

Wednesday 10 December 2008

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

By e-lodgement

Dear Sir/Madam

NAB DEBT FACILITY

The Board of the ARK Fund Limited (**ARK or Company**) is pleased to provide shareholders with an update of the terms and conditions and current cost of its long term (10 years) debt facility with NAB (**Facility**).

The current key terms and conditions and cost of the Facility are as follows:

Facility Size	\$33,259,744
Term	10 years
Nature of Facility	Non-amortising and Revolving
Interest Rate	\$27M: BBSW + 0.2% margin + 1% facility fee \$6.26M: BBSW + 0.2% margin + 1.25% facility fee
30 Day Bank Bill Swap Rate (at 10 Dec 08)	4.58%

The Facility is a 100% variable rate facility. Accordingly the cost of the \$33,259,744 Facility has rapidly fallen as a result of the recent rapid decline in interest rates. This decline is projected to continue and the official cash rate is predicted by many commentators to fall further, from 4.25% to historic lows early next year.

Based on today's (Wednesday 10 December 2008) 30 Day Bank Bill Swap (**BBSW**) rate, the annualised cost of the Facility is as follows.

Cost of Facility	Annualised	Rate (% p.a.)*
Bank fees (including accrued setup costs)	\$36,500	0.11%
Weighted Average Facility fees (1% - 1.25% margin)	\$348,250	1.10%
Interest charge (30 Day BBSW + 0.2% margin)	\$1,516,290	4.78%
Total Cost of Facility	\$1,901,040	5.99%

* Based on a discounted Face Value of \$33,259,744.

The current weighted average annualised cost of the Facility is **5.99%**.

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The Facility is non-amortising and revolving and has a term of 10 years. There is therefore no need for ARK to have to refinance this Facility in any way until February 2017.

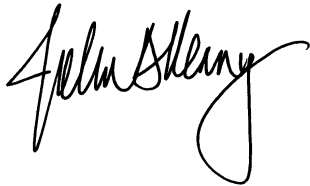
With the cost of variable debt rapidly falling this will result in a much lower cost base for ARK for the financial year ending on 30 June 2009.

The opportunity for ARK to fix the interest rate cost of its Facility and therefore 'lock in' this lower price currently exists and the Board of ARK is currently evaluating all the relevant scenarios pertaining to this opportunity.

ARK owns 32 Investment Properties which it leases for terms of between ten (10) to twenty (20) years. The current weighted average income yield on these 32 leases is approximately 11% per annum.

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 and Managing Director