



(Constituted in the Republic of Singapore pursuant to a trust deed dated 19 October 2006)

**ACQUISITION OF PRIVATE LOT A0439900 TUAS VIEW LANE
TERMINATION OF OPTION AGREEMENT**

Bowsprit Capital Corporation Limited, as manager (the "Manager") of First Real Estate Investment Trust ("First REIT") refers to the announcements by the Manager dated 8 September 2008 and 26 May 2009 in relation to the proposed acquisition of Private Lot A0439900 Tuas View Lane, Singapore by HSBC Institutional Trust Services (Singapore) Limited, as trustee of First REIT (the "Trustee") from Tech-Link Storage Engineering Pte Ltd (the "Vendor").

In spite of discussions between the parties, there is no agreement on the purchase price and terms of the leaseback. Accordingly, the Trustee and the Vendor have mutually terminated the Option Agreement on 4th January 2010. The Vendor shall refund the option fee to the Trustee and neither party shall have any claim against the other.

By Order of the Board

Dr Ronnie Tan Keh Poo
Chief Executive officer
Bowsprit Capital Corporation Limited
Manager of First REIT

4 January 2010