REEF
CASINO TRUST

News Release 23rd August 2011

Reef Casino Trust First Half Year Results

- Trust profit up 41.4%
- Distribution of 9 cents per unit, all paid from distributable profits
- Strong rental growth from Reef Hotel Casino despite difficult trading conditions
- Operating costs held under tight control

The **Reef Casino Trust ("Trust")** reported a distributable profit of $4.6 million for the six months ended 30 June 2011, compared to the $3.3 million reported in the same period last year. This was an improvement of 41.4%.

Ben Macdonald, Chairman of the responsible entity of the Trust said, "Total revenue, comprising mainly of rental income from the Reef Hotel Casino was 16.5% higher. This increase is due to good growth in revenues in both casino and hotel operations at the Reef Hotel Casino. In addition, a better than "theoretical" win rate on premium casino play assisted in generating revenues growth. Trust expenses were also well controlled and were just 0.7% higher."

Maintaining its "100% distributable profits" unit distribution policy, the Trust also announced a first half year distribution of 9 cents per unit (a total of $4.5 million). As Trust losses are expected to be used up during the 2011 financial year, a portion of this distribution will be paid on a "tax deferred" basis and the balance may be taxable in the hands of the unitholders. Mr Macdonald said, "The Trust will consider making an additional distribution payment from out of the undistributed income account at the end of 2011."

Allan Tan, CEO of the Reef Hotel Casino said, "Protection of the Reef Hotel Casino's operational bottom line is a key priority and management's approach to operating costs remained careful, prudent and conservative. Management continued to look for costs savings wherever possible. Given the difficult trading conditions in 2010 and the first half of 2011, management positioned the complex for return to growth in 2011 and hopefully beyond".

Mr Macdonald concluded, "Overall for 2011, the Trust still expects to show an increase in its distributable profits compared to 2010. Recent global financial turmoil in early August may affect our results in 2011, but the Trust successfully managed the last global financial crisis and is in a good financial position and remains positive about its future".

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