LAUNCH OF NEW $93 MILLION PROPERTY TRUST

Cromwell Property Group (ASX: CMW) has announced the launch of a PDS to raise up to $49.25 million in the new unlisted **Cromwell Ipswich City Heart Trust** to be managed by the Group.

The Trust is a 7-year single property syndicate which will commence distributions at 7.75% pa and offers capital growth potential[1] and tax-deferred income[2] from the energy efficient Ipswich City Heart Building at 117 Brisbane Street, Ipswich, Queensland.

The Queensland Government's Department of Public Works is pre-committed to 91% of the lettable area of the building for 15 years, with fixed 3.75% per annum rental increases for the term of the lease.

The building, which is valued at approximately $93 million[3], is targeting a 5 Star Green Star Office Design and Office As Built (Version 3) from the Green Building Council of Australia, representing "Australian Leadership" in environmentally sustainable design. The building is also targeting a 4.5 Star NABERS Energy Rating.

Construction of the 17,734 square metre, A-Grade commercial office and retail building will commence in January 2012, with the Trust having settled the land on 8 December and entered into a conditional agreement with a subsidiary of Leighton Holdings Limited to develop the property.

Practical completion is expected in September 2013 and the developer will enter into a 5 year lease on any areas of the property which remain vacant on completion of construction.

Cromwell Property Group will provide seed funding of up to $20 million and will subscribe for any units not issued by 31 December 2012, but is not expected to hold a long-term investment in the Trust.

The building will be part of *ICON Ipswich*, a master planned $1 billion urban renewal project in the heart of the Ipswich CBD.

The successful completion of the capital-raising is expected to generate initial and ongoing funds management fees which will have a positive impact on Cromwell Property Group's earnings in future years.

ENDS

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[1] Capital growth and distributions are not guaranteed. Subject to assumptions and risks contained in the Product Disclosure Statement dated 16December 2011 ("PDS").
[2] The proportion of distributions that are tax deferred is dependent on a number of factors (for example building amortisation and depreciation of plant and equipment) and may vary from year to year. Deferred tax may be payable, in whole or in part, on the sale, transfer or redemption of units in the Trust.
[3] Based on "as if complete" valuation by M3property (Qld) Pty Ltd

Investment Overview

Investment Type	Unlisted property trust investing in a single office property
Investment Objective	To provide investors with a minimum distribution yield of 7.75%[1] per annum paid monthly over the 7 year term[2] and capital growth potential
Investment Asset	A 9 storey commercial office and retail building valued at $92,955,000[3] to be constructed on a site located at 117 Brisbane Street, Ipswich, Queensland ("the Ipswich City Heart Building" or "the Building")
Capital Raising Amount	$49,250,000 ("Maximum Subscription")

Tenancy Overview

Major Tenant	Queensland Government's Department of Public Works has signed an agreement for lease for 91% of the lettable area
Major Tenant Lease	15 years from the date of Practical Completion, estimated to be September 2013[4]

Key Dates

Trust closed to applications	When Maximum Subscription reached or 31 December 2012
Practical Completion of Building	September 2013[5]
Trust term ends	December 2018[5,6]

Key Financial Information

Distributions	Forecast at 7.75% per annum[7] from the First Issue Date, forecast to increase to 8.25% per annum during the Forecast Period until June 2015
Tax Deferral[8]	Distributions forecast to be 100% tax deferred for the period to June 2014, and 84% tax deferred for the year to June 2015

Investment Details

Issue Price	$1.00 per unit
Minimum Investment	$10,000
Distribution Payments	Approximately 10 days after the end of each month

1 Based on issue price of $1.00 per unit.
2 Investors may vote to extend this term, for further details refer to Section 1.3 of the PDS.
3 m3property (Qld) Pty Ltd valuation on completion – refer to Section 11 of the PDS for the summary valuation report. Excludes transaction costs and the Funding Allowance.
4 Date of Practical Completion may be earlier or later, for further details refer to Section 4.2.1 of the PDS.
5 Estimated as at the date of this PDS and subject to change.
6 Investors may vote to extend this term, for further details refer to Section 1.3 of the PDS.
7 Based on entry price of $1.00 per unit. Distributions are not guaranteed, see Section 1.4 of the PDS.
8 Tax deferral status is subject to conditions, for further details refer to Section 4.3.8 of the PDS.