

22 July 2009

Dear Investor

Bridgecorp Limited (In Receivership & In Liquidation)
BFSL 2007 Limited (In Receivership)
BNL 2007 Limited (In Receivership)
B2B Brokers Limited (In Receivership)
Monice Properties Limited (In Receivership)
Bridgecorp Capital Limited (In Receivership);
together "Bridgecorp"

1. Introduction

Our last quarterly report to secured debenture investors was dated 20 April 2009. We take this opportunity to provide you with a further update on the progress of the receiverships and our investigations into events leading up to the receivership of Bridgecorp.

2. Returns to Secured Debenture Investors

In our previous update, we advised that due to ongoing delays in the realisation of material overseas assets, over which Bridgecorp has no direct control, we were unable to provide a reliable estimate of the timing or quantum of likely returns to investors. Furthermore, we advised that, excluding any recoveries from overseas assets and ongoing legal matters regarding insurance and the actions of directors/other parties prior to receivership, the return to secured debenture investors from other recoveries was likely to be less than ten cents in the dollar. In the three months to June 2009, whilst minor property assets in New Zealand continue to be realised, no realisations have been forthcoming from overseas assets or ongoing legal matters and accordingly our position in respect of prospective returns remains unchanged. We set out below further detail on the progress of all recovery actions.

Overseas Loan Assets

In our prior updates, we noted that the majority of remaining material recoveries from Bridgecorp's assets were dependent upon a small number of high value loans over properties located in Australia and Fiji.

- As previously noted, Bridgecorp's largest loan and receivables asset is dependent upon the outcome of the Momi Resort development in Fiji. There has been considerable media coverage recently regarding the actions of the prior mortgagee in taking control of and selling this development. We continue to work with other stakeholders in vigorously pursuing legal remedies to prevent the sale. However, the outcome of these actions is uncertain. Whilst we continue to pursue all options available in order to protect the interests of Bridgecorp, it remains difficult to assess with any degree of certainty the ultimate recoveries in respect of the Momi Resort. Political developments in Fiji also continue to impact upon the ability to progress any recovery efforts.
- As previously advised, two large hotels in Australia were subject to a receivers' sale by a prior ranking mortgagee, with one sale originally scheduled to settle on 31 January 2009 expected to enable full repayment of the first mortgagee (owed in excess of NZD30m) with a small recovery to an Australian subsidiary of Bridgecorp via indirect second ranking security. As at the date of this letter, the sale remains unsettled. We are advised that the technical issues delaying the settlement have been substantially resolved, and settlement is anticipated in the near future. However, in the interim, ongoing interest on the first mortgage debt has materially eroded the likely return to Bridgecorp from the sale. A sale agreement for the second hotel has still not yet been achieved.

New Zealand Loan Assets

The majority of physical assets subject to security held by Bridgecorp have now been realised and accordingly operations have now been substantially ceased. We continue to pursue guarantors and other available avenues for recovery of outstanding monies.

Other

Potential returns are being sought in respect of actions taken against directors and other third parties, including possible claims on various insurance policies held by Bridgecorp.

3. Investigations

We continue to actively pursue a number of potential actions against certain of Bridgecorp's directors and other parties in respect of their conduct prior to receivership, and we are working with legal counsel and various Government Authorities to co-ordinate action in this regard. In addition, we continue to work with the Official Assignee to determine the extent of further claims to be made in the bankruptcy of Mr Petricevic, and to identify any further potential assets.

The criminal proceedings brought against all five Bridgecorp directors are ongoing, with the next Court hearings for these proceedings set down for 9 September 2009.

4. Concluding Remarks

Notwithstanding ongoing difficult market conditions, the poor quality of Bridgecorp's security position in the majority of instances and arrangements entered into regarding the ability to enforce rights in respect of many loans have been the primary drivers of extremely low returns from asset realisations. We continue to vigorously pursue all possible avenues of recovery and ensure both that the interests of Bridgecorp's investors are protected as much as is possible and that those parties responsible for the losses suffered are held to account.

We remain of the view that recoveries to secured debenture holders will be less than ten cents in the dollar. We expect to be in a better position to comment on the range and timing of dividends by mid-December 2009. In the interim, if the position becomes clearer we will of course notify investors at that time.

We will update investors further should any material developments occur in respect of remaining activities. Should you wish to contact us with regard to the receiverships, please do so via our website, telephone, facsimile, or private bag address, as follows:

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Telephone: +64 9 355 8800
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Website: www.pwc.com/nz/Bridgecorp.

A list of frequently asked questions is also available on our website. Once again we thank you for your ongoing support and patience through this difficult process.

Yours faithfully



Colin McCloy
Receiver



Maurice Noone
Receiver