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19 October 2007
Ref: V4-70707.L1

Dear Sir,

PROPERTY: COMALCO PLACE, 12 CREEK STREET, BRISBANE, QLD.

We refer to the abovementioned property and our previous valuation report dated 30 June, 2007 (Valuation Number: V4-70707) and state that this correspondence is to be read in conjunction with our valuation report and not to be relied upon in isolation. For a full description of the property, we refer you to our original report.

INSTRUCTION

We have been instructed to provide the current market value of Comalco Place as at 19 October 2007. This valuation has been prepared for inclusion in the Independent Expert's Report being prepared by PricewaterhouseCoopers Securities Ltd which will be annexed to the Notice of Extraordinary General Meeting for the internalisation of the Australian Property Growth Fund Management Company and can be relied upon by the **Directors of APGF Management Limited atf Blue Tower Trust and Australian Property Growth Trust, the Directors of Australian Property Growth Limited, PricewaterhouseCoopers Securities Ltd and Australian Property Growth Fund Stapled Security Holders**. This valuation has also been prepared for first mortgage security purposes and can be relied upon by **Suncorp-Metway Limited**. This valuation report has been prepared in accordance with Australian Property Institute's and **Suncorp-Metway Limited's** Current Valuation Standard.

INSPECTION / VALUATION DATE

The property has been re-inspected and is valued as at 19 October, 2007

TITLE DETAILS

The property is known as Lot 4 on Registered Plan 173778, in the County of Stanley, Parish of North Brisbane within Certificate of Title Reference No. 16824076.

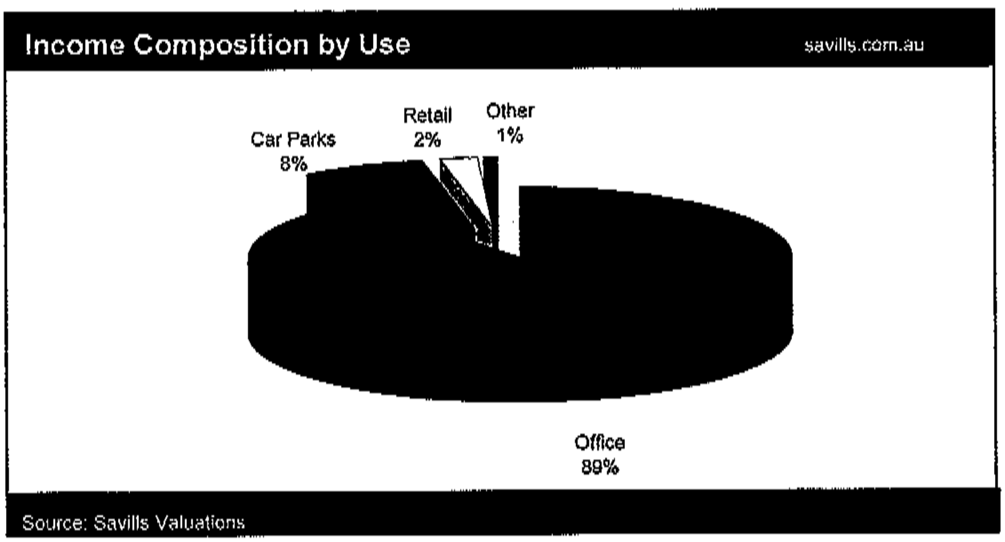
TENANCY DETAILS

We have been provided with tenancy and outgoings recovery schedules by the current property owner.

The Tenancy Schedule appended to this report summarises our understanding of the property's tenancy profile as at the date of valuation.

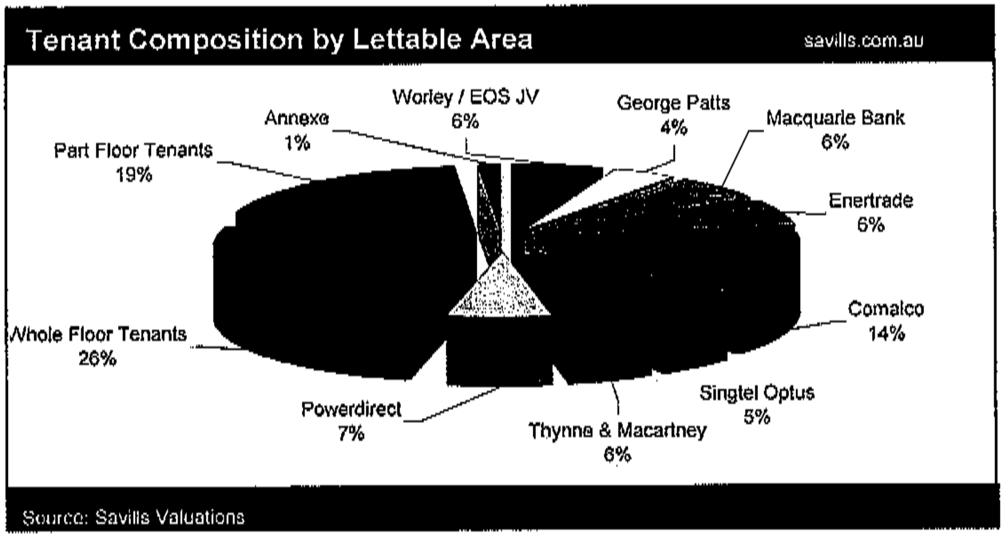
Tenancy Analysis

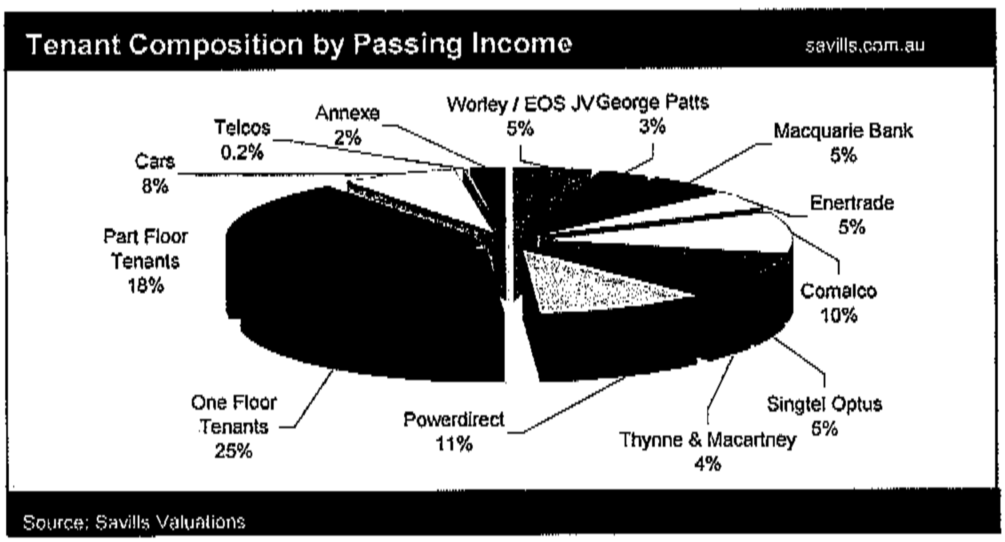
Overall the office tenancies represent some 99% of the total lettable area and contribute 89% of gross passing income. Other income streams are summarised in the graph below. Please note these figures may exclude rental voids and incentives and the composition percentages have been rounded to the nearest percent.



The largest tenant is Comalco Aluminium with 13.7% of lettable area and 10.4% of gross passing income whilst the next largest is Powerdirect with 6.8% of lettable area and 11.2% of gross passing income.

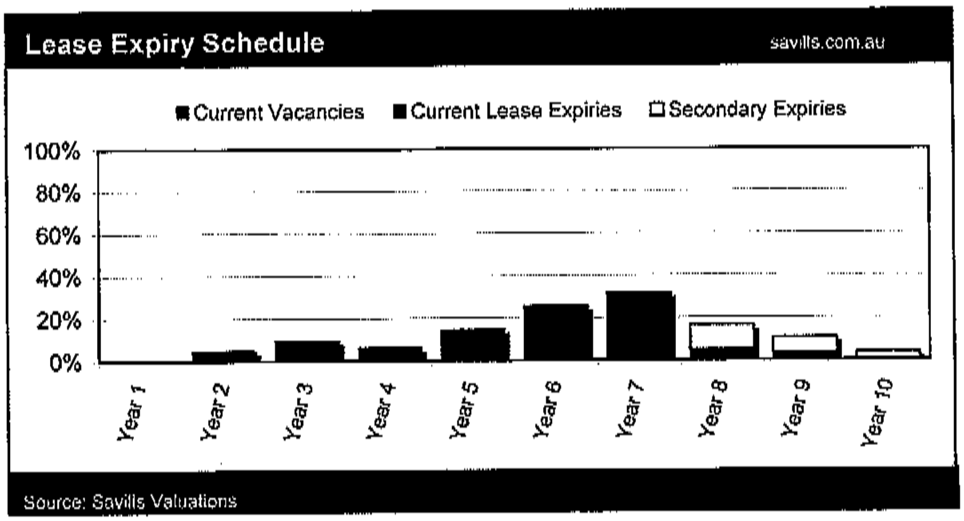
The pie charts below summarise the property's tenancy composition on an area occupied and a passing income basis:





Lease Expiry Profile
The property's lease expiry profile is summarised in the below chart.

At the present time the building is fully leased and has a weighted average lease duration by income of 3.83 years.



We note that we have made certain assumptions in relation to tenants expiring within the next 2 years which increases the weighted average lease duration to 5.04 years.

Miscellaneous Income

We have adopted the following miscellaneous income is our assessment as follows.

Income - Parking	$PA
Car Parking	$1,236,000
Income - Other	**$PA**
Naming Rights – Comalco	$72,930
Signage – Leyshon	$3,608
Signage – Cymbis	$10,450
Signage – AMW	$13,063
Signage – Powerdirect	$10,450
Telcos	$31,912
Profit on Electricity	$325,000
Sub Total	$467,413
Total	$1,703,413

Car parking, signage and naming rights income has been adopted in line with passing income. The present value of the telecommunication income has been added to the capitalised value of the property.

We have been advised that two signage opportunities remain at an asking rent of $10,000 per annum. As the building is fully leased we do not believe there is a short term opportunity to increase this income and we have therefore disregarded same in our assessment.

We have been advised by the property manager that profit on electricity is currently generated from the building ($325,000). The current electricity contract with Ergon expires on 30 June 2008 and as such there is uncertainty over this income. Whilst we acknowledge that profit on electricity is common place in CBD office buildings we have capitalised this income at 25% reflecting the greater risk of this being a long term sustainable income and added the benefit as a below the line adjustment.

Outstanding Incentives

We have been provided with a schedule of outstanding incentives as at the date of valuation as prepared by the current property owner. A summary of outstanding incentives is provided below. These have been deducted from the capitalised value of the property.

Tenant	Incentive	Balance @ Val Date
Leyshon	Rent Concession	$25,074
Collins O'Reilly	Rent Concession	$2,214
Rosch	Rent Concession	$1,598
Worley	Rent Concession	$80,448
Jardines	Rent Concession	$214,046
George Patts	Rent Concession	$146,695
Beyond Recruitment	Rent Concession	$13,609
AGL Pipelines	Rent Concession	$15,014
Five Star Shipping	Rent Concession	$26,011
Jellinbah Resources	Rent Concession	$66,333
Macquarie Bank	Rent Concession	$265,599
Cymbis	Rent Concession	$11,510
Tribeca	Rent Concession	$181,463
UE Comm	Rent Concession	$62,998
FINSIAe	Rent Concession	$44,682
Japanese Consulate	Rent Concession	$125,622
Mindpearl	Rent Concession	$192,861
Enesar Consulting	Rent Concession	$13,391
Comalco	Rent Concession	$21,084
Ashe Morgan Winthrop	Rent concession	$19,919
Itochu	Rent Concession	$33,321
Optimum Recruitment	Rent Concession	$10,177
Port of Brisbane	Rent Concession	$17,061
Ergon	Rent Concession	$460,256
Total	Rent Concession	$2,050,988 *

* Present value of incentives at a discount rate of 7%.

OUTGOINGS

Building Outgoings

We have been provided with budgeted outgoings for the year ending 30 June 2008 which total \$3,066,299, equating to \$95.13 /m² of net lettable area. This amount includes non-recoverable outgoings of \$630,000 which equates to \$19.55 /m². These outgoings have been supplied to us by the property manager.

We have reviewed the supplied outgoings and note that we have made certain adjustments to these outgoings for valuation purposes.

A copy of our adopted outgoings budget for valuation purposes is provided below:

STATUTORY EXPENSES		
Council Rates	\$600,000	\$18.61 /m²
Water and Sewerage Rates	\$189,600	\$5.88 /m²
Fire Levy	\$65,623	\$2.04 /m²
Sub-total	**\$855,223**	**\$26.53 /m²**
OPERATING EXPENSES - Exclusive of GST		
Insurance	\$114,345	\$3.55 /m²
Air conditioning	\$220,151	\$6.83 /m²
Cleaning (Common Area)	\$165,000	\$5.12 /m²
Building Supervision	\$161,165	\$5.00 /m²
Electricity	\$338,756	\$10.51 /m²
Fire Protection	\$96,699	\$3.00 /m²
Security	\$159,992	\$4.96 /m²
Lifts & Escalators	\$317,557	\$9.85 /m²
Repairs & Maintenance	\$225,000	\$6.98 /m²
Miscellaneous	\$111,060	\$3.45 /m²
Management Costs	\$322,330	\$10.00 /m²
Sub-total	**\$2,232,056**	**\$69.25 /m²**
Total Non-Recoverables - Land Tax	**\$630,000**	**\$19.55 /m²**
Adopted Outgoings	**\$3,717,279**	**\$115.33 /m²**

We note the total adopted outgoings equate to \$3,717,279 or \$115.33/m² of lettable area.

Outgoings Recoveries

Under the current leasing arrangements, tenants are to pay either no outgoings or a proportion of increases in outgoings over a specified base year. The effect of this recovery regime is that at present there is an estimated $139,969 per annum ($4.34/m²), in recoveries which has been included within our calculations.

We stress we reserve the right to amend our assessment should this information prove to be incorrect.

Capital Expenditure

We have been advised of the following capital expenditure budgeted for the property in the short term and outstanding as at the date of valuation.

Year	Item	$Amount
2007/2008	A/C Chiller & Controls	$2,550,000
2008/2009	Water Saving Initiatives	$500,000
2009/2010	Lift Works	$4,100,000
	Total	$7,150,000

For the purpose of this report we have deducted these amounts in Years 1-3, we have also made an ongoing sinking fund allowance equivalent to $20/m² across the whole building from Year 4 onwards, which has been escalated at 3.49% per annum. An amount of $100/m² has also been allocated to capital upgrades on expiry.

Total capital expenditure over the ten years equates to $17,699,308.

MARKET EVIDENCE

Key Points

- Current CBD Stock is 1.74 million m^2;
- Vacancy rate at 1 July 2007 is a record low of 1.2% (20,174m^2);
- 52,083m^2 were absorbed in the last 12 months;
- Only three buildings in the CBD with more than 2,000m^2 available;
- 40,000m^2 new and refurbished stock will be added to the market over the next 12 months but most of this space is pre-committed;
- Average Prime Gross Face rents increased by 41% over the last 12 months;
- More than $700 million of office buildings has changed hands over the last 12 months;
- Construction has commenced on 13 new buildings and extensions in the CBD.

Introduction

The Brisbane CBD office market contains 1,740,000$m^2$of lettable space. Approximately 8% of office space is Premium Grade, whilst 'A' Grade quality offers 33% of space and 'B' Grade, the largest category, 47%. With almost 90% of the CBD office space accounted for in these three grades, the focus of this report is mainly upon activity in these building grades.

Government departments and agencies at all levels occupy about 33% of the office space in the Brisbane CBD. Business Services account for 35%, Finance & Insurance 20% and IT&T take around 12%. While Business Services and Finance & Insurance sectors have tended to dominate the financial precinct, loosely bounded by Eagle, Queen and Edward Streets (known for some years as the Golden Triangle), government tenancies have been well distributed throughout the CBD.

Apart from several periods of negative absorption in office space in the early 1990's, the Brisbane CBD has mainly enjoyed a positive annual uptake of office space over the last 10 years, averaging more than 32,000m^2 annually. More recently, office space uptake has been stimulated by new stock entering the market, such as Riparian Plaza and BOQ Centre. However, business confidence and strong employment growth over the last three years have been the main drivers behind demand for office accommodation. The average absorption rate has subsequently grown to around 40,000m^2 annually since 2002 despite being constrained by low vacancy.

Unfortunately construction of new office supply has not kept up with demand and although this was predicted for some time, development returns were simply better in the residential sector. This period was followed by considerable rises in the cost of construction making it difficult, subsequently, to justify office construction while rent increases lagged.

Only the new buildings of Brisbane Square and Piccadilly Centre with some 62,000m^2 of new office space, which were fully committed, and another 19,000m^2 of refurbished space were added in the last 12 months. With less than 50,000m^2 to be added in new and refurbished office space in the next 12 months, of which much is pre-committed and with limited back-fill on offer, office accommodation is going to get tighter and more expensive.

It is considered that demand for office space is likely to continue at, or better than, the five-year rate of 40,000m^2 annually if there was sufficient supply, however, as it stands now with vacancy rates at 1.2%, absorption will continue to be constrained and existing tenants, looking to expand in the short term, will either have to stay put or look at the city fringe suburbs for their accommodation.

Current Vacancy

The Property Council of Australia records the overall vacancy as 1.2% at July 2007, which is yet another record low for the Brisbane CBD office market following the figures in January 2007. Vacancy rates have decreased by 0.5% over the past six months and by 1.1% over the past year. The addition of Brisbane Square, which was fully committed with Brisbane City Council and Suncorp Metway, presented no backfill opportunities to the market as vacated stock was withdrawn for refurbishing.

The demands upon the construction industry, between residential, non-residential and infrastructure projects, are likely to promote delays with future CBD buildings and Savills' forecasting does not expect to see vacancy rates rise above 12% in the next five years despite a planned 282,000m^2 to be added by end of 2009 and a further 440,000m^{2}by end of 2011. The reality is that much of this will be delayed or may not even eventuate, leaving vacancy rates comfortable for the period.

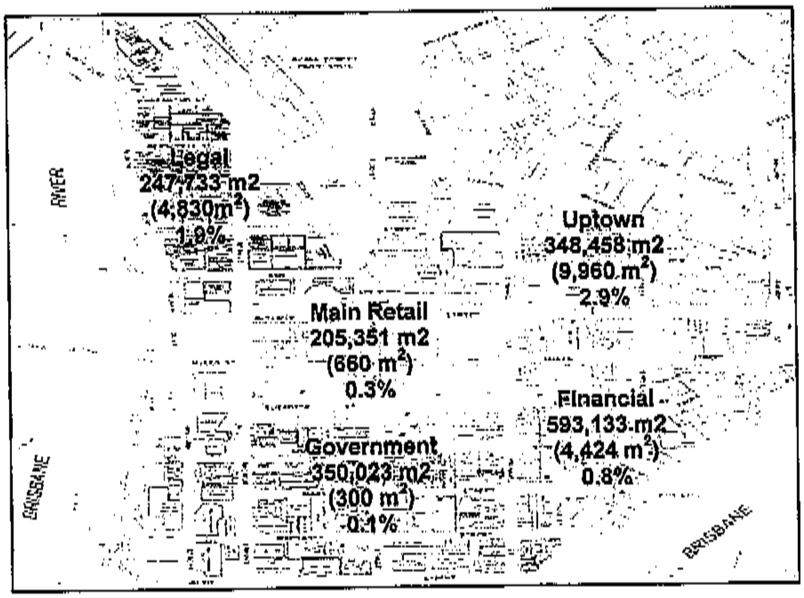
Consequently, we are likely to see rents continue to rise in excess of CPI and there will, no doubt, be some leakage of tenants to the inner suburbs in the short term. Of course, improving returns to owners in the higher grades of new office accommodation will encourage refurbishment activity in older buildings to capitalise on those gains. This is healthy enough and assists in ultimately maintaining net effective rentals at the level where they should be, to reflect historically high land cost in the CBD and surging construction costs.

CBD Vacancy Rates – July 2007

Grade	Stock	Vacancy	Vac. % Jul -07	Vac. % Jul-06
Premium	140,015	180	0.1%	5.8%
Grade A	590,244	9,862	1.7%	0.2%
Grade B	815,314	7,315	0.9%	1.6%
Grade C	157,873	1,480	0.9%	8.8%
Grade D	41,252	1,337	3.2%	5.7%
Total	1,744,698	20,174	1.2%	2.3%

Source: PCA

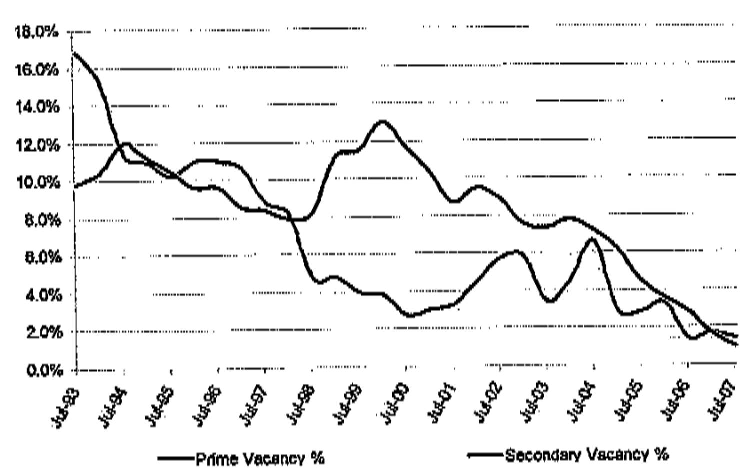
Vacancy by Precinct – July 2007



The financial precinct or 'golden triangle' as it is known, has the highest amount of office space in the Brisbane CBD with 52% of total stock monitored by the PCA. It also usually records the highest vacancy but on this occasion, the vacancy rate in the precinct dropped to 0.8% or 4,424m², down from 13,567m² (2.3%) in the previous 6 months. The other CBD office precincts are registering a tight combined rate of 1.37% for all grades.

The current tight market has had tenants looking for space across all grades and is reflected in the low vacancy rates in prime and secondary stock in Brisbane.

Prime and Secondary Vacancy Levels – July 1994 – July 2007



Source: PCA, Savills Research

Current Availability

In Savills' Prime Full Floor Availability Report, the state of the leasing market is assessed in a different manner to standard vacancy surveys. The report graphically shows each Premium and Grade 'A' buildings in the city on a floor-by-floor basis highlighting which floors are available for lease in each building.

This method of assessment differs substantially from standard vacancy surveys as it looks at all full floor leasing options actually open to tenants. This includes floors available for lease in developments under construction, and floors that will be vacant in the near future but may be presently occupied. However, the difference between availability and vacancy needs to be remembered when looking at these figures as not all floors that are presently available for lease will translate into vacancy.

Results from the August 2007 Prime Full Floor Availability Report are detailed below:

Brisbane CBD Full Floor Availability Summary Table August 2007

		By Grade		By Sector				
	Total	Premium	Grade A	Financial	Uptown	Government	Retail	Legal
Total Prime NLA (Sqm)	846,826	141,356	705,471	345,336	168,137	128,179	8,800	176,375
Total Prime Occupied Stock (Sqm)	729,876	141,356	588,520	345,336	163,137	120,266	8,800	92,337
Prime Full Floor Availability (Sqm)	116,951	-	116,951	-	25,000	7,913	-	84,038
Prime Full Floor Availability (%)	13.8%	0.0%	16.6%	0.0%	13.3%	6.2%	0.0%	47.6%
Prime Floors Available	102	0	102	-	20	22	-	60
Max Contiguous Area (Sqm)	37,248	-	37,248	-	25,000	26,996	-	37,248
Max Contiguous Floors	23	0	23	-	20	17	-	23

There are currently more than 250 floors of prime office floor space either under construction or being refurbished in the Brisbane CBD and while much of this space has been pre-committed, the above report reveals that there remain 102 full floors available for leasing.

Floors remain available at a number of projects including, 400 George St, 275 George Street, 37 Tank St, 171 Turbot St and 53 Albert St. However, these projects will not be available for occupancy until 2008/2009. For space required right now, the situation is critical.

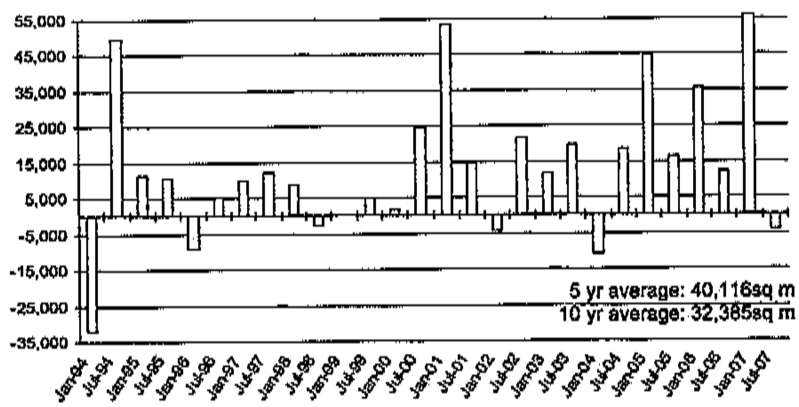
According to the PCA survey as at July 2007, there were only 4 buildings, across all grades, in the Brisbane CBD with more than 2,000m^2 of space available at date of survey to meet the requirements of the larger tenant. Only three of those could offer contiguous space of that size. This space has since been taken but at time of writing two other buildings will have space available towards the end of the year.

The situation is worse for a 5,000m^2 requirement which can only be accommodated in contiguous space in buildings to be completed in 2008 or later.

Leasing Demand

The Brisbane CBD office market has seen solid demand for office space over the last 10 years with an average annual take up of around 32,000m^2. However, over the last 5 years, the stock of office space has increased by more than 96,000m^2 and vacant space has reduced by around 104,000m^2. That is 200,000m^2 of office space absorbed in the period, or around 40,000m^2 annually on average.

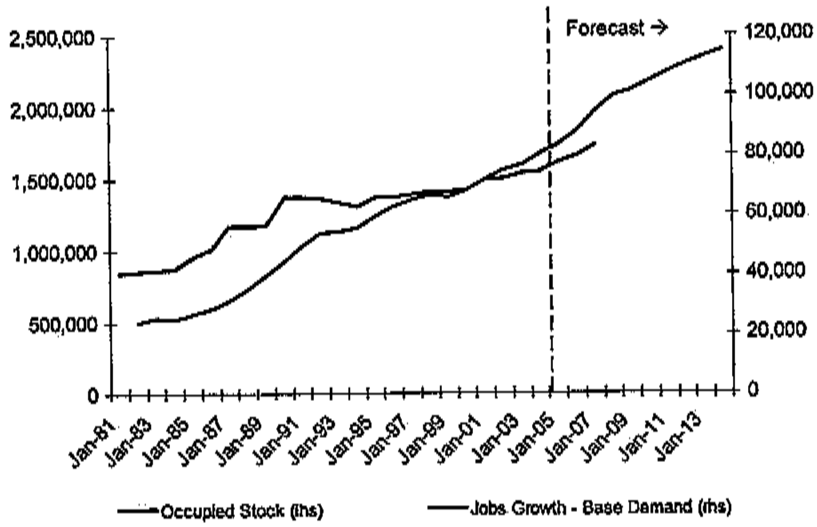
Net Absorption



Source: PCA

Underpinning this take up of office space has been strong population growth, record high job creation, above national average private investment and a spate of infrastructure projects, but it has been the introduction of new and refurbished office stock over that period which has triggered the interest. Tenants have been able to upgrade their space requirements, in quality accommodation at very reasonable pricing up to early 2005, to position themselves for a period of forecast buoyant trading. A situation which is dramatically different today.

Occupied Stock v Employment Growth



Source: Savills Research / Access Economics

There is obviously a strong relationship between new jobs created and demand for office space and this is demonstrated in the chart above, however, during periods of tight vacancies, tenants have little choice than to squeeze in new employees as their business expands rather than look for new premises. This is reflected in the further lowering of workspace ratios from 20m²/employee in 2001 to around 18m² in 2006. In reality, many tenants are operating well under 16m² per person and would take additional office space if it was available.

Absorption over the last four six-month periods has been historically high at around 100,000m², however, it has still been constrained by the tight supply over that period, particularly in the last 12 months. This is evident when the record high employment growth over that same period is taken into account. Access Economics record CBD employment increasing by 11,700 jobs over the 2 year period, mainly in property and business services, which at a workspace ratio of 16/18 m²/employee, the potential was there for more than 200,000m² to be absorbed and this is probably reflected in a fair amount of pent-up demand and some leakage to the city fringe.

The CBD leasing market has responded to the surging demand and shortage in supply with significant rises in rent levels and diminishing incentives. Average prime gross face rents have jumped more than 40% in the last 12 months as increases in the cost of construction of new buildings are passed on to tenants and landlords quickly react, with existing buildings, to achieve some long-awaited rental growth. Interestingly, rent levels in existing buildings are surpassing the pre-leasing offerings in new buildings under construction, at least for a short time, as sitting tenants needing to renew their lease have no other option but to re-sign. By contrast, the pre-commitment market has increasing competition leading into the next five years.

Office Supply

The only new buildings to be completed and added to the PCA stock figures in the last year were Brisbane Square with its 53,700m^2 and Piccadilly Centre at 299 Adelaide Street with its 9,100m^2. This space was fully pre-committed with only limited backfill available. Vacated buildings were withdrawn for refurbishing. The former BAC building (re-named Northbank Plaza) will re-enter the market next year but already enjoys full pre-commitment. Suncorp have re-leased space back in Suncorp Plaza but 10,372m^2 are being refurbished with completion expected by end of the year and it is understood that most of this space is now committed.

The new office space was joined by refurbished space at 179 North Quay, the former magistrates Courts, a practically re-built former McDonnell and East store at 414 George Street and the former bank building at 420 George Street. All the space has been taken.

Further refurbishing is underway at the government building at 63 George Street which includes some extension and is expected to be fully occupied by the State Government.

Construction continues on QIC's two developments at 140 Elizabeth Street and CP3 in Eagle Street. Both are scheduled to be completed by end of next year and are fully pre-committed.

Other construction underway includes 333 Ann Street (16,500m^2) due for completion in second half 2008, 53 Albert Street (late 2008) and 545 Queen Street (late 2008), 31-37 Tank Street (2009), 400 George Street (2009), 275 George Street (2009) and 171 Turbot Street (2009).

Development applications have also been approved for Empire Square (22,600m^2) at 47-79 Elizabeth Street, the Red Cross site at 480 Queen Street (34,000m^2 +) and Vision (27,000m^2) but these are unlikely to be added to the stock of office space before December 2010.

GPT obtained approval for two new towers of 35,000m^2 at the Transit Centre (now re-named "Q Centre") but have since re-lodged an amended DA seeking the one 70,000m^2 tower with large floor plates of 2,500m^2. Applications have also been lodged for 11,330m^2 at 31-45 Adelaide Street, 21,000m^2 at 42-60 Albert Street and 44,000m^2 at DBREEF's Kings Central Carpark.

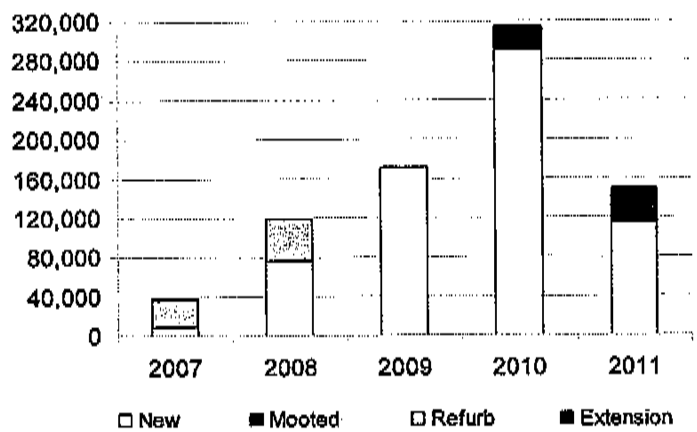
Other projects include GPT's 40 storey Riverside 2 (50,000m^2), Stockland's Eagle Street Pier (size undecided), Devine's Westminster Hall in Ann Street (33,000m^2) and the Broadway office Tower (58,000m^2).

However, there are also some interesting smaller developments either approved or having applications lodged currently. There are the two proposed strata office developments, "Icon" at 270 Adelaide Street (7,245m^2) and "Matisse" at 110 Mary Street (6,989m^2) which are going to introduce new-generation strata office accommodation to the CBD at the very time that tenants might be interested in locking in their costs for business premises, rather than be faced with the rising rents that look like continuing upward for some time. The other is a small boutique redevelopment of Wesley House at 140 Ann Street (3,650m^2) which will appeal to smaller tenants wanting new "energy-efficient" and green star accommodation but find developers reluctant to lease out part floors in larger new developments.

If all the planned office developments eventuate, more than 700,000m² of office space could be added to existing stock within 5 years, an increase of 40%. However, despite the temptation to speculate a project, and the tightness of the market certainly encourages this, developers are generally wary and keen to get a major pre-commitment, unless they can get their product to the market within the next two years.

We consider it more likely that an additional 500,000m² office will be developed over the next five years, a figure that should be absorbed without any concerns about over-supply. Other projects will be deferred.

Supply Additions



Source: Savills Research

Planned new and refurbished stock is as follows:

New Developments

Building Name	Precinct	M^2	Status	Due	Anchor Tenant
333 Ann Street	Uptown	16,500	UC	Jun-08	Freeman Fox / Robert Bird
Central Plaza 3	Financial	11,000	UC	Oct-08	Q Super
140 Elizabeth Street	Main Retail	8,300	UC	Dec-08	ATO
53 Albert St	Government	17,700	UC	Dec-08	Government
64 Creek St	Uptown	3,500	UC	Dec-08	Unknown
Matisse	Government	6,900	UC	Dec-08	Strata
Northbridge	Legal	29,650	UC	Jun-09	n/a
400 George Street	Legal	39,240	UC	Dec-09	Dept Child Safety
171 Turbot St	Uptown	32,000	UC	Dec-09	n/a
275 George St	Retail	41,000	UC	Dec-09	Telstra
Vision	Government	27,000	UC	Jun-10	n/a

Planned New Developments

Building Name	Precinct	M^2	Status	Developer
Wesley House	Uptown	3,650	DAP	Wesley Mission
Icon	Uptown	7,245	DAP	Volbury Pty Ltd
480 Queen St	Financial	34,472	DAP	APH
Empire Square	Main Retail	22,600	DAP	Metacap
42-60 Albert St	Government	22,000	DAL	CPG
Riverside 2	Financial	80,000	DAL	GPT
Q Centre	Legal	70,000	DAL	GPT
31-45 Adelaide St	Main Retail	11,330	DAL	Callie Malouf / CMI
123-133 Albert St	Government	44,677	DAL	DB RREEF
Broadway Office Tower	Main Retail	58,000	DAL	Centra Co Pty Ltd
Westminster Hall	Uptown	33,000	DAL	Devine
Mincom Stage 2	Uptown	35,000	EP	Daisho

UC Under Construction DAP Development Approved DAL Development Application Lodged EP Early Planning

Upcoming Refurbishments / Extensions

Building Name	Precinct	M^2	Status	Due
Former Suncorp Plaza	Uptown	20,600	Refurbishment underway	Dec-07
199 George Street	Main retail	2,173	Extension underway	Dec-07
420 George St	Legal	6,200	Refurbishment underway	Dec-07
Former Health & Welfare bld	Government	10,600	Refurbishment underway	Jan-08
Northbank Plaza	Legal	26,600	Refurbishment underway	Jun-08
545 Queen Street	Uptown	6,500	Extension underway	Dec-08

If new office developments add an additional 500,000m^2 of space as predicted, the stock of office space will increase to around 2,250,000m^2 by end of 2011. Over that period, Access Economics forecast Brisbane CBD employment to grow by about 16,000 jobs which, at a workspace ratio of 18m^2 of office space per employee, we can estimate that an additional 288,000m^2 will be required to keep the status quo. However, the market has been tight for some time and workspace ratios have fallen below the comfortable level for many businesses. Savills estimate there is a pent-up demand for at least 80,000m^2 which added to forecast demand, points to the market needing 370,000 metres of the predicted increase.

The market will also need another 90,000m^{2}to be added to the current vacancy of 20,000m^2, making it a more comfortable 5% vacancy rate.

Put simply, the market will require 460,000m^{2}and more over the next five years.

Of course the timing of new developments will not synchronise with demand coming through jobs growth, causing some fluctuation. Savills forecast model predicts vacancy rates fluctuating between 4% and 12% during the period.

Outlook

The Brisbane CBD is entering a golden era of development that is unprecedented in its history.

Over the next five years, Brisbane will see 500,000m^2, or more, of modern energy efficient office space added to the existing stock of 1,740,000m^2, bringing in 20,000 to 22,000 additional office workers to the city each day.

There will be a significant impact on the skyline with some new buildings reaching heights of 70 storeys and more.

New important office precincts will emerge in the CBD such as the Uptown precinct along Adelaide, Ann and Turbot Street and the Legal precinct (or North Quarter) along George Street and Roma Street where some 11,000 to 12,000 additional workers will be located providing a real catalyst for lifting the whole area.

Tied in with this growth will be a growing residential population giving the city an after hours vibrancy supported by some major infrastructure projects such as the massive Northbank development, the new underground bus station, relocated busway behind the Transit centre, redevelopment of King George Square, extension of the Mall down Albert Street to King George Square, additional bridge to linking the legal precinct to South Bank and eventual transit link between Newstead Riverpark and South Bank. Of course the massive North South Bypass Tunnel will play a part in the CBD development by diverting passing traffic away from the entry points to the city.

This will be essential for other elements of the new CBD master plan to work effectively such as calming the traffic through the CBD opening the way for wider footpaths in certain streets, more alfresco dining, renewing tired areas of the city and providing greater shade.

Brisbane is transforming and it will bring benefits for all those who live, work or visit in the city.

All these changes come at a time when the Queensland economy is performing strongly on the back of solid population growth, record high employment, a resources boom and private investment well above the national average.

Queensland is a beneficiary of the strengthening Asian economies and the Chinese phenomenon through another of its great assets, the Australia TradeCoast.

This complex of shipping port, international and domestic airports, commercial and industrial estates within 20 minutes of the Brisbane CBD and supported by modern infrastructure will be a significant driver of office demand in the CBD over the next five years.

The Brisbane office market will be well poised to capitalise on improving local and international trading conditions by getting back to a balanced supply and demand equation as soon as possible and then maintaining vacancy rates around 5% to 6% which allows growth and movement in tenancies.

FACSMILE TRANSMISSION

Fax No.	(02) 4929 1556	**Date:**	16th November 2007
Attention:	Jane Pollard		
From:	Adriano Cragnolini	**No. of Pages: 21-39 (of 39) incl covers**	
Subject:	**APGF – BSX Announcement Part 3**		

If this transmission is unreadable or incomplete, please notify us immediately.

Jane

Further to our conversation please find attached Part 3 of the announcement.

Regards

Adriano Cragnolini

LEVEL 1/ 295 ELIZABETH STREET (CNR CREEK)
BRISBANE QUEENSLAND 4000
GPO BOX 3119 BRISBANE QUEENSLAND 4001
TELEPHONE (07) 3004 1222 FACSIMILE (07) 3003 0122

Adopted Market Rent - Office

Given the lack of available alternate office accommodation within the CBD we have seen a spike in commercial office rents which shows no signs of easing in the next two years with limited supply anticipated and a continuing strong economic climate. This spike has lead to rent levels in existing buildings surpassing the pre-commitment offerings in new buildings under construction as sitting tenants needing to renew their lease have no other option but to re-sign. By contrast, the pre-commitment market has increasing competition leading into the next five years.

The effect of this chronic lack of supply has seen landlords seeking market rent reviews upwards of $1,000/m² gross effective in the Premium buildings with $850/m² gross effective noted within the top A Grade stock. It is our opinion that these levels are not sustainable and for the purpose of this report, we have adopted a rental rate of between $690/m² & $725/m² gross effective which is noted on the tenancy schedule annexed hereto.

Whilst adopting these sustainable market rents in our capitalisation approach we have acknowledged the premium being achieved and have modelled this into our discounted cashflow approach. To capture these spiked rents in the cashflow we have assumed any lease which expires within the next 24months (with no option) is reviewed to the spiked rent for a 5 yr term at fixed 5% increases. The spiked rent has been assessed at $100/m² above the adopted sustainable market rent dependant on the location within the building. We have also adopted the same approach to those leases with face market reviews within the same period.

VALUATION METHODOLOGY

We have assessed the valuation on the basis of freehold title subject to existing tenancies. Included in the amount of this valuation are normal fixtures and fittings. Excluded from the amount of this valuation are items of furniture and furnishings, and tenant's fixtures and fittings.

This valuation is determined on the basis that the property, the title thereto and its use is not affected by any matter other than that mentioned in this report. Furthermore, it is essential that reasonable resources are available in negotiating the sale and exposing the property to the market.

In assessing the value of the property, we have considered two bases of valuation being:-

1. Discounted Cashflow ("DCF");and
2. Capitalisation Approach.

Our calculations have also been cross checked utilising Direct Comparison on a rate/m^2 of lettable area basis.

Having regard to the available evidence, we consider the appropriate market yield for the property, on the basis of the adopted effective rents, to be 6.00%. Furthermore, we consider the above analysis of sales supports our adopted discount rate of 8.25%.

We detail our findings below.

DISCOUNTED CASHFLOW

(1) Rental Projections and Assumptions

Key growth rate and vacant space assumptions of our cash flow analysis are summarised in the table below:

Year	Office Growth	CPI Growth	Outgoings Growth	Lease Expiry Allowances Incentive	Lease Expiry Allowances Letting Up*
Year 1	4.70%	3.01%	4.01%	0.00%	6 months
Year 2	4.90%	2.19%	3.19%	2.50%	6 months
Year 3	2.70%	2.32%	3.32%	7.50%	6 months
Year 4	0.40%	2.69%	3.69%	15.00%	12 months
Year 5	0.00%	2.78%	3.78%	22.50%	12 months
Year 6	0.00%	2.28%	3.28%	20.00%	12 months
Year 7	3.80%	1.90%	2.90%	17.50%	12 months
Year 8	6.30%	2.45%	3.45%	15.00%	12 months
Year 9	6.40%	2.75%	3.75%	7.50%	12 months
Year 10	6.40%	2.49%	3.49%	7.50%	12 months
Avg. Compound	3.53%	2.49%	3.49%		

**We have applied a 50.0% retention factor to the letting up allowance.*

(2) Refurbishment Allowance/Ongoing Capital Expenditure

For the purpose of this valuation we have utilised a mix of budgeted capital expenditure and annual sinking fund contributions and capital upgrade allowances on expiry. These amounts are as follows:

Capital Expenditure (to year end)			
Year 1 (Sep-08)	$2,565,809	Year 6 (Sep-13)	$1,764,677
Year 2 (Sep-09)	$667,374	Year 7 (Sep-14)	$2,087,450
Year 3 (Sep-10)	$4,435,993	Year 8 (Sep-15)	$1,525,128
Year 4 (Sep-11)	$952,160	Year 9 (Sep-16)	$1,320,919
Year 5 (Sep-12)	$1,313,156	Year 10 (Sep-17)	$1,066,644

The capital expenditure included in our Discounted Cash Flow Analysis consists of a combination of budgeted capital expenditure and annual sinking fund contributions equivalent to $20.00/m² in year 1 and escalated by 3.49% p.a. and capital upgrade allowances on expiry equivalent to $100.00/m² in year 1 and escalated by 3.49% p.a.

Total capital expenditure over the ten years equates to $17,699,308.

(3) Lease Expiry/Incentive Allowances & Agents Fees

We have made provision for a letting up period of between 6 to 12 months throughout our cash flow, which is the equivalent of 3 to 6 months loss of rent, once our assumed 50.00% tenant retention rate is taken into account.

We have further deducted an incentive of between 0.00% and 22.50%, based upon an assumed lease term of 5 years. This incentive has been paid as a rent free allowance of between 0 months and 14 months.

We have also provided for agent's fees and leasing costs equivalent to 15.00% of the first years gross passing income for new leases and 7.50% for lease renewals.

(4) Terminal Value

In order to assess the terminal value, we have escalated the current gross market rents by the relevant growth rates (as shown above). We have then capitalised the net market rent of $28,903,594 at a terminal yield of 6.50% and deducted appropriate lease expiry allowances and incentives (where applicable).

The adopted terminal yield is conditional upon market conditions commensurate to those being experienced as at the date of valuation, whilst acknowledging that the property will be 10 years older but well maintained.

We have then assumed that the property is sold at the beginning of Year 11, based on a terminal value of $439,397,700, and we have then deducted associated selling costs equivalent to $2,196,988 (0.50%) to arrive at a net realisable amount of $437,200,711.

(5) Discount Rates

Discount rates tend to be influenced by many factors including the returns available from alternative investments, long term bond rates, current property yields, expected CPI, rental growth and the perceived risk of illiquidity associated with the property.

Having regard to the sales evidence, current market conditions, the above factors and the various assumptions used in our cash flow, we believe a discount rate in the order of 8.25% to be appropriate.

(6) DCF Valuation Results

We have undertaken a DCF sensitivity analysis which produces the following range of values based upon variances to discount rates and terminal yield rates:

10 Year Discounted Cash Flow Matrix

		Terminal Yield		
		6.25%	6.50%	6.75%
Discount Rate	8.00%	$303,564,667	$295,372,302	$287,786,779
	8.25%	$297,629,980	$289,625,013	$282,213,006
	8.50%	$291,835,035	$284,012,762	$276,769,916

Summaries of our DCF analysis are annexed hereto.

(7) Qualifications

We draw your attention to the fact that this analysis is based on projections considered in the light of available data, however, market conditions will change over time influenced by internal and external factors against which a review of assumptions may be warranted. For this reason, we stress that reliance of such projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts.

In particular we stress the DCF exercise appended hereto has been undertaken for the sole purpose of assisting in the determination of the current market value of the property and we make no guarantees or warranty as to the accuracy of the future rental income stream projections in so far as they relate to market rental movements.

CAPITALISATION APPROACH

We have also adopted the capitalisation approach (market yield) in determining the current market value of the property.

(1)	**Estimated Market Gross Income** For the purpose of this valuation we have adopted potential current gross market income of $24,178,686. The market rental profile has been assessed on an effective rental basis.	**$ 24,178,686**
(2)	***Less Outgoings*** We have then deducted building outgoings of $3,717,279 after having regard to our analysis and comments contained within the Outgoings section of this report.	**$ (3,717,279)**
(3)	**Net Market Income** This produces a sustainable net market income of $20,461,407 which we have capitalised at yields ranging from 5.75% to 6.25%	**$ 20,461,407**
(4)	***Less Present Value of Rental Reversions*** This figure calculates the PV of the underage from each individual tenancy relative to our adopted market rental profile. The breakdown of this figure is shown on the right hand column of the appended tenancy schedule.	**$ (34,040,501)**
(5)	***Less Letting Up Allowance*** We have made no immediate deductions as the building is fully leased. We have included a letting up period for lease expiries within the next 1 to 3 years of 3 months (Yr 1), 3 months (Yr 2) and 3 months (Yr 3) respectively.	**$ (1,237,199)**
(6)	***Less Agent's Fees & Leasing Costs*** Equates to 15.00% of the first year's gross rent on all new lease agreements and 7.50% on renewal of existing leases.	**$ (486,651)**
(7)	***Less Tenant Incentives*** We have made no immediate deductions as the building is fully leased. We have included an incentive allowance for lease expiries within the next 1 to 3 years of 10% (Yr 1), 2.50% (Yr 2) and 7.50% (Yr 3) respectively. The above incentive amount is in the form of a rent free period, payable from commencement of the assumed new lease.	**$ (819,690)**

(8)	***Less Immediate Capital Expenditure*** Reflects present value of capital expenditure for the next 3 years as identified previously within this letter along with the present value of capital upgrades on expiries within the next 3 years.	$	(7,046,860)
(9)	***Less PV of Outstanding Incentives*** Reflects the present value of all outstanding incentives as identified previously within this letter.	$	(2,050,988)
(10)	***Add Profit on Electricity and PV of Telco rent*** Reflects the capitlaised value of the profit on electricity and the present value of the communications rent for the term of the leases.	$	1,396,306

Upon making the above adjustments, we derive a value range for the property of $283,096,925 to $311,564,969, based on yields of 6.25% to 5.75%.

RECONCILIATION OF VALUES

We have produced a value of $289,600,000 under the DCF approach based upon a discount rate of 8.25% and have derived a value range of $283,100,000 to $311,600,000 under the static approach.

Based upon the above results we have adopted a value of $290,000,000. On analysis the adopted value reflects an initial yield of 4.55%, an equated market yield of 6.12%, an IRR of 8.23% and a rate of $8,997/m² of Lettable Area, all of which appear reasonable having regards to the comments contained within the market commentary section of this report.

Discounted cash flow analysis and static valuation calculations are annexed to this report.

MORTGAGE RECOMMENDATION / MARKETING PERIOD

In our opinion, the property provides suitable security for the advancement of mortgage funds and we believe that it should normally be saleable through a professional marketing campaign within a three month period.

Except as stated in this report, we are not aware of any circumstances that would affect the future value of the property and in our view, the subject will perform in line with the general property market.

COMPANY QUALIFICATIONS

This report has been countersigned to verify the report is issued by this Company. Any reliance upon this report should therefore be based upon the actual possession or sighting of an original document signed and countersigned.

This valuation is prepared for inclusion in the Independent Expert's Report being prepared by PricewaterhouseCoopers Securities Ltd which will be annexed to the Notice of Extraordinary General Meeting for the internalisation of the Australian Property Growth Fund Management Company and can be relied upon by the **Directors of APGF Management Limited atf Blue Tower Trust and Australian Property Growth Trust, the Directors of Australian Property Growth Limited, PricewaterhouseCoopers Securities Ltd and Australian Property Growth Fund Stapled Security Holders.** This valuation has also been prepared for **first mortgage security purposes** should not be relied upon by anyone other than **Suncorp-Metway Limited** whether for that purpose or otherwise.

Savills (Qld) Pty Limited has prepared this summary for inclusion in the Explanatory Memorandum Report and has only been involved in the preparation of this letter update and the valuation referred to therein. **Savills (Qld) Pty Limited** specifically disclaim liability to any person in the event of any omission from, false or misleading statements included in these documents, other than in respect of the valuation and this letter update.

Savills (Qld) Pty Limited accepts no responsibility to third parties other than those identified above nor does it contemplate that this Report will be relied upon by third parties other than those identified above. We invite other parties who may come into possession of this report to seek our written consent to them relying upon this report and we reserve our rights to review the contents in the event that our consent is sought.

This valuation represents our opinion of value at the date of valuation. It must be recognised that the real estate market fluctuates with internal and external influences and this valuation should therefore be reviewed at regular intervals.

PECUNIARY INTEREST

We hereby certify that the Valuer and valuation firm does not have any direct, indirect or financial interest in the property or clients described herein.

VALUATION

We estimate the market value of **Comalco Place, 12 Creek Street, Brisbane, Qld,** as at 19 October, 2007 and subject to the details referred to herein, to be:

$290,000,000 (*)

(Two Hundred and Ninety Million Dollars)*

(*)This valuation amount is exclusive of a Goods and Services Tax.

Prepared by: Savills (Qld) Pty Limited

Per:

Paul Robbins AAPI
Certified Practising Valuer
Registered Valuer No. 2094

Per:

Director
Valuation & Consultancy

(The above signatory verifies that this report is genuine, and issued by, and endorsed by Savills (Qld) Pty Limited. However the opinion expressed in this report has been arrived at by the prime signatory).

Enc Discounted Cashflow
Capitalisation Calculations
Tenancy Schedule
Letter of Instruction

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DISCOUNTED CASHFLOW

DISCOUNTED CASHFLOW ASSUMPTIONS

Comalco Place, 12 Creek Street, Brisbane, QLD

Valuation Date: 19 October 07

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Year	Office	Retail	CPI	Outgoings	Capex	Tenant Incentive	Letting Up Period*	Total Downtime Allowance	Capital Expenditure Allowance	
1	4.70%	4.01%	3.01%	4.01%	4.01%	0.00%	6 months	3 months	$2,565,609	Exp Upgrades/Budget
2	4.90%	2.19%	2.19%	3.19%	3.19%	2.50%	6 months	5 months	$667,374	Exp Upgrades/Budget
3	2.70%	2.32%	2.32%	3.32%	3.32%	7.50%	6 months	8 months	$4,435,693	Exp Upgrades/Budget
4	0.40%	2.69%	2.69%	3.69%	3.69%	15.00%	12 months	15 months	$952,160	Exp Upgrades/SF
5	0.00%	2.78%	2.78%	3.78%	3.78%	22.50%	12 months	20 months	$1,313,156	Exp Upgrades/SF
6	0.00%	2.28%	2.28%	3.28%	3.28%	20.00%	12 months	18 months	$1,764,677	Exp Upgrades/SF
7	3.80%	1.90%	1.90%	2.90%	2.90%	17.50%	12 months	17 months	$2,087,450	Exp Upgrades/SF
8	6.30%	2.45%	2.45%	3.45%	3.45%	15.00%	12 months	15 months	$1,525,128	Exp Upgrades/SF
9	6.40%	2.75%	2.75%	3.75%	3.75%	7.50%	12 months	11 months	$1,320,919	Exp Upgrades/SF
10	6.40%	2.49%	2.49%	3.49%	3.49%	7.50%	12 months	11 months	$1,068,844	Exp Upgrades/SF
Compound Average	3.53%	2.58%	2.49%	3.49%	3.49%	11.50%	10 months	12 months	$17,699,309	$549

Average Lease Term	5 years
Leasing Fees New Tenant (Yr 1 Gross rent)	15.00%
Leasing Fees - Renewal (Yr 1 Gross rent)	7.50%
*Renewal Probability (Only applied to letting up period)	50%
Sinking Fund Allowance (Escalated at 4.01%)	$20.00 /m²
Capital Upgrade on Expiry Allowance (Escalated at 4.01%)	$100.00 /m²

Discount Rate:	8.25%
Terminal Yield:	6.50%
Acquisitions Costs:	4.70%
Disposal/Selling Costs:	0.50%

DISCOUNTED CASHFLOW RESULTS

Comalco Place, 12 Creek Street, Brisbane, QLD

NET PRESENT VALUE MATRIX

		Terminal Yield		
		8.25%	8.50%	8.75%
Discount Rate	7.75%	$309,642,909	$301,258,309	$293,494,791
	8.00%	$303,564,667	$295,372,302	$287,786,778
	8.25%	$297,629,980	$289,625,013	$282,213,006
	8.50%	$291,835,035	$284,012,762	$276,769,956
	8.75%	$286,176,131	$278,531,978	$271,454,065

Terminal Value Calculations

Market Rent at end of year 10	$ 34,139,856
Less Outgoings	$ (5,236,262)
Net Income	$ 28,903,594
Terminal Yield	6.50%
Capitalisation Value	$ 444,670,674
Less Vacancy Allowance / Incentives	$ (5,272,974)
Terminal Value before sales costs	$ 439,397,700

IRR MATRIX

		Terminal Yield		
		8.25%	8.50%	8.75%
	$261,725,000	9.97%	9.62%	9.26%
	$275,500,000	9.27%	8.92%	8.59%
ADOPTED VALUE	$290,000,000	8.56%	8.23%	7.90%
	$304,500,000	7.93%	7.59%	7.26%
	$319,725,000	7.29%	6.95%	6.62%

Internal Rate of Return Calculations

3 Year	9.41%
5 Year	7.68%
7 Year	6.93%
10 Year	8.23%

Cashflow Composition

NPV of Cashflows	$91,873,943	32%
PV of Terminal Value	$197,751,068	68%
Total	$289,625,013	100%

DISCOUNTED CASHFLOW SUMMARY

Comalco Place, 12 Creek Street, Brisbane, QLD

Valuation Date: 19 October 97

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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year Ending	**Sep-08**	**Sep-09**	**Sep-10**	**Sep-11**	**Sep-12**	**Sep-13**	**Sep-14**	**Sep-15**	**Sep-16**	**Sep-17**
Base Rent (fully leased)	17,404,552	20,610,390	23,897,328	25,616,273	26,770,611	27,842,564	27,965,807	28,244,518	30,043,682	32,207,608
Outgoing Recoveries	139,969	258,747	333,561	376,728	445,707	344,996	178,118	62,616	35,789	0
GROSS INCOME	17,544,520	20,869,138	24,230,889	25,993,001	27,216,318	28,187,560	28,143,924	28,307,133	30,079,471	32,207,608
Less										
Statutory Expenses	855,223	889,517	917,893	948,367	983,362	1,020,533	1,054,006	1,084,573	1,121,990	1,164,065
Operating Expenses	2,232,056	2,321,561	2,395,619	2,475,154	2,566,487	2,663,500	2,750,863	2,830,638	2,928,295	3,038,106
Non Recoverable Expenses	630,000	655,263	676,166	698,615	724,393	751,776	776,434	798,950	826,514	857,508
OUTGOINGS TOTAL	3,717,279	3,866,342	3,989,678	4,122,135	4,274,242	4,435,809	4,581,303	4,714,161	4,876,799	5,059,679
Cash Flow Adjustments	325,000	325,000	325,000	325,000	0	0	0	0	0	0
NET OPERATING INCOME	14,152,241	17,327,796	20,566,211	22,195,866	22,942,076	23,751,752	23,562,621	23,592,973	25,202,671	27,147,929
Less Capital Items										
Capital Expenditure	2,565,809	667,374	4,435,993	952,160	1,313,156	1,764,677	2,087,450	1,525,128	1,320,919	1,066,644
Tenant Incentives	0	19,814	542,044	1,123,647	981,671	4,072,415	7,780,471	6,885,041	3,475,422	1,532,436
Letting Up Allowances	27,602	699,614	787,790	786,821	834,694	4,103,710	4,596,048	2,020,092	1,843,463	1,233,862
Agents Commisions	0	186,222	332,011	267,586	113,020	894,560	966,783	521,711	437,711	335,294
TOTAL CAPITAL ITEMS	2,593,411	1,573,023	6,097,838	3,130,214	3,242,540	10,835,362	15,430,753	10,951,972	7,077,515	4,168,237
NET CASHFLOW	11,558,831	15,754,773	14,468,373	19,065,652	19,699,536	12,916,390	8,131,868	12,641,000	18,125,156	22,979,692
Sale Price end of year 10										439,397,700
Less Selling Costs										2,196,988
Net proceeds from sale										437,200,711
NET CASHFLOW (INCLUDING SALE PROCEEDS)	11,558,831	15,754,773	14,468,373	19,065,652	19,699,536	12,916,390	8,131,868	12,641,000	18,125,156	460,180,404
PV OF ANNUAL CASHFLOWS @ 8.25% Discount Rate	11,046,810	13,993,986	11,785,668	14,478,810	13,836,370	8,392,317	4,886,219	6,974,387	9,255,160	208,587,660
Less Acquisition Costs	(13,612,376)									
Total										289,625,013

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CAPITALISATION CALCULATIONS

Capitalisation Approach

Comalco Place, 12 Creek Street, Brisbane, QLD

Valuation Date: 19 October 07

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MARKET YIELD CALCULATIONS

Estimated Annual Gross Market Income		
Office Income	$22,498,506	
Industrial Income	$0	
Retail Income	$333,678	
Parking Income	$1,236,000	
Other Income	$110,501	
Estimated Annual Gross Market Income	**$24,178,686**	
Less		
Outgoings (Jun 2008 - $115.33/m²)	($3,717,279)	
Vacancy Allowance at 0.0%	$0	
Estimated Annual Net Income	**$20,461,407**	
Capitalised at 6.00%		**$341,023,445**

Capital Value Adjustments

Present Value of Rental Reversions	($34,040,501)	
Letting Up Allowances - Current Vacancies	$0	
Letting Up Allowances - Expires within 36 months	($1,237,199)	
Agents Fees	($486,651)	
Tenant Incentives	($819,690)	
Immediate Cap Ex	($7,046,860)	
Outstanding Incentives	($2,050,988)	
PV of Telco Rents + Electricity Profit	$1,396,306	
Assessed Capital Value		**$296,737,863**

ADOPTED CURRENT MARKET VALUE as at 19 October 2007 **$290,000,000**

Sensitivity Table	5.75%	6.00%	6.25%
Value	$311,564,969	$296,737,863	$283,096,925
Value $/m²	$9,666	$9,206	$8,783

CAPITAL VALUE ANALYSIS

Yields

Passing Initial Yield	4.55%
Initial Yield (Fully Leased)	4.55%
Equated Market Yield	6.12%
Rate per square metre of Lettable Area	$8,997 /m²
Current Vacancy Rate (% of Lettable Area)	0.0%
Average Lease Duration by Income (years)	5.04
Average Lease Duration by Income (years) - based upon current expiry pr	3.83

Vacant Space Assumptions

Notional Lease Term (years)	5.0 years
Average Letting Up (months)	6 months
Incentive / Rent Free (months)	months
Incentive in Percent Terms	0.0%
Leasing Costs (as % of Year 1 Gross Rent)	15.0%

Net Passing Income	**$12,862,107**
Net Market Income	**$20,461,407**
Average Gross Passing Rent (Office)	**$455 /m²**
Average Gross Market Rent (Office)	**$704 /m²**

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TENANCY SCHEDULE

Tenancy Schedule

Comalco Place, 12 Creek Street, Brisbane, QLD

Valuation Date: 19 October 07

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	Tenant	Level / Suite	Use	NLA (m²)	Lease Term (Years)	Lease Commence	Lease Expiry	Next Rent Review	Review Type	Gross Base Rent (p.a.)	Outgoings Recovered (p.a.)	Gross Passing Rent (p.a.)	Gross Passing Rent ($/m2 p.a.)	Market Rent ($/m² p.a.)	Market Rent ($ pa)	Rental Reversion
1	Bankwest	Annexe - G	Retail	152.00	5.00	01-Mar-05	28-Feb-10	01-Mar-08	Fixed	$224,084	$0	$224,084	$1,474	$1,474	$224,084	$0
2	APGF	Annexe - 1	Office	322.00	5.00	28-May-04	28-May-09	28-May-08	Fixed	$134,121	$972	$135,093	$420	$675	$217,350	-$128,814
3	APGF - Signage	Signage	Other	0.00	5.00	28-May-04	28-May-09	28-May-08	Fixed	$3,609	$0	$3,608	$3,608	$3,608	$3,606	$0
4	IC Bar	Ground	Retail	130.00	10.00	01-Nov-04	31-Oct-14	01-Nov-07	Fixed	$109,202	$392	$109,595	$843	$843	$109,595	$0
5	Collins O'Reilly	1.1	Office	154.00	3.00	01-Jul-05	30-Jun-08	01-Jul-08	N/A	$58,095	$0	$58,095	$377	$690	$106,260	-$35,155
6	PWI	1.2	Office	291.00	3.00	01-Jul-07	30-Jun-10	01-Jul-08	Manual	$210,976	$1,958	$212,933	$732	$690	$200,790	$8,863
7	Rosch	1.3	Office	130.00	5.62	15-Nov-04	30-Jun-10	15-Nov-07	Manual	$51,816	$392	$52,208	$402	$690	$89,700	-$81,724
8	Worley / EOS JV	2 & 5	Office	1,923.00	8.50	01-Jul-05	31-Dec-13	01-Jul-08	Fixed	$802,188	$14,770	$816,958	$425	$690	$1,326,870	-$2,694,053
9	Jardines	3	Office	1,010.00	10.00	01-May-04	30-Apr-14	01-May-08	Fixed	$420,691	$3,048	$423,739	$420	$690	$698,900	-$1,447,831
10	George Patts	4 & 7	Office	1,258.00	6.00	01-Jun-04	31-May-09	01-Jun-08	Fixed	$518,611	$3,798	$520,608	$414	$693	$871,165	-$551,538
11	Beyond Recruitment	6.1	Office	162.00	10.00	01-Oct-04	30-Sep-14	01-Oct-08	Fixed	$87,477	$489	$87,966	$420	$695	$112,590	-$248,266
12	AGL	6.2	Office	240.00	5.00	08-Jun-05	05-Jun-10	08-Jun-08	Fixed	$109,421	$1,843	$111,264	$464	$695	$166,800	-$135,840
13	5 Star Shipping	6.3	Office	195.00	5.00	01-Mar-05	28-Feb-10	01-Mar-08	Fixed	$81,984	$1,498	$83,482	$428	$695	$135,525	-$115,691
14	Howard Shipping	6.4	Office	190.00	6.00	01-Aug-05	31-Jul-11	01-Aug-08	Manual	$89,348	$603	$89,951	$473	$695	$132,050	-$141,738
15	Ferris Management	6.5	Office	169.00	5.00	11-Apr-07	10-Apr-12	11-Apr-08	Fixed	$101,400	$1,137	$102,537	$607	$695	$117,455	-$21,605
16	Jollinbah Resources	7.1	Office	516.00	5.00	01-Aug-05	31-Jul-10	01-Aug-08	Fixed	$225,394	$3,963	$229,357	$444	$695	$358,620	-$332,584
17	Reserve Bank of Australia	7.2	Office	214.00	7.00	01-Feb-07	31-Jan-14	01-Feb-08	Fixed	$113,420	$1,440	$114,860	$537	$695	$148,730	-$174,177
18	Macquarie Bank	8 & 9	Office	2,009.00	6.00	01-Jan-07	31-Dec-12	01-Jan-08	Fixed	$837,753	$13,520	$851,273	$424	$695	$1,398,255	-$2,404,270
19	Enertrade	10	Office	1,022.00	10.00	01-Nov-02	31-Oct-12	01-Nov-07	Manual	$298,898	$4,682	$303,580	$297	$695	$710,290	-$1,748,504
20	Tribeca	11.1	Office	212.00	5.43	25-Jan-07	30-Jun-12	25-Jan-08	Fixed	$112,360	$1,427	$113,787	$537	$700	$148,400	-$56,985
21	Cymbis	11.2	Office	132.00	5.00	18-Oct-04	17-Oct-09	18-Oct-07	Fixed	$54,055	$398	$54,454	$413	$700	$92,400	-$72,409
22	Cymbis - Leased	Signage	Other	0.00	5.00	18-Oct-04	17-Oct-09	18-Oct-07	Fixed	$10,450	$0	$10,450	$10,450	$10,450	$10,450	$0
23	Tribeca	11.3	Office	640.00	7.00	01-Jul-05	30-Jun-12	01-Jul-08	Fixed	$280,956	$4,307	$285,263	$446	$700	$448,000	-$659,630
24	Enertrade	12	Office	1,022.00	6.00	01-Nov-06	31-Oct-12	01-Nov-07	Fixed	$453,768	$2,679	$456,447	$447	$700	$715,400	-$1,112,001
25	UE Comm	13.1	Office	669.00	10.00	01-Jul-04	30-Jun-14	01-Jul-08	Fixed	$258,777	$1,776	$260,554	$442	$700	$412,300	-$820,290
26	FINSIA	13.2	Office	393.00	5.00	01-Dec-05	30-Nov-10	01-Dec-07	Fixed	$162,221	$3,019	$165,239	$420	$700	$275,100	-$312,550
27	Comalco	14, 15, 25 & 26	Office	4,173.00	11.00	01-Jan-03	31-Dec-13	01-Jan-08	Fixed	$1,503,306	$13,247	$1,516,553	$363	$708	$2,947,181	-$7,277,947
28	Comalco - Naming	Signage	Other	0.00	11.00	01-Jan-03	31-Dec-13	01-Jan-08	Fixed	$72,930	$0	$72,930	$72,930	$72,930	$72,930	$0
29	Japanese Consulate	17	Office	982.00	5.00	16-Nov-05	15-Nov-10	16-Nov-07	Fixed	$425,869	$7,542	$433,411	$441	$705	$692,310	-$727,983
30	Intergen	18	Office	1,071.00	6.00	01-Jan-06	31-Dec-11	01-Jan-08	Fixed	$464,466	$2,808	$467,274	$438	$705	$755,055	-$1,080,972
31	QLD Competition Authority	19	Office	1,088.00	10.00	16-Feb-03	15-Feb-13	16-Feb-08	Manual	$361,842	$3,454	$365,296	$354	$705	$787,040	-$1,717,598
32	Mindpearl	20	Office	1,088.00	5.00	01-May-05	30-Apr-10	01-May-08	Fixed	$469,309	$8,357	$477,665	$439	$705	$767,040	-$983,990
33	Enesar Consulting	21.1	Office	225.00	5.00	01-Feb-06	31-Jan-11	01-Feb-08	Manual	$109,333	$590	$109,923	$489	$710	$159,750	-$148,419
34	Comalco	21.2	Office	248.00	9.00	01-Jan-05	31-Dec-13	01-Jan-08	Fixed	$106,974	$1,905	$108,879	$439	$710	$178,080	-$341,889
35	Singtel Optus	21.3 & 22	Office	1,663.00	8.00	01-Jul-06	30-Jun-14	01-Jul-08	Fixed	$811,145	$4,360	$815,504	$490	$710	$1,180,730	-$1,974,291
36	Ashley & Munro	23	Office	1,088.00	12.00	01-Oct-04	30-Sep-16	01-Oct-08	Fixed	$478,012	$3,283	$481,295	$442	$710	$772,460	-$1,958,658
37	Ashe Morgan Winthrop	24.1	Office	478.00	6.00	01-Jun-06	31-May-12	01-Jun-08	Fixed	$247,257	$1,253	$248,511	$520	$710	$339,360	-$362,912
38	Ashe Morgan Winthrop - Signage	Signage	Other	0.00	6.00	01-Jun-06	31-May-12	01-Jun-08	Fixed	$13,063	$0	$13,063	$13,063	$13,063	$13,063	$0
39	Itochu	24.2	Office	344.00	10.00	01-Nov-04	31-Oct-14	01-Nov-07	Fixed	$144,628	$1,038	$145,666	$423	$710	$244,240	-$553,697
40	Optimum Recruitment	24.3	Office	226.00	5.00	10-Jan-06	09-Jan-11	10-Jan-08	Manual	$108,026	$598	$108,623	$488	$710	$161,880	-$161,937
41	Thynne & Macartney	27 & 28.1	Office	1,796.00	10.00	22-May-03	21-May-13	22-May-08	Fixed	$694,124	$5,707	$699,831	$389	$715	$1,285,570	-$2,740,128
42	Port of Brisbane	28.2	Office	332.00	6.00	01-May-04	30-Apr-10	01-May-08	Fixed	$149,653	$1,002	$150,654	$454	$715	$237,380	-$204,992
43	Fisher Adams Kelly	29	Office	1,088.00	10.58	01-Jan-05	31-Jul-15	01-Jan-08	Fixed	$475,249	$8,357	$483,606	$444	$715	$777,920	-$1,765,371
44	State of Queensland	30	Office	1,088.00	7.00	01-Dec-05	30-Nov-12	01-Dec-07	Fixed	$598,400	$8,357	$606,757	$558	$715	$777,920	-$191,978
45	Powerdirect	31 & 32	Office	2,176.00	7.00	01-Oct-05	30-Sep-12	01-Oct-08	Fixed	$1,795,200	$0	$1,795,200	$825	$725	$1,577,600	$921,328
46	Powerdirect - Signage	Signage	Other	0.00	7.00	01-Oct-05	30-Sep-12	01-Oct-08	Fixed	$10,450	$0	$10,450	$10,450	$10,450	$10,450	$0
47	Wilson	Cars	Car Parks	308 spaces	3.00	01-Dec-05	30-Nov-08	01-Dec-07	Fixed	$1,236,000	$0	$1,236,000	$0	$0	$1,236,000	$0
48	AAPT	Telco	Other	0.00	10.00	01-Dec-00	30-Nov-10	01-Dec-07	Fixed	$13,401	$0	$13,401	$13,401	$0	$0	$38,125
49	Optus	Telco	Other	0.00	10.00	01-Mar-06	28-Feb-16	01-Mar-08	CPI	$4,130	$0	$4,130	$4,130	$0	$0	$26,434
50	UE Comm	Telco	Other	0.00	10.00	01-Dec-00	30-Nov-10	01-Dec-07	Fixed	$9,381	$0	$9,381	$9,381	$0	$0	$26,689
51	PowerTel	Telco	Other	0.00	1.00	01-Aug-07	31-Jul-08	01-Aug-08	N/A	$5,000	$0	$5,000	$5,000	$0	$0	$4,051
	Total			32,233.00m² *						$16,114,417	$139,969	$16,254,356			$24,178,586	-$34,040,531

*Lettable area excludes storage, communications etc.

savills

COPY OF LETTER OF INSTRUCTION

Australian Property Growth Fund

1 October 2007

Mr Paul Robbins
Divisional Director
Valuation and Consultancy
Savills (Qld) Pty Limited
GPO Box 2607
Brisbane Qld 4001

Dear Paul

VALUATION OF COMALCO PLACE, 12 CREEK ST, BRISBANE

We hereby instruct Savills (Qld) Pty Limited ("Savills") to prepare a Valuation update of Comalco Place, 12 Creek St, Brisbane ("Property") in accordance with the following:

1) The valuation is to be prepared for: APGF Management Limited as trustee for Australian Property Growth Trust and Blue Tower Trust, Suncorp Metway Limited and PricewaterhouseCoopers.

2) The valuation is to be prepared for first mortgage purposes and for inclusion in an Independent Expert's Report on the internalisation of Australian Property Growth Fund's management company.

3) We require the valuation update in the form of three bound originals, one unbound original and in electronic format.

4) That the price at which the Property may reasonably be expected to be sold at the date of the valuation assumes:

    a) a willing, but not anxious, buyer and seller;

    b) a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for properties of the same kind;

    c) that the Property was reasonably exposed to that market;

    d) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the Property being valued;

    e) that the owners have sufficient resources to allow a reasonable period for the exposure of the properties for sale; and

    f) that the owners have sufficient resources to negotiate an agreement for the sale of the Property.

5) That the valuation only takes account of instructions given by APGF Management Limited ("Manager").

6) That Savills and the director signing the valuation:

    a) is authorised to practise as a valuer in Queensland;
    b) has at least 5 years continuous experience in valuation of commercial properties in the Brisbane central business district;
    c) is appointed and instructed in writing by the Manager; and
    d) is independent of the Manager;

7) That the valuation is based on all the information that Savills needs for the purposes of the valuation being made available by or on behalf of the Manager.

8) The valuation of the Property is derived from the earnings obtained from the Property, and sets out the earnings of the Property and the multiple of those earnings used to calculate the valuation ("capitalised value").

9) The valuation sets out, to the best of the knowledge of Savills the sale prices and capitalised values of properties of a similar nature and situation to the Property being valued that have been sold within a reasonable period before the preparation of the valuation.

Yours Sincerely
APGF Management Limited
atf Australian Property Growth Trust
and Blue Tower Trust

Geoff McMahon
Managing Director

Neil Summerson
Chairman