

Notification Dated: 10-July-2009

Blue City has been approached several times in recent weeks by note holders enquiring whether a restructuring of the project is pending or proposed. Following these enquiries, Blue City has decided to make the following statement.

Blue City confirms that it is not aware of any restructuring proposal by its shareholders, whether through the injection of equity or otherwise. Blue City has also not received, and is not aware of, any restructuring proposal in any form from its note holders.

Blue City management is not itself in discussions to restructure, and intends to continue working within the existing structure of the project to manage the challenges posed by the current trading environment.

Best Regards,

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