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6 October 2006

Dear <Firstname>

National Finance 2000 Limited (In Receivership) – “National Finance”

Further to our recent letters to investors and our formal report on the receivership, we are pleased to advise that we have today completed the sale of the National Finance loan book. The purchase price of \$7.7m was received in full.

We are now in a position to make an initial dividend of 30% to secured debenture holders. We expect that the dividend will be paid next week.

We are realising the remaining assets of National Finance. Once this has occurred secured debenture holders could recover 40% to 45% of their investment. This is at the higher end of the 30% to 50% scale that we had previously estimated.

Regretfully the position of subordinated investors has not changed. They will not recover anything from the assets in receivership.

We are assisting various government authorities who are continuing their investigations.

We expect to provide a more detailed report to investors on progress with the receivership shortly.

Yours sincerely
National Finance 2000 Limited (in Receivership)

Colin McCloy
Receiver