

GEO Property Group

Comprising:

GEO Property Trust ("Trust")

ARSN 104 482 206

(Responsible Entity: GEO Management Limited

ABN 77 116 506 882, AFSL 304866)

GEO Property Group Limited ("Company")

ABN 38 117 546 326

ASX Code: GPM

Date: 1 April 2010



ASX ANNOUNCEMENT OPERATIONS UPDATE

Strong sales continue

GEO has enjoyed strong sales over the first quarter of CY2010. This is attributable to favourable underlying economic conditions and the market appeal of GEO's Villaworld Homes product. Margins have improved at some projects, particularly in Melbourne.

- Projects sold out:
 - Silverstone, Tweed Heads NSW
 - Walana Valley, Mona Vale NSW
 - Northridge, Ormeau Qld
 - Northlakes, Qld
- Victorian land market is very strong:
 - 45% price growth over the last 12 months at Cascades on Clyde, with sales averaging 21 per month over the past 8 months
 - 51 products presold in Stage 3 at Eynesbury over 5 months since release
 - 97 products presold at Cornell's Hill over the past 8 months
- Sales rates improving at almost all Brisbane and regional Queensland projects, especially for Villaworld House and Land:
 - Average 9 sales per month at Freshwater, Berrinba over the past 8 months
 - Average 7 sales per month at Bellbrook, Bellmere over the past 8 months
 - Hervey Bay¹ and Gladstone sales rates improving

With the selling out of Silverstone and Walana Valley, GEO has completed its exit from non-core development projects.

Investors should be aware that recognition of sales revenue is determined by project delivery. As previously advised, GEO's profit for the second half of the 2010 financial year is expected to be lower than for the first half.

An inventory update is attached.

¹ Product composition changed to focus on VillaWorld Homes speculative housing rather than land only.

Gold Coast	Share Registry
Ground Floor 9 Ouyan Street Bundall Qld 4217 Tel 07 5588 8888	Computershare Investor Services Pty Ltd Level 19, 307 Queen Street Brisbane QLD 4000 Tel: 1300 651 684

Development property acquisition

GEO has executed conditional contracts to purchase management rights and development land at Lot 205 Pulgul Street, Hervey Bay, Queensland for \$2.5m. This property is a 140 lot medium density development of which the vendor has already built and sold 60 lots. Road, sewerage and other infrastructure is already in place and GEO is expected to commence staged construction of the remaining 80 lots within 90 days of settlement. Profit contribution from this project is expected in the 2011 and 2012 financial years.

The units are expected to be priced from \$260,000 and strong demand from owner occupiers and investors is anticipated.

Investment property sales continue

Only two remaining properties to be sold:

- Bankstown – leasing up continues with 3 units left².
- Caltex Goondiwindi - property issues are close to resolution.

Both of these properties are expected to be offered for sale before 30 June 2010 with settlement expected in the 2010 calendar year.

Two properties sold but not yet settled:

- McLaren Industrial Estate (occupied by Unilever) – sold unconditionally for \$14.1m and is due to settle by 30 June 2010.
- Burpengary - sold for \$2m. Remains conditional on issue of DA.

Restructure of Banking Agreement

As previously disclosed, GEO's primary debt facility, the syndicated Multi Option Facility ('MOF'), is no longer suitable given the significant reduction in investment assets and the shift in strategy back to GEO becoming a pure residential developer. For example, it contains covenants that require income from rent yet the majority of GEO's investment properties have been sold, with the proceeds used to greatly reduce GEO's debt.

As a consequence of the non-core asset sale program/reduced debt levels, GEO's smaller balance sheet, and the financing of its various joint ventures, the security provisions of the facility which, inter alia, require 90% of GEO's assets to be pledged to the MOF lenders, are becoming increasingly difficult to meet. GEO has therefore agreed with its lenders that any breaches of these security provisions will not be counted as a default under the facility so long as the facility is restructured by 30 June 2010 to reflect GEO's changed position. In return, GEO has agreed to pay a restructuring fee (to be rebated against any restructuring fee applicable in June) and the facility's pricing has been increased to market level.

The facility limit has been reduced by \$50m to \$150m and the drawn amount as at next week will be \$68m. GEO has investment properties with an approximate value of \$43m (of which \$16m have been sold but not yet settled), which allows ample room for acquisitions and working capital.

Chief Financial Officer

Lindsay Kelly has tendered his resignation as Chief Financial Officer, effective 30 April 2010. The Board thanks Lindsay for his work over the past two and a half years and wishes him success for the future.

Paulene Henderson will rejoin GEO on 13 April 2010. Paulene will be acting CFO.

Guy Farrands
Managing Director and CEO
GEO Property Group

² Subject to lease documentation for two units being signed

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Communities Development Portfolio

Project Name	Location	Total Lots	Total Settlements as at 28 Feb 2010	Lots Remaining as at 28 Feb 2010	Contribute to FY10 Profit	2010	2011	2012	2013	2014+
						Contribution				
Land										
Cascades	VIC	1,140	558	582	✓	[Bar chart showing contribution for Cascades]				
Hervey Bay	QLD	715	35	680	✓	[Bar chart showing contribution for Hervey Bay]				
Walana Valley^	NSW	63	51	12 ^	✓	[Bar chart showing contribution for Walana Valley]				
Longhill	QLD	157	112	45	✓	[Bar chart showing contribution for Longhill]				
North Rocks	NSW	1	1	0	✓	[Bar chart showing contribution for North Rocks]				
Subtotal		2,076	757	1,319						
House & Land#										
Ormeau Nursery Site	QLD	110	0	110	x	[Bar chart showing contribution for Ormeau Nursery Site]				
Bellbrook	QLD	322	269	53	✓	[Bar chart showing contribution for Bellbrook]				
Kingsmill	QLD	37	21	16	✓	[Bar chart showing contribution for Kingsmill]				
Northlakes^	QLD	20	20	0^	✓	[Bar chart showing contribution for Northlakes]				
Northridge^	QLD	39	38	1^	✓	[Bar chart showing contribution for Northridge]				
Mount Cotton	QLD	535	126	409	✓	[Bar chart showing contribution for Mount Cotton]				
Mango Hill (Kinsellas Rd)*	QLD	472	0	472	x	[Bar chart showing contribution for Mango Hill]				
Circa II	QLD	149	0	149	x	[Bar chart showing contribution for Circa II]				
Freshwater	QLD	342	223	119	✓	[Bar chart showing contribution for Freshwater]				
Subtotal		2,026	697	1,329						

Primary development strategy, land-only potentially possible in some instances.

*Unconditional Put & Call Option settlement in July 2010

^All remaining product sold out



Communities Development Portfolio

Project Name	Location	Total Lots	Total Settlements as at 28 Feb 2010	Lots Remaining as at 28 Feb 2010	Contribute to FY10 Profit	2010	2011	2012	2013	2014+
						Contribution				
Integrated Housing										
Caprice	QLD	89	21	68	✓					
Domain, Hervey Bay	QLD	80	0	80	×					
Silverstone^	NSW	27	23	4^	✓					
Subtotal		196	44	152						
Joint Ventures (GEO's Share)										
Eynesbury	VIC	2,250	142	2,108*	✓					
Gladstone	QLD	320	7	313	✓					
Treeline	QLD	71	15	56	✓					
Cornell's Hill	VIC	111	45	66	✓					
Subtotal		2,752	209	2,543						
Under Option or Similar										
Cascades Adjoining Property#	VIC	400	0	400	×					
Subtotal		400	0	400						
Total (all categories)		7,450	1,707	5,743						

*Yield subject to approval of amended development plan

^ All remaining product sold out

#GEO has first and last right of refusal