

HEAD OFFICE

Level 5, 26 Duport Avenue
Maroochydore
PO Box 473, Cotton Tree
Sunshine Coast QLD 4558
Phone 07 5479 6922
Fax 07 5479 6933
headoffice@theoaksgroup.com.au
oakshotelsresorts.com

Ms Melissa Grundy
ASX Compliance
Level 5, Riverside Centre
Brisbane QLD 4000

Dear Melissa,

Re: Price Query

I refer to your letter of 2 May 2011.

Using the numbering contained in your letter Oaks responds to your queries as follows

1. The Company is aware that the receivers and managers of Oaks Apartment Management Pty Limited (Receivers and Managers Appointed) as trustee for the BM Pointon Family Trust and Centrepont Holdings Pty Ltd (Receivers and Managers appointed) have been conducting a sale process in relation to 59,703,851 ordinary shares in Oaks (approximately 34% of the issued capital) held by those companies ("the Oaks Parcel"). Oaks understands that the receivers and managers have received a number of bids which they are currently evaluating. Oaks further understands that one of these bids is a conditional offer to acquire the Oaks Parcel for a consideration of \$0.60 cents per share.

If the receivers and managers accept the relevant offer then the bidder will be required to make an offer to acquire all the outstanding shares in Oaks for a consideration of \$0.60 per share. The receivers and managers have not informed Oaks of their intentions at this point.

2. Oaks will make an announcement in this regard as soon as the receivers and managers advise Oaks of their intentions.
3. No.
4. No.
5. Not that Oaks is aware of.
6. Oaks is in compliance with Listing Rule 3.1

Yours sincerely



Graeme Johnson
Chief Financial Officer and Company Secretary



2 May 2011

Messrs Mark Gray and Graeme Johnson
Director and Company Secretary
Oaks Hotels & Resorts Limited
Level 5
26 Duporth Avenue
MAROOCHYDORE QLD 4558

ASX Compliance Pty Limited
ABN 26 087 780 489
Level 5, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

PO Box 7055
Riverside Centre
Brisbane QLD 4001

Telephone 61 7 3835 4000
Facsimile 61 7 3832 4114
www.asx.com.au

By email: mark.gray@bdo.com.au; graemej@theoaksgroup.com

Dear Messrs Gray and Johnson

Oaks Hotels & Resorts Limited (the "Company")

PRICE QUERY

We have noted an increase in the price of the Company's securities from a close of 45 cents on Friday, 29 April 2011 to an intraday high of 55 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the Company's result so that the figure for the year ending 30 June 2011 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the year ending 30 June 2011? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email at melissa.grundy@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **by 9.30am EST on Tuesday, 3 May 2011**.

Under listing rule 18.7A, a copy of this query and your response **will** be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically without signature]

Melissa Grundy
Manager, Listings (Brisbane)