

Dear <Investor>
<Address 1>
<Address 2>
<Address 3>

23 July 2010

Dear Investor

OPI Pacific Finance Limited (In Receivership) ("PAC")

We refer to our previous correspondence to investors dated 4 May 2010 and provide a further update in respect of the receivership of PAC and our investigation into the affairs of the company and its directors, prior to the receivership.

1. Return to secured debenture holders

As you are aware, during the moratorium of PAC, secured debenture holders received distributions totalling 22.19 cents in the dollar. The distributions were sourced from the payment received from Octaviar Limited ("Octaviar") on account of its obligations under the put option and from loan repayments PAC received during the moratorium period.

PAC incurred substantial losses from property sold during the moratorium period and at the date of our appointment as receivers, being 15 September 2009, loans where secured property had not yet been sold were outstanding from 11 borrowers. All borrowers are in financial difficulty or are already in some form of insolvency. PAC primarily holds second ranking mortgages in respect of the property and it is unlikely PAC will recover any material funds from security held over property on hand at the date of receivership.

Any future distributions to secured debenture holders are dependent on recovery from claims in the liquidations of Octaviar and Octaviar Administration Pty Limited ("OCVA") (discussed in more detail below), current legal proceedings in place and other potential proceedings yet to commence. Due to the early stages and complexity of claims against various parties (namely valuers, directors and other third parties), it is not possible to estimate what further dividends may be paid to secured debenture holders from the assets out of the receivership of PAC.

If any amount is received from such claims, a distribution will be paid to secured debenture holders as soon as possible to increase the amount of their return.

We acknowledge this is frustrating for secured debenture holders and appreciate your ongoing patience.

2. Claims in the liquidations of Octaviar and OCVA

We continue to wait to receive details from the liquidators in respect of claims submitted in the liquidations of Octaviar and OCVA. Each claim is for A\$418m and is in respect of the put option and the mismanagement of PAC's loans.

In addition to the claims submitted by PAC, both Octaviar and OCVA have debts outstanding to other creditors. The assets in both Octaviar and OCVA are insufficient to meet all liabilities in full.

There is a dispute regarding priority ranking in respect of certain debts and proceedings are in place regarding this matter. Until this dispute has been resolved by the Court, and the investigations being

conducted by the liquidators have completed, the liquidators are unlikely to be in a position to assess what funds may be paid to creditors out of the assets of Octaviar and/or OCVA. Given the nature of the proceedings and the investigations, it is unlikely the liquidators will be in a position to pay a distribution to creditors this year.

3. Investigation into the affairs of PAC

We have now completed our initial investigation into the activities of PAC, its directors and third parties, prior to the receivership. Due to the outcome of our investigation we have reported our findings to the following Government Authorities:

- The Securities Commission of New Zealand;
- The Serious Fraud Office; and
- The Ministry of Economic Development.

We will support any investigation into the affairs of PAC and/or its directors that any of the above authorities may commence.

We are also seeking advice from our legal advisors regarding any actions that may be available to the receivers to pursue in relation to the conduct of PAC and its affairs, prior to the receivership.

Due to the nature of the investigation and likely legal consequences, we are unable to provide further details regarding issues identified during the course of our investigation. Doing so could prejudice any proceedings that may be taken by the receivers and/or any Government Authority in New Zealand and/or Australia.

4. Next report and other matters

We propose to next report to secured debenture holders in December 2010. If any material recoveries are realised prior to December 2010, an update, together with a distribution, will be provided at such time.

A copy of this report, and future reports, will also be available on our website dedicated for PAC.

5. Concluding remarks

We recognise this is a difficult time for investors and appreciate your ongoing support and patience while we continue to pursue recovery from the various avenues.

If you have any queries regarding the receivership, please contact us via our website, telephone, facsimile, or private bag address, as follows:

OPI Pacific Finance Limited (In Receivership)
c/- PricewaterhouseCoopers
Private Bag 92162
Auckland
New Zealand
Telephone: +64 9 355 8053
Facsimile: +64 9 355 8013
Website: www.pwc.com/nz/opipacific

Yours faithfully
OPI Pacific Finance Limited (In Receivership)



Colin McCloy
Receiver