

ASX ANNOUNCEMENT

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The Manager
Australian Stock Exchange

ALE to Issue Additional Securities to Fund Boundary Hotel, Melbourne

Highlights

- ALE will raise \$2.28 million from DRP to partly fund the acquisition of the Boundary Hotel, Melbourne

Equity Funding of Acquisition

ALE Property Group (ASX Code LEP) is pleased to announce today that it will partly fund the recently announced Boundary Hotel, Melbourne acquisition by issuing new stapled securities under the Distribution Reinvestment Plan (DRP).

As announced on 4 June 2008, the Board's intention, in the absence of acquisitions, was to supply the stapled securities for the DRP entirely through an on-market purchase of existing stapled securities. Following the acquisition of the Boundary Hotel, the Board has now decided that ALE will issue new stapled securities to supply the DRP.

Holders with around 13.5 million stapled securities, or around 15.75% of the current stapled securities on issue, have elected to participate in the DRP. Based on that level of participation, the DRP will raise approximately \$2.28 million. The number of stapled securities to be issued to DRP participants will be determined in late July 2008 following the 20 day pricing period and no scale back will be applied to participants' acceptances.

Andrew Wilkinson, Managing Director of ALE said, **"the decision by the Board to issue additional equity is a prudent step to partly fund what is both a value accretive and long term inflation indexed cash flow"**.

- Ends -

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