

Review of Internal Controls with a Focus on Anti-Money Laundering



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INDEPENDENT REVIEW OF INTERNAL CONTROLS WITH A FOCUS ON ANTI-MONEY LAUNDERING

TO THE BOARD OF NAGACORP LTD.

We have conducted an independent review of the internal controls of NagaCorp Ltd. ("NagaCorp") with a focus on anti-money laundering controls ("AML"). The review was conducted in the period from 4 to 7 February 2007.

Our review team noted the expansion of gaming operations at NagaCorp with the opening of two new rooms for specialized tour groups since our last review conducted in the period from 12 to 18 September 2006. Whilst the gaming operations have expanded, our review team also noted the continual upgrading and incremental improvements in internal management and AML controls commensurate with the expanded gaming operations.

The review was focused on internal compliance with Financial Action Task Force recommendations (FATF). Any changes noted were only improvements on what were already strict AML controls.

Our review team has concluded that NagaCorp is in full compliance with all relevant FATF recommendations on AML issues as they relate to casino operations.

David Fernyhough **John Bruce**
Executive Vice President *Senior Consultant (Gaming)*

Hill & Associates Ltd

Hong Kong, 23 March 2007

Hill & Associates Ltd is an independent security and risk management consultants with working knowledge of AML and risk management. Hill & Associates Ltd has conducted reviews on AML of NagaCorp Ltd. previously for periods between August 2004 and February 2005, between March 2005 and December 2005 and in September 2006.