



AVFM Limited

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Company Announcements Office
Australian Stock Exchange Limited

Via: Electronic Lodgement

AVFM Announces Strategic Placement and Appointment of New Director

The board of AVFM are pleased to announce the intended appointment of Mr Stuart James as a non-executive director of the Company, effective May 2006.

The Company has also determined to make a private placement of 3.75m new shares to interests associated with Mr James, at a price of \$0.40 per share, representing a discount of 6% on the volume weighted average price of the Company's shares trading in the five days immediately preceding the date of this announcement (total raising \$1,500,000). The funds raised by AVFM will be used for unspecified acquisition purposes.

As part of the arrangements, Mr James will also become a shareholder in and director of AVFM's 30% owned Balnave Corporate Limited and is anticipated to take an active role in developing and expanding Balnave's corporate advisory business.

Mr James has held a number of high profile executive positions during his career, including extensive experience in the financial services sector. Mr James was Managing Director of Australian Financial Services which included the Colonial State Bank (formerly the State Bank of N.S.W). During this time he oversaw the integration of the Bank and Colonial's insurance operations, including the acquisition of Legal and General and Prudential's Australian operations to create Australia's first significant all finance operation. Colonial was subsequently acquired by the Commonwealth Bank which at the time was Australia's largest corporate merger. Mr James's most recent executive role was as CEO of the Mayne group.

The Chairman of AVFM, Mr Peter Kennedy confirmed that the board of AVFM was extremely pleased to have Mr James join the AVFM team.

“From our perspective, Stuart’s decision to become an investor in and director of AVFM is a vote of confidence in the Company and its strategic direction. The board of AVFM will clearly benefit from Stuart’s vast experience and specifically his past financial services involvement”.

“Additionally, Stuart’s decision to become actively involved at the Balnave level, where he will work closely with Mr Chris Newman (Executive Chairman of Balnave), will substantially increase Balnave’s resource base and overall business development. Mr Newman is to act as Mr James’ alternative on the AVFM board.”

For further information, please contact Peter Kennedy (Chairman) on (03) 8656 0071.