

13 January 2016

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

RNY Property Trust (ASX:RNY) Debt Update

RNY Australia Management Limited (RAML) as responsible entity of RNY Property Trust (the Trust) reported that on 8 January 2016 it completed a pay-off and refinancing of the US LLC's US\$72 million Citibank CMBS loan (the "CMBS Loan") which matured on such date.

The new financing consists of a 3-year, US\$97 million loan (the "ACORE Loan") provided by ACORE Capital, a commercial real estate finance company focused on originating, acquiring and managing commercial real estate loans and other debt investments. The ACORE Loan encumbers and cross-collateralizes the same seven properties which served as collateral for the CMBS Loan, in addition to an eighth property, 580 White Plains Rd., which was previously encumbered as part of the US LLC's US\$38.3 million of mortgage loans with Investor's Bank.

The ACORE Loan consists of an initial loan amount of approximately US\$81.7 million, with a facility of approximately US\$15.3 million available to fund capital expenditures, tenant incentives and leasing commissions.

The ACORE Loan, which matures in January 2019, is subject to two 1-year extensions, bears interest at a variable rate of LIBOR plus 4.7% per annum, with a minimum LIBOR rate of 25 basis points, and requires monthly payments of interest only during the initial 3-year term. At closing the US LLC entered into an interest rate cap agreement to protect itself from potentially rising interest rates, which caps LIBOR at 2.5% per annum over the first two years of the term. Prior to the third year of the loan term, US LLC is obligated to enter into an extension of the interest rate cap agreement. As a result, the ACORE Loan bears interest at a minimum rate of 4.95% and a maximum rate of 7.2% per annum over the loan term. In addition, the ACORE Loan is subject to customary financial covenants and the US LLC may prepay amounts outstanding subject to yield maintenance during the first 18 months of the initial term.

The Trust is managed by RAML, an Australian licensed responsible entity which is an affiliate of RXR Realty. Other affiliates of RXR serve as property manager, leasing agent, asset manager, and construction manager and provide other services to the properties in the Trust portfolio. RXR is one of the New York Tri-State area's leading real estate companies, specializing in the acquisition, leasing, financing, property and asset management, design and development, and construction of commercial properties.

Certain statement herein relate to the Trust's future performance ("forward looking statements"). Although RAML believes such statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that

the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which principal tenants compete; financial condition of tenants; changes in the supply of and demand for office properties in the New York Tri-State area; changes in interest rate levels and changes in credit ratings and changes in the cost of and access to capital.

For further information:

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