

22 December 2008

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 3 October 2008. 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

As noted in our previous update, the ongoing deterioration in the economic environment has and will continue to impact negatively upon both the options available and the level of realisations for Bridgecorp's remaining significant loans. Accordingly, it is extremely difficult to estimate the likely returns from Bridgecorp's remaining loans with any certainty and for that reason we are unable to predict an overall updated range of returns for secured debenture investors. However, we anticipate being in a better position to provide an updated estimate to investors in the first quarter of 2009, when there is greater clarity around the position with the overseas loan assets.

Overseas Loan Assets

As previously advised there are a small number of high value loans over properties located overseas (primarily Fiji and Australia) upon which the majority of the remaining material recoveries from Bridgecorp's assets are dependent. We comment further on these as follows:

- The prior mortgagee on certain Australian loans has progressed towards sale of the underlying assets via an Australian receiver. As anticipated, economic and market conditions have resulted in potential sale prices materially below prior valuations. However, the final outcome of the sales processes being undertaken, and corresponding timing and quantum of returns to Bridgecorp as the subordinated lender, is not yet known;
- Bridgecorp's largest loan and receivables asset is dependent upon the outcome of the Momi Resort development in Fiji. Further action has been taken in an effort to progress the development and maximise returns for Bridgecorp, again as a subordinated lender, however despite such efforts it remains difficult to assess with any degree of certainty the ultimate recoveries in respect of the Momi Resort.

New Zealand Loan Assets

Properties over which security is held continue to be realised where control can be asserted. In respect of properties yet to be realised under the control of lenders holding prior ranking mortgages, no further returns have been received and we believe further material returns are unlikely. As previously advised 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 the options available, including the pursuit of guarantors.

Other

Previous estimates of recoveries have excluded potential returns in respect of actions taken against directors and other third parties, including possible claims on various insurance policies held by Bridgecorp. Due to the nature of these potential recoveries, we are still unable to estimate the likelihood and quantum of such returns.

3. Investigations

Following our successful bankruptcy application against one of the Bridgecorp directors, Rod Petricevic, we have worked with the Official Assignee to determine the extent of further claims to be made in the bankruptcy administration and identify potential assets for realisation. Legal action regarding a vehicle driven by Mr Petricevic, seized following our initial summary judgement proceedings, has now resulted in the sale of the vehicle, with the proceeds held by the Court pending determination of the legal ownership of the resulting funds.

Criminal proceedings brought against two Bridgecorp directors, Mr Petricevic and Robert Roest, have progressed, with depositions hearings set down for February 2009. The current charges in those proceedings carry a maximum penalty of 5 years imprisonment or fines of up to \$300,000.

The receivers continue to actively pursue a number of other potential actions against certain of Bridgecorp's directors and other parties in respect of their conduct prior to receivership, with formal proceedings in progress or being prepared. We will continue to work with our legal counsel and various Government Authorities, including the Ministry of Economic Development, the Securities Commission and the Serious Fraud Office, to co-ordinate action in this regard.

4. Concluding Remarks

The quality of, and realisations available from, the assets of Bridgecorp is extremely disappointing, however we continue to make every attempt to maximise recoveries for the investors of Bridgecorp in an efficient manner, whilst actively pursuing those accountable for the losses. Please be advised that the Bridgecorp offices will be closed over the Christmas period, with staff returning on Monday, 12 January 2009. We anticipate a further formal update will be distributed in March 2009. 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:

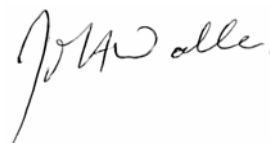
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A list of frequently asked questions is also available on our website. Once again we thank you for your ongoing support and patience through this difficult process.

Yours faithfully



Colin McCloy
Receiver



John Waller
Receiver