



OAKS HOTELS & RESORTS

June 1, 2009

ARMS LENGTH AGREEMENT IN PLACE FOR MANAGEMENT RIGHTS TRANSACTION

Oaks Hotels & Resorts has responded to an article by Lisa Allen in today's Australian Financial Review headlined "Brother steps in to manage things".

Oaks wishes to clarify any misconception that may have resulted from this article.

The company says it has an arm's length agreement in place for the sale of management rights.

Oaks has advised that as part of the negotiations that took place after receiving the second offer from a syndicate representing a number of people on an arms length basis; Darren Pointon, who was party to the original sale, wished to continue his involvement in the sale while Brett Pointon was happy to remove himself from the transaction.

Accordingly, Darren Pointon became an additional member of the Tidal Swell syndicate and then provided his agreement to rescind the Collections Enterprises Pty Ltd sale contracts.

The independent directors of the board then entered in to a contract with Tidal Swell Pty Ltd, the entity representing the syndicate.

ENDS

Further information:

Brett Pointon

Chief Executive Officer

Oaks Hotels & Resorts

Ph: (07) 5479 6922

www.theoaksgroup.com.au