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

for the period from 7 May 2008 to 6 November 2008
(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 2008 to 6 November 2008.
- 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).
- 1.4 This report is being filed with the Registrar only.

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As reported previously all creditor claims have been reviewed and have been either settled, accepted, rejected or withdrawn by the creditor.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

- 3.1 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. The joint venture company is now seeking to register the arbitrator's awards in the High Court as a Court Judgement in order to enforce recovery.
- 3.2 The joint venture company has also lodged a complaint regarding the actions of directors of the Malaysian contracting company with the Companies Commission of Malaysia and the Commercial Crime Division of Malaysian Police.
- 3.3 The Malaysian contractor continues to object and appeal every process. In the circumstances it is not possible to estimate when this matter might be resolved.

3.4 There are still concerns regarding recoverability from the Malaysian contractor.

3.5 The liquidators regularly monitor this matter with the joint venture partner and Malaysian lawyers.

4. FUNDS

Currently the liquidator is holding \$20,896 in the liquidation.

5. 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 Kevin Bromwich at this office.

Yours faithfully
for DML RESOURCES LIMITED
(IN LIQUIDATION)



GRAEME G McDONALD
LIQUIDATOR



JOHN L VAGUE
LIQUIDATOR

Dated this 12th day of November 2008