

2 February, 2010

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

Sale of 6 hotel properties for \$57.3 million and settlement of Heritage Hotel sale

Redcape Property Group (“RPF”) (formerly Hedley Leisure & Gaming Property Fund “HLG”) announces that over the Christmas/holiday period it exchanged contracts to sell the following properties;

Hotel	Gross Sale Proceeds
Plantation, Coffs Harbour	6,600,000
Cabramatta, Sydney	21,500,000
Mt Druitt, Sydney	12,050,000
Koorinal, Wagga Wagga	7,510,000
Bushland Beach, Townsville	7,200,000
Barrier Reef, Cairns	2,500,000
total	57,360,000

With the exception of the Bushland Beach and Barrier Reef Hotels, the properties were subject to the tenant’s (National Leisure & Gaming “NLG”) right of refusal to acquire the properties. NLG did not take up their right.

The total sale proceeds equate to a 5% increase on the book value of the hotels as at 30 June 2009. All properties were sold at or above book value.

The sales demonstrate strong demand for hotel assets and RPF is encouraged by the significant level of interest in other assets. Announcements on settlements will follow.

Also over the Christmas/holiday period RPF settled the sale of the Heritage Hotel. Its sale was announced on 18 November 2009. All net sale proceeds were applied to RPF debt reduction.

Colin Henson
Executive Chairman
Redcape Property Fund Limited