CHARTER HALL

1 June 2006

The Manager
Company Notices Section
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER

Please find below a copy of correspondence sent to all Eligible Securityholders today regarding the above.

A copy of the PDS/Prospectus (lodged with the ASX on 19 May 2006) has also sent to Securityholders today with a personalised Entitlement and Acceptance Form.

Yours faithfully

N. Francis

Nathan Francis
Chief Financial Officer

Charter Hall Limited
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Charter Hall Funds Management Limited
ABN 31 082 991 786
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www.charterhall.com.au

CHARTER HALL

1 June 2006

Dear Securityholder,

Accelerated Non-renounceable Entitlement Offer

The Charter Hall Group (the ***Group***) is making an accelerated non-renounceable entitlement offer (***Entitlement Offer***) of two fully paid stapled securities for every nine existing stapled securities, to raise approximately A$80 million, through the issue of approximately 61.8 million New Securities at an issue price of $1.27 per New Security. The proceeds of the Entitlement Offer will form part of the funding package to be used primarily for:

- The acquisition of Melbourne Airport Business Park in Tullarmarine for $23.67 million. This acquisition comprises two industrial properties that are currently being developed by the vendors. The properties have been pre-leased to three strong covenants for 5 to 10 years;
- The acquisition of 25 Nepean Highway, Mentone for $21.90 million. This bulky retail property adjoins Charter Hall's Nylex property which has been granted Ministerial consent for a 40,000 sqm bulky retail development;
- The investment in the Atrium property which will seed Charter Hall Core Plus Office Fund ("CPOF"). Charter Hall Property Trust warehouses this asset until CPOF closes (expected to be June 2006); and
- Future commitments for CPOF and the Diversified Property Fund ("DPF").

A combined Product Disclosure Statement and Prospectus (***Offer Document***) detailing the Entitlement Offer was lodged by the Group with the Australian Securities and Investments Commission on 19 May 2006. A copy of the PDS/Prospectus is available on the Group's website at www.charterhall.com.au. Enclosed is the Offer Document and a personalised Entitlement and Acceptance Form which has been dispatched to all Eligible Retail Securityholders holding existing stapled securities with a registered address in Australia and New Zealand. Foreign securityholders are not eligible to participate in the Entitlement Offer.

The New Securities will rank equally in all respects with existing securities from 1 July 2006. Hence New Securities will not be entitled to receive any distribution for the six months ending 30 June 2006. .

Before making a decision whether to take up any of these securities, please carefully read the PDS/Prospectus. **The offer closes at 5.00pm (Sydney time) on Thursday, 22 June 2006.**

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The current timetable for the Entitlement Offer is as follows:

Date	**Event**
24 May 2006	Record date to determine entitlements to New Securities
1 June 2006	Retail Entitlement Offer and Public Offer open
7 June 2006	Initial Retail Closing Date for Eligible Retail Securityholders to participate in the Initial Allocation
15 June 2006	Issue of New Securities under Initial Allocation
22 June 2006	Closing Date for Retail Entitlement Offer and Public Offer to participate in the Final Allocation
3 July 2006	Issue of New Securities under Final Allocation

The Entitlement Offer is underwritten by Macquarie Equity Capital Markets Limited.

For further information on the Entitlement Offer you should contact your professional adviser or call the Offer Information Line on 1300 664 498 (within Australia) or +61 2 8280 7787 (outside Australia).

Yours faithfully,

Kerry Roxburgh

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