

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

22 December 2010

Dear Investor

**OPI Pacific Finance Limited (In Receivership) (“PAC”)**

We refer to our previous correspondence to investors dated 23 July 2010 and provide a further update in respect of the receivership of PAC.

**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, based on balances owing at the start of the moratorium. The distributions were sourced from the payment received from Octaviar Limited (“Octaviar”) on partial account of its obligations under the Put Option and from loan repayments PAC received during the moratorium period.

We are pleased to advise that we are now able to make a further distribution to secured debenture holders. This distribution is approximately 1.67 cents in the dollar<sup>1</sup> (based on balances owing at the start of the moratorium) and brings the total amount repaid to you of your investment in PAC to approximately 23.86 cents in the dollar. Details of the payment are enclosed with this letter.

Any future distributions to secured debenture holders are primarily dependent on recovery from claims in the liquidations of Octaviar and Octaviar Administration Pty Limited (“OCVA”) (discussed in more detail below). Unfortunately we are unable to give a timeframe on when the liquidators will begin to assess PAC’s claims, how long this process will take, or the likelihood of success or payout of those claims.

In the meantime, we are continuing to assess and pursue other recovery actions against borrowers, guarantors, and third parties. Though as previously advised, all borrowers are in financial difficulty or are already in some form of insolvency, and PAC primarily holds second ranking mortgages in respect of the property. These factors make it unlikely that there will be any material recoveries from those parties.

**2. Claims in the liquidations of Octaviar and OCVA**

We continue to wait to receive confirmation or otherwise from the liquidators in respect of claims submitted in the liquidations of Octaviar and OCVA. Each of PAC’s claims 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.

<sup>1</sup> The distribution has been calculated as 2.15 cents in the dollar based on the current outstanding balances, as shown in the enclosed payment advice.

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 our most recent understanding of the process, it is unlikely the liquidators will be in a position to resolve these matters until well into 2011.

**3. Next report and other matters**

We propose to next report to secured debenture holders in June 2011. If any material recoveries are realised prior to June 2011, 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.

**4. 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](http://www.pwc.com/nz/opipacific)

Yours faithfully  
OPI Pacific Finance Limited (In Receivership)



Colin McCloy  
Receiver