

NOTICE OF 2007 ANNUAL GENERAL MEETING

Shareholders are advised that the 2007 Annual General Meeting of Asset Loans Limited (the Company) will be held at 10.00 am on Tuesday 27 November 2007 at the offices of KPMG, Level 11 Corporate Centre One, Cnr Bundall Road and Slatyer Avenue, Bundall, Gold Coast, Qld 4217.

Information on the resolutions set out below is contained in the Explanatory Memorandum, which accompanies and forms part of this Notice of Meeting.

ORDINARY BUSINESS

Financial statements and reports

To receive and consider the 2007 financial statements for the year ended 30 June 2007.

NB: An electronic copy of the annual report is available from the Company website at http://www.assetloanco.com/2007_annual_report

1. Directors' Remuneration Report

To consider, and if thought fit, to pass the following as an ordinary resolution in accordance with s250R(2) of the Corporations Act 2001:

"That the section of the Directors' Report dealing with the remuneration of the Company's directors, company secretary and senior executives be adopted."

NB: This resolution will be regarded as an ordinary (majority) resolution, but under s250R(3) of the Corporations Act 2001, the vote does not bind the directors of the Company.

2. Re-election of Russell Frank Percival as a director

To consider, and if thought fit, to pass the following as an ordinary resolution:

"That Russell Frank Percival, who retires by rotation in accordance with rule 16.1 of the Company's Constitution, and being eligible, be re-elected as a director of the Company"

SPECIAL BUSINESS

3. Approve expansion of business activities

To consider, and if thought fit, to pass the following as a special resolution:

“That shareholders approve the Company’s plans to expand its business activities to include:

- *property developments of residential units, townhouses, apartments, hotel and other commercial projects either in its own right or through strategic alliances with other interested parties;*
- *acquisition of land for the purpose of development or improvement;*
- *investment in property for the purpose of deriving rental income and*
- *management of properties.”*

DATED this 19 day of October 2007

By order of the Board

A handwritten signature in black ink, appearing to read 'L. Karlis', is written over a light gray rectangular background.

Lisa Karlis
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Asset Loans Limited (the Company) in connection with the business to be conducted at the Annual General Meeting to be held on Tuesday 27 November 2007 at 10.00 am at the offices of KPMG, Level 11 Corporate Centre One, Cnr Bundall Road and Slatyer Avenue, Bundall, Gold Coast, Qld 4217.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

ORDINARY BUSINESS

Financial statements and reports

The Corporations Act 2001 requires the Directors Report, the Auditor's Report and the financial report to be laid before the Annual General Meeting. Apart from the matters involving remuneration which are required to be voted upon, the Corporations Act does not require a vote of shareholders on such reports or statements, however shareholders will be given opportunity to ask questions of the directors and the auditor in relation to the financial statements at the Annual General Meeting.

Resolution 1 – Directors' remuneration report

The Corporations Act 2001 requires the remuneration report set out in section 4.4.2 of the Directors' Report to be put to shareholders for adoption by way of a non-binding vote.

Shareholders will be given reasonable opportunity to ask questions about, or make comments upon, the Remuneration Report.

Resolution 2 – Re-election of Russell Frank Percival as a director

Rule 16.1 of the Company's Constitution requires that at every Annual General Meeting, one-third of the directors (other than the Managing Director), must retire from office. A director must retire from office at the conclusion of the third Annual General Meeting after which the director was elected or re-elected. A retiring director under this rule is eligible for re-election.

Being eligible, Russell Percival offers himself for re-election.

The directors (other than Mr Percival) unanimously recommend that shareholders vote in favour of the re-election of Mr Percival as a director.

SPECIAL BUSINESS

Resolution 3 – Expansion of business activities

The Company listed on the ASX on 11 November 2004 and successfully raised funds from shareholders, unsecured noteholders and banks to cater for the growing demand for fast short-term secured finance.

Since listing, the Company has expanded both its loan book portfolio and its investments. It has also been able to capitalise on various opportunities arising from its lending activities. The Company has also acquired valuable expertise and developed significant alliances through its current business activities.

The Company is now in a position whereby it can capitalise further on its current asset base by undertaking property development and other related activities to fully maximise shareholder wealth.

This special resolution seeks shareholder approval of the Company's plans to expand the nature of its business activities to include the activities outlined in the special resolution.

The directors unanimously recommend that shareholders vote in favour of the expansion of business activities.

PROXIES

As a special resolution, Resolution 3 must be passed by more than 75% of the votes cast by members entitled to vote on the resolution.

A shareholder who is entitled to vote at the meeting has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a shareholder of the Company.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If two proxies are appointed and the appointment does not specify the proportion or number of votes that the proxy may exercise, section 249X of the Corporations Act 2001 takes effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a shareholder at the meeting is suspended if the shareholder is present at the meeting.

The proxy must be signed and dated by the shareholder or the shareholder's attorney. Joint shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received by Asset Loans Limited:

Registered office: Level 2 "Huntington Apartments"
 10 Marine Parade, Southport, Qld, 4215 or

Facsimile number: (07) 5591 1250

The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting.

POINT AT WHICH VOTING RIGHTS ARE DETERMINED

It has been determined that under the Corporations Regulations 7.11.37, for the annual general meeting, shares will be taken to be held by the persons who are the registered holders at 7.00pm on Friday 23 November 2007. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.