
PRESS RELEASE – CASCADES CAPITAL LTD

18% p.a. interest and a clear exit strategy Prospectus now available

In an economic climate where investors are watching the share market, interest rates are going nowhere, yet real estate is still buoyant in key hotspots; an 18% per annum fixed interest rate in property development offers a good, short term investment mechanism. Especially, if it is mortgage secured and has a clearly defined exit strategy.

Cascades Capital Limited has lodged a prospectus with the Australian Securities and Investment Commission to raise \$1.5 million of mortgage secured development funds and will lend such funds to Cascades Vista Pty Ltd, the developer of Cascades On The Lake, Cairns Highlands. The public company was incorporated for a single mandate – to provide funds to enable the development of Cascades – a 25 villa and apartment boutique development right on the lake on the magnificent Atherton Tablelands, just west of Cairns. Growth and interest on the Atherton Tablelands in the last 18 months has been phenomenal.

Unsurpassed Beauty

Cairns has been the crown of tourism in Australia over the last several years with the Cairns Highlands (Atherton Tablelands) one of the jewels in that crown. It is a cool temperate tropical paradise perched well above the heat and humidity of Cairns – magnificent waterways, forests and attractions. Cascades On The Lake is right on Lake Tinaroo and is blessed with beauty – nature's heaven.

Preconditions

'Mitigating investment risk is paramount in any investment' said the Chairman of Cascades Capital Limited, Mr. Tim Wright. When asked if the 18% per annum return implied higher risk, Mr Wright indicated that was not the case as specific preconditions had to be met before any investors' funds could be used.

Mr. Wright said these preconditions include no less than 12 villa / apartment presales, a guaranteed maximum construction price, as well as the first mortgage construction funding for the development and all development approvals in place. These are all factors that can negatively impact on property development.

Development approval has been obtained

Mr. Wright went on to say development approval has been obtained and pending final documentation construction is ready to start. There has been great interest and support for the whole development he was delighted to say. Construction is targeted to complete in late 2006.

Presales

Importantly Mr. Wright said that a number of buyers have now been identified for the villas and apartments and contracts have been sent out for

signature. Our current focus is securing presales to underwrite risk and then we can move ahead with development. He confirmed that the developer Cascades Vista Pty Ltd already owns the site.

Secured second mortgage development funding

Secured second mortgage development funding is big business, and growing. Also known as mezzanine funding, this is where specialist lenders pool investor's funds for development projects. The return to investors is often far less than the rate paid by developers to access those funds, being up to 22% or more. Cascades Capital Limited is taking out this 'middle man' by offering its fixed 18% rate directly to investors.

However he did clearly indicate that there are other mezzanine funders and developers recently in the papers who do not abide by the strict preconditions that he as a developer abides by and he does not condone their methodology or risk management strategy. He went on to say 'as with all business unfortunately there are always the bad apples making a good thing potentially bad for everyone'.

Interest paid monthly as well as at conclusion

To ensure investors receive a regular income, Seascope Vista Ltd pays 8% of the 18% p.a. monthly with 10% p.a. deferred to the end of the project. The maximum term of the investment is 18 months, with repayment expected in 12 months.

Track record

Other developments Wright has recently very successfully completed are The Pinnacles at Caloundra and Laurel Bank Villas in Toowoomba, where moneys were raised from investors in a similar fashion with a prospectus paying 18% p.a. and all successfully repaid. The latest development at Ipswich, Sanctuary Estate, raised \$2.4 million late last year, with that development now complete and sold and investors to be repaid next month. And of course he is well advanced with the Dockside Mildura project, a recent prospectus for the development of the largest inland marina and residential development – started last November with excavation of the marina now nearly completed.

For interested investors, the prospectus is available through your local financial advisor or from www.SeascopeHerveyBay.info or www.OzzyConnect.com for a hard copy. All investments must be made on the Application Form attached to the prospectus. Mr. Wright said, as with all investments; consult your financial or securities adviser.

