



To: All A Noteholders

Bank of New York (Trustee)

Blue City Investments 1 Limited (the Issuer)

28th September 2009

Dear Sirs

Blue City Project – A Note Holders Committee

Following on from our meeting on Thursday 17 September with the A Noteholders we think it appropriate to confirm that we would be pleased to be involved in the A Noteholders Committee formed in connection with the Blue City Project. This letter sets out our approach to the A Noteholders Committee, our involvement on that Committee, and certain obligations that arise under the lenders insurance Policy issued by Axis in relation to the Blue City Project (the "Policy").

1. We wish to play a constructive role on the A Noteholders Committee, especially with regard to any restructuring of the project or the finance arrangements. We intend to engage in this process and in doing so need to be properly and fully informed of all facts, issues and relevant scenarios, as we need to be satisfied that we have full and all material information so as to make any decision that effects our position and the obligations under the Policy.

Our presence and participation on the Committee or in other discussions or correspondence with any of the noteholders, or any other financing and project participants, or their respective trustees, agents or representatives:

- (i) should not be construed as our agreement to any issue, proposal or decision;
- (ii) will be without prejudice to our rights under the Policy and the duties and obligations of all parties arising from the Policy, and
- (iii) is subject to the general reservation of rights that we have expressed in paragraph 2 of this letter below,



save where, in the case of (i), (ii) (iii) above, we are requested to agree otherwise by the insured and the co-insureds, and confirm in writing our agreement to such request, such confirmation signed jointly by Richard Strachan and Jack Gressier as authorised signatories of Axis;

2. Over the years, Axis has not been kept informed about matters and issues relating to the project, and will, going forward, require the full assistance and cooperation of the insured and co-insureds to provide proper and full information on the project together, with current issues and any proposals for restructuring.

We are for the time being, adopting a full reservation of rights under the Policy and are currently reviewing its applicable conditions and requirements. We expect the insured and co-insureds to act in accordance with both the duties of good faith and their obligations under the Policy.

3. There are two co-insureds, as well as the Issuer as the insured, that benefit from the Policy. The co-insureds are two trustees, who are Bank of New York, being the Issuer Security Trustee and the Phase 1 Offshore Security Trust Trustee. The Issuer has assigned by way of security its rights under the Policy to the Issuer Security Trustee. Given the interest of the Issuer and Bank of New York under the Policy, both the Issuer and Bank of New York should have an opportunity to consider any decisions that are made having regard to their duties and obligations under the Policy. With that in mind, we are sending a copy of this letter to the Issuer c/o Walkers SPV Ltd and the appropriate person at Bank of New York.

If the Issuer, Trustee or any A Noteholder has any queries regarding this letter, then please let us know.

Yours faithfully,

A handwritten signature in black ink, appearing to be "R. Strachan", written over a horizontal line.