

**Circular to Investors and Creditors  
Property Developers Fund Limited (In Liquidation)  
ACN 109 263 354  
("PDFL")**

I refer to my Circular to Investors and Creditors dated 14 May 2007 regarding PDFL and provide an update in the below table regarding the status of the development projects being undertaken by PDFL's debtor entities as at 28 May 2007.

This Circular is the first in a series of regular updates the liquidators intend to provide to investors and creditors. All subsequent updates will be posted on the McGrathNicol website at [www.mcgrathnicol.com](http://www.mcgrathnicol.com). Investors will be notified by an email originated through the netTryst system once an update has been posted to the website.

If you have not previously received emails through the netTryst system, or your email address in netTryst is out of date, and you would like to receive notifications in this way, please contact Ms Kasey Mitchell on telephone number (07) 3333 9856 or by email at [kmitchell@mcgrathnicol.com](mailto:kmitchell@mcgrathnicol.com).

Debtor entity and project name	Summary and status of project up to and including 28 May 2007
Venture2 Pty Ltd - "College Green, Daisy Hill"	<p><i>Summary:</i> Proposed 22 lot subdivision at Daisy Hill. Development approval ("DA") has been obtained and an application for Operational Works has been lodged with the local council. A response to an Information Request issued by the local council is required before the application for Operational Works can be advanced.</p> <p><i>Status:</i> Savills (QLD) Pty Ltd has been engaged as marketing agent for the sale of this property "as is" with DA. PDFL has agreed to advance further funds to Venture 2 Pty Ltd to pay marketing and legal costs associated with the sale of this property.</p>
Venture4 Pty Ltd - "Evergreen, Loganlea"	<p><i>Summary:</i> Completed 15 lot subdivision where all lots have been sold.</p> <p><i>Status:</i> The venture company has repaid all PDFL principal and interest and returned to PDFL \$130,674 pursuant to a profit share arrangement.</p>
Venture6 Pty Ltd- "Ascot Drive, Loganholme"	<p><i>Summary:</i> Proposed five lot subdivision at Loganholme. Development approval has been obtained.</p> <p><i>Status:</i> The development approval was issued with restrictive stormwater conditions. Venture6 Pty Ltd applied to the local council to remove these restrictive conditions. On 3 May 2007, the local council issued a negotiated decision notice with more favourable development conditions. Savills (QLD) Pty Ltd has been engaged as marketing agent for the sale of this property "as is" with DA.</p>
Venture 8 Pty Ltd - "Avenues on Third, Marsden"	<p><i>Summary:</i> A 21 lot subdivision with registered title for individual lots, which are currently being sold.</p> <p><i>Status:</i> Sales of 14 lots have settled and the first mortgagee has been repaid in full. PDFL has received \$428,685.67 from settlements to date.</p>

Debtor entity and project name	Summary and status of project up to and including 28 May 2007
<p>Venture 10 Pty Ltd - "Koala Court, Shailer Park"</p>	<p>Six lots are under contract, and one lot remains available for sale.</p> <p><i>Summary:</i> A six lot subdivision with registered title for individual lots. One lot had on it a pre-existing house, and was sold prior to the appointment of administrators. Houses are being constructed on four of the remaining lots (with one lot to remain vacant) and are to be sold as house and land packages. The first mortgagee is funding construction of the houses.</p> <p><i>Status:</i> The construction of the four houses is almost complete. In addition to the pre-appointment sale of the existing house and land package, one further house and land package has settled, one house and land package is due to settle on 29 May 2007, the vacant lot is under contract and the two remaining house and land packages remain available for sale. It is estimated that the funds received from the next three settlements will be sufficient to repay the first mortgagee in full, with a portion of the funds from the third settlement and all funds from the fourth settlement (after costs) being available to PDFL.</p>
<p>Venture 11 Pty Ltd - "Bellevue on Bellmere"</p>	<p>This project comprises four stages as follows:</p> <p><u>Stage 1</u></p> <p><i>Summary:</i> A 21 lot subdivision that has registered title for individual lots, which are currently being sold.</p> <p><i>Status:</i> Sales of 19 lots have settled, and the remaining two lots are under contract;</p> <p><u>Stage 2</u></p> <p><i>Summary:</i> A 57 lot subdivision that has registered title for individual lots, which are currently being sold.</p> <p><i>Status:</i> Sales of 13 lots have settled, 39 lots are under contract and five lots remain available for sale.</p> <p><u>Stages 3 and 4</u></p> <p><i>Summary:</i> A proposed 48 and 26 lot subdivision. Development approval has been obtained for Stage 3. Approval to commence operational works has been obtained for part of Stage 3, but construction has not commenced.</p> <p><i>Status:</i> A marketing campaign for the sale of Stages 3 and 4 closed on 18 May 2007. A contract for the sale of the property has been executed and is due to settle on 9 July 2007. PDFL agreed to advance further funds to Venture 11 Pty Ltd to pay for the marketing and legal costs associated with the sale of this property.</p>

Debtor entity and project name	Summary and status of project up to and including 28 May 2007
Venture 12 Pty Ltd & Venture 19 Pty Ltd (combined project) - "Lawnton Pines, Lawnton"	<p><i>Summary:</i> A 23 lot subdivision with registered title for individual lots, which are currently being sold.</p> <p><i>Status:</i> The sales of 11 lots have settled, nine lots are under contract and three lots remain available for sale. It is estimated that the funds received from the next two settlements will be sufficient to repay the first mortgagee in full and that the balance of funds (after costs) from the remaining sales will then be available to PDFL.</p>
Venture 14 Pty Ltd - "Avenues on First, Marsden"	<p><i>Summary:</i> An 83 lot subdivision with registered title for individual lots, which are currently being sold.</p> <p><i>Status:</i> The sales of 32 lots have settled, 44 lots are under contract and seven lots remain available for sale. It is estimated that the funds received from the next four settlements will be sufficient to repay the first mortgagee in full and that the balance of funds (after costs) from the remaining sales will then be available to PDFL.</p>
Venture 15 Pty Ltd - "Brown Plains Road, Marsden"	<p><i>Summary:</i> PDFL advanced "seed capital" funds to this company to investigate the purchase of property for development at Marsden. The sale contract was not completed and the project will not proceed.</p>
Venture 16 Pty Ltd - "Logan Road Motel, Upper Mt Gravatt"	<p><i>Summary:</i> The Logan Road Motel was purchased as an operating business with the intention to demolish the hotel and construct a combined commercial and residential subdivision. A development application was lodged for this purpose, but was not finalised.</p> <p><i>Status:</i> A marketing campaign for the sale of the property was conducted and a contract entered into for \$1,150,000. That contract settled on 21 May 2007. The first mortgagee was repaid in full and after deducting the costs of the sale, PDFL received \$446,213.98.</p>
Venture 17 Pty Ltd - "Fedrick Street, Boronia Heights"	<p><i>Summary:</i> Proposed 30 lot subdivision at Boronia Heights. Development approval has been applied for, but not yet obtained.</p> <p><i>Status:</i> The local council has issued an Information Request in relation to the development application, and specifically, the stormwater requirements for the property. Venture 17 Pty Ltd has now responded to the Information Request. PDFL advanced further funds to Venture 17 Pty Ltd to pay the engineers' costs associated with this response. Now waiting for final approval of the development application. It is proposed that a marketing campaign for sale of the property "as is" will commence once development approval has been obtained. PDFL has also agreed to advance funds to Venture 17 Pty Ltd to pay the marketing and legal costs associated with the sale of the property.</p>

Debtor entity and project name	Summary and status of project up to and including 28 May 2007
Venture 18 Pty Ltd - "Shailer Road, Shailer Park"	<p><i>Summary:</i> A proposed five lot subdivision where civil construction is almost complete. Further funding is required before plans can be submitted to the local council for sealing, and then to the Queensland Land Registry for the registration of separate titles.</p> <p><i>Status:</i> Venture 18 Pty Ltd has secured further finance from the first mortgagee to complete the civil construction works. Survey plans can then be lodged with the local council, and title is expected to be issued within two to four months.</p>
Venture 20 Pty Ltd - "Avenues on Fifth, Marsden"	<p><i>Summary:</i> Proposed 80 lot subdivision. Development approval has been obtained, but construction not commenced.</p> <p><i>Status:</i> A contract for the sale of the property "as is" has been executed and is due to settle on 28 June 2007.</p>
Venture 22 Pty Ltd - "Palm Street, Maleny"	<p><i>Summary:</i> A proposed multi-stage subdivision that has development approval for a 45 lot gated community and 52 residential lots.</p> <p><i>Status:</i> The sale of the property settled on 8 May 2007 for \$5.1 million (excluding GST) and PDFL received \$1,661,327.82 following settlement.</p>
Venture 23 Pty Ltd - "The Knoll, Mackay"	<p><i>Summary:</i> PDFL advanced "seed capital" funds to this company to investigate the purchase of property for development at Mackay. The sale contract was not completed and the project will not proceed.</p>
Venture 24 Pty Ltd - "Jensen Road, Caboolture"	<p><i>Summary:</i> Civil construction is well underway for this 75 lot subdivision. All of the lots have been pre-sold.</p> <p><i>Status:</i> Roads have been pre-sealed. Landscaping is estimated to be completed mid-June. Survey plans are estimated to be lodged by the end of June, and title is therefore estimated to issue by approximately the end of August.</p>
JVA Pty Ltd & Hazel Wilson - "Landsborough Parade, Golden Beach"	<p><i>Summary:</i> This is a proposed residential unit tower at Golden Beach that has development approval but has not yet commenced construction. The property is being marketed "as is" by Savills.</p>
DNA Property Group Pty Ltd ("DNA")	<p><i>Summary:</i> This is a loan to an unrelated party. The loan facility expired on 30 April 2007 however PDFL has granted an extension of the facility to 31 May 2007. DNA is currently seeking alternative funding to pay out this loan facility.</p>

Debtor entity and project name	Summary and status of project up to and including 28 May 2007
Kavomare Investments Pty Ltd "Carramar Rise, Loganlea"	<i>Summary:</i> This is a loan to an unrelated entity, where the project management is being undertaken by the Kaizen Group. The plans for this five lot subdivision have been sealed by the local authority and title has not yet been issued.

Arrangements to convene a meeting of creditors and investors are being finalised and further information will be provided to you in this regard within approximately the next 2 weeks. I anticipate that at least 2 weeks notice of the intended meeting will be provided to creditors and investors.

Dated 1 June 2007

Yours faithfully



W J Harris  
*Liquidator*