

15 March, 2006

Mr Scott Evans
General Manager
Stock Exchange of Newcastle Limited
Ground Floor
384 Hunter Street
NEWCASTLE NSW 2300

By email – scott.evans@newsx.com.au

Dear Sir

Betta Stores Limited (NSX Code – BSZ)

BSZ is currently in the process of finalising the financial statements for the half year ended 31 December, 2005.

For a number of reasons the half year accounts will not be completed by the date required by the listing rules. These reasons are:

- Change in Auditor during the relevant period;
- Finalisation of matter with the outgoing Auditors;
- Change in Chief Financial Officer during the relevant period including the change in a number of senior accounting staff;
- Issues with and modifications required of accounting practices and systems; and
- Assessment of the full impact of Australian equivalent of the International Financial Reporting Standards on the BSL Group of companies.

In the Directors' deliberations regarding the lodgement of the half year accounts it was not considered appropriate or prudent, given the reasons for the delays, to lodge accounts within the period required by the listing rules that were not yet subject to a complete review by the incoming auditors.

It was also considered not appropriate to provide a preliminary result as this result is still subject to the review and finalisation of a number of outstanding issues, including but not limited to, the finalisation of a review of the integrity of the company's financial reporting systems and the potential impact on the financial statements.

While the preference of the Directors is not to suspend trading of the company's shares, in accordance with prudent practices, we request you grant a suspension of the company's shares for a period of two weeks. This period will allow the Directors adequate time to make all necessary decisions impacting on the company's half year financial statements and for the auditor to provide his opinion.

In terms of the Listing Rules, we note as follows:

- The reason for the request for the suspension is to allow the company sufficient time so that it can ensure the accuracy and impact of the issues noted above on its half year financial statements.
- We expect the suspension to last no longer than 29 March, 2006.
- We expect the suspension to be lifted following an announcement about the half year results.

Yours sincerely
BETTA STORES LIMITED

A handwritten signature in black ink, appearing to read 'N. Quinn', written in a cursive style.

Nicole Quinn
Company Secretary