

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

No. of Company: 1582844

Liquidators' Further Report Strowan Limited (In Liquidation) For the period to 11 February 2012

Introduction

Strowan Limited was placed into voluntary liquidation in Auckland on 12 February 2008 when Jeff Meltzer, Arron Heath and Lloyd Hayward were appointed joint and several Liquidators.

In accordance with section 255 of the Companies Act 1993 the Liquidators are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six months. This report covers the period to 11 February 2012.

Action to Date

The Liquidators have previously reported on actions undertaken. See below for further comment on actions proposed by the Liquidators.

Receipts and Payments

There have been no receipts and no payments during the period covered by this report.

Asset Realisations

There have been no realisations of assets during the period covered by this report.

Dividends

There have been no dividends paid during the period covered by this report. At this time the Liquidators do not expect that there will be any dividend available for creditors.

The following sections of this report incorporate comments relating to all of the Blue Chip companies to which we have been appointed.

The Liquidators are pleased to advise that they have filed a Statement of Claim in the High Court at Auckland against former directors and auditors of Blue Chip related companies.

Jeff Meltzer
Karen Mason
Arron Heath



The claim focuses on the period to 2006 and beyond and relates to approximately 800 investors and a total sum of over \$40 million. During this period Blue Chip sold apartments off plans for developments to be built in Emily Place, Turner and Waverley Streets and St. Martins Lane in Auckland's CBD. Those investors did not receive the apartments they purchased or return of their deposits.

The Liquidators consider that filing of the Statement of Claim is an important milestone in their ongoing efforts to recover funds for creditors.

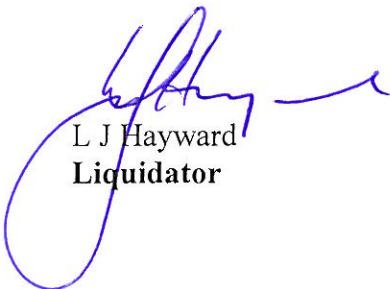
In September, the Supreme Court granted leave to investors to challenge the Court of Appeal decision dismissing their appeal over the validity of sale and purchase agreements for units in three central Auckland apartment buildings. As at the date of this report the Supreme Court's decision had not been released.

Lawyers acting for a group of Blue Chip investors have also issued a Statement of Claim against current and former directors. Although both Statements of Claim, and the respective defendants, are not identical, it is likely that there will need to be some consolidation of the actions at some stage in the future.

Again, creditors are reminded that not all Blue Chip companies are involved in the proceedings that have been issued. Moreover, the proceedings that have been issued are only the first step in what may be a lengthy process. Nevertheless, further proceedings may be issued as a consequence of the process being undertaken.

Please contact Lloyd Hayward of this office should you require any further information.

Dated this 29th day of February 2012



L J Hayward
Liquidator