

Dear

**PALMER CLAIMANTS' GROUP
MARCH 2012 - BULLETIN**

Tenerife Royal Gardens

As previously reported, the Joint Trustees have completed the sale of the individual freehold units at Tenerife Royal Gardens following the dispersal of the timeshare club (as approved at a Special General Meeting of timeshare members on 13 December 2010).

Club La Paz

The Joint Trustees successfully negotiated with the Spanish Court to have the embargo lifted in respect of Club La Paz, on payment of €500,000 to the Court. The Joint Trustees have now paid the full €500,000 into Court to have the embargo formally lifted on the individual freehold units at Club La Paz. The Joint Trustees' agent has completed the sale of thirteen units and is continuing to market the remaining units for sale. There are other embargoes on some of the units relating to Spanish taxes, and substantial redundancy payments need to be made to staff.

As previously reported, the Club La Paz timeshare club has been operating at a continual loss. The Joint Trustees did not receive any suitable offers from timeshare companies wishing to purchase the resort as a going concern and so it was decided that the most appropriate method of disposing of the resort was to disband the timeshare club and sell the individual freehold units owned by John Palmer's companies.

The Club La Paz timeshare owners were notified of the Joint Trustees' decision in April 2011. Owners have been given the option of either transferring their existing timeshare weeks to an alternative resort, or relinquishing their timeshare holding at Club La Paz and submitting a claim in the bankruptcy of John Palmer.

Dividend prospects

Uncertainty still remains with respect to the quantum of outstanding debts to the Spanish authorities, the estimated proceeds from the sale of the Club La Paz apartments and the speed at which they can be sold. This will impact upon the level of funds available to pay a dividend to unsecured creditors, if any.

Queries

If timeshare owners have any queries regarding their former timeshare holding at Tenerife Royal Gardens or their timeshare holding at Club La Paz, they should contact Paula Nicol at Crown Resort Corporation SL via email at paula.nicol@crownresort.es or Nayra Brito by telephone on +34 922 382 354.

Further updates

We shall provide another update in June 2012 but will notify you if there are any important developments before this date.

Yours sincerely



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For and on Behalf of IRWIN MITCHELL LLP

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