

As you may be aware at the Grand Prix whilst the GT Championship and Porsche Drivers Challenge was in its finest hour, a self interest group released documents and actively promoted a new Porsche series which would be operated under the Porsche Drivers Challenge Category Management Agreement

AGTSG did not and have not agreed to transfer the Porsche Drivers Challenge Category Management Agreement.

AGTSG recognised the issues facing competitors of all marques and had been in discussion with CAMS since May 2007 since sending a proposal for an Australian GT Challenge – details attached

Against legal advice from AGTSG and its solicitors CAMS transferred the PDC CMA to Challenge Cup Promoters headed by directors Sven Burchartz and Jon Trende

A full chronology of events is attached

These events have created an air of confusion and loss of confidence in the Championship with competitors, suppliers and corporate partners resulting in an all time low entry for the Oran Park round.

Due to these actions, this position is totally untenable and as such AGTSG have been regrettably forced to withdraw from the Oran Park CNRC Round.

Rachael, Martin & Terry fully understand the disappointment and frustration that this situation causes. We have consistently had to battle the might of CAMS and Porsche Cars Australia since the inception of the Championship on issues relating to vehicle eligibility, specification and high cost control parts

Unfortunately we have not had the resources that are available to these groups and it has had to come to this

AGTSG, Michelin and Complispace are committed to resolving these issues and building upon all the hard work, support and investment that has seen us secure positions on Australia's premier events and will continue to do so with come very exciting prospects in 2009

CAMS have agreed to meet with AGTSG next Wednesday for urgent talks. AGTSG is pressuring CAMS to bring this forward

It is incomprehensible to split the Australian GT Championship and Porsche Drivers Challenge, until it is viable for either to stand alone.

CAMS have to be made aware that there is only a limited competitor base in Australia and cannot continue to dilute categories by introducing new categories at will to satisfy the needs of manufacturers and self-interest groups

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We seek your assistance in ensuring commonsense prevails and securing the future of the Australian GT Championship and Australian GT Challenge by supporting us in our endeavors in sending emails of support to Rachael for forwarding to the Chairman and CEO of CAMS.

Rachael, Martin and Terry all have a passion for the future of GT Sportscar Racing and believe a united approach is paramount to its success

It is our intention and desire to protect your investment and grow the Championship. To do this we need your support

Kind Regards,

A handwritten signature in black ink, appearing to read "Stuart P. Jagg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

The Directors
Australian GT Sportscar Group Pty Ltd

BACKGROUND INFORMATION:

Australian GT had been in discussions with CAMS since May 2007 to establish a series within a series (Australian GT Challenge), to run with the Australian GT Championship to ensure that all non FIA GT3 cars had an affordable, competitive series to compete in and develop until a time where both were strong enough to stand alone, envisaged for season 2010.

This format had been supported by CAMS and was in fact a part of the business plan required by CAMS in issuing the Category Management Agreements in December 2005 at which point CAMS forced AGTSG to take the Porsche Drivers Challenge Category Management Agreement

Chronology

- 1.1 On return from Christmas break the directors of AGTSG became aware of discussions between CAMS and Challenge Racing Association officials to secure the Porsche Drivers Challenge Category management agreement and a calendar on the CAMS National Racing Championship for Porsche Drivers Challenge.
- 1.2 On January 15th Australian GT Sportscar Group directors met with Sven Burchartz and Jon Trende representing Challenge Racing Association to discuss them purchasing the Porsche Drivers Challenge CMA

Following this meeting and a series of phone calls an agreement could not be reached and discussions ceased.

CAMS were notified of AGTSG position on the Porsche Drivers Challenge CMA and the need to keep both groups together to ensure viability of the Championship.

- 1.3 On Monday the 3rd March the day following the Vic State round at Sandown AGTSG are informed of discussions held at Sandown with Sven Burchartz and other competitors.

AGTSG contacted Sven and reopened discussions in an attempt to stop the split that was being discussed and the confusion that it was creating amongst competitors.

- 1.4 AGTSG at a meeting of the Australian Motor Racing Commission on March 5th reiterated the need to create a second level series called Australian GT Challenge within the Australian GT Championship to cater for these competitors. It should be noted that Porsche Cars Australian representative, Jamey Blaikie was in attendance and made no reference to GT3 Cup Challenge or any other such plan
- 1.5 In subsequent meetings and phone calls with Sven Burchartz and Jon Trende, AGTSG were informed that they were now dealing with Challenge Cup Promoters Pty Ltd a company owned by them.
- 1.6 An agreement in principal was reached for CCP to take over the PDC CMA and run in conjunction with the Australian GT Championship for the remainder of 2008 and at a number of events in 2009. This in principle agreement was subject to a meeting at CAMS involving all parties on Monday 17th March to ensure interests of all parties and competitors are properly and fully addressed in all agreements.
- 1.7 Prior to this meeting taking place CAMS Senior Manager of Commercial Operations approached AGTSG about commenting in a press release re the transfer of the PDC CMA to CCP

She was informed by AGTSG that until the meeting had been held it was premature, but a joint announcement at the AGP stating that an agreement in principal had been reached would be acceptable with final details to be confirmed with CAMS the following week

- 1.8 On Thursday 13th March a release was distributed announcing the transfer of the PDC CMA by CAMS to CCP and creation of the GT3 Cup Challenge for Porsches. This release was supported by comments from Porsche Cars Australia.

Mr Jamey Blaikie of Porsche Cars Australia who is also a CAMS commissioner was seen actively promoting this new series in the GT marquees/paddock area.

- 1.9 Notices of Dispute were issued by AGTSG to CAMS pursuant to both the Australian GT Championship Category Management Agreement (“GT CMA”) and the Porsche Drivers Challenge Category Management Agreement (“PDC CMA”) on 15 & 17 of March 2008
- 1.10 CCP commenced Supreme Court Proceeding No 5208 of 2008 against AGTSG on 18 March 2008 seeking, inter alia, specific performance of the contract with respect to the transfer of the PDC CMA from AGTSG to CCP
- 1.11 CCP foreshadowed an application for an urgent injunction which, if heard, would either have compelled AGTSG (and CAMS) to transfer the PDC CMA to CCP or the court would have declined to grant the injunction on the that basis that there had been no concluded agreement to transfer the PDC CMA
- 1.12 On March 20 2008, CAMS executed a transfer of the PDC CMA to CCP
- 1.13 AGTSG and CCP engaged in a series of “without prejudice” discussions and communications with a view to resolving all issues between the parties to give effect to the “in principle” agreement to transfer the PDC CMA to CCP. AGTSG sought to involve CAMS in those discussions which were to culminate in a proposed “without prejudice” meeting between representatives of AGTSG, CCP and CAMS.
- 1.14 On Friday 4 April 2008, CCP filed a Notice of Discontinuance in the Supreme Court proceeding and subsequently withdrew from “without prejudice” negotiations.
- Both CCP and CAMS then declined to attend the proposed “without prejudice” meeting on Monday 7 April 2007
- 1.15 CAMS has declined to respond to the Notice of Dispute in relation to the GT CMA and maintains there can be no dispute under the PDC CMA because AGTSG is no longer the holder of the CMA
- 1.16 CCP issued a press release as Category Managers for the GT3 Cup Challenge (as rebranded) which states that arrangement to track share with the GT Championship will not proceed and that is has secured an alternate calendar and series format with SNRC
- 1.17 AGTSG has maintained that any purported transfer of the PDC CMA by CAMS to CCP is invalid and have adopted the position of “business as usual” including advertising for entries for Oran Park on the basis that it remains the Category Manager for the PDC CMA
- 1.18 AGTSG has been forced by the devastating loss of confidence in the Championship with only seven entries received for Oran Park, to review its position and withdraw from the CAMS National Championships round at Oran Park on 26-27 of April and seek urgent talks with CAMS as to the viability and ability of the Championship to continue under CAMS.

Australian GT Challenge

Overview

To provide a competition for all non FIA GT3, eligible GT Sportscars currently on the AGTC eligibility list, at a relative performance and cost level.

Australian GT Challenge to be run in conjunction with the Australian GT Championship, potentially in 2009 a limited number of stand alone GT Challenge events could be staged

- **Eligible Cars**

- Porsche 996 Cup Cars
- PDC eligible cars
- Ferrari 430, 360 Challenge
- Maserati Trofeo Trofeo Lite
- Lotus Exige Sport 200, Elise S
- World Challenge Cars
- Current sunset clause cars
- Other cars that fall into concept as approved by AGT and CAMS

A review of GT4 to be conducted to ascertain if competitive

- **Benchmark Time**

- Porsche 996 Cup Car

- **Eligibility Documents**

- Move to developing FIA GT3 type homologation documents for all cars.

- **Performance**

- Use the current Performance adjustment system to provide a level playing field for all competitors, (2004/5)

- **Drivers**

- GT Challenge would be for unseeded drivers only

- **Fees**

- Without Championship status and a lower level of exposure, GT challenge would offer a fee level \$500 per round below Championship fees.
- Our tyre Partners Michelin and European Technique would offer all Challenge competitors a set of good second hand tyres per event. Challenge competitors would receive all other Championship benefits, Garage, Drivers lounge, etc.

- **Current Marque Challenges**

- The current Marque specific Challenges would continue with points awarded across GT Championship and Challenge, Marque Challenges would become Marque Trophies

- **Series Promotion**

- Series to have its own identity
- Series Logo to be used on all TV, Web and Marketing material
- Series to have its own trophies and podium presentations
- Series to have its own Media releases
- Cars to have Series ID

Summary

The introduction of GT Challenge will;

- Provide somewhere for all cars not competitive in AGT their own “Series” to compete in.
- Provide Challenge competitors the opportunity to compete at the best tracks and events.
- Provide a cost effective Series for competitors that is a better option than other existing series for GT Sportscars.
- Offer a cost effective entry level to GT racing
- Give GT a stronger competitor base to build a sustainable future.
- To further move to long term consistent car specifications and regulations
- To attract more State level entries at individual GT rounds.