

Mr. B. Bentley,
Chairman,
Racing Queensland Ltd.,
PO Box 63,
Sandgate Qld. 4017

30th October, 2010

Dear Bob,

Re: Strategic Asset Plan

I wish to address with you some issues that are causing me concern with the Strategic Asset Plan that was presented to the Directors of Racing Qld. on the 24th September, 2010. This document was prepared with no input from myself at all with regard to the Greyhound Racing Industry.

I wish to draw your attention to the letter I wrote to Mike Kelly on 31st December, 2009 (copy attached) which supports in principle the formation of one control body to govern the racing industry in Queensland.

I would also draw your attention to the various e-mails exchanged between myself and Tony Hanmer regarding the promises for the Logan Complex being completed if I sent the Treasurer a letter agreeing to the Amalgamation. (also attached). These are dated from 7th January, 2010.

I also further draw your attention to the letter dated 7th January, 2010 to Hon. Andrew Fraser MP fully supporting the integration of the Control Body as requested by the Treasurer and Tony Hanmer.

I have also attached the requirements for the Greyhound Racing Industry that was requested by yourself and prepared by myself and Darren Beavis.

I would also refer you to the document prepared by the Board of Greyhounds Queensland Limited "Strategic Directions Document" dated June 2010 that was presented to yourself and the other Directors of Racing Queensland as the business plan and direction that we saw necessary for the future of the Greyhound Industry in Queensland to grow and prosper.

The Board of Greyhounds Queensland Ltd. decided to support the amalgamation of the three codes into one control body after much deliberation, but namely because we believed that we had an iron clad promise in writing that the Logan facility was guaranteed to proceed.

As I have stated at the Board meeting on the 28th September, 2010 I have no problems with the Strategic Asset Plan in general, but I do not think it is in the best interests of Greyhound Racing to do away with the Logan complex and replace it with Deagon for all the reasons I have previously addressed with you, the least of which is that it is on the wrong side of town and the Greyhound Industry deserves the chance to prove what it can produce with a stand alone venue for the first time ever in Queensland.

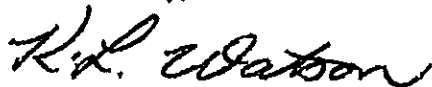
I also wish to state that the Board of Greyhounds Queensland Ltd, delivered to Racing Queensland Ltd, an Industry that had been greatly disadvantaged by the Product Co. Agreement (which has been acknowledged by yourself) and was prevented from delivering many things to the Industry such as a decent Breeding Scheme and significant prizemoney increases and better facilities for the participants and the public.

However we were also in possession of 50% ownership of Albion Park, which unfortunately we were unable to access due to the Harness Board's refusal to agree to sell. We were fully aware of it's potential value. There is nothing to suggest that once sold that the monies from the sale of Albion Park must be applied solely to infrastructure projects. Surely \$1 million for a prizemoney increase across both Non-Tab and Tab meetings and \$1million for a breeding scheme can be allocated from the sale of Albion Park to secure the future of Greyhound Racing in Queensland.

As well we were bringing to the new entity the land at Logan freehold title from the Government which also had a part that could be used for Commercial income and the \$10 million dollars from the Government for the loss of the Parklands race track.

I would ask you to consider what I have addressed in this letter and the facts as presented in the letters to Mike Kelly and Andrew Fraser. I also chose to trust that those promises would be adhered to when guiding my Board towards a positive outcome for the merger of the three codes. After all Tony Hanmer said you were all very pleased with the Greyhounds co-operation and smooth transition for the merger and would be "looked" after. Well now is the time for all the promises to be kept.

Yours faithfully,



Kerry Watson
Director
Racing Queensland Ltd.

c.c Minister Responsible for Racing Mr. P. Lawlor
Mike Kelly, Executive Director, Office of Racing