

Credit Sails Community

Dear Credit Sails Community,

We have been awaiting the results of the Commerce Commission's investigation, but as time presses on, we believe it is now appropriate for the Credit Sails Community to appoint an Investigative Committee on behalf of all Note Holders.

Although we have faith in the Commission, we can also ensure our rights are protected by taking action ourselves. We suggest that this is best done by Note Holders appointing an Investigative Committee under the Master Trust Deed. This action requires a 25% majority extraordinary written resolution. Once appointed the Committee can direct the Security Trustee to take such action or do such things as the Security Trustee may lawfully do under the Master Trust Deed. In our opinion the Committee may be able to uncover instrumental evidence about why Credit Sails failed and eventually who may be held responsible. This includes but is not limited to taking legal action against any identifiable parties.

Currently Credit Sails has a residual value of approximately \$2.28m to be repaid by the end of 2012. We intend to evaluate de-listing Credit Sails from the NZX in order to re-coup ongoing listing fees and earmark the remaining principal balance for legal action. We intend to keep these costs to an absolute minimum, but acknowledge that each Note Holder may have to forfeit their current residual payment to cover legal fees. In our opinion, the residual monies will cover significant legal action, but if it isn't sufficient, Note Holders are not liable for any other expenses by signing this proxy at this time.

Your Original CS Investment	Current Value
\$5,000	\$124.50
\$10,000	\$249.00

Source: Numbers calculated from CS 2011 Annual Report

By signing the attached proxy form, you will be supporting a second route to recover the loss of Credit Sails if the Commerce Commission fails to do so. The volunteer Investigatory Committee, in our opinion, possesses the legal, financial and corporate skill set necessary to execute this strategic action. We have also had the support of one litigation firm in Sydney who is ready and prepared to do an investigative analysis of any potential claims and carry out legal action upon any action by the Committee.

Credit Sails were issued in June 2006 and if we fail to take action now, we may be prevented by law from bringing actions in the future. We encourage you to vote in favour of appointing the Investigatory Committee by signing and returning the attached form.

How to Vote

Please follow the instructions on the attached proxy form to vote for the Investigatory Committee.

If you have any questions please feel free to contact me.

Yours truly,



Greg Marshall

CREDIT SAILS LIMITED

**FORM OF PROXY FOR USE BY SECURED CREDITORS FOR THE WRITTEN RESOLUTION
ON __ APRIL 2012**

I, _____ being a Note Holder of \$_____ Credit Sails Notes, hereby vote the following resolution.

1. I appoint the following people as an Investigative Committee to represent the interests of the Secured Creditors and to confer upon them any powers or discretions which I as a Secured Creditor could exercise by extraordinary resolution.
2. I support the committee in directing the Security Trustee to take such action or do such things as the Security Trustee may lawfully do under this Deed and to authorise the Security Trustee to deduct its costs and expenses from any amount received by the Security Trustee on account of Secured Creditors, to the extent such additional authority may be required.
3. Logic Fund Management will manage the Committee Process and are able to appoint any professional person who has the appropriate background suitable for the job.
4. I understand all or some of my current residual Credit Sails payment may be used for legal fees associated with carrying out this action.

Investigative Committee Members:	FOR / AGAINST	
Greg Marshall (Logic Fund Management).....	<input type="checkbox"/>	<input type="checkbox"/>
Colin Boyd (Logic Fund Management).....	<input type="checkbox"/>	<input type="checkbox"/>
Giles Tayelor (CS Investor, Retired Bond Trader, Banker).....	<input type="checkbox"/>	<input type="checkbox"/>
Terry Mcalister (CS Investor, retired NZ Corporate CFO).....	<input type="checkbox"/>	<input type="checkbox"/>
John Harrington (CS Investor, Chartered Accountant, IOD Fellow).....	<input type="checkbox"/>	<input type="checkbox"/>
Malcolm Craig (CS Investor, Significant Regulatory Complaints).....	<input type="checkbox"/>	<input type="checkbox"/>

NAME	SIGNATURE	DATE
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Please send the form back in one of the following ways, but preferably email or fax.

Email – Colin@logicfunds.com
Fax – 03 443 5512
Post – PO Box 662
 Wanaka, 9343
 NEW ZEALAND