

Company Announcement Officer
Australian Securities Exchange
Level 4
Sydney Exchange Centre
20 Bridge Street
Sydney NSW 2000

27 January 2011

Dear Sir / Madam

**Real Estate Capital Partners USA Property Trust (ASX: RCU)
Update on Debt Facilities**

The US\$44M debt facility which is financing the Intel Parsipanny property matured on 11 January 2011. The lender has drawn upon a letter of credit for US\$5.7M and set off the drawing against the principal outstanding on the debt facility. The principal outstanding on the Intel Parsipanny loan is now US\$38.3M. Real Estate Capital Partners Management Pty Limited, as Investment Manager for the Trust, is continuing negotiations with the lender for an extension of the debt facility and is also considering offers for the sale of the property.

The letter of credit was issued in June 2007 by CBA and is secured over the RSA Bedford Woods and Fed Ex Montgomery Terminal properties. According to the terms of the debt facility under which the letter of credit was issued, the Trust was obliged to reimburse CBA for the full amount of US\$5.7M by 20 January 2011. The Investment Manager advises that the deadline for the reimbursement obligation has been extended to 31 March 2011 on condition that US\$2.0M was repaid on 24 January 2011 and a further US\$1.15M is repaid on 7 February 2011, together with additional interest and fees and certain other terms and conditions. The Trust paid US\$2.0M plus interest and fees on 24 January 2011, which reduced the principal outstanding to CBA by that amount. The amounts paid on 24 January and payable on 7 February are being funded from the Trust's cash reserves and operating cashflows.

The Investment Manager advises that the deadline for the reimbursement obligation of 31 March 2011 can be further extended to 30 April 2011, upon payment of additional fees of US\$250,000 to CBA and Transwestern (which have provided debt facilities secured by the RSA Bedford Woods, Fed Ex Montgomery Terminal and Pfingsten properties). The Investment Manager has reached agreement that US\$200,000 of these fees will be applied to reduce the principal outstanding to CBA, if the requisite payments are made by 30 April 2011. In addition, the Trust has agreed to repay a further US\$2.0M to reduce the principal outstanding on the debt facilities owing to either CBA or Transwestern by 31 March 2011 (or 30 April 2011 if the additional fees are paid).

The Investment Manager will recommend that the Trust fund the repayment of the balance of the letter of credit (US\$2.55M) and the further repayment of the debt facilities (US\$2.0M) from the proceeds of the proposed capital raising associated with the partial acquisition of the RRT US Portfolio as previously announced, or from a sale of the Intel Parsipanny or FedEx properties. These repayments

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would result in a reduction of the principal outstanding to CBA and/or Transwestern (after deduction of interest and fees).

For further information please contact:

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