



Lifestyle Communities Limited, 104 Tope Street, South Melbourne Vic 3205
Telephone: 03) 9682 2249 **Facsimile:** 03) 9682 1236
Email: info@lifestylecommunities.com.au **www.lifestylecommunities.com.au**

24 September 2007

Dear Shareholder,

On behalf of Lifestyle Communities Limited, I would like to invite you to attend our Annual General Meeting on Wednesday 28 November at 10:30am to be held at St. Michaels Centre, 120 Collins Street, Melbourne (behind St Michaels Church).

Full details of the meeting are set out in the enclosed Notice of Annual General Meeting and accompanying documentation, including a Proxy Nomination Form and information on the proposed resolutions for consideration by members.

The past twelve months has seen remarkable change for the Company culminating in the current operations and business structure. We now have a vibrant business generating tangible products and services in a market with increasing demand. To assist our shareholders in understanding the company's products and philosophy better, we have included a 3 minute DVD that takes you on a tour of one of our Lifestyle Communities villages. Please take a few minutes to view the enclosed DVD to gain a better understanding of Lifestyle Communities Limited.

As previously advised to shareholders, the company will no longer be mailing a hard copy of the Annual report to every member, following a recent amendment to the law that permits companies to provide their annual reports to members through a website rather than in hard copy.

The 2006/07 Lifestyle Communities Limited Annual Report (including Auditors Report and Directors Report) is now accessible at www.lifestylecommunities.com.au under the Investor Information section. A "PDF" version of the Annual Report has also been included on the Lifestyle DVD enclosed with this letter to allow you to review a soft copy on your computer or even print your own hard copy if you wish.

Alternatively, shareholders may choose to download a copy of the Annual Report from our website, however if you would like us to send you a hard copy of the Annual Report and have not previously requested a copy, please make the request in writing to Investor Relations, Lifestyle Communities Limited, 104 Tope Street, South Melbourne VIC 3205.

The next twelve months for your company promises even more activity with the initiation of several key projects across Victoria. Lifestyle Communities has an exciting year ahead and I look forward to your continued support of the Company.

Yours sincerely,

A handwritten signature in black ink that reads "James Kelly".

James Kelly
Managing Director
September 2007

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the company will be held at St Michaels Centre, 120 Collins Street, Melbourne (behind St Michaels Church) on Wednesday, 28th November 2007 commencing at 10.30am.

AGENDA

Business

- Presentation of Financial Statements for the Year Ended 30th June 2007.
- To receive and consider the Financial Report of the Company for the year ended 30 June 2007 and the related Directors' Report, Directors' Declaration and Auditor's Report.

RESOLUTION 1: Approval of the Lifestyle Communities Remuneration Report

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

"That the Remuneration Report that forms part of the Company's Directors' Report of the company for the financial year ended 30th June 2007 be adopted."

Please note that a vote on this resolution is advisory only and does not bind the Directors or the Company. Directors of the Company recommend you vote in favour of this resolution.

RESOLUTION 2: Re-election of a Director retiring by rotation

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

"That Mr David Paranthoiene, having retired by rotation in accordance with Clause 8.1 of the Company's Constitution, being eligible and offering himself for re-election be re-elected."

Directors of the Company recommend you vote in favour of this resolution.

RESOLUTION 3: Increase Non-executive Directors' annual aggregate remuneration

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

"That the annual maximum aggregate remuneration of the Non-Executive Directors of Lifestyle Communities Limited for acting as Non-Executive Directors be increased from 1 January 2008 by \$500,000 to \$1,000,000 to be divided according to the Company's Constitution."

Directors of the Company recommend you vote in favour of this resolution.

By Order of the Board of
Lifestyle Communities Limited

NOTES AND EXPLANATORY INFORMATION

1. VOTING

- a) The Company has determined that the shares of the Company that are quoted on the Australian Stock Exchange as at 10:00pm on 26th November 2007 will be eligible to vote. Accordingly, those persons will be entitled to attend and vote at the meeting.
- b) A Member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.
- c) A proxy duly appointed need not be a Member. In the case of joint holders all must sign.
- d) A form of proxy accompanies this notice and, to be effective, the form and any document necessary to show the validity of the form of proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the meeting. Any proxy lodged after that time will be treated as invalid.
- e) Directors and Officers of all corporate shareholders should note that unless the corporate shareholder either:
 - (i) completes and lodges with the Company a valid appointment of proxy in accordance with the instructions on the enclosed Proxy Form; or
 - (ii) completes and either lodges with the Company prior to the meeting a form of appointment of or certificate of appointment of personal representative in accordance with the provisions of Section 250D of the Corporations Act 2001 ("the Act") or causes such personal representative to attend the meeting with such form of appointment or certificate; or
 - (iii) has appointed an attorney;and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the relevant meeting.
- f) Proxies and corporate appointment of representative forms may be returned to the Company in any of the following ways:
 - (i) by delivery (by hand, mail, courier or facsimile) to the Company Secretary, Lifestyle Communities Limited at its registered office:

104 Tope Street
South Melbourne
Vic 3205
Facsimile: +61 3 9699 7922
 - (ii) by delivery (by hand, mail, courier or facsimile) to the Company's share registry, namely:

Computershare Registry Services Pty. Ltd.
Yarra Falls
452 Johnston Street
Abbotsford Vic 3067
Or
GPO Box 3224,
Melbourne 3001
Or Facsimile: +61 3 9473 2555
- g) Corporate Members should comply with the execution requirements set out on the proxy form or otherwise comply with the provisions of Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:
 - (i) 2 Directors of the Company; or
 - (ii) a Director and a Company secretary of the company; or
 - (iii) for a Proprietary Company that has a sole Director who is also the sole Company Secretary - that Director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with Section 127(1) or (2) thereof. This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable.

In particular a person who witnesses the affixing of a common seal and who is the sole Director and sole Company Secretary of the Company must state that next to his or her signature.

- h) Completion of a proxy form will not prevent individual Members from attending the meetings in person if they wish. Where a Member completes and lodges a valid proxy form and attends the meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at the meeting.
- i) Where a proxy form or form of appointment of or certificate of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.
- j) **Voting Exclusion Statement**
The Company advises that separately, in relation to each of resolutions, it will disregard any votes cast on the resolution by any Director that will benefit from or named in that resolution or any associate of that Director within the meaning of the Act. However, the Company will not disregard a vote if:
 - i. it is cast by any such person or any of its associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - ii. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. RESOLUTION 1: APPROVAL OF REMUNERATION REPORT

Resolution 1 on the Notice of Meeting provides for approval of the Remuneration Report which formed part of the report of the directors in the Annual Report of the Company for the financial year 30 June 2007. As stated in the Notice of Meeting the resolution is advisory only and does not bind the directors or the Company.

3. RESOLUTION 2: RE-ELECTION OF A DIRECTOR RETIRING BY ROTATION

Section 8.1(e) of the Company's Constitution states:

At each Annual General Meeting of the Company:

1. each Director, other than a Managing Director, appointed under rule 8.1(d) since the last AGM; and
2. excluding any Director referred to in rule 8.1(e)(1) and any Managing Director (or the first appointed Managing Director if there is more than one):
 - a. one-third of the remaining Directors (rounded down, if necessary, to the nearest whole number); and
 - b. any other Director who, if he does not retire, will at the conclusion of the meeting have been in office for 3 or more years and for 3 or more AGMs since he or she was last elected to office, must retire from office as Directors.

Mr David Paranthoienne has given notice that he intends to retire from the Board in accordance with the Constitution, but, being eligible, offers himself for re-election.

Formerly Managing Director of Namberry Limited, David became a non-executive director of Lifestyle Communities in 2007. David was a founding principal of the Australian stock exchange-listed telecommunications company Pracom Limited, spending 14 years in senior leadership roles including as Managing Director. He brings to Lifestyle Communities extensive experience in business operations within services enterprises.

4. RESOLUTION 3: INCREASE NON-EXECUTIVE DIRECTORS' ANNUAL AGGREGATE REMUNERATION

It is proposed to increase the maximum aggregate remuneration of the Board for acting as non-executive directors by \$500,000 to \$1,000,000 per annum. This amount was last reviewed in 1998 and shareholder approval is sought under Section 8.3 of the Company's Constitution and ASX Listing Rule 10.17.

In recent times, Non-Executive Directors have accepted low fees while the company restructured to ensure future opportunities to rebuild shareholder value. As outlined in the Annual Report, the Company is undertaking significant expansion with 4 new villages planned to commence construction in the next 12 months. This may require a significant increase in time committed to the Company by Non-Executive Directors.

In addition, the Board may require flexibility to attract and retain future Non-Executive Directors with appropriate experience to take advantage of future opportunities for the Company.

Approval of this resolution does not mean that Directors' Fees will automatically increase to the maximum amount, and prior to any change being implemented, the Remuneration Committee will review the fees payable to individual non-executive directors, taking into account market rates and time commitments as well as obtaining external advice when considered appropriate.

No Executive Director receives fees for acting as a Director.

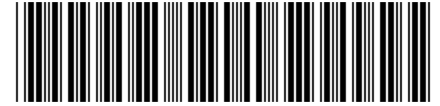
All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2555
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001 000 LIC
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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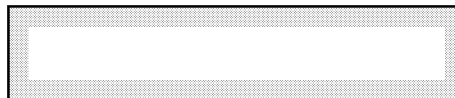
Appointment of Proxy

I/We being a member/s of LIFESTYLE COMMUNITIES LIMITED and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of LIFESTYLE COMMUNITIES LIMITED to be held at St Michaels Centre, 120 Collins Street, Melbourne (behind St Michaels Church) on Wednesday, 28th November 2007 at 10:30am and at any adjournment of that meeting.



IMPORTANT: FOR ITEM 3 BELOW

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 3 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3.

Voting directions to your proxy - please mark  to indicate your directions

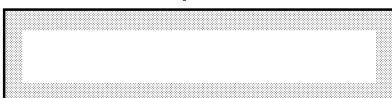
		For	Against	Abstain*
Item 1	Approval of the Lifestyle Communities Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Re-election of a Director retiring by rotation - Mr David Paranthoiene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Increase Non-executive Directors' annual aggregate remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

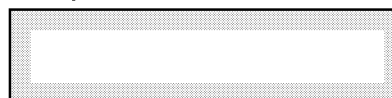
PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



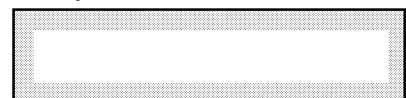
Sole Director and
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's Share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 10:30am on Wednesday, 28th November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

- IN PERSON Registered Office - 104 Tope Street South Melbourne VIC 3205 Australia
Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia
- BY MAIL Registered Office - 104 Tope Street South Melbourne VIC 3205 Australia
Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
- BY FAX 61 3 9473 2555