

2 February, 2011

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

---

## **Sale of Port Macquarie/Town Green Inn Hotel and Ocean Shores Tavern for \$20,400,000**

Redcape Property Group (“RPF”) announces that it has exchanged contracts to sell the Port Macquarie/Town Green Inn Hotel (1 transaction) at Port Macquarie NSW for \$15.8 million and the Ocean Shores Tavern at Ocean Shores in northern NSW for \$4.6 million. Both were sold at or above June 2010 book value.

The Port Macquarie & Town Green Inn Hotel is subject to a right of refusal by the tenant, National Leisure & Gaming (NLG), to acquire the property. NLG has been notified of the agreed sale.

RPF continues to be encouraged by the significant level of interest in its assets as it continues its strategy of reducing its debt and related risk.

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

Colin Henson  
Executive Chairman  
Redcape Property Fund Limited