

Cascades Capital Limited

ACN 117 188 502

Supplementary Prospectus

This Supplementary Prospectus is dated 13 April 2006 and is supplementary to the Prospectus dated 16 December 2005 issued by Cascades Capital Limited (ACN 117 188 502) for an offer of between 1,200,000 and 1,800,000 Fixed Rate Development Preference Shares (Development Preference Shares) at \$1.00 per share to raise between \$1,200,000 and \$1,800,000.

This Supplementary Prospectus was lodged with the ASIC on 13 April 2006. ASIC take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus.

New applications for Development Preference Shares may only be made on an application form that is attached to or accompanies this Supplementary Prospectus.

This document is important and should be read in its entirety together with the Prospectus dated 16 December 2005. Potential investors should seek advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to apply for shares.

This Supplementary Prospectus must be read with the Prospectus issued by Cascades Capital Limited dated 16 December 2005.

Message from the Chairman – 10th April 2006

Cascades Capital Limited issued its Prospectus on the 16th December 2005. The Directors are very pleased with the level of support for Development Preference Shares in Cascades Capital Limited.

The Directors advise a new circumstance in that Russell Sparke, a Director of Cascades Capital Limited, has returned to legal practise and accordingly has resigned as a Director of Cascades Capital Limited. Russell Sparke is being replaced by Andrew Wheeler. A profile of Andrew Wheeler is in this Supplementary Prospectus.

The focus of Cascades Capital Limited from the issue of the Prospectus on the 16 December 2005 has been the Presales of the twelve Retreat Villa and Resort Apartments. Cascades Capital Limited is in the process of finalising no less than the twelve Presales which is a precondition of Drawdown as detailed in the Prospectus dated 16 December 2005.

The Directors consider it necessary and expedient to extend the Offer from the 16th April 2006 to reach minimum subscription for a maximum four months for the following reasons.

1. A new circumstance with Russell Spark resigning as a Director and the appointment of Andrew Wheeler as a Director.
2. To comply with the requirements of the Corporations Act whereby if minimum subscription has not been met within 4 months, as is the case, a Supplementary of Replacement Prospectus needs to be issued.
3. To allow a number of prospective purchasers of the Retreat Villas and Resort Apartments to also invest in the Development Preference Shares.
4. To admit further potential investors.

Cascades Capital Limited does not intend to further extend the Offer Period beyond the four months contemplated in the Supplementary Prospectus.

The Directors continue to seek to raise between \$1,200,000 and \$1,800,000 under this Supplementary Prospectus.

To the best of their knowledge, nothing has occurred since the date of the Prospectus and none of the matters in the Supplementary Prospectus leads the Directors to change their opinion that on completion of the Offer, Cascades Capital Limited will have sufficient capital to carry out its stated objectives.

We thank all Applicants for their support.



Timothy Wright
Chairman – Cascades Capital Limited

Effect of this Supplementary Prospectus

Sub-section 724(1) of the Corporations Act sets out the choices open to a company making an offer of securities if the disclosure document conditions are not met or new circumstances have arisen in respect to the offer.

Pursuant to sub-section 724(2) of the Corporations Act, one of the choices open to Cascades Capital Limited is to give an Applicant a Supplementary Prospectus that corrects the deficiency or changes the terms of the offer and one month to withdraw their application and be repaid the money received from the Applicant.

The effect of this Supplementary Prospectus is that:

- (a) Change of Director from Russell Sparke to Andrew Wheeler.
- (b) The 4-month period within which Cascades Capital Limited must raise the minimum subscription of \$1,200,000 recommences for a maximum four months on the date of this Supplementary Prospectus.

This means that Andrew Wheeler will replace Russell Sparke as director and that Cascades Capital Limited has an additional four months from the 16 April 2006 to raise the minimum subscription of \$1,200,000. It also means that Cascades Capital Limited must give Applicants who have lodged Applications prior to the date of this Supplementary Prospectus a copy of this Supplementary Prospectus and the right to withdraw their applications for a period of one month from the date of this Supplementary Prospectus. Apart from this right, Applicants will not have a further opportunity to withdraw their Applications on the basis that Cascades Capital Limited has not met the minimum subscription condition.

Changes to the Prospectus

The following sections of the Prospectus are changed:

In the Key Indicative Date Overview on Page 5 delete the 'Key Indicative Date Overview' table and replace it with the following:

Development Approval Obtained	May 2004
Prospectus lodged with ASIC	December 2005
Lot Presales completed.....	June 2006
Commence civil construction.....	Commenced November 2005
Commence building construction	June 2006
Complete construction.....	April 2007
Settle Lot contracts progressively as titles issue.....	April / May 2007
Development Preference Shares and return repaid by no later than	June 2007

In Directors and Management on Page 15 delete Russell Sparke – Director and replace with Andrew Wheeler – Director

Andrew Wheeler is from South Africa and qualified with a B Compt (Hons) Accounting from the University of South Africa.

Soon after qualifying Mr Wheeler showed preference to the property industry and joined one of the leading property groups based in Durban South Africa as a leasing and sales consultant. After two successful two years in the consultancy business Mr Wheeler relocated to Johannesburg to open an office for a medium size Durban based development company. Mr Wheeler managed two large industrial developments before moving into business for his own account seeking development opportunities. For each opportunity sourced, Mr Wheeler formed syndicates of investors to assist in the funding and coordinated and managed the full development process. This proved to be very successful with a number of profitable developments completed.

Approximately five years ago Mr Wheeler relocated to Australia and joined a Funds Management company based on the Gold Coast as their Property Manager. Mr Wheeler managed a portfolio worth approximately \$70 m as well as was a member of the credit committee for commercial lending. This experience gave Mr Wheeler a sound introduction to Australian property.

After a year Mr Wheeler left the Funds Management business and went into partnership in the commercial property facilitation business. The focus was primarily on the property construction industry and more specifically structured finance for highly geared projects.

In September 2005 Mr Wheeler joined OzzyConnect as General Manager to manage the ABFX business unit as well as assist Mr Wright with new Development opportunities.

More recently Mr Wheeler has been nominated to become a Director of OzzyConnect.

In the Cash Flow and Financial Information on Page 31 delete the second paragraph

A monthly cash flow analysis has been undertaken for the development of Cascades Mildura by Cascades Vista Pty Ltd which is expected to commence with Drawdown in February 2006, construction commencement in February 2006 with construction completed by December 2006, and all presold Lots and Lots sold during construction settled by no later than January 2007. Cascades Vista Pty Ltd will be paying interest and capital repayment on the Cascades Capital Limited loan with such interest and capital then distributed to the Development Preference Shareholders as per this Prospectus.

and replace with :

A monthly cash flow analysis has been undertaken for the development of Cascades Mildura by Cascades Vista Pty Ltd which is expected to commence with Drawdown in June 2006, construction commencement in June 2006 with construction completed by April 2007, and all presold Lots and Lots sold during construction settled by no later than May 2007. Cascades Vista Pty Ltd will be paying interest and capital repayment on the Cascades Capital Limited loan with such interest and capital then distributed to the Development Preference Shareholders.

In the Cash Flow and Financial Information on Page 32 Section 10.2 Key Dates, Notes and Assumptions – replace the Key Dates Table as follows:

November 2005 / June 2006

Presales campaign and Lot Contracts

Initial earthworks and development on the Land funded by Cascades Vista Pty Ltd

June 2006

Drawdown of Prospectus funds by Cascades Capital Limited and provided as a loan to Cascades Vista Pty Ltd

June 2006

Earthworks complete and Cascades Vista Pty Ltd commences construction of Cascades

April 2007

Cascades Vista Pty Ltd completes construction of Cascades

May 2007 – June 2007

Cascades Vista Pty Ltd settles Presales Lots and other Lots sold

June 2007 – July 2007

Cascades Vista Pty Ltd repays the Cascades Capital Limited loan who then redeems the Development Preference Shares

In The Property Maximiser® Facility Time Line Example on Page 56, replace with the following key dates:

The Property Maximiser® Facility Time Line Example

December 2005

Cascades Capital Limited Prospectus lodged with ASIC.

December 2005 to June 2006

Villa and apartment Lot Contract presales signed by Lot purchasers – election of *Property Maximiser®* - election of Union Equities Deposit Bond to secure deposit and mortgage of Development Preference Shares.

Worked Example – *Villa or apartment purchaser enters into a Lot Contract for \$330,000 and elects to invest 15% of the purchase price of the Lot into Cascades Capital Limited being \$49,500 and elects to use the Union Equities Deposit Bond to secure the deposit (and hence no further funds required).*

June 2006

Commence Construction.

April 2007

Complete Construction

April 2007 to May 2007

Upon issue of villa or apartment titles, Lot contracts settled. Where Union Equities Deposit Bond is used, release of bond occurs. Development Preference Shareholder and villa / apartment purchaser elects to assign investment to Cascades Vista Limited and reduce settlement amount by such investment amount.

Worked Example - *\$330,000 Lot purchaser and Investor of \$49,500 settles Lot Contract and provides \$280,500 and elects to assign the \$49,500 investment in Cascades Capital Limited to Cascades Vista Pty Ltd in full and final satisfaction for the Lot purchase. The 8% per annum monthly interest payments cease. The 10% per annum deferred interest payment is calculated to the Lot Contract settlement date.*

May / June 2007

Payment of deferred Development Preference Share interest of 10% per annum from date of Drawdown to date of Lot Contract settlement.

Worked Example - \$330,000 Lot purchaser and Investor of \$49,500 receives \$4,543 as final deferred interest payment (calculated on 11 months (335 days)) when all other remaining Development Preference Shareholders are paid their deferred interest and repaid their investment.

Applications

Cascades Capital Limited will send a copy of the Supplementary Prospectus to all Applicants who have applied for Development Preference Shares pursuant to the Prospectus prior to the date of this Supplementary Prospectus. Those Applicants have the right for a period of one month from the date of this Supplementary Prospectus to withdraw their applications.

Investors who have not previously made an application

All new applications for Shares must be made on the application form which is attached to or accompanies this Supplementary Prospectus. The application form includes instructions on how it is to be completed. Applications must NOT be made on the application form which is attached to or accompanies the Prospectus.

Applicants who have lodged an application form pursuant to the Prospectus and DO NOT want to withdraw their application

Applicants who have lodged an application form pursuant to the Prospectus do not need to complete and lodge another application form. However, any Applicants wishing to apply for more Shares must do so using the application form which is attached to or accompanies this Supplementary Prospectus in accordance with the instructions set out in that form.

Applicants who have lodged an application form pursuant to the Prospectus and DO want to withdraw their application

Applicants who have lodged an application form pursuant to the Prospectus and who wish to withdraw their application must ensure that written notice of the withdrawal is received by Cascades Capital Limited no later than one month after the date of this Supplementary Prospectus.

Details given in the notice of withdrawal must match those found on the application form.

Directors' responsibility statement and consent

This Supplementary Prospectus is authorised by Cascades Capital Limited and is lodged with the ASIC pursuant to section 719 of the Corporations Act. The Directors have consented to the lodgement of this Supplementary Prospectus in terms of section 720 of the Corporations Act.

Except as set out in this Supplementary Prospectus, the terms of the Offer and other matters stated in the Prospectus remain unchanged.



Timothy Wright

Chairman – Cascades Capital Limited – 13 April 2006

Development Preference Shares Supplementary Application Form

This Supplementary Application Form relates to an Offer of Development Preference Shares pursuant to the Cascades Capital Limited Prospectus dated 16 December 2005 and the Cascades Capital Limited Supplementary Prospectus dated 13 April 2006.

To meet the requirements of the Corporations Law, this Supplementary Application Form must not be handed on to another person unless attached to or accompanied by both the Prospectus dated 16 December 2005 and Supplementary Prospectus dated 13 April 2006. Guide to Applicants is on the back of this form.

1. I SUBSCRIBE \$ (minimum \$10,000 and then multiples of \$1,000)

You are required to pay the full amount of the subscription with this Supplementary Application Form.

2. COMPLETE FULL NAME DETAILS (PLEASE PRINT)

<input type="text"/>	
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Surname / Company Name (including A.C.N)

Applicants Given Names

<input type="text"/>	<input type="text"/>
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Joint Applicant # 2 or <Account name>

Joint Applicant # 3 or <Account name>

3. POSTAL ADDRESS

<input type="text"/>		
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Street No Street (or PO Box details)

<input type="text"/>		
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Suburb

State

Post Code

4. TELEPHONE NUMBERS AND EMAIL

<input type="text"/>			
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Area Code & Home Phone No

Area Code & Work Phone No

<input type="text"/>			
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Area Code & Fax No

Mobile

Email Address

5. TAX FILE NUMBERS

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Tax File No for App. # 1

Tax File No for App. # 2

Tax File No for App. # 3

6. DISTRIBUTIONS AND PAYMENTS

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Payee

Bank

Branch

BSB.No

Account No.

7. Acknowledgment

I acknowledge, agree and understand that:

- I have read and understand the Prospectus dated 16 December 2005 and the Supplementary Prospectus dated 13 April 2006 to which this Supplementary Application is attached.
- Cascades Capital Limited may accept or reject this application in whole or part.
- If my application is accepted I agree to be bound by the Trust and any successor document or constitution.

HOW TO APPLY

Fill out the Supplementary Application Form. Draw a cheque payable to and cross it "Not Negotiable". Return the completed Supplementary Application Form with the cheque to Cascades Capital Limited, C/- OzzyConnect Limited, GPO Box 3121, Brisbane 4001. For electronic lodgement follow the instructions in Guide to the Development Preference Shares Supplementary Application Form on the following page.

Before sending the Supplementary Application form you should read the Cascades Capital Limited Prospectus dated 16 December 2005 and the Cascades Capital Limited Supplementary Prospectus dated 13 April 2006 in full.

SIGNATURE NOT REQUIRED. The return of this Preference Shares Supplementary Application Form with payment will constitute your offer to invest into the Cascades Capital Limited Development Preference Shares.

Brokers/Dealers
Stamp

Guide to the Development Preference Shares Supplementary Application Form

Applications may only be made on a Supplementary Application Form attached to this Supplementary Prospectus or via the Supplementary Application Form attached to the Prospectus at www.CascadesOnTheLake.info. Cascades Capital Limited has the right to close the issue at any time. Cascades Capital Limited has the right to accept or reject any Supplementary Application in whole or part.

Minimum Subscription

You may invest an amount of \$10,000 or more with investments in excess of \$10,000 being in increments of \$1,000. You are required to pay the full amount with the Supplementary Application Form.

Cheques

Cheques must be made payable to 'Cascades Capital Limited ATF Preference Share Application Trust Account'. Please pin your cheque to the Supplementary Application Form. Your cheque must be drawn in Australian currency. Receipt will not be issued.

Electronic Lodgment

You may lodge the Supplementary Application electronically by completing the Preference Shares Supplementary Application Form attached to the Prospectus found at www.CascadesOnTheLake.info and transferring the application sum to 'Cascades Capital Limited ATF Preference Share Application Trust Account' at Bank of Queensland BSB 124-001 and Account Number 202 255 99

Tax File Numbers

Collection of tax file numbers is authorised by tax law and the Privacy Act 1988. You do not have to advise your tax file number (TFN) or exemption. Failure to provide a tax file number will not affect the success of your application. However, if not initially provided, your TFN will be subsequently requested.

Distribution Bank Account Details

Monthly income distribution will be paid by electronic transfer to your bank account. Please ensure that your bank account details are correct.

Your BSB Number is a six digit number which identifies your bank and branch. If unsure, please contact your bank to confirm the correct number.

Signature on the Supplementary Application Form

SIGNATURE IS NOT REQUIRED ON THE SUPPLEMENTARY APPLICATION FORM.

Before sending the Supplementary Application form you should read this Cascades Capital Limited Prospectus dated 16 December 2005 and the Cascades Capital Limited Supplementary Prospectus dated 13 April 2006. The return of this Development Preference Shares Supplementary Application Form with payment will constitute your offer to invest into the Cascades Capital Limited Development Preference Shares. Applicants will be assumed to be joint tenants unless otherwise specified.

Correspondence

All correspondence will only be addressed to the person and address as completed on the Supplementary Application Form. For joint applicants, one address only can be entered.

Lodgement of Supplementary Application Forms

Completed Supplementary Application Form and cheque must be sent to:

Postal address for mail

Cascades Capital Limited
C/- OzzyConnect Limited
GPO Box 3121
BRISBANE QLD 4001

Office address for delivery

Cascades Capital Limited
C/- OzzyConnect Limited
Level 6 293 Queen Street
BRISBANE QLD 4000

Enquiries

Contact Cascades Capital Limited by email - investment@CascadesOnTheLake.info or contact your Registered Investment Advisor

CORRECT FORMS OF REGISTRABLE NAMES

Note that only legal entities are allowed to hold interests. Supplementary Applications must be made in the name(s) of natural persons, companies or other legal entities acceptable to Cascades Capital Limited. At least one given name in full and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if requested. Use the symbols <> as shown below to indicate an account designation.

TYPE OF INVESTOR	CORRECT FORM	INCORRECT FORM
Individual Use given names in full, not the initials	John James Smith	J. J. Smith
Company Use the company title, not abbreviations	XYZ Pty Ltd	XYZ P/L XYZ Co
Minor (a person under the age of 18). Do not use the name of the minor, use the name of the responsible adult	John James Smith <John Smith Jnr>	John Smith Jnr
Trusts Do not use the name of the Trust, use trustee(s) name(s)	Mary Smith <Mary Smith Family Trust>	Mary Smith Family Trust
Partnerships Do not use the name of the partnership, use partners personal names	John Smith & Michael Smith <Smith Brothers>	Smith Brothers