



September 2012

Dear Valued Member,

As you may be aware, the Karma Royal Group has been a leading developer and manager of holiday ownership projects for almost 19 years. It has won various industry awards over this period and is recognized as the leading company of its kind in the Asia Pacific region. Nevertheless, the Karma Royal Group's highly regarded status sometimes attracts certain parties to take actions that seek to discredit our reputation.

On this note, the Karma Royal Group is aware of a small group of people who have posted potentially misleading information that is being promulgated on the internet and via other media. These people purport to recruit the Karma Royal Group's valued members to take legal action in Bali, although the basis of the proposed legal action seems to be meritless. These people caused a civil claim to be filed in the Denpasar District Court, claiming to be on behalf of four Australians. Unsurprisingly, on 26 June 2012 the Denpasar District Court refused to allow the claim to continue. It declared the civil claim to be inadmissible because these people did not have the proper representation of the Australians who they claimed as their clients. On 11 July 2012, this Denpasar District Court decision became final and binding.

We would recommend that you be vigilant in considering any attempt to sign you on to any dispute or litigation process. Please do not be tempted by wild promises made by these people, trying to provoke and run disputes between Karma Royal Group and its members, as it may lead you to be part of a meritless, pointless and fruitless litigation case.

We have engaged the services of a leading law firm to investigate, and if and as warranted, to take action against these people, in all appropriate jurisdictions in which they operate. We intend to minimize interference to the Karma Royal Group operation in serving our valuable members, and continuing to provide a quality timeshare product and high levels of related services, for which we are well known.

Our customer service division's primary purpose is to facilitate usage of membership and the enjoyment of wonderful family holidays. If you do have any complaint about your Royal Resorts' experience please let us know by contacting our Quality Assurance Supervisor Ms. Janet Dellaca by Phone: 62 361 762131, Fax: 62 361 762215 or E-mail: QualityAssurance@odysseypremier.com. We have professional employees whose job is to investigate any complaint and find a resolution

as part of our commitment to consistent, superior services. If our company is established to be at fault in any respect, we will accept our responsibilities and act accordingly.

Lastly, we would like to convey our highest appreciation for your continuous support to Karma Royal Group, which allows us to continue to provide our best services to you.

Yours faithfully,

R.L. Faulkner MA Cantab

Managing Director