

27 June 2008

Dear Investor

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 “Bridgecorp”

1. Introduction

Our last quarterly report to secured debenture investors was dated 31 March 2008. We take this opportunity to provide you with a further update on the estimated returns and timing to secured debenture investors and progress with our investigations into events leading up to the receivership of Bridgecorp.

2. Returns to Secured Debenture Investors

Since our March report the property market has regrettably continued to deteriorate which has adversely impacted on our estimated recovery range. Our latest estimate shows a recovery range of 13% to 44%, compared with recoveries in our March 2008 estimate in the range 16% to 51%.

Our updated estimated range of recoveries is set out below:

Updated Estimate of Recoveries

NZ\$ in 000s	Jun-07	31-March-2008		30-Jun-2008	
	Book Value	Low	High	Low	High
New Zealand loans	254,199				
Australian loans	32,868				
Specific Australian and other offshore loans	50,478				
Total Loan Assets (excluding Momi)	337,545	76,788	122,531	63,046	93,501
Property Assets	38,607	2,281	3,093	2,042	2,676
Intergroup Advances	87,546	5,500	8,800	5,794	9,038
Other	24,947	4,000	4,000	4,000	4,000
Total Assets (excluding Momi)	488,645	88,569	138,423	74,882	109,215
Preferential Creditors		(5,300)	(5,300)	(5,300)	(5,300)
Contingency		(8,000)	(8,000)	(8,000)	(8,000)
Estimated Recoveries (excluding Momi)		75,269	125,123	61,582	95,915
Secured Borrowings	-	458,738	458,738	458,738	458,738
Estimated Dividend Range (excluding Momi)		16%	27%	13%	21%
Advances in respect of the Momi Resort	106,639	-	106,639	-	106,639
Estimated Total Recoveries (prior to costs)	595,284	75,269	231,762	61,582	202,554
Secured Borrowings		458,738	458,738	458,738	458,738
Provisional Estimated Dividend Range (prior to costs)		16%	51%	13%	44%

The decline in the estimated recoveries is primarily contained within the line in the above table described as "Total Loan Assets (excluding Momi)". The loans' low / high recoveries are currently estimated in the range \$63.0m to \$93.5m compared with \$76.8m to \$122.5m in the March 2008 quarter. The key causes of the reductions are:

- 1) Control of two incomplete development properties was obtained via the appointment of receivers in co-operation with prior mortgagees during the June quarter. This enabled access to further records and information which has revealed material deficiencies in the potential completion options and therefore realisation values for these properties;
- 2) A refinance opportunity on a material loan has not progressed due to difficulties with the proposed restructure of an associated development. The likely realisation for the loan has been reduced;
- 3) Bridgecorp continues to retain a number of loans in respect of properties yet to be sold or refinanced as lenders holding prior ranking mortgages control the sales or refinance process. In those cases Bridgecorp holds a subordinated mortgage and has no power of sale without consent of the prior ranking mortgagee/s. Given the ongoing difficult market conditions we believe it prudent to reduce our estimate of recoveries further in respect of those loans; and
- 4) Current market conditions have reduced the range of recovery estimates.

We continue to analyse all loans on an individual basis to determine the most appropriate strategy for maximising realisations and utilise specialist property consultants, legal advisors and valuers to assist in assessing options available. As previously noted, for confidentiality and commercial reasons we are unable to provide further details in respect of individual loans or categories regarding the movement in recovery estimates.

Whilst we continue to endeavour to be conservative in our ranges, given ongoing difficult market conditions, the immediate adverse economic outlook and the nature of Bridgecorp's assets, regrettably the expected return to investors will likely be at the lower end of our range.

Excluding Momi we estimate secured debenture investors could recover 13% to 21% of their original investment, and we again emphasise that the outcome of the Momi Resort in Fiji will have a material bearing on recoveries for secured debenture investors. If we include recoveries from the Momi Resort the estimated range of recoveries for secured debenture investors could increase to 44%.

The position with regard to the Momi Resort remains volatile, and whilst we continue to pursue options for completion and/or recovery of funds for Bridgecorp, it remains difficult to assess with any degree of certainty the ultimate recoveries in respect of the Momi Resort.

3. Timing of Returns to Secured Debenture Investors

As previously advised, cash in-flows are dependent upon the refinance or sale of properties. This factor, combined with the current status of the development property and finance markets make it extremely difficult to assess the timing of realisations. However, we remain hopeful that sufficient funds will be realised to enable an interim distribution during 2008. We will keep investors formally apprised of progress by letter on at least a quarterly basis, with any interim updates placed on our website, www.pwc.com/nz/bridgecorp.

4. Investigations

As noted in our updates to investors, due to the nature of the investigations being undertaken and potential legal consequences, we are unable to provide specific details regarding individual issues or our findings to date because doing so could prejudice any proceedings which may be taken.

As reported by the media, a summary judgment was recently granted to the receivers against one of the Bridgecorp directors in the amount of approximately \$650k, with a further claim in excess of \$3m subject to ongoing Court proceedings

In addition, various Government Authorities have indicated a strong focus on identifying potential prosecutions against various parties involved with finance companies including Bridgecorp. The receivers have provided extensive assistance and information to the Authorities in respect of their investigations and will continue to co-operate and assist as required. As reported on Monday 23 June 2008, the National Enforcement Unit of the Companies Office has now laid charges, under the Securities Act, against two Bridgecorp directors, Rod Petricevic and Robert Roest, in relation to statements made in Bridgecorp's prospectus and a directors' certificate.

Together with our legal advisers we have also identified a number of other potential actions against certain of Bridgecorp's directors and other parties in respect of their conduct prior to receivership. The receivers are actively pursuing these additional matters with formal proceedings in progress or being prepared. We will continue to work with our legal counsel and various Government Authorities to co-ordinate action in this regard.

5. Concluding Remarks

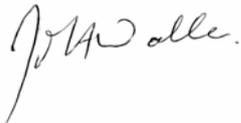
Once again it is disappointing to have to report a further decline in estimated recoveries to investors, in what is proving to be a difficult environment to recover the Bridgecorp loans. However we can assure investors that we continue to make every attempt to maximise recoveries in an efficient manner, whilst actively pursuing those accountable for the losses.

The receivers appreciate investors' ongoing patience regarding the logistical difficulties in maintaining communication with 14,500 investors and other parties. We will continue to keep you updated on a regular basis via our website and anticipate a further formal update will be distributed in September 2008. In the meantime, 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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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



John Waller
Receiver



Colin McCloy
Receiver