PRICEWATERHOUSECOOPERS

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31 July 2007

Dear [salutation]

Bridgecorp Limited (In Receivership)
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 "the Companies"

Investor Number [client no]

1. Introduction

As you are aware John Waller and Colin McCloy were appointed receivers to each of the above Companies on the evening of Monday 2 July 2007.

One of the Companies, Bridgecorp Limited (In Receivership) ("Bridgecorp") issued secured debentures to investors. We are writing to you in your capacity as a secured debenture investor, with the investor number noted above. If this is incorrect please contact us as it will impact on the level of estimated returns on your investment.

On 6 July 2007, we advised you of our appointment as receivers. Since then we have been analysing the affairs of the Companies and take this opportunity to provide you with an update as to progress with the receiverships, and our preliminary estimates of the amount and timing of returns to secured debenture investors. Included in our estimates are the reported assets of three Australian subsidiaries also subject to the secured debentures, being Bridgecorp Finance (Australia) Pty Limited, Bridgecorp Australia Pty Limited and Bridgecorp Properties Pty Limited (all with Administrators Appointed). These entities were placed into Voluntary Administration on 4 July 2007, with Stephen Longley and Philip Carter of PricewaterhouseCoopers appointed as joint and several administrators. Together with the Companies, they form "the Charging Group" referred to in this report.

Bridgecorp Investments Limited (In Liquidation) (“BIL”), a related entity, issued capital notes and utilised funds raised to invest in preference shares issued by Bridgecorp. Please note that this letter contains information only in relation to the secured debenture investors of Bridgecorp. The holders of capital notes in BIL will be written to under separate cover, later this week.

Our preliminary estimates indicate that Bridgecorp secured debenture investors such as you could recover 25% to 74% of your original investment from the assets of the Companies. The wide range reflects the fact that Bridgecorp has loans and accounts receivable totalling $157.1m on a number of offshore developments. If recoverable in full these specific Australian, Fijian and other offshore loans and accounts receivable would comprise 34 cents of the 74 cents in the dollar recovery. The nature of these receivables is complex and the level of recoverability is subject to a number of issues, including political uncertainties. As a result it is difficult to assess potential recoveries from these Australian, Fijian and other offshore loans and receivables at this time.

We are mindful of the large range of potential recoveries for secured debenture investors but re-emphasise that there are considerable risks and uncertainties relating to the recoverability of significant loans and receivables which will have a material impact on secured debenture investors’ recoveries.

2. Financial Standing of the Companies

Following our appointment we restructured the management of the Companies. The services of the executive directors and general manager have not been retained, and a new management structure involving remaining staff has been appointed. In addition we have retained specialist property and legal advisers to assist with our analysis. We take this opportunity to express our gratitude to the new management team for their continued support.

The table below summarises the consolidated financial position of the Companies as at 30 June 2007, based on management unaudited information. We stress that in the time available to us we have relied upon the information provided and have not independently verified this information.

PRICEWATERHOUSECOOPERS

Charging Group Balance Sheet Draft Management Unaudited (NZD'000)	Note	As at 30 June 2007 Total
Loan Book	A	393,075
Cash at Bank		158
Accounts Receivable	B	60,785
Property Settlements	C	18,563
Properties for Resale		20,044
Intergroup Advances	D	87,546
Investments	E	2,010
Fixed Assets (net book value)	F	1,194
Taxation	G	11,909
Total Assets		**595,284**
Gross Borrowings		
Secured Borrowings - Property	H	28,278
Secured Borrowings - Investors	I	458,738
Accounts Payable	J	11,067
Taxation		11,147
Intergroup Borrowings	K	10,186
Total Liabilities		**519,416**
NET ASSETS		**75,868**

Source: Management Information

The key elements of the balance sheet are as follows:

A. Loan Book

The Companies' major asset is the Loan Book which consists of 69 loans with a total book value of $393m, to a range of New Zealand, Australian, Fijian and other offshore borrowers. The majority of loans are in respect of development properties, in various stages of completion. Interest accruing is added to the loan balance and received on repayment of the loan, as opposed to interest being paid to the Companies on a monthly or quarterly basis.

The majority of the loans are secured by mortgages on land and buildings. However the mortgages are typically 2^{nd} or 3^{rd} ranking mortgages, or some other low ranking security. The practical effect of this is that often when loans are in default, the receivers are unable to enforce security on the loans without the consent of prior ranking mortgagees. This limits the options open to the receivers in attempting to recover individual loans.

The table below summarises the mortgage priority of the loans; including the number with first, second or third ranking mortgages, or other known security details.

Loan Book Mortgage Priority Summary Management Unaudited	Number of Loans
1st Mortgage	9
Combined 1st/2nd Mortgage	4
2nd Mortgage	12
3rd Mortgage	11
Other Secured Lending	8
Unsecured Lending	15
Security Subject to Legal Dispute	10
Total Loans	**69**

Source: Management Information

Our assessment of the Loan Book is that it has been partially sold to other financiers over time to generate cash flow for principal and interest payments to Bridgecorp investors. In our view many of the better quality loans have been sold to other financiers leaving a Loan Book which is more difficult to recover.

We are working with a number of stakeholders to recover these loans. However it is clear that this will be a complex, costly and time consuming exercise.

Included in the $393m of loans are loans to parties associated with specific developments in Australia, Fiji and other offshore locations. These loans total $106m. The recoverability of these amounts is complex and subject to political uncertainties. As a result it is difficult to assess potential recoveries on these loans at this time.

An initial review of the Loan Book shows loan provisions appear to have been understated and further substantial provisions are required against these loans, in addition to those included in the unaudited management 30 June 2007 balance sheet. This will have a significant adverse impact on the amount and timing of returns to secured debenture investors.

Bridgecorp holds insurance policies on certain of its loans, which cover a percentage of any shortfall or losses. We have endeavoured to take account of insurance when assessing potential returns to secured debenture investors. We note however that not all loans qualified for insurance and the level of insurance recoveries is not significant when compared with the overall size of the loan book.

B. Accounts Receivable

Accounts Receivable includes $51.1m in respect of a Fijian development. For reasons outlined earlier it is difficult to assess potential recoveries at this time. The balance of Accounts Receivable is represented by prepayments and accruals ($4.3m), trade receivables ($4.4m) and other receivables ($1m). Of the trade receivables amount, approximately $3m has been received to date, with a further $1m anticipated.

C. Property Settlements

Property Settlements and Property for Resale represent five properties held by the Companies. Initial analysis indicates that a number of these properties will not realise their book value.

D. Inter-Group Advances

Intergroup Advances represent amounts advanced to other group companies, outside of the Companies in receivership and the Charging Group. We are endeavouring to recover the advances, but again indications are that recoveries will be less than book value, particularly in view of the appointment of Administrators and/or Receivers to the parent company and other Australian entities. These balances are summarised below.

Charging Group Balance Sheet Intergroup advances as at 30 June 2007 (NZD'000)	
Parent Company	20,173
Australian related entities	51,820
New Zealand related entities	15,553
Total	**87,546**

Source: Management Information

E. Investments

Investments represent an investment in a related entity which we are seeking to recover.

F. Fixed Assets

Fixed Assets are mainly leasehold improvements, office fixtures and fittings. Material recoveries from these assets are not anticipated.

G. Taxation

The Taxation asset is a deferred tax balance. We are investigating this to determine whether it will be recoverable. We note however that there is a tax liability in the balance sheet for a similar amount which brings into question any recoveries from taxation.

H. Secured Borrowings - Property

Secured Borrowings – Property represents loans totalling $28.2m secured against five properties held for resale (book value $38.6m, being $18.6m of Property Settlements and $20m of Properties for Resale) and will be required to be repaid from the proceeds of those properties.

I. Secured Debenture Investors

The Secured Debenture Investors balance represents approximately 19,000 investments held by approximately 14,500 secured debenture holders.

J. Accounts Payable

Accounts Payable consists of liabilities and accruals including Resident Withholding Tax, GST, commissions, employee entitlements and suppliers.

K. Inter-Group Borrowings

Intergroup Borrowings represents amounts borrowed from other group companies.

3. Amount and Timing of Dividend to Secured Debenture Holders

In an effort to provide an indicative recovery range for secured debenture investors we have split the assets of the Companies into two groups, namely:

1) The Loan Book (excluding specific Australian, Fijian and other offshore loans and receivables) and all other assets; and
2) The specific Australian, Fijian and other offshore loans and receivables.

Our indicative recovery range for the two groupings is as follows:

1) The Loan Book (excluding specific Australian, Fijian and other offshore loans and receivables) and all other assets.

In order to assess the potential recoveries to secured debenture investors from the Loan Book (excluding specific Australian, Fijian and other offshore loans and receivables) and all other assets, we have used the unaudited management Companies 30 June 2007 balance sheet as a starting point and made the following adjustments:

i. A further substantial provision on the Loan Book in addition to the provision as at 30 June 2007;

ii. Estimated realisations for properties, net of secured party repayments;

iii. Recoveries on Intergroup Advances not related to specific NZ based assets are assumed to be nil;

iv. Recoveries on the Taxation balance are assumed to be nil;

v. Allowing for preferential creditors such as Employees and Inland Revenue; and

vi. Incorporating a contingency allowance for unknown factors.

Our preliminary assessment of recoveries to secured debenture investors from this group is 25% to 40% of their original investment, which is summarised in the following table:

Bridgecorp Limited (In Receivership) and subsidiaries Preliminary Estimate of Potential Recoveries Excluding specific Australian, Fijian & other offshore loans and receivables (NZD'000)	Low	High
Total Assets Per 30 June Balance Sheet	595,284	595,284
Less specific Australian, Fijian & other offshore loans and receivables	(157,117)	(157,117)
Total Assets Assessed	**438,167**	**438,167**
Reductions		
Loan Provisions	(159,030)	(110,552)
Asset Write Offs - Intergroup	(87,546)	(87,546)
Asset Write Offs - Taxation	(11,909)	(11,909)
Secured Borrowings - Property	(28,278)	(28,278)
Allowance for Preferential Creditors	(5,300)	(5,300)
Contingency	(30,000)	(12,500)
Potential Recoveries prior to Costs	**116,104**	**182,082**
Secured Borrowings - Investors	**458,738**	**458,738**
Estimated Dividend Range	**25%**	**40%**

2) Specific Australian, Fijian and other offshore loans and receivables

The specific Australian, Fijian and other offshore loans and receivables have a book value of $157.1m. At this stage it is difficult to estimate the recovery from the specific Australian, Fijian and other offshore loans and receivables given the complexity of the transactions, the current state of the projects, and political uncertainty in Fiji. Should these loans and receivables be repaid in full an additional recovery of up to approximately 34 cents in the dollar would be repayable to secured debenture investors.

Combining the two asset groupings above, our preliminary estimates indicate that secured debenture investors could recover between 25% and 74% of their original investment.

The ultimate recovery to secured debenture investors will depend on a number of factors and so remains volatile. In particular a number of the developments on which the Companies have lent require further funding to complete. A large number of the developments are in the process of a financial restructure, and ultimately the recoveries are dependent upon the performance of third parties such as developers and prior ranking charge holders. Furthermore amounts due to the Inland Revenue Department in respect of GST remain subject to verification. GST is a preferential creditor and therefore ranks ahead of secured debenture investors. As a result any further GST liabilities could be material to recoveries to secured debenture investors.

The timing of any payout is difficult to assess at this stage as it will depend on a number of factors including the method by which the value in the Loan Book and other assets is realised. It is highly likely that any recoveries to investors will be paid out over time as loans are recovered, as opposed to a lump sum payout. As a result it would be prudent for investors to assume that they will not obtain any recoveries in the next six months. Once we have a better indication of potential timeframes for recoveries we will advise investors.

We appreciate that the level and timing of returns will come as a shock to many investors. We regret that this letter could not provide you with more positive news.

In the course of our analysis we have identified a number of matters which may give rise to breaches of the Securities Act. We will refer these matters to the Securities Commission.

We will endeavour to keep you updated on a regular basis. In the meantime, should you wish to contact us with regard to the above, please do so in writing, to any of the above postal, facsimile or website addresses.

Yours faithfully

John Waller Receiver	Colin McCloy Receiver