
From: [Withheld under s.9(2)(a)]
Sent: Wednesday, 17 February 2010 3:03 p.m.
To: John Park
Cc: [Withheld under s.9(2)(a)]
Subject: APPLICATION TO PREPARE INDEPENDENT EXPERT OPINION - SOUTH CANTERBURY FINANCE LIMITED
Attachments: Crown Application - South Canterbury Finance Limited 17 Feb 2010.pdf; image001.jpg

John

Please find attached an application from Simmons Corporate Finance to prepare an Independent Expert Opinion on a related party transaction contemplated by South Canterbury Finance.

I look forward to your response.

Regards

[Withheld under s.9(2)(a)]



[Withheld under s.9(2)(a)]

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17 February 2010

John Park
Team Leader, Guarantee Schemes
The Treasury
PO Box 3724
WELLINGTON 6140

Dear Mr Park

SOUTH CANTERBURY FINANCE LIMITED

Introduction

Simmons Corporate Finance Limited (**Simmons Corporate Finance**) has been requested by the Directors of South Canterbury Finance Limited (**SCF**) to prepare an Independent Expert Opinion and an Independent Report on the acquisition by SCF of 6,000,000 ordinary shares in Helicopters (N.Z.) Limited (**Helicopters NZ**) currently held by Southbury Corporation Limited (**Southbury Corp**) (the **Acquisition**).

Purpose of the Independent Expert Opinion and Independent Report

SCF entered into a Crown Deed of Guarantee (Non-Bank Deposit Taker) with Her Majesty the Queen in right of New Zealand (the **Crown**) on 19 November 2008 and entered into a replacement guarantee deed dated 11 December 2009 (the **Replacement Guarantee Deed**).

SCF, Southbury Corp and Helicopters NZ are deemed to be related parties under the terms of the Replacement Guarantee Deed.

The Acquisition is deemed to be a Related Party Transaction in accordance with clause 6.2(b) of the Replacement Guarantee Deed.

Accordingly, the Acquisition may only proceed if:

- the Acquisition is on arms' length terms and
- an independent expert certifies to the Crown in writing that the transaction is, in their opinion, on arms' length terms.

The directors of SCF require Simmons Corporate Finance to prepare:

- an Independent Expert Opinion for the Crown, certifying that the Acquisition is on arms' length terms
- an Independent Report for SCF, setting out our analysis in respect of whether the Acquisition is on arms' length terms.

Simmons Corporate Finance Personnel

Simmons Corporate Finance is a New Zealand owned specialist corporate finance advisory practice that was established in October 2005. It advises on mergers and acquisitions, prepares independent expert's reports and provides valuation advice.

I will be the person in Simmons Corporate Finance responsible for issuing the independent adviser's report.

[Withheld under s.9(2)(a)]

I specialise in providing corporate finance advice on acquisitions and divestments and the valuation of shares, businesses and intangible assets.

[Withheld under s.9(2)(a)]

My summary curricula vitae is attached at Appendix I.

Simmons Corporate Finance Experience

Simmons Corporate Finance personnel have significant experience in the independent investigation of financial transactions and issuing opinions as to whether the terms thereof are fair and advising on the merits of the transaction.

Simmons Corporate Finance has prepared 32 Independent Adviser's Reports under the Takeovers Code and Independent Appraisal Reports under the NZSX Listing Rules in the past three years.

Involvement in the Structuring the Acquisition

Simmons Corporate Finance has not been involved in the structuring of the Acquisition and has not, and will not be undertaking any other advisory activities in relation to the Acquisition.

Relationships with SCF, Southbury Corp or Helicopters NZ

Shareholding

Simmons Corporate Finance does not hold any shares or options in SCF, Southbury Corp or Helicopters NZ.

Advisory Relationship

Simmons Corporate Finance is not currently, and has not previously, provided any advisory services to SCF, Southbury Corp or Helicopters NZ.

Director Relationships

Simmons Corporate Finance does not have and has never had any relationship with the directors of SCF, Southbury Corp or Helicopters NZ other than instances where Simmons Corporate Finance has prepared Independent Adviser's Reports or Independent Appraisal Reports for NZSX listed companies which certain SCF directors have been directors of.

Shareholder Relationships

Simmons Corporate Finance does not have and has never had any relationship with the shareholders of SCF, Southbury Corp or Helicopters NZ.

Conflicts of Interest

We advise that we have no conflicts of interest that could affect our ability to produce an unbiased opinion.

Basis of our Fee

Our fee for providing the Independent Expert Opinion and Independent Report will be based solely on the time involved and will in no way be contingent on the outcome of the transaction.

Pecuniary Interest

Simmons Corporate Finance will not receive any direct or indirect pecuniary or other interest, other than our fee for providing the Independent Expert Opinion and Independent Report.

Approval Sought

Accordingly, we seek approval from the Treasury that Simmons Corporate Finance is appropriately qualified and experienced and sufficiently independent to provide an Independent Expert Opinion in the context in which it is sought.

Contact Person

If you have any queries, please do not hesitate to contact me on *[Withheld under s.9(2)(a)]*

I look forward to hearing from you.

Yours sincerely

SIMMONS CORPORATE FINANCE LIMITED

[Withheld under s.9(2)(a)]

Director

APPENDIX I