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13 November 2007

William Peet
Chief Executive
Ontrack
PO Box 593
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Dear William

Thank you for your letter of 12 November.

In our meeting of November 9th, we expressed our concerns about the detail that ONTRACK was proposing to understand about the Toll NZ business before an indicative offer was to be made. Our view is that the process needed to commence with ONTRACK making an indicative offer for the entire NZ business so it could be determined whether Toll Holdings expectation of value could be met. Only at that point would it be appropriate to move into further detailed discussions.

Your proposed timelines and process does not have an indicative offer being made by ONTRACK until December 18th, and requires Toll in the interim, to provide substantial commercially sensitive detail around customer contracts, strategic plans and future forecast financial performance. As a publicly listed company we are not comfortable with this and potentially see unnecessary work being done if a meeting of the minds is not met on value.

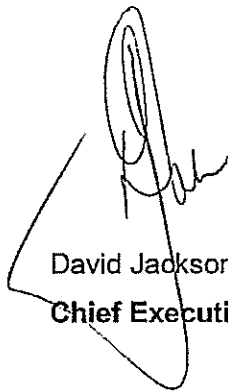
As we outlined there is sufficient publicly available information in relation to Toll NZ financial statements, an independent valuation of Toll NZ to support the buyout of the minority interests, and market analyst reports on Toll Holdings and the valuation of the NZ business to support ONTRACK making an indicative offer for the entire Toll NZ business. On this basis we have couriered to your office Toll annual reports, the Grant Samuel independent valuation, and in addition an independent desktop valuation on the Rail rolling stock undertaken by Worley Parsons.

William, in closing, we like you are keen to get to an outcome that is acceptable to both parties, and given the timeframe we have available, believe getting to an indicative offer as quickly as possible is the most expeditious way to proceed.

Could you also provide me with the attendees representing ONTRACK at our scheduled meeting.

I look forward to meeting with you tomorrow to progress matters further

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Jackson', is written over a large, irregular scribble or stamp.

David Jackson
Chief Executive Officer