

COMPANY NO. 1044733

LIQUIDATORS' SECOND REPORT
Section 255 of the Companies Act 1993

FLAMEL TRADING LIMITED (IN LIQUIDATION)

APPOINTMENT

On 9 November 2012, Iain Bruce Shephard and Heath Leslie Gair were appointed liquidators jointly and severally of Flamel Trading Limited by special resolution of shareholder.

This is our six monthly report required by Section 255(2)(d) of the Companies Act 1993 and is to be read in conjunction with our previous report.

BACKGROUND

Flamel Trading Limited (now in liquidation) ("the Company") was incorporated in New Zealand and operated a high-leverage trading platform in Europe and South America.

The Liquidators are advised that the Company has a number of Swiss bank accounts that have been frozen by the Swiss prosecutor over concerns of un-licensed trading.

The Company was struck off the New Zealand Companies Register in March but has been restored in November 2012 to enable the shareholder to appoint Liquidators to wind down the Company and distribute the funds to investors.

LIQUIDATORS' ACTIONS

The Liquidators have been unable to advance the liquidation due to the Company's accounts in Switzerland remaining frozen. The Liquidators continue to seek the unfreezing of these accounts to provide funds for the Liquidators to better communicate with creditors internationally and enable all relevant investigations to be completed and to enable a distribution to creditors.

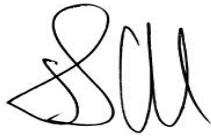
PROSPECT OF A DISTRIBUTION

The prospect of a distribution to the unsecured creditors is uncertain at this time due to the difficulties in understanding the stance taken by the Swiss authorities and the lack of mutuality between the jurisdictions.

ESTIMATED DATE OF COMPLETION

It is not practical to estimate the date of completion at this time.

Should you have any queries please do not hesitate to contact us.

A handwritten signature in black ink, appearing to read 'ISW', written in a cursive style.

Iain Shephard
Liquidator

Dated 12 February 2014