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Private and confidential
Litigation Management Deed Claims Committee
Centrebet Pty Limited
Locked Bag 5001
Alexandria NSW 5001

Our ref 15371183_1.DOCX

13 August 2012

Dear Sir

Refund of GST on gambling supplies

You have requested a short note to clarify the payment of the GST refund to Centrebet Pty Limited ("Centrebet").

Centrebet's claim comprised of two components; the first being for GST that had been actually overpaid, and the second being the benefit of carried forward losses.

Centrebet received an initial refund of \$20,490,440, being the first component of the claim. This represented the amount of GST actually paid by Centrebet on its gambling supplies from April 2006 to January 2012, plus interest.

Centrebet is now also entitled to utilise carried forward losses that have accrued to it (i.e. the second component). These losses can only be carried forward and offset against Centrebet's future GST gambling liabilities. Centrebet is not otherwise entitled to an immediate refund of those losses as this GST was never paid to the ATO. The losses can only be claimed over time as they are applied against future liabilities.

Yours faithfully

Jeremy Geale
Legal Practitioner Director