

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

4 May 2010

Dear Investor

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

We refer to our previous correspondence to investors dated 26 November 2009 and provide a further update in respect of the receivership of PAC and our investigation into the affairs of the company.

1. Return to secured debenture holders

In our previous letter in November 2009 we set out the financial position of PAC, based on its management unaudited information. The financial position as at 31 August 2009 indicated a net liability position of NZ\$417.8 million. We also advised investors there would be a significant shortfall to secured debenture holders and there would be insufficient funds for a dividend to be paid to unsecured note holders.

During the course of the moratorium of PAC, dividends totalling 22.19 cents in the dollar were paid to secured debenture holders. The estimated return of future dividends to secured debenture holders will be driven by recovery from the following assets and/or claims:

- The loan book from borrowers and/or guarantors;
- Potential claims against valuers and the insurer;
- Claims in the liquidations of Octaviar Limited ("Octaviar") and Octaviar Administration Pty Limited ("OCVA"); and
- Potential claims against directors and third parties.

Due to the complexity of the receivership, the various claims being pursued and the investigations being carried out by the receivers, it is extremely difficult to estimate the return to secured debenture holders from the receivership of PAC. Accordingly, we regret to advise that an estimate of future dividends or the timing of dividends to secured debenture holders cannot be provided at this time. We appreciate this is a difficult time for investors and thank you for your support while we continue to work through the claims and continue our investigations into the affairs of PAC.

Our comments regarding recovery from the key assets of PAC are set out below.

2. Loan book

As previously reported, PAC held the following assets at 31 August 2009:

- \$33.3m (net of provision) in respect of the PAC loan book; and
- \$20.9m (net of provision) in respect of the loan to OPI Pacific Investments Pty Limited (In Receivership) ("PIC"), which is secured over PIC's loan book.

In order to gain control over the PIC loans and secured properties, receivers were appointed to PIC in November 2009.

PAC and PIC predominantly hold second or third ranking mortgages.

At the date of receivership, there were loans outstanding to 18 borrowers in respect of the PAC and PIC loan books where property had not yet been sold. The first ranking mortgagees have taken control over all remaining properties and many borrowers are in some form of insolvency or have been deregistered.

We have written to all borrowers regarding recovery of their respective loans.

We are disappointed to advise that it is unlikely PAC will recover any material funds from properties to be sold given the losses the first ranking mortgagees are likely to incur.

Notices of demand have been issued to guarantors and we will assess the merits of seeking winding up or bankruptcy orders on a case by case basis. Many guarantors have already been placed in some form of insolvency or have been declared bankrupt.

3. Potential claims against valuers and the insurer

We have engaged specialists to assist us in assessing potential claims against valuers and the insurer for losses incurred by PAC.

We are corresponding with various parties regarding these claims and are continuing to investigate and pursue each claim accordingly.

It is likely recovery from such claims will only be achieved through initiating legal proceedings. A cost benefit analysis will be performed on a case by case basis and proceedings will only be issued if it is considered to be beneficial to investors.

For confidentiality and commercial reasons, and to ensure any potential recovery from our investigations into these claims is not prejudiced, it is not appropriate for us to provide further details regarding the claims or to provide an estimate of the amount that might be recovered from them.

4. Claims in the liquidations of Octaviar and OCVA

We have submitted claims in the liquidations of Octaviar and OCVA for A\$418m each in respect of the put option and the mismanagement of PAC's loans. The claims have been admitted by the liquidators for voting purposes and we are waiting to receive confirmation from the liquidators that the claims have been admitted for the purposes of paying a dividend. We are also waiting to receive details regarding the estimated dividend payable in both liquidations and the timing of payments of such dividends.

5. Investigation into the affairs of PAC

We have commenced our investigation into the activities of PAC, its directors and third parties, prior to the receivership. Our investigation to date has included (but is not limited to):

- Activities and conduct of PAC, its officers and third parties leading up to the appointment of receivers;
- The financial reporting practices of PAC; and
- Compliance of PAC with the requirements of the Trust Deed and applicable legislation, including the Securities Act, the Companies Act and the Financial Reporting Act.

We are continuing with our investigations and will advise relevant authorities of our key findings and we will support any investigations made by any authority into the affairs of PAC and/or its directors.

Due to the nature of the investigations and potential legal consequences, we are not able to provide details regarding individual issues or our findings to date. Doing so could prejudice any proceedings that may be taken.

We are observing proceedings the Australian Securities & Investments Commission has issued against various entities in the Octaviar Group and former directors. Any matters that arise from these proceedings, which have relevance to PAC, will be investigated further by us.

In the meantime, we are continuing to progress our investigations and will provide further details to various authorities as matters are identified.

6. Next report and other matters

A further formal update will be made to secured debenture holders in June 2010. A copy of this report, and future reports, will also be available on our website. While we unfortunately cannot estimate a return to secured debenture holders at this stage, we will revisit this position in June 2010 when we provide our next update to investors.

7. Concluding remarks

We are continuing to progress potential claims and our investigation into the affairs of PAC and are making every attempt to maximise the return to secured debenture holders. Further time is required to continue the various claims and our investigations before we will be in a position to provide investors with an estimated return. We appreciate this is a difficult time for investors and appreciate your ongoing support while we continue to pursue recovery from the various avenues, which will take time.

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

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Thank you for your ongoing support and patience.

Yours faithfully
OPI Pacific Finance Limited (In Receivership)



Colin McCloy
Receiver