



REEF
CASINO TRUST

19 June 2009

Company Announcements

Australian Securities Exchange
PO Box H224
AUSTRALIA SQUARE NSW 1215

Dear Sir

- Distribution announcement for the six months ended 30 June 2009
- Update on operating results
- Gaming machine revenue tax

Distribution for the six months ended 30 June 2009

Reef Corporate Services Limited as responsible entity of Reef Casino Trust (RCT) advises that the estimated distribution by RCT for the six months ending 30 June 2009 is as follows.

Estimated distribution per unit	11 cents (tax deferred)
Record date	30 June 2009
Units quoted ex entitlement	24 June 2009
Estimated payment date	25 September 2009

This distribution will comprise 100% of the estimated distributable net profit for RCT for the period 1 January 2009 to 30 June 2009. The final distribution will depend on the actual distributable net profit for the said period and will be determined by RCT following the audit of its financial statements in August 2009.

No distribution will be made from the undistributed income account. RCT has adopted this prudent position given the continuing uncertainties associated with the global financial and economic crisis. The balance of this account (\$3.1 million before this distribution) will be carried forward to future periods.

No portion of the distribution will constitute a fund payment for the purposes of Subdivision 12-H of the Taxation Administration Act 1953.

Update on operating results

The distributable net profit for the first half year from 1 January 2009 to 30 June 2009 is expected to be approximately \$5.5 million.

REEF CASINO TRUST
ABN 90 324 877

Managed by Reef Corporate Services Limited - ABN 66 057 599 621
Level 1 Mercure Hotel, 85-87 North Quay, Brisbane QLD 4000, PO Box 12072 George Street, Brisbane QLD 4003
Telephone : 07 3211 3000 Facsimile : 07 3211 4777



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Gaming machine revenue tax

On 16 June 2009, the Queensland Government introduced a bill to increase the tax rate applicable to gaming machine revenues in all 4 Queensland casinos effective 1 July 2009. The tax rate for the Reef Hotel Casino will increase from 10% to 20%.

The bill also removes the casino community benefit levy which is 1% of all casino gaming revenues (that is table games and gaming machines) which partly offsets the increase in gaming machine revenue tax.

As the increased tax rate is applicable from 1 July 2009, the net impact for RCT is approximately \$1.25 million in this financial year which is from 1 January to 31 December 2009 (based on RCT's 2008 financial statements). From 2010, the full year net impact is therefore approximately \$2.5 million.

Our submissions to the Government to reverse their tax proposal have been rejected by the Government even though RCT has a signed agreement with the Government which had the effect of an Act of Parliament that fixed the tax rate at no more than 10%.

The bill will enable the Government to act in a manner that is inconsistent with its contractual obligations under the Cairns Casino Agreement.

In addition, the Government has legislated away the rights of RCT to seek compensation for the losses it will suffer as a result of the Government acting in such manner.

We are therefore very disappointed with the Government's stance on this matter and their total disregard for their obligation to honour the terms of a commercial contract between the Government and an investor in the State of Queensland. In the future, there is every reason for companies wishing to invest in Queensland to be wary of the sovereign risk of doing business in Queensland.

As a result of the Government's action in raising our gaming machine revenue tax, RCT now intends to seek an independent valuation of the Reef Hotel Casino complex for the purposes of its half year financial statements.

Yours faithfully

Allan Tan

Chief Executive Officer, Reef Hotel Casino
Director, Reef Corporate Services Limited
Responsible entity of Reef Casino Trust

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