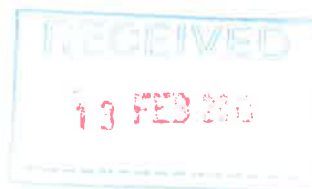


11 February 2015



McELROYS
LITIGATION LAWYERS

Henderson Reeves Connell Rishworth
96 Bank Street
PO Box 11
WHANGAREI 0140

For: Jeremy Browne
Your Ref: 84414/1
Our Ref: 26693

NORSAND 'STORMVOGEL'

1. We act for Norsand Ltd and their insurers, Vero Marine. We have received a copy of your letter to them dated 4 February 2015.
2. As you may or may not be aware, your client has repeatedly contacted Norsand, and has received a number of responses from its insurers Vero Marine. Vero have made it very clear that the information they have received including a report on what was observed when the vessel arrived in Australia does not disclose any negligence on the part of Norsand. Whilst we appreciate your client considers the work was substandard and has caused them loss, they have not particularised that at all. The basis to advance the claim appears to be that because our client worked on the vessel in Whangarei and that difficulties were encountered on the way to Australia, that it must have been our client's fault.
3. They have been invited to present details of why they consider Norsand have caused the loss. Such information would of course be considered, but from Norsand's own enquiries, there is no substance to the allegation of negligence.
4. If your client would like to particularise what it says are the breaches of contract, and how negligence caused the loss, then that would of course be reviewed. In the meantime Norsand are not prepared to extend the jurisdiction of the Disputes Tribunal. If your client wishes to proceed now, then we are authorised to accept service of proceedings.

Yours faithfully
McELROYS

Matthew Flynn

Partner

(email: matthew.flynn@mcelroys.co.nz)
26693_011/3