

FE INVESTMENTS LIMITED

SUPPLEMENT TO THE INVESTMENT STATEMENT

Prepared as at 31 March 2010

This document supplements the investment statement to which it is attached by deleting and inserting the following text as set out below:

Amendments

Under section 6 “*What are my Risks*” under the sub-heading “Fundamental Uncertainty Clauses” the third and fourth paragraphs are deleted and replaced with the following:

The Government announced on 25th August 2009 that any finance company is eligible to apply for its Crown Guarantee to be extended if it has a BB credit rating from an approved rating agency.

FEI will not apply for an extension as it does not have a credit rating because it is operating under the Deposit Takers (Credit Ratings Minimum Threshold) Exemption Notice 2009.

The following paragraph is inserted at the end of the section 6 “*What are my Risks*”:

Non Bank Deposit Taker Regulations and Credit Ratings

From 1 March 2010 the Reserve Bank of New Zealand Act 1989 (the “Act”) requires deposit takers to hold a credit rating, subject to certain exemptions. FEI is not rated because it is operating under an exemption (Deposit Takers (Credit Ratings Minimum Threshold) Exemption Notice 2009 pursuant to section 157G) from the requirement under the Act to have a credit rating.

The exemption applies because FEI has liabilities of less than \$20 million, making it unduly onerous and burdensome to comply with the requirement under the Act to have a credit rating.

The exemption will apply for the period during which FEI meets the exemption criteria and will allow FEI to maintain a lower cost structure than would be the case if rated.

FEI is not rated by a rating agency approved by the Reserve Bank 157J of the Act.

