

14 October, 2010

The Manager
Australian Securities Exchange
Company Announcement Office
Level 4, 20 Bridge St
Sydney NSW 2000

Redcape Property Fund Limited ABN 44 124 753 733 (ASX code: RPF)

Proposed Changes to the Board of Directors

We advise of the following proposed changes to the Board of Directors of Redcape Property Fund Limited:

Proposal and Nomination of Non-Executive Directors:

Pursuant to the Constitution of Redcape Property Fund Limited, TWH (Qld) Pty Ltd (Receivers and Managers Appointed) being a member of Redcape, has nominated Richard Anthony BARBER and Adam Scott Rennie THATCHER for the office of director of the Company for election at the next Annual General Meeting. Mr Justin Walsh (Ernst & Young, Brisbane) is the Receiver and Manager of TWH (Qld) Pty Ltd in relation to 68,621,439 Redcape securities (approximately 42% of the issued capital of Redcape).

Detail of the background and experience of each of the above will be contained in the Notice of Annual General Meeting which will be forwarded to Stapled Security Holders on or before 25 October, 2010. The Annual General Meeting will be held on 25 November, 2010.

Redcape directors unanimously recommend that members vote in favour of the election of Mr Barber and Mr Thatcher.

Retirement of a Non-Executive Director:

Mrs Nerolie Withnall has formally advised the Board that she wishes to resign as a director at the conclusion of the Annual General Meeting of the Company scheduled for Thursday 25 November, 2010.

In her letter of resignation, Mrs Withnall advised as follows:

The involvement with Redcape has been a rewarding and interesting experience, but I now wish to move on and concentrate on other things in particular the increasing work involved in my other 4 public company boards.

I believe the time is now right for me to do so, with the following important milestones for the Company and the Fund-

- *Timely conclusion and lodgement of the financial statements for the year ended 30 June 2010;*
- *Renewal of the bank syndicate funding through to October 2012; and*
- *Proposal for the shareholders to elect 2 new independent non-executive directors.*

The Board appreciates Mrs Withnall's contribution during difficult times over the last three years and wishes her all the best for the future.

Annual General Meeting:

The Annual General Meeting of Redcape Property Fund Limited will be held as follows:

Date: Thursday 25 November 2010

Time: 12 Noon

Place: The Gateway Theatre
312 St Kilda Road
Melbourne VIC 3004

The Notice of Annual General Meeting will be despatched on or before 25 October, 2010.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Colin Henson', is written over a light grey rectangular background.

Colin Henson
Executive Chairman
Redcape Property Fund Limited