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**SPORTS ALIVE PTY LTD
(IN LIQUIDATION)
("SA")**

NOTICE TO ACCOUNT HOLDERS

On the 26th August 2011, SA was placed into liquidation pursuant to the creditors voluntary provisions of the Corporations Act 2011 and Keith Sutherland and I were appointed joint and several Liquidators.

The company ceased operating on the 25th August 2011. Our investigations into the company's affairs have commenced and I anticipate they will be ongoing for a period of time.

The company was licensed as a Sports bookmaker under the Australian Capital Territory Race and Sports Bookmaking Act 2001. As a licensed sports bookmaker it is regulated by the ACT Gambling and Racing Commission ("GRC"). I understand that SA's licence was cancelled on the 26th August 2011. Please find attached a copy of an email that has been forwarded by the GRC to some account holders on the 31st August 2011.

The company also had the following white label partners:

- Bet 247
- Punt Club Pty Ltd
- Bet Sports
- Bet Fair

Please note that I believe clients who are customers of Bet Fair will not be affected by the liquidation of SA.

Outstanding Accounts

Based on current information a summary of outstanding accounts is as follows:

<u>Customers</u>	<u>Number</u>	<u>Amount Outstanding</u>
SA	4,623	\$1,786,691.25
Bet 247	8,267	812,551.55
Punt Club Pty Ltd	182	56,615.26
Bet Sports	140	21,406.24
Totals	13,212	<u>\$2,677,264.30</u>

These amounts will be subject to change as further information is obtained. For example, there are a number of account holders who requested to withdraw funds prior to liquidation. These amounts have been withdrawn from the account holder information however the funds have not been paid. These affected account holders and the amounts will need to be added to the above list.

As is evident there are many affected by the liquidation and we ask that account holders monitor our website as all information will be posted to it. If account holders have any other queries we request that you email your queries to sportalive@bentcogle.com.au. I would appreciate if account holders do not call this office.

Open Bets as at 26th August 2011

A number of account holders had open bets on the 26th August 2011. I am currently of the view that as SA's licence was cancelled upon liquidation these bets will be cancelled. Therefore, the value of the bet will need to be added back to each account holder's balance.

Recovery of Funds

Account holders will be unsecured creditors in the liquidation. Therefore, funds will only be available for account holders and other unsecured creditors once the costs of the liquidation, priority employee claims and secured creditors are paid. These priority and secured claims are approximately \$4 million based on current estimates. However, as yet I have not had an opportunity to verify these claims. Therefore, at present I do not expect a return will be available for account holders and other unsecured creditors.

The assets of the company are limited. The company appears to have held various term deposits however these amounts appear to have either:

- been pledged to the Bank of Queensland,
- claimed as security to cover back charges on credit card payments, and
- as security for the bank guarantee provided to the GRC.

Circular to Creditors

A Circular to Creditors will be sent next week to creditors. It will also be posted on our website www.bentcogle.com.au.

DATED this 1st day of September 2011.


HAMISH MacKINNON
JOINT LIQUIDATOR

Dear Sir / Madam

I refer to your recent query regarding Sports Alive Pty Ltd.

As you are already aware, Sports Alive was placed into voluntary liquidation on 26 August 2011 pursuant to the provisions of the Corporations Act.

The appointed liquidators are K.L.Sutherland and H.McKinnon of Bent & Cogle Pty Ltd. The liquidators are currently assessing Sports Alive's financial position.

The liquidator's website is at www.bentcogle.com.au .

Information regarding the liquidation will be posted on Bent & Cogle's website. Some information has already been placed on the site and further material and documents (including circulars to creditors) will be uploaded as they become available.

To ensure that you are kept up to date regarding this ongoing process, please monitor the information on the bentcogle website.

The ACT Gambling and Racing Commission is not able to provide further comment on the situation until information regarding Sports Alive's current financial situation is determined.

Further updates will be provided as information is received.

Thank you for your ongoing patience while the actual financial position is determined.