

ASX ANNOUNCEMENT

8th JULY 2008

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

Weller Group of Hotels, South East Queensland

HLG has come to an agreement with the vendors to terminate these contracts at a cost to HLG of \$2,590,000.

The Board of HLG has taken the view that given the changing circumstances in the property market that HLG is best served by not completing these acquisitions.

With the termination of the above agreements, the completion of five outstanding sale contracts for \$12m and payment of the 12c distribution on 5 September, 2008 HLG will have net debt of \$745m and gearing of 64.8% on assets with a book value of \$1.15b. NTA based on these numbers is \$2-95 per stapled security.

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.