

CONFIDENTIAL

Ian Penner

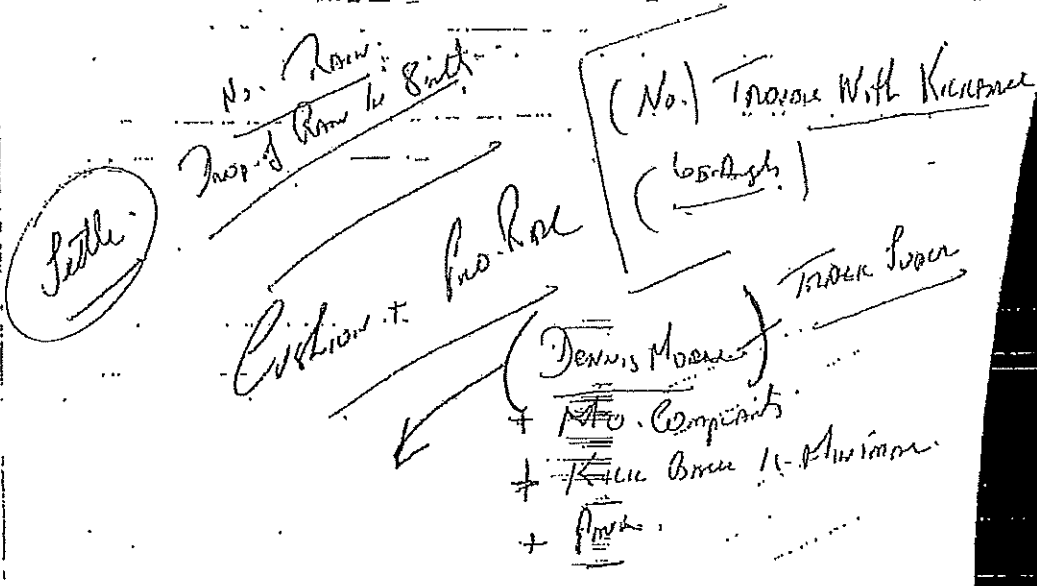
• **Recent on-site visit to Hollywood Park**

During Ian's recent visit to USA he saw the first 3 races at Hollywood Park (Friday 8th June 2007). Points noted by Ian:

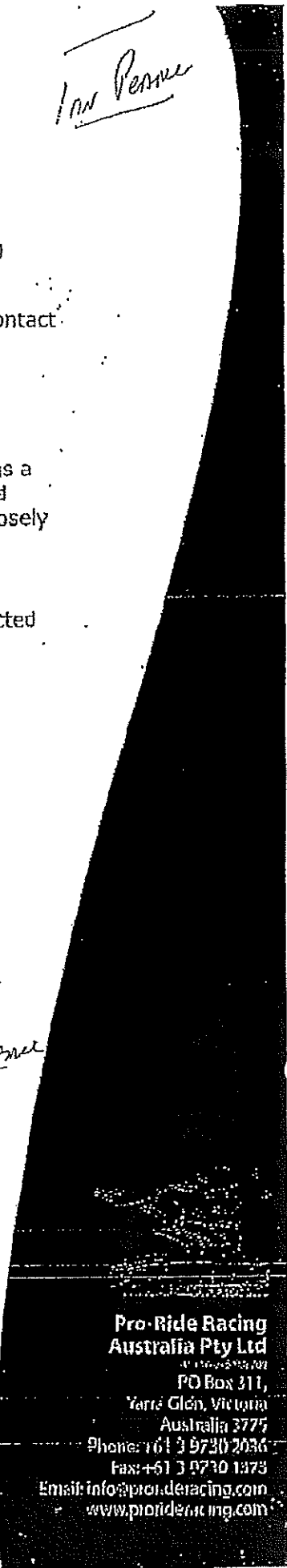
- Kickback of 3-5 feet above the horses
- Track heavily watered every day, before racing and before training commences
- Track maintained 3-4 times a day between races
- Cushion Track has lost 50% of it's wax component in 9 months (contact Mr Michael DePew - see below)

• **People we suggest you contact:**

- Mr Ted Malloy - Magna Entertainment representative
Mr Malloy has visited Australia several times this year and has a thorough understanding of all synthetic tracks in the USA and Australia. We suggest you contact Mr Malloy as he is very closely related to Polytrack and Cushion Track in the USA.
- cell: 0011 1 352 8042661
- Mr Steve Gulse - Operations Manager, Santa Anita
Mr Gulse is the instigator of all the testing procedures conducted in California and has the information related to the decision making process at Santa Anita.
- cell: 0011 1 714 231 1454
- Mr Michael DePew - Soil Scientist - Environmental Technical Services, LC
Mr DePew has conducted the majority of testing on synthetic tracks in the USA and has a thorough understanding of what is happening to wax based footings in California's climate.
- cell: 0011 1 517 767 4507
- Mr Martin Panza - Racing Secretary - Hollywood Park USA
Mr Panza should be contacted to validate Ian's statement that Cushion Track is watered every day.
- Office: 0011 1 310 419 1684



Are you on the right track?



Pro-Ride Racing Australia Pty Ltd
 PO Box 311,
 Yarrá Glen, Victoria
 Australia 3775
 Phone: +61 3 9730 2036
 Fax: +61 3 9730 1373
 Email: info@proderacing.com
 www.proderacing.com

Exhibit

09 01 2009 15:47
20/06 2007 11:33 FAX

Toowoomba Turf Club → 32699043

NO. 836 0006



20 June 2007

Mr Neville Stewart
Committee Chairman
Toowoomba Turf Club Inc
PO Box 8037
TOOWOOMBA WEST QLD 4350

Queensland Racing Limited
ABN 97 118 735 271
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@queenslandracing.com.au
W www.queenslandracing.com.au

BY FACSIMILE: (07) 4633 1256

Dear Mr Stewart

RE: CUSHION TRACK – HOLLYWOOD PARK

I refer to Mr Gavin McEvoy's facsimile letter of 19 June 2007, concerning the above matter.

I am extremely concerned of the recent conduct of the Toowoomba Turf Club Inc (the Club) in the way it is attempting to influence the decision of Queensland Racing Limited (QRL) to install cushion tracks.

I confirm that on 19 June 2007, I received from Mr McEvoy, a letter and a second page of a facsimile originally received by your Club from Pro-Ride Racing (Pro-Ride). You would be aware that Pro-Ride was the unsuccessful tenderer for the synthetic track installation at Hollywood Park, and of late, the QRL proposed installation at Corbould Park Racecourse. This facsimile from Pro-Ride makes serious claims about the quality of cushion tracks. I advise that all QRL investigations into these allegations by Pro-Ride have been found to be entirely baseless.

Not aware

I am yet to receive the e-mail that you claim to have received on Monday, 18 June 2007 from Mr Martin Panza, Racing Secretary of Hollywood Park. Further, I am also interested to understand why Mr McEvoy has failed to provide the first page of the facsimile from Pro-Ride. Commonsense would dictate that if your Club had genuine concerns over the decision to install a cushion track, then all available information would be forwarded urgently to QRL and not selectively withheld.

The reasons for your Race Secretary, Mr McEvoy to be making inquiries direct to international parties on the advice of a failed tenderer, without the knowledge of QRL, is extraordinary. This lack of business acumen, combined with your Club acting autonomously, can only lead to confusion and a suboptimal outcome.

09/01/2009 15:47
20/06/2007 11:33 FAX

Toowoomba Turf Club → 32699043

NO.836 0007

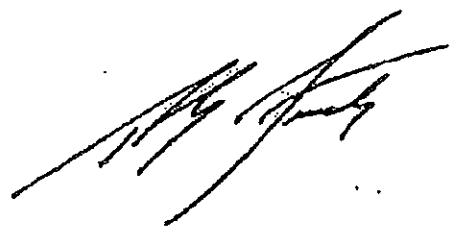
QRL welcomes your Club's involvement and interest in synthetic tracks. You would also be aware that any concerns raised with QRL in relation to synthetic tracks would be attended to promptly; however, the actions taken by your Club in this matter leave a lot to be desired.

To further consider any issues, QRL requests that you forward to our office as a matter of urgency, page 1 of the facsimile from Pro-Ride and also the relevant e-mail from Mr Panza of Hollywood Park.

To ensure that the overall synthetic track project is properly managed, QRL requests that your Club desists from making any further direct enquiries in relation to cushion track. We encourage your Club to place in writing to QRL any concerns it may have in relation to cushion track.

You are also reminded that the synthetic track project was initiated by QRL two (2) years ago and considerable time and expense have been invested in this project. You are also reminded that the Government funding for this Project has resulted from the efforts of QRL, and not your Club.

Yours faithfully



R G BENTLEY
Chairman

cc. Toowoomba Turf Club Inc - Committee Members



HALL & V L S

21/6/2007

QRL

Mr. R Bentley
Queensland Racing

Dear Mr Bentley,

I refer to your letter dated 20 June 2007 concerning the "Cushlon Track."

At first, let me say I am most dismayed and disappointed at both the content and tone of your letter. The Toowoomba Turf Club (TTC) has, at all times, done everything to cooperate with, and assist Queensland Racing Limited (QRL) in attempting to facilitate the installation of a synthetic track at Clifford Park. In your abovementioned correspondence you state that I would be aware that Pro-Ride was an unsuccessful tenderer for work at Hollywood Park in the USA. I can assure you that I was not, and further, have no interest in either Pro-Ride or Hollywood Park. My focus as Chairman, and that of the TTC Committee, is Clifford Park, Toowoomba.

In respect to your accusation that information is being 'selectively withheld', the matter you refer to resulted from an assessment being made that the information contained in the 'missing page' commercial-in-confidence type information that was inappropriate for distribution over a non-secure transmission means. This is a matter that occurs every day in business dealing around Australia and it had been made clear that this 'missing' information would be tabled at the planned meeting for all parties to access. While I apologise for any inconvenience this decision may have, I find it curious that QRL would take such an aggressive stance in respect to such business decisions, particularly when QRL is unable to meet with TTC representatives until 4 July. In light of the commercially sensitive information contained in the 'missing' page I would have expected that someone with the business experience you possess, of all people, would understand this situation. In case you are unclear, no information is being withheld from QRL, rather the TTC has done everything it can to assist QRL in the synthetic track project and will continue to do so. If you had been available to meet you would already have the information that seems to distress you to such an extent.

The TTC has been investigating options for the installation of synthetic racing services since well before QRL ever considered their use at Toowoomba, or anywhere else. As part of this process we have been involved with staff of the Department of Polymer Investigations at the University of Southern Queensland (USQ) in investigating available options. From the tone of your correspondence it seems that you may not be aware of this. I find this both unusual and concerning since members of your QRL staff have attended meetings and discussions with the TTC and USQ on this matter. If it is necessary for you to be briefed on these discussions please let me know and I will be more than happy to arrange such a briefing.

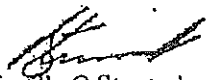
While this Club is grateful for the assistance that QRL is providing by identifying Toowoomba as a site for the installation of a synthetic track, I have a legal responsibility to ensure that any decision taken that impacts on the TTC is able to be fully justified.

I have recently been made aware of the generous financial support that the Queensland Government has provided for in this years State budget for the installation of synthetic racing surfaces in three South East Queensland localities (Toowoomba, Sunshine Coast and Brisbane or Gold Coast). It is my further understanding that this funding will be provided to QRL in trust, to facilitate the installation of the abovementioned tracks.

As you are aware, I have previously had considerable dealings with Government that related to the provision and use of public funds for racing related infrastructure. In the circumstances, I would expect that Government funding of this initiative will be dependent upon QRL justifying the selection of the final type of track that is intended for installation at the abovementioned venues. In view of the significant quantum of public monies allocated for this project I would expect that the Government is going to require certification from QRL that all available options have been considered and provide a "sign-off" on the final selected surface from an independent qualified party that it is fit-for-purpose and provides value for money. Further, in view of the impact of this initiative on the race clubs that own the racing venues I would expect that the Government will want to independently verify that these Clubs are satisfied with the final product selected and QRL's plans for installation of the product. In such circumstances, I considered that QRL would be grateful in being provided the information we at the TTC have gathered during our investigation of possible options, rather than accuse this Club of somehow "causing confusion and a suboptimal outcome."

In closing, I appreciate the efforts of QRL in negotiating Government assistance for the installation of a synthetic track at Clifford Park and once again reiterate that the TTC will, as it always has, work cooperatively with QRL on this and other projects for the benefit of the Queensland racing industry. However, the staff of the TTC do not work for, nor are they subject to direction by QRL and they will continue to undertake their duties as instructed by their lawful employer, the TTC.

If in the future you have any issues of concern related to the synthetic track proposal for Clifford Park, I invite you to speak to me directly as I am sure they can be resolved more efficiently than has occurred with this matter.


Neville C Stewart
Chairman - Toowoomba Turf Club

21 June 2007