

25 June 2007

**SIX MONTHLY REPORT OF THE LIQUIDATORS
TO THE CREDITORS AND MEMBERS OF
NEW ZEALAND EXPRESS TRANSPORT LIMITED
(In Liquidation) (“the company”)**

INTRODUCTION

New Zealand Express Transport Limited (In Liquidation) (“the company”) was placed in liquidation on 6 May 2005 by a special resolution of shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 (“the Act”). Kevin David Pitfield and Gareth Russel Hoole were appointed joint and several liquidators of the company at that time.

RESTRICTIONS

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The liquidators reserve the right (but will be under no obligation) to review this report and, if considered necessary, to revise the report in light of any information existing at the date of this report which becomes known to the liquidators after that date.

EVENTS SINCE OUR LAST REPORT

This report should be read in conjunction with previous liquidators’ reports to the creditors and members of the company dated 12 May 2005, 18 January 2006, 4 July 2006 and 7 February 2007.

Since the fourth report referred to above, the liquidators have conducted the liquidation in accordance with their statutory obligations.

Assets of the Company

The liquidators have completed their investigation into the alleged inventory losses claimed by certain former customers of the company. The customers have been seeking to exercise set-off claims against amounts owed by them to the company in respect of services provided by the company prior to and during the initial stages of its liquidation.

The investigations involved a detailed inventory count by an independent security company and discussions with former staff members, insurance underwriters of the company and various others.

The results of the exercise were inconsistent with the claims of inventory losses and therefore a further detailed forensic review was carried out by an independent contractor.

Based on the results of the review it was the view of the liquidators that the losses of inventory alleged at the commencement of the liquidation were not, in fact, sustained.

This matter has been conveyed to the parties concerned and the liquidators are now seeking to collect the debts against which the off-sets were claimed.

One of the parties concerned has litigation afoot involving two insurance companies. Although that litigation does not directly involve the company, its final outcome will have a bearing on the liquidation. The other party has raised certain issues surrounding the accuracy of the detailed inventory review referred to above and this has caused the liquidators to again revisit that review. The liquidators maintain their view that the losses claimed are not justifiable.

FURTHER PROPOSALS FOR THE COMPLETION OF THE LIQUIDATION

The liquidators will be in a position to bring the liquidation to a conclusion and seek the removal of the company from the New Zealand register once the remaining outstanding debts owed to the company have been collected.

The liquidators are unable to advise upon the likely quantum of funds available to unsecured creditors until such time as these matters have been resolved.



Kevin David Pitfield
LIQUIDATOR



Gareth Russel Hoole
LIQUIDATOR