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**DML RESOURCES LIMITED (IN LIQUIDATION)
LIQUIDATORS' EIGHTEENTH REPORT TO CREDITORS**

for the period from 7 May 2006 to 6 November 2007
(pursuant to section 255(2)(d) of the Companies Act 1993)

1. PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

- 1.1 The liquidators report to creditors on the progress made in the administration of the liquidation of DML Resources Limited (In Liquidation) ("DML") during the period 7 May 2006 to 6 November 2007.
- 1.2 All assets of DML have been realised other than the possible recovery from Malaysia detailed in section 3 of this report.
- 1.3 The liquidators have paid 75 cents in the dollar to admitted unsecured creditors. In addition to this distribution to creditors, payment has also been made from the Voidable Preference Trust to those creditors entitled to the funds held in that trust. Creditors entitled to the Voidable Preference Trust funds had claims in the liquidation totalling \$7,216,692. The total payment to these creditors in May 2005 from the trust funds was \$1,371,171 (i.e. 19 cents in the dollar).

2. CREDITORS' CLAIMS

As reported previously all creditor claims have been reviewed and have been either settled, accepted, rejected or withdrawn by the creditor. Creditors' claims total \$13.09 million.

3. DML MALAYSIA

The ongoing litigation between the Malaysian joint venture company, 50% owned by DML interests, and the Malaysian contractor relating to a coal mining contract terminated in 1998 continues in the Malaysian court system. Since the liquidators' last report, the Court has confirmed the amount due to the Malaysian joint venture company from the arbitrator's awards in the Court system. The next hearing is scheduled for April 2008. The Malaysian contractor continues to object and appeal every process. It therefore appears unlikely that this matter will be resolved within the next three years. There are still concerns regarding the recoverability from the other party of any award. The liquidators continue to monitor this matter with their joint venture partners and the Malaysian lawyers.

4. COMPLETION

The completion of this liquidation is dependent upon conclusion of the litigation affecting the Malaysian joint venture company detailed in the preceding section of this report.

Creditors are advised that this report and all previous reports are available on our website www.mvp.co.nz. Any enquiries can be directed to the liquidators at this office.

Yours faithfully
for DML RESOURCES LIMITED
(IN LIQUIDATION)



GRAEME G McDONALD
LIQUIDATOR



JOHN L VAGUE
LIQUIDATOR

Dated this 20 day of February 2008