

7 February, 2011

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

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### **Redcape Property Fund (ASX code: RPF)**

Redcape Property Fund (Redcape) comprises Redcape Property Fund Limited and Redcape Property Trust.

In the interests of full disclosure and in compliance with ASX Listing Rule (in particular Listing Rule 3.1) the Redcape Board provides the market with the following update.

The unaudited results for the period ended 31 December 2010 are being finalised and should be available for Release on 24 February 2011. Those results are in line with previous guidance and expectation. At this stage it is foreshadowed that Redcape's Net tangible Assets as at 31 December 2011 will be approximately 50 cents per stapled security and prior to adjustment for the deficiency in the Interest Rate Swap contracts the NTA is currently estimated at 80 cents. Redcape's prevailing market price for its stapled securities is circa 9 cents.

Redcape is continuing to work with its Banking Syndicate to achieve outcomes which will result in a substantial reduction in bank debt and provide the Redcape Board and management with the opportunity to build a viable operation in the interests of stapled security holders. To achieve these aims, Redcape must continue to sell pubs to reduce its debts to an acceptable level. In this respect Redcape has been pleased with the regular enquiries and sales results to date. Completed sales and sales currently under contract as at this date have (and will) result in a debt reduction of approximately \$180 million.

Having regard to the current activity, the Redcape Board has decided to advise the market that Redcape has been approached by a number of parties interested in acquiring a number of pubs (hotels) in one line. At this stage, the approaches to Redcape are of an indicative, non-binding, confidential and highly conditional nature only.

Redcape Board and management will continue discussions with all parties and will keep the market informed of material developments.

Colin Henson

Executive Chairman  
Redcape Property Fund Limited