

29 October, 2010

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

Sale and Settlement of Kincumber Hotel

Redcape Property Group ("RPF") announces that it has sold and settled on the Kincumber Hotel for a price of \$11.1 million, consistent with its book value as at 30 June 2010.

The net proceeds of the sale will be applied to reducing RPF's outstanding Loan balances.

Colin Henson
Executive Chairman
Redcape Property Fund Limited