

ASX / MEDIA RELEASE**AVJennings Selected as Preferred Partner for Hobsonville, New Zealand Development**

Melbourne, 18 December 2007: Leading residential property developer AVJennings Ltd (ASX: AVJ), today announced that, following a tender process, it has been appointed the preferred development partner of Hobsonville Land Company (HLC) to develop and deliver the first precinct of a project at Hobsonville in New Zealand.

The HLC, a wholly owned subsidiary of Housing New Zealand Corporation, was seeking to secure a development partner to deliver the first precinct of what will be a community comprising some 3,000 residential dwellings. The first precinct will give rise to a yield of about 600 residential dwellings. The estimated end value of this first precinct (including dwellings constructed by third party builders) is NZ\$300m.

The site is a prime infill site situated in the northern suburbs of Auckland. It is a former World War II airfield flanked on three sides by the upper Auckland Harbour, located well within the developed suburbs of Auckland and about 20 minutes drive from the CBD.

AVJ will participate with HLC in developing a Masterplan and development specifications for the first precinct and, subject to consents, development is due to commence in late 2008 and scheduled for completion by late 2012. AVJ is responsible for developing the land marketing it to New Zealand house builders.

Finalisation of the project delivery agreement is subject to further commercial and legal negotiations which are expected to be completed in early 2008.

AVJ will be delivering on the first precinct of the broader Hobsonville redevelopment project for which the HLC has a vision of creating a diverse and inclusive community incorporating good urban design and delivering built form to a high standard. AVJ welcomes the opportunity to partner with HLC in what it believes will be a landmark project setting world class standards in sustainable urban development and the creation of a community for all New Zealanders.

Other significant projects that AVJ has contracted in recent months have included the 900 lot Cheltenham Park Racecourse site in South Australia, a 15,000sqm office complex at Sydney Olympic Park in New South Wales, the 880 lot former Fincorp site at Wollert in Victoria, the 255+ lot Brickworks site at Eastwood in New South Wales, the 140 lot Sandy Beach site near Coffs Harbour in New South Wales, the 598 lot site at Meridan Plains on Queensland's Sunshine Coast, and a 230 lot site at Calamvale in suburban Brisbane, Queensland.

Enquiries:

Louis Milkovits: +61 3 9210 9836