

**Extension of negotiations with National Australia Bank and Bank of Scotland International  
26 February 2010**

Orchard Capital Investments Limited (**Orchard**) as responsible entity for the Orchard Diversified Property Fund (**DPF**) provides the following information by way of continuous disclosure.

On 13 November 2009 Orchard disclosed that if, by 31 January 2010 (or later as may be otherwise agreed between National Australia Bank (NAB) and DPF) NAB in its absolute discretion determines it is not satisfied with the progress made between it, Bank of Scotland International (BOSI) and any other stakeholder bank in relation to the longer term stabilisation of DPF, then an event of default would arise within DPF's commercial bill facility with NAB. Orchard also disclosed a reciprocal condition from BOSI in relation to DPF's commercial bill facility with BOSI.

On 27 January 2010 Orchard disclosed that in order to facilitate continued negotiations between the stakeholders, NAB offered (subject to appropriate documentation) to extend the deadline for NAB's determination from 31 January 2010 to 28 February 2010. Whilst DPF had not agreed with BOSI to a similar extension to that with NAB, Orchard expected that BOSI would offer to extend the deadline for its determination beyond 31 January 2010.

Both NAB and BOSI have orally indicated that they are sufficiently satisfied to now offer further extension of their deadlines to 31 March 2010. Orchard intends to accept the offers.

Please contact the Orchard Investor and Advisor Services team on 1800 008 494 in you have any questions.

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Responsible entity for the Orchard Diversified Property Fund ARSN 093 304 379