REEF
CASINO TRUST

23 May 2012

ASX Company Announcements

Reef Casino Trust

Update for the first half year 2012

While the Trust's results for the year to mid May are tracking below the results for the same period last year, the first half results could come close to that of last year as we enter the high season in Cairns.

We will update unitholders about the Trust's likely first half year results in mid June when we release our unit distribution announcement. At this stage, even though Cairns' economy is still soft, we expect to distribute 100% of distributable profits for the first half. As to a top up distribution from the undistributed income account – we will determine this in mid June of this year.

2012 will again present as a challenging year. On the one hand, consumer sentiment in Australia remains very weak whilst there are global headwinds in the form of a continuing weak US economy and the debt crisis in Europe. The Australian economy is likely to grow slowly in 2012. On the other hand, there are some positive signs that Cairns' and the Far North Queensland region are slowly recovering from the global financial crisis and that tourism is generally improving following the natural disasters of early 2011. The growth in the China tourist market is particularly encouraging.

As stated in the annual report, if a new global financial turmoil in 2012 occurs, this may affect our results in 2012. However, the Trust successfully managed the last global financial crisis and is in a sound financial position. We remain positive about the future.

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