



NEWS RELEASE

ABLEAUCTIONS ENTERS INTO DEVELOPMENT AGREEMENT TO EXPLORE SECOND PHASE OF GRUV DEVELOPMENT

OJAI, CALIFORNIA – October 9, 2008 – Ableauctions.com Inc. (AMEX:AAC) (the “Company”) announced today that, in response to the decision by eBay to wind down the operations of its Live Auctions platform effective December 31, 2008 and because of the continued weakness in the U.S. economy, both of which have negatively impacted the Company’s liquidation and live auction broadcast services business, the Company intends to continue expanding its investment and property development business because management believes that these segments of its business will provide good long-term value to its shareholders.

To this end, the Company has entered into a development agreement to acquire a 50% interest in Surrey Central City Holdings Ltd., a private company controlled by Abdul Ladha, the Company’s chief executive officer and a director. Surrey owns four properties adjacent to the Company’s current development project located in Surrey, British Columbia. By purchasing this interest, the Company can explore the potential of developing the four properties, through Surrey, by improving them with a residential complex consisting of 76 to 138 condominiums and potentially generating revenue of approximately \$16 million CAD to \$30 million CAD before expenses and income splitting (Phase II).

The Company’s current development, known as Gruv (Phase I), is expected to be completed on or around September 30, 2009 and currently remains on schedule and on budget. The Company expects revenue of approximately \$25.4 million CAD from the sale of the commercial and residential units and estimates that the cost to develop the property will be approximately \$21.2 million CAD.

Under the terms of the development agreement, the Company will acquire a 50% interest in the shares of Surrey from Surrey’s sole shareholder. Surrey owns four properties (collectively referred to as the “Property”). The purchase price for the 50% interest is \$1,347,440 USD. The Company will pay one-



half of the purchase price in cash and the remainder with a promissory note due in one year bearing interest at the prime rate as announced by the Royal Bank of Canada plus 2% per annum. The promissory note also includes a provision allowing the seller to convert the principal amount owed, and any accrued interest, into shares of the Company's common stock. The purchase of the interest in Surrey and the corresponding conversion of the promissory note to stock are subject to shareholder and regulatory approval. The Company will have the right, for a period of one year, to sell back its interest in Surrey for the original purchase price, less one-half of the expenses incurred by Surrey in its efforts to develop the Property, in the event financing or approval of a preliminary development plan cannot be obtained.

The development agreement anticipates that Mr. Ladha and Overture Development Corporation will provide services to Surrey in developing the Property. These services include managing the build-out; working with government agencies to obtain approval of the development and obtaining the plans, permits and approvals required to complete the build-out; providing contractor's services, including liaising with various trades to coordinate construction of the build-out and supervising and directing construction of the build-out; preparing and implementing a marketing plan; providing the construction bonds; and obtaining financing and home warranty coverage for the development. Mr. Ladha and Overture Development Corporation will jointly receive 25% of the net profit from phase I and 12.5% of the net profit from phase II for providing these services.

In 2005, in an effort to increase shareholder value, diversify the Company's assets and provide a reliable source of income, the Company's board of directors approved the acquisition of the Gruv (Phase I) development opportunity presented by the Company's President and CEO, Mr. Abdul Ladha. Management believes that acquiring the additional land adjacent to the Gruv is the natural progression to this investment strategy.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About Ableauctions.com

Ableauctions.com Inc. (AMEX "aac") is a high-tech liquidator and on-line auction facilitator that operates the domains *iCollector.com*, *Naalive.com* and *Unlimited Closeouts.com*.

As an on-line auction facilitator, the Company, with the experience of over 3,000 auctions, has developed state-of-the-art technology to broadcast auctions over the Internet (www.ableauctions.com/technology) and currently provides the technology and related services to auction houses, enabling them to broadcast auctions over the Internet. The Company broadcasts business and industrial auctions over the Internet for auctioneers and members of the National Auctioneers Association (NAA) and art, antique and collectible auctions for numerous galleries and auction houses around the world through eBay Live Auctions.

As a liquidator, the Company, through Unlimited Closeouts, purchases overstocks, order cancellations and discontinued products from major manufacturers and importers, then sells the merchandise to major retail chains, other resellers or the public.

For a comprehensive Corporate Update and prior releases, visit www.ableauctions.com. For more information, contact Investor Relations at investorrelations@ableauctions.com

This press release contains forward-looking statements, particularly as related to, among other things, the business plans of the Company, statements relating to goals, plans and projections regarding the Company's financial position, the Company's business strategy and the Company's real estate development project. The words or phrases "would be," "will allow," "intends to," "may result," "are expected to," "will continue," "anticipates," "expects," "estimate," "project," "indicate," "could," "potentially," "should," "believe," "considers" or similar expressions are intended to identify "forward-looking statements." These forward-looking statements fall within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934 and are subject to the safe harbor created by these sections. Actual results could differ materially from those projected in the forward-looking statements as a result of a number of risks and uncertainties. Such forward-looking statements are based on current expectations, involve known and unknown risks, a reliance on third parties for information, transactions or orders that may be cancelled, and other factors that may cause our actual results, performance or achievements, or developments in our industry, to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties related to the performance of our staff, management, financing, competition, on-line auction business, our ability to implement or manage our expansion strategy, general economic conditions, our ability to license our software to other auction houses, our ability to acquire profitable companies and integrate them into our business successfully and other factors that are detailed in our Annual Report on Form 10-KSB and on documents we file from time-to-time with the Securities and Exchange Commission. Factors that could cause our real estate development results to differ materially from anticipated results include delay experienced during any phase of the project development (such as in obtaining permits) or unforeseen problems (such as labor disputes, increasing materials costs, or an inability to obtain adequate financing). Even if we are able to build the project, the market for the units we build could decline. We cannot guarantee you that our building projects will be successful or that we will be able to recover the money we put into them. If our building projects are unsuccessful, our business and our cash flow will be materially adversely affected. Price changes may occur in the market as a whole, or they may occur in only a particular company, industry, or sector of the market. Real estate values and mortgage loans can be seriously affected by factors such as interest rate fluctuations, bank liquidity, the availability of financing, and by factors such as a zoning change or an increase in property taxes. Since the majority of our investments are held in Canadian funds, currency fluctuations may affect the value of our portfolio significantly. There can be no assurance that the securities and other assets in which we have invested will increase, or even maintain, their value. Statements made herein are as of the date of this press release and should not be relied upon as of any subsequent date. The Company cautions readers not to place undue reliance on such statements. The Company does not undertake, and the Company specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement. Actual results may differ materially from the Company's expectations and estimates. The Company does not realize nor book the full revenue of auctions that it facilitates in its financials, only the net auction fees, that can vary from time-to-time, that it realizes.

