

FILE NOTE

CONFIDENTIAL



Date:	December 5, 2008
Author:	Malcolm Tuttle
Re:	Advice from David Grace of Cooper Grace Ward dated November 18, 2008 in relation to the draft Bill to amend the Racing Act 2002 and Product and Program Agreement

On Wednesday, November 19, 2008, I met with Mr Tony Hanmer, Director of Queensland Racing Limited ("QRL"), and Chairman and Secretary Product Co, at the Sofitel Hotel in Brisbane at 7.30 AM to discuss advice that had been received from David Grace of Cooper Grace Ward.

A copy of that advice dated November 18, 2008, is attached to this file note and was provided to Tony Hanmer. Bearing in mind the advice from David Grace was worthy of further consideration, due to the nature of the advice, I formed the view that as Product Co had a meeting scheduled for Thursday, December 4, 2008, it would be appropriate to have David Grace present to explain his opinion and be in a position to answer any questions.

Also attached to this file note is a copy of an email exchange between myself, Tony Hanmer and Shara Murray of QRL in relation to the Product Co meeting. The nature of the exchange relates, in part, to the presence of David Grace at the Product Co meeting.

On Friday, November 21, 2008, at 8.22 AM, Tony Hanmer emailed myself and Shara Murray stating that David Grace will not be attending the Product Co Board meeting (entire email is attached). In response, at 11.40 AM, I pointed out that in my view Product Co should be fully informed in respect of the issue and David Grace as the advising lawyer was well placed to provide clarity in respect of the legal nature of his opinion. Notwithstanding, given Tony Hanmer's position as Chairman, I advised David Grace he would not be required to attend the Board Meeting.

On the morning of the meeting I spoke with Tony Hanmer, as Secretary and Chairman, at approximately 8.30 AM and it was Tony Hanmer's view that David Grace's opinion was rather poor and that he had spoken with Mr Bob Lette, and that there were two other opinions that were in conflict with David Grace's opinion. I am uncertain as to whether these opinions were produced at the meeting, as the meeting was a Directors only

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Author's Signature

meeting at the request of Tony Hanmer. It is understood, however, that Mike Godber, Chief Executive Officer of Harness Racing Queensland, was in attendance as a proxy for Mr Bob Lette, who is a Director of Product Co. As I did not attend, I am uncertain of the nature of the discussion surrounding David Grace's advice and whether or not there was any further discussion regarding the two other opinions.

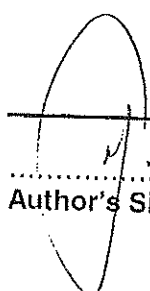
In addition, during our discussion on December, 4, Tony Hanmer outlined the opinion he had received was that it was reasonable to interchange the terms 'supply and use' in the Product and Program Agreement, as, in effect, they have the same meaning.

I raised concerns with Tony Hanmer at that point in time, as legislation was due to be passed in Parliament later that day and the legislation was built around the use of information and not the supply of information and I further pointed out that racing information was supplied to UNITAB by RISA and that, in my view, the use of that information for the purpose of race wagering should be treated separately to the supply of racing information. He did not share my view, but did not want to continue the conversation.

Tony Hanmer provided his Product Co report to the QRL Board meeting on December 5, 2008. At this time, I had asked Tony Hanmer if David Grace's advice would form part of the minutes for the Product Co meeting and he confirmed that the information had been provided to Mr Bill Andrews and Mr Bill Ludwig and that the advice would form part of the minutes.

In the circumstances, QRL Directors, Tony Hanmer, Bill Ludwig and Bill Andrews had all been provided with an opportunity to consider the advice of David Grace dated November 18, 2008, and as the advice formed part of the minutes that were presented at the QRL Board meeting, I formed the view that the advice had been considered by the Board of QRL, given that Michael Lambert was absent from the Product Co and QRL Board meetings, and that the only remaining Director, the QRL Chairman, Mr Bob Bentley, had already declared a conflict in relation to this matter.

End.



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