

25 November, 2010

The Manager
Company Announcement Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Sale of Kirra Beach Hotel for \$15,000,000

We refer to an article in the Australian Financial Review today concerning a contract for the sale of the Kirra Hotel, Kirra Beach, Queensland.

It is the policy of Redcape Property Fund Ltd not to announce details of sale contracts until pre-conditions to settlement have been satisfied.

In view of sale price and newspaper speculation we advise that Redcape Property Fund has exchanged contracts to sell the Kirra Hotel, Kirra Beach, Queensland for a price of \$15 million which is equal to its book value as at 30th June 2010.

When settlement occurs all proceeds from this sale will be applied to RPF debt reduction.

Colin Henson
Executive Chairman
Redcape Property Fund Limited