

ASX ANNOUNCEMENT

31 JULY 2008

**MARKET UPDATE FOR THE HEDLEY LEISURE & GAMING
PROPERTY FUND (“HLG”)**

Distribution Reinvestment Plan

With reference to the Final Distribution for the half year ended 30 June 2008 announced on 24th June 2008, HLG advises that the Distribution Reinvestment Plan (DRP) issue price is 53.4012c per stapled security.

The issue price has been calculated by reference to the average of the daily volume weighted average market price of all sales of HLG's stapled securities recorded on the ASX from 7 July 2008 to 25 July 2008 (the 15 ASX trading days following after the record date), less a 5% discount.

The stapled securities issued under the DRP will rank equally with existing stapled securities. The stapled securities will be issued on the payment date of 5 September 2008.

Directors Margin Loans

Director Thomas Hedley advises that the margin loan referred to in the announcement dated 10 March 2008 has been repaid.

For more information on Hedley Leisure and Gaming Property Fund please visit www.hlg.com.au or contact Stephen Donnelly, Chief Financial Officer, on 07 40419524.