dear Shareholder,

**Entry into funding and option arrangements with Joe Public Property Management Pty Ltd**

Further to our NSX announcement of 16<sup>th</sup> July 2014, and as part of the funding arrangements for the acquisition and development of 446 Pacific Highway, Lane Cove (the **Project**) by Vertua Limited (**Vertua** or the **Company**), there was a requirement for the Company to seek third party financiers for the Project.

**Funding Terms**

The Company has entered into a finance arrangement with Joe Public Property Management Pty Ltd (**Joe Public**) to provide up to \$200,000 for the acquisition and development of the Project. Under the terms of the agreement, Joe Public receives a coupon on funds advanced of twelve percent per annum. As security, Joe Public will hold an all assets and undertaking security interest under a general security agreement over the Company.

**Option Agreement**

The Company has entered into an option agreement, which grants Joe Public a right to convert, at its discretion, its principal, interest and costs into shares in the Company at an issue price of twelve cents per share (\$0.12). The total number of options available to Joe Public is 1,600,000. The options may be exercised in whole or in part.

**Consistent with other transactions**

Vertua believes that the terms of the financing and option agreements with Joe Public are more favourable to the Company than the ones agreed with Calvert Investments Pty Ltd, and as such that the terms of the agreements are reasonable. Both negotiations were conducted on a commercial, arm's length basis with the relevant parties with Mr Manning as an interested director not participating on behalf of the Company in the negotiation or approval of the agreements.

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### **Share issue subject to Shareholder Approval**

Vertua believes that the issue of shares on exercise of the options issued to Joe Public requires shareholder approval. As such, it is the Company's intention to engage an Independent Expert to prepare a suitable report for shareholders to consider the transaction prior to any stock issue. The Company will undertake this process in coming months and intends to keep shareholders fully informed during the process.

Yours faithfully,

Howard Woolcott  
Company Secretary