

19th December 2008

Dear Member

TRANSFER OF INSURANCE BUSINESS TO NPA INSURANCE LIMITED

Further to my letter of 25th June 2008, sent with the Company's Annual Report and Accounts, I am now writing to update Members on the current position.

You will recall that initial steps towards winding up the Company and the distribution of its remaining assets were to take place once we had ceased trading as an insurance company. This necessitated the divestment of our remaining insurance business, which required Court approval. This is a complex process but we hoped to obtain the necessary permissions by the end of 2008.

I am pleased to advise that the Court has approved the transfer of our remaining insurance business to NPA Insurance Limited and this took effect from 15th December 2008. Accordingly, we are now able to move towards winding up the Company and formal liquidation.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Major', is written over a horizontal line.

Michael Major
Chairman