

11 February 2010

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Dear «Salutation»

Re: RFM Australian Cotton Fund (ACF) ARSN 099 573 690 Update

This letter is to provide you with an update on the timeline for returning capital to ACF Unit holders. As previously advised, the return of capital will occur upon the sale of Moorah. This sale will occur following the completion of the transactions currently being undertaken by Rural Fund Management Ltd (RFM) including the capital raising being conducted in RFM RiverBank (RBK) and the RFM Diversified Agricultural Fund (DAF).

The equity raised under these offers, along with bank funding, will be used by RiverBank to acquire Lachlan Farming Limited's (LFL's) remaining asset, Moorah. Before RFM can apply the equity to the acquisition of Moorah, certain conditions precedent must be achieved.

RFM had hoped to achieve all conditions precedent by the end of January. However there has been a delay in relation to the transaction and it is now expected that the return of capital will commence in April following RiverBank's acquisition of the Moorah property.

We sincerely apologise for this delay which predominately relates to a delay in Great Southern Managers Australia Ltd (GSMAL) convening a meeting of the Almond Growers who occupy Moorah and Yilgah, and an inability to receive regulatory approval for a redemption process necessary to complete the transaction.

The amount of \$0.7881 as previously advised in the RFM Newsletter, is now expected to be paid in April 2010.

RFM looks forward to providing you with further information as soon as it is available. If you have any questions in the interim, please contact Investors Services on 1800 026 665 or investorservices@ruralfunds.com.au.

Yours sincerely



Jane Barter
New Product Development and Investment Services Manager