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MEDIA RELEASE

CHARTER HALL'S DIVERSIFIED PROPERTY FUND SECURES LANDMARK ACQUISITION IN PERTH FOR $25 MILLION

Wednesday, 19 December 2007

Charter Hall Group announces that its managed fund, the Diversified Property Fund (DPF), has acquired a high profile office building in the buoyant West Perth precinct. The $25 million transaction has simultaneously exchanged and settled.

50 Kings Park Road, West Perth is the 13th asset within the DPF portfolio having doubled the portfolio's number of assets during 2007, raising the fund's gross assets too approximately $188 million.

The property was purchased following a private placement campaign that required a short period to complete the transaction and the price reflects an independently assessed market equated yield of approximately 8.25% due to strong upward rental reversions over the next 3 years.

Located on the prominent corner of Kings Park Road and Walker Avenue, the property overlooks Kings Park which is considered the premium office address in West Perth and offers the potential for residential redevelopment in the long term.

Situated approximately 2 kilometres from the Perth CBD, the property comprises ground floor offices, three upper office levels and parking for over 80 cars, and is considered to be one of West Perth's more prominent buildings currently known as Fortescue House. The building is currently fully leased to a number of prominent national and international resource and engineering companies.

Cedric Fuchs, Executive Director for Charter Hall said "The landmark acquisition provides further tenant and sector diversity and exposure to the high growth Perth office market. Adding further "DPF is well placed to use its above industry norm average lease term of above 8 years to exploit market reversion opportunities offered by properties like Kings Park Road without materially lowering the overall portfolio lease term metrics".

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Charter Hall's Joint Managing Director, David Harrison said: "In another off market transaction, Charter Hall has secured an excellent asset at a $1.5 million discount to independent valuation, which we expect to deliver strong rental and capital growth to DPF investors. We look forward to further growing and diversifying DPF during 2008 which has delivered a net fee IRR to investors exceeding 18% pa".

Paul Craig and Miles Rowe from Savills negotiated the transaction.

Savills Managing Director, Paul Craig, notes that average passing office rents in the property are at $305/sqm net. "Market rent for these buildings in West Perth is approaching $500/sqm and importantly, approximately 90% of the office space will have the opportunity for a market review within the next 2 years, further reinforcing the strong income growth potential."

Savills note the West Perth vacancy rate continued to decrease in the first half of 2007, registering 0.4% in July 2007, the lowest vacancy rate recorded by the Property Council of Australian (PCA).

ENDS

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About the Charter Hall Group:

Charter Hall Group is a property funds management and development company, based in Sydney with offices in Brisbane, Perth and Auckland. Established in 1991 and listed on the ASX in 2005 as a stapled security under the code CHC, Charter Hall Group combines Charter Hall Limited with Charter Hall Property Trust. The Group currently has funds under management in excess of $3 billion. The Charter Hall Group has achieved a solid track record across its activities demonstrating a 10 year history of managing wholesale capital, making it one of Australia's leading property fund managers. Charter Hall's success has been underpinned by a highly skilled, incentivised and motivated management team with diverse expertise across property sectors and risk-return profiles.