



3 June 2009

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Charter Hall Limited
ABN 57 113 531 150

Charter Hall Funds
Management Limited
ABN 31 082 991 786

Dear Mr Wachter

ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE RETAIL STAPLED SECURITYHOLDERS

Please find attached a copy of the notification which is being sent to Ineligible Retail Securityholders today.

Yours sincerely

A handwritten signature in black ink, appearing to read "N. Francis".

NATHAN FRANCIS
Deputy CFO & Company Secretary



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Dear Securityholder,

CHARTER HALL GROUP ENTITLEMENT OFFER — NOTIFICATION TO INELIGIBLE RETAIL STAPLED SECURITYHOLDERS

On 27 May 2009, Charter Hall Group announced that it was conducting a placement to the Gandel Group Pty Ltd as trustee for The Gandel Group Family Trust ("**Placement**") and an accelerated non-renounceable pro-rata entitlement offer, to eligible securityholders, to subscribe for 2 new Charter Hall Group stapled securities ("**New Securities**") for every 7 existing Charter Hall Group stapled securities ("**Security**") held ("**Entitlement**") at an issue price of \$0.33 per New Security (the "**Entitlement Offer**").

The Entitlement Offer comprises an institutional component ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Securityholders (as defined below) to participate at the same price ("**Retail Entitlement Offer**"). The Entitlement Offer is being made by Charter Hall Group in accordance with sections 708AA and 1012DAA of the *Corporations Act 2001* (Cth), as modified. The Placement and Institutional Entitlement Offer (together "the **Institutional Offer**") raised approximately A\$56 million¹, and the Retail Entitlement Offer (which is fully underwritten) will raise approximately A\$17 million.

Documents relating to the Retail Entitlement Offer were lodged with the ASX today and are being mailed to Eligible Retail Securityholders (as defined below).

DETAILS OF THE RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is being made to Eligible Retail Securityholders (as defined below), on the basis of 2 New Securities for every 7 existing Securities they held at 7.00pm (AEST) on Monday, 1 June 2009 ("Record Date").

ELIGIBILITY CRITERIA

Charter Hall Group has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to securityholders in all countries in connection with the Retail Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), Charter Hall Group wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be

¹ Following finalisation of allocations under the Institutional Entitlement Offer, \$32m was raised (compared to \$29m announced on 28-May-2009) from institutional holders, bringing the total amount raised via the Institutional Offer to \$56m.



able to subscribe for New Securities under the Retail Entitlement Offer. Securityholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Securityholders**") are securityholders who:

- are registered as a holder of Securities as at 7.00pm (AEST) on the Record Date;
- have a registered address in Australia or New Zealand;
- are not in the United States and are not "U.S. persons" (as defined under Regulation S under the United States Securities Act of 1933, as amended) ("**Securities Act**") ("**U.S. Persons**") and are not acting for the account or benefit of U.S. Persons;
- were not an institutional securityholder eligible to participate under the Institutional Entitlement Offer (or an ineligible institutional securityholder); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Notwithstanding the above, Charter Hall Group may (at its absolute discretion) extend the Retail Entitlement Offer to certain institutional securityholders in foreign jurisdictions who did not participate in the institutional component of the Entitlement Offer (subject to compliance with applicable laws).

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Retail Securityholder stated above, you will not be able to subscribe for New Securities or be sent the Retail Entitlement Offer Booklet relating to the Retail Entitlement Offer or be able to subscribe for New Securities under the Retail Entitlement Offer.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Securities that would have been offered to you if you were eligible.

This notice is to inform you about the Retail Entitlement Offer. This letter is not an offer to issue New Securities to you, nor an invitation for you to apply for New Securities. You are not required to do anything in response to this letter.

If you have any questions in relation to any of the above matters, please contact the Charter Hall Entitlement Offer Information Line on 1300 664 498 (local call cost from within Australia) or +61 2 8280 7787 (outside Australia) at any time from 8.00am to 7.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

On behalf of the Board and management of Charter Hall Group, thank you for your continued interest in Charter Hall Group.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Francis'.

Nathan Francis
Deputy CFO & Company Secretary



This notice does not constitute an offer to sell or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person. Securities may not be offered or sold in the United States absent registration under the Securities Act or any applicable securities laws of any state or other jurisdiction in the United States, except pursuant to an exemption from such registration. Neither the Entitlements nor New Securities offered in the Placement and the Entitlement Offer have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. In addition, neither Charter Hall Limited nor Charter Hall Property Trust has been, or will be, registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") in reliance on an exception provided by Section 3(c)(7) thereof. Accordingly, the securities being offered in the Placement and the Entitlement Offer may not be offered and sold within the United States or to, or for the account or benefit of, U.S. Persons, except in each case to persons that are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A of the Securities Act) and also "qualified purchasers" (as defined in Section 2(a)(51) of the Investment Company Act) in transactions exempt from, or not subject to, the registration requirements of the Securities Act and exempt from the registration requirements of the Investment Company Act pursuant to Section 3(c)(7) thereof. Outside the United States, the securities being offered in the Placement and the Entitlement Offer may only be offered and sold to persons that are not U.S. Persons and are not acting for the account or benefit of U.S. Persons in "offshore transactions" (as defined in Regulation S) in compliance with Regulation S and the laws of the jurisdiction in which such securities are offered and sold. The New Securities may not be deposited in any unrestricted American Depositary Receipt Facility with respect to the securities of Charter Hall Group that may be established until 40 days following the completion of the offering.

Note: The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs.