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14 November 2007

William Peet
Chief Executive
Ontrack
PO Box 593
Wellington
6140

Dear William

I thought it appropriate that we confirm the agreed way forward from our meeting this morning.

We will deliver you the contents of the attached (it is the whiteboard copy) as soon as possible and in return we will expect an indicative offer for the entire business by the end of November.

This process we believe delivers the contents of my correspondence to the Minister of Finance and probably expedites the process for your team as well.

Be assured we are engaging in this process with a timely outcome in mind and a firm understanding of the requirement of a successful resolution.

As discussed, given the sensitives, both parties will refrain from any discussions regarding our negotiations other than that they are continuing.

Yours sincerely

David Jackson
Chief Executive Officer

- Business plan

- 3-5 yrs

- Rev/SBIT / Capex / staff by BU
4100m 4100m 4.100m 4.800

- Commentary - happy conditions

- Bring 10 forward to end November / BF delivered asap
(+ 2 weeks)

TR / Ferry / Rail / car
- Fr.
- Port