

6 August 2009

National Finance 2000 Limited (In Receivership and In Liquidation) – “NatFin”

The receivers of NatFin would like to take this opportunity to update you on the progress of the receivership since our last report to investors dated 22 December 2008.

Activities since our last report

In the six months since our last report, the receivers have continued to focus on:

- Pursuing further the third party dealer loans, related party advances, and recovering monies obtainable under guarantees provided by the interests of Allan Ludlow; and
- Co-operating with Government authorities to assist with their investigations.

As you are aware the receivers have initiated legal action in a number of instances to recover amounts owing to NatFin in relation to third party dealer loans and other assets. Realisations from these avenues of recovery are now substantially complete. The receivers do not expect any further material realisations to be made in this regard.

As previously advised, we have referred a number of concerns to a range of authorities who continue to investigate the demise of NatFin. We continue to co-operate with these authorities.

As mentioned in our previous update to investors, in November 2008 the Ministry of Economic Development banned the directors of NatFin from acting as company directors. It was ruled that Trevor (Allan) Ludlow, Anthony Banbrook and Carol Braithwaite mismanaged NatFin and related companies, and it was that mismanagement which (at least partly) contributed to NatFin's failure.

Mr Ludlow and Ms Braithwaite were banned for four years six months (of a maximum possible ban of five years), and Mr Banbrook was banned for four years.

Distributions to investors

We estimate secured debenture investors will recover 48% of the original investment. Please note that this estimate includes 40% of distributions already made. Accordingly, we estimate that a further final distribution of 8% will be made to secured debenture investors by 30 September 2009.

Outstanding matters

The remaining actions required going forward relate to:

- Finalising matters with respect to third party dealer loans, related party advances, and recovery of monies obtainable under guarantees provided by the interests of Allan Ludlow; and
- Continued co-operation with various government authorities who continue to conduct investigations.

As stated previously, we regret that there will not be any amounts available for payment to subordinated investors and other unsecured creditors from the assets in receivership.

We trust this update has been of assistance to investors. If you have any queries, please contact us in writing via our website, private bag or facsimile addresses.

Yours faithfully
National Finance 2000 Limited (In Receivership and In Liquidation)



Colin McCloy
Receiver