

Thursday 8 January 2009

Companies Announcement Office
 Australian Stock Exchange Limited
 20 Bridge Street
 SYDNEY NSW 2000

By e-lodgement

Dear Sir/Madam

VALUATION OF TEAK PROPERTIES

The Board of the ARK Fund Limited (**ARK**) is pleased to announce that it has recently taken delivery of new sworn valuations for all 17 Teak properties that ARK owns, all situated in the far north Queensland regions of Innisfail, Tully and Ingham and which form part of ARK's rural property portfolio.

The sworn valuations were undertaken by an independent reputable valuation firm for the use and benefit of ARK and its bankers the NAB. The results of the valuations for the Teak properties are very pleasing in light of the current economic situation in Australia and overseas and are displayed as a consolidated total in the table below.

Property Identities	Total Contract Price	Current Unencumbered Valuation	Contract Price / Ha	Current Valuation / Ha	% Uplift on Contract Price
Teak Property No's 1 to 17	\$14,496,300	\$14,780,000	\$8,517	\$8,684	1.96%

Since their acquisition, the total unencumbered value of the 17 Teak properties has **increased** by 1.96%. These valuations were done on the basis of ascertaining the value of the land on an unencumbered basis. No value was calculated from assessing the value of the leases in place on the 17 properties (by assessing the value of the rental income stream attributable to those 17 leases).

These sworn valuations were conducted very recently and therefore have been conducted in what can be described as one of the more unsettling economic climates to be experienced in the last 75 years. Despite these prevailing economic conditions and within the current uncertainties in global debt and equity markets, ARK is pleased to note that its 17 Teak properties have not only held their value but have increased in value since their acquisition.

Whilst many other listed and unlisted real estate investment trusts have experienced a drop in asset values (and in certain cases a precipitous drop in the carrying value of their assets) ARK has differentiated itself through its investment in rural properties (outside the Murray-Darling Basin) where quality agricultural property is in high demand and has been experiencing good growth in capital values.

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All of the 17 properties are leased to Rewards Projects Limited for a 20 year term. The accounting policy of ARK is to account for properties at cost and to disclose the fair value of the properties as a note to the accounts. The fair value of the properties will not be the unencumbered values (but they will not be lower than these unencumbered values) but rather a discounted cash flow of the rental income stream under the leases and the terminal land values.

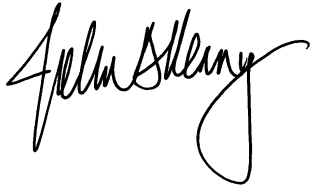
Teak Properties No's 1 to 17

Teak Properties No's 1 to 17 are located in the far north Queensland regions of Innisfail, Tully and Ingham and were acquired by ARK between April 2007 and June 2008. They have a gross total fence to fence area of approximately 1,702 hectares and are each leased to Rewards Projects Limited for a term of 20 years.

The current gross rental of \$1,593,283 per annum (excl GST) is generating a yield of approximately 10%. The rentals automatically rise each year by either 2.8% or the consumer price index (CPI) for the 12 month period that has just passed. This rent increase occurs each year during this 20 year lease period.

Yours faithfully

THE ARK FUND LIMITED

A handwritten signature in black ink, appearing to read 'John D. Kenny', with a large, stylized flourish at the end.

John D. Kenny
Chairman and Managing Director