

Tuesday 2 December 2008

Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By e-lodgement

Dear Sir/Madam

ACQUISITION OF HORTICULTURAL PROPERTY NO.6

The Board of the ARK Fund Limited (**ARK**) is pleased to provide further information in relation to the horticultural property purchased by ARK in the last quarter of the 2008 tax year and which was referred to in ARK's Appendix 4C released to the market on 31 July 2008 (**Horticultural Property No.6**).

Horticultural Property No.6 is comprised of 293.91 hectares of land near Kumbia in Queensland and was acquired by ARK for the purchase price of \$3,000,000. ARK drew down on its debt facility with NAB in order to complete the purchase of Horticultural Property No.6. The purchase was made therefore with 100% debt capital.

Simultaneous with its acquisition, ARK leased out Horticultural Property No.6 for an initial term of 20 years to Rewards Projects Ltd. ARK incurred transaction costs of approximately 4% as a result of acquiring Horticultural Property No.6. The rent being paid is \$357,615 plus GST per annum. This equates to an income yield of 11.46%. The rent automatically rises each year by the greater of 2.8% or the consumer price index (CPI) for the 12 month period that has just passed. This rent increase occurs each year during this 20 year lease period.

Horticultural Property No.6 is comprised of four (4) certificates of title with a fence to fence area of 293.91Ha. Other pertinent points to note regarding Horticultural Property No.6 are:

- Horticultural Property No.6 is the leading Low Chill Stonefruit farm in Australia consistently providing some of the first peaches and nectarines sold to Coles and Woolworths in Australia each season. It is an outstanding horticultural property and can be described as a 'privileged asset' due to its well earned reputation for producing high quality fruit and for producing high profit margins. These high profit margins arise from the basic fundamentals of demand and supply. Due to the lack of supply the first Stonefruit of each season achieves high selling prices.

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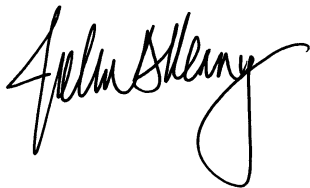
W: www.thearkfund.com.au

- Horticultural Property No.6 currently is comprised of 26,762 Low Chill Stonefruit trees. All of these are being grown under protective netting. This netting protects the trees and their fruit from hail, wind, sun and bird damage. The netting also results in a more even distribution of light and heat resulting in superior fruit ripening and fruit colouring.
- Horticultural Property No.6 is located in the farming district of Kumbia in the Kingaroy region and enjoys rainfall of 762mm per annum. Horticultural Property No.6 also enjoys 3 water licences which provide adequate water supply from bores.
- Horticultural Property No.6 is only 6 Km north-east of the small township of Kumbia and is 24 Km to the south-west of Kingaroy, Queensland. Brisbane is 225 Km to the south-east.
- Electricity and telephone are both connected to Horticultural Property No.6. Sewerage on Horticultural Property No.6 is via a septic tank sewerage disposal system.
- Structural improvements on Horticultural Property No.6 include a 3 bedroom residential dwelling, two machinery sheds and a grading and packing shed.

At the end of the lease term, ARK will enjoy all right, title and interest in and to Horticultural Property No.6 to the exclusion of all others. ARK is delighted to have acquired this unique farming asset.

Yours faithfully

THE ARK FUND LIMITED

A handwritten signature in black ink, appearing to read 'John D. Kenny', with a stylized, flowing script.

John D. Kenny
Chairman