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Company Announcements Platform
Australian Stock Exchange Limited

WESTRALIA PROPERTY TRUST (WST)

Westralia Property Trust is pleased to announce that it has significantly advanced its re-restructuring strategy and asset base and is positioned to commit to its new strategy as an agricultural land trust.

As advised to Unitholders at the 2006 Annual General Meeting, Directors identified that:

1. improved performance could be achieved by the Trust through exit from the tourism and hospitality sector; and
2. current market conditions offered the opportunity to realise good capital returns from appreciation of the value in the Trust's investment in the City Central property at 166 Murray Street Mall, Perth.

Progress has been made on both fronts during 2007.

The City Central property was sold, realising a capital gain of \$11.7 million. The Trust is entitled to a 50% discount in relation to the taxable value of this capital gain. The Trust has recently announced that it will be paying a distribution, relating predominately to this capital gain, of 9.7 cents per unit.

Kalgoorlie Broadwater Resort Hotel has now been sold and the remaining tourism assets owned by syndicates in which the Trust has a controlling interest, the Dunsborough Hotel Property Syndicate, the Pagoda Hotel Property Syndicate and the Pagoda Hotel Fixed Term Property Syndicate, have been placed on the market for sale. Directors have written down the values of these properties to the anticipated market price.

The board and management of the Trust's Responsible Entity have identified agricultural property as an investment class which is expected to perform strongly in the near to long term due to structural changes in demand and supply.

Rural land supply is tightening globally as a result of increased demand for biofuel feedstock production, resistance to deforestation and the introduction of re-forestation. The resultant higher output prices expected to result are also anticipated to support appreciation in property value.

These trends are applicable to Australia where expansion of the national plantation estate has become an important factor in the valuation of rural land. Other recent factors that have contributed to local land appreciation include increasing corporate agriculture, rising food prices and appreciation of the access to water.

Property trusts have a largely unrecognised, but important role to play in the restructuring of Australian agriculture that is occurring. Westralia's position within the Futuris group of companies positions the Trust well for access and assessment of opportunities within the rural sector – especially in relation to forestry where the opportunity exists for acquisition of high quality broadacre land backed by rental agreements extending over 10 years.

At an upcoming Extraordinary General Meeting a series of resolutions will be put to Unitholders approving the proposed acquisition of rural land. Initial parcels of land have been identified and will be independently valued. Unitholders will be asked to approve these purchases and a model for further acquisitions. Given that this land has been sourced from within the Futuris group, Unitholders associated with Futuris will not vote on the acquisition of this land. However, given the benefits to Westralia and the resulting revitalisation of the Trust, the Directors strongly encourage Unitholders to support the new strategy. The Notice of the upcoming Extraordinary General Meeting and accompanying Explanatory Statement and Independent Expert Report will be sent to Unitholders in due course.

The Directors look forward to presenting further information for Unitholders' consideration on the Trust's exciting plans for investment in agricultural land at the upcoming Extraordinary General Meeting.

For further information contact:

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