

Media Release
For immediate release
5 October 2007

ALLCO REIT TO ACQUIRE KEYPOINT, SINGAPORE

Key Highlights

- **Sale and purchase agreement signed to acquire KeyPoint in Singapore for S\$370.0 million**
- **Exposure to an investment grade quality commercial asset located in the CBD fringe**
- **Opportunity to capitalise on the tightening Singapore office supply**
- **Acquisition is yield accretive to Unitholders and increases Asian presence of Allco REIT portfolio**

Singapore, 5 Oct 2007 – Allco (Singapore) Limited (“**Manager**”), the manager of Allco Commercial Real Estate Investment Trust (“**Allco REIT**”) (SGX:ALLC) announced today that British and Malayan Trustees Limited, as trustee of Allco REIT, has entered into a sale and purchase agreement with Sable Resources Pte Ltd (“**Vendor**”) for the acquisition of KeyPoint, 371 Beach Road, Singapore (“**KeyPoint**” or the “**Property**”). The Property is being acquired for a total purchase price of S\$370.0 million¹ (“**Purchase Consideration**”).

KeyPoint is an integrated 25-storey commercial development located at the junction of Beach Road and Jalan Sultan, Singapore. With a total net lettable area (“**NLA**”) of 311,892 sq ft (28,976 sqm), the Property comprises a three-storey podium and a 22-storey office tower. KeyPoint also has a four storey car park block consisting of 227 car bays. The Property is well-served by both the Bugis and Lavender MRT stations, which are each located within 600 metres of the Property. Its accessibility will be further enhanced by the upcoming Nicoll Highway MRT station on the Circle Line, which will be approximately 200 metres from the Property and which is expected to be operational from 2010 onwards.

KeyPoint is being acquired on an assumed initial net property income yield of 4.65%² for the first 12 months. The acquisition is yield accretive and will provide net uplift to Allco REIT’s rental income base, enhancing distributable income to Unitholders. The acquisition represents a total purchase price of S\$1,186 per sq ft. Further details in relation to the Property are set out in the accompanying presentation and SGX-ST announcement.

¹ All references to Purchase Consideration in this release exclude expenses associated with the acquisition.

² Inclusive of income support of up to S\$10.5 million, to be provided by the Vendor for a period of two years from completion of the acquisition.

The acquisition will be funded entirely by debt at a total cost of approximately 3.6%. Following the completion of the acquisition, Allco REIT's leverage (calculated as gross borrowings plus deferred payments divided by total assets) will increase to approximately 46.5%, which is within the aggregate leverage limit as set out in the guidelines in Appendix 2 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**Property Funds Guidelines**"). Allco REIT has an investment grade credit rating from Moody's Investor Services Inc. which, under the Property Funds Guidelines, permits gearing of up to 60.0%.

Upon completion of the KeyPoint acquisition, Allco REIT's portfolio exposure to Asia will increase to approximately 67.2%, and the total portfolio base by asset value will grow to approximately S\$1.83 billion. With a greater exposure to Singapore, Allco REIT intends to capitalise on the continuing strength of the commercial property market which is supported by the sound fundamentals of the Singapore economy.

Key portfolio benefits:

- Reinforces Allco REIT's pan-Asian investment strategy
- Acquisition is expected to be yield accretive (refer today's SGX-ST announcement)
- Property to be acquired at a discount to independent valuation
- Enhanced Asian presence
- Reduction of Australian exposure to less than 33% of total NLA

Key property highlights:

- 95.9% occupancy
- Passing gross rents significantly below market
- Significant lease renewal in the next two years
- Conveniently located, 5 minutes drive from the CBD, within walking distance to two MRT stations and situated in the vicinity of major buildings
- Close to Circle Line Nicoll Highway MRT station currently under construction
- Asset includes high traffic retail area of 10.6% of total NLA
- 227 parking bays on-site
- Potential asset enhancement in the medium term

Mr Nicholas McGrath, Chief Executive Officer and Managing Director of the Manager said, "The acquisition of KeyPoint reinforces Allco REIT's pan-Asian investment strategy and reduces our Australian exposure to less than 33%."

"Given the current office supply constraints and rising office rentals in the CBD, this is an opportunistic time to be adding a quality, investment grade commercial asset that is located in the Singapore CBD fringe. We are confident that properties in the CBD fringe will provide alternative leasing premises to the core CBD areas and that there is a strong likelihood of good rental growth from the Property in the near term. Over 50.0% of the NLA expires in KeyPoint in the coming year and management intends to capitalise on this through a strong asset management plan."

“KeyPoint is well-positioned to leverage on the future growth and rejuvenation of the surrounding Beach Road precinct with the completion of the Sports Hub and the recently-awarded integrated commercial development at Beach Road. The Property will have enhanced accessibility via a covered pedestrian walkway to the upcoming Nicoll Highway MRT station, in addition to the close proximity to current MRT stations on the East-West line”, Mr McGrath said.

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About Allco Commercial Real Estate Investment Trust

Allco REIT listed on the main board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 30 March 2006. Allco REIT’s current portfolio spans high quality assets in Singapore, Japan and Australia, being:

- a 100% interest in the China Square Central Property, Singapore
- a 100% interest in 55 Market Street, Singapore
- a 50% interest in Central Park (Perth)
- a 50% interest in Centrelink, Canberra
- a 100% interest in Cosmo Plaza, Osaka
- a 100% interest in Galleria, Osaka
- a 100% interest in Aco, Tokyo
- a 100% interest in Ebara, Tokyo
- an investment in the Allco Wholesale Property Fund (“**AWPF**”), which has a 50.0% interest in each of Ernst & Young Centre and World Square Retail Complex and Public Car Park in Sydney and a 100% interest in Neeta Shopping Centre in Sydney.

The Manager’s investment policy for Allco REIT is to invest primarily in real estate and real estate related assets in the office and retail sectors in Singapore, other parts of Asia and Australia. The Manager’s key objectives are to:

- (a) deliver regular and stable distributions to Unitholders; and
- (b) achieve long term growth in distributions and the net asset value per Unit.

About the Manager

The Manager was incorporated on 15 March 2005. Allco Finance Group Limited (“**Allco**”) is the ultimate holding company of the Manager.

About Allco

Allco is a fully integrated global financial services business, listed on the Australian Stock Exchange (ASX: AFG) and specialising in structured asset finance, specialised funds management and debt funding.

Allco commenced operations in Australia as a private structured finance business in 1979. The Group has evolved significantly from its origins as a leveraged lease packager and underwriter and is now a diversified finance group with a global network of operations.

Throughout its history, Allco has recognised that with change comes opportunity, and has positioned itself at the forefront of structured finance through product innovation.

Allco’s business has grown rapidly as access to capital has facilitated the origination of more transactions. Headquartered in Sydney, Allco’s growth prospects are augmented by its network of offices in key markets throughout Asia Pacific, North America and UK/Europe. For more information please refer to www.allco.com.au.

Allco's Asian operations

Hong Kong – established in 2005 to extend Allco's global operations into Asia, in particular, the Greater China region. Currently, a joint venture investment fund is established with CITIC Capital in Hong Kong to focus on Greater China investments.

Singapore – is responsible for the operation of Allco's finance and funds management activities in Singapore including property related acquisitions and the funds management activities of Allco REIT (SGX: ALLC).

Malaysia – operations commenced in Malaysia in 2006 and its dedicated structured asset finance subsidiary, Allco (Malaysia) Sdn Bhd. was incorporated in January 2007. Allco has entered into a JV Agreement with CIMB Group to jointly structure, originate and create sophisticated asset based products and provide structured asset finance solutions.

IMPORTANT NOTICE

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of Allco REIT units ("**Units**") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Allco REIT is not necessarily indicative of the future performance of Allco REIT.