

**JOINT OFFICIAL LIQUIDATORS
BEACON HILL MASTER LTD.
THEO BULLMORE
PHILLIP S. STENGER**

Dear Investor,

Attached below is the estimated value of all investment positions held by Beacon Hill Master, Ltd. (in Official Liquidation) ("the Master Fund") as at January 31, 2009. Please note that this does not constitute a net asset valuation of the Master Fund.

| | 31-Jan-09 | 31-Dec-08 |
|---|-------------------|-------------------|
| Master Fund Assets | | |
| Cash ¹ | 34,803,816 | 37,901,242 |
| Cash held | 515,950 | 515,878 |
| Investments in Securities ² | 0 | 0 |
| Amounts Receivable from Feeder Funds: | | |
| Professional fees paid on behalf of Bristol Fund ³ | 903,503 | 640,674 |
| Professional fees paid on behalf of Safe Harbor ³ | 888,600 | 796,804 |
| Professional fees paid on behalf of Milestone ³ | 4,250 | 4,250 |
| Total Master Fund Assets | 37,116,119 | 39,858,848 |
| Master Fund Liabilities | | |
| <i>Accrued Expenses:</i> | | |
| Gifford Fong Associates | 32,939 | 32,939 |
| PWC | 12,856 | 12,856 |
| PWC Cayman Islands | 0 | 40,000 |
| Directors (DMS) ⁴ | 106,060 | 166,091 |
| KPMG Cayman Islands | 293,496 | 603,130 |
| Solomon Harris | 215,133 | 654,664 |
| Stenger & Stenger P.C. | 208,349 | 525,902 |
| Broadhurst Barristers | 4,433 | 13,092 |
| Friedman Kaplan Seiler & Adelman LLP | 56,307 | 1,224,588 |
| Levine, Barry M. | 0 | 47,880 |
| TrialGraphix | 10,528 | 52,191 |
| Gallopp, Sean | 0 | 84,025 |
| Moskowitz, Harvey D. | 0 | 147,504 |
| Marks Paneth & Shron | 0 | 6,622 |
| TSG Reporting | 0 | 12,273 |
| The Michel-Shaked Group | 13,836 | 35,051 |
| Cadwalader, Wickersham & Taft LLP | 10,056 | 10,056 |
| Erskine Chambers | 0 | 18,572 |
| Record Press Inc. | 7,025 | 7,025 |
| HellerEhrman LLP | 0 | 475 |
| Robert Hildyard Q.C. | 0 | 25,875 |
| Total Master Fund Liabilities | 971,018 | 3,720,812 |
| Estimated | 36,145,100 | 36,138,035 |

| Feeder Funds | % of Shares in Master Fund at Sept. 30, 2005 ⁵ | Estimated Share of Net Investment Assets | Professional Fees Paid by and Owing to the Master Fund | Feeder Funds Specific Professional Fees Accrued | Feeder Funds Estimated Share of Net Investment |
|--------------|---|--|--|---|--|
| Safe Harbor | 17.83% | 6,444,671 | (888,600) | (29,241) | 5,526,830 |
| Bristol | 79.63% | 28,782,343 | (903,503) | (151,531) | 27,727,309 |
| Milestone | 2.54% | 918,086 | (4,250) | 0 | 913,836 |
| | 100% | 36,145,100 | (1,796,353) | (180,772) | 34,167,975 |

¹ As of November 1, 2007, the cash assets are earning interest at a rate of the United States Federal Funds rate minus 0.23%.

² Valuation provided by former investment managers, Ellington Management Group, LLC. As no material revenue has been received on any of the CBOs since February 2004 and per our discussions with Ellington Management Group, LLC, to be conservative we have written down the value of the CBOs to zero. However it is expected that upon liquidation, these securities may have some value (which is not currently determinable).

³ Certain professional fees incurred by the Feeder Funds have been paid out of the assets of the Master Fund. Prior to the final distribution of funds, these expenses will be apportioned to the respective Feeder Funds, as shown above.

⁴ On November 11, 2008, the Joint Official Liquidators received a revised proof of debt claim from Don Seymour, a director of the Master Fund in the amount of \$288,752.12 for legal fees and expenses incurred by Mr Seymour through October of 2008 for legal representation by his lawyers, Turner & Roulstone. This claim was later revised by Don Seymour to \$228,082.80. The Joint Official Liquidators have reconciled this claim and have determined that an amount of \$132,243.22 had previously been paid, decreasing the outstanding fees to \$95,839.58. Don Seymour has also agreed to take a 5% reduction of the remaining balance so that the outstanding fees currently being reserved for by the Joint Official Liquidators are \$91,047.60.

Also, on November 11, 2008, the Joint Official Liquidators received a proof of debt claim from Peter Young, a director of the Master Fund in the amount of \$15,802.50 for fees and expenses incurred through November of 2008. Peter Young has also agreed to take a 5% discount and so the amounts owed on behalf of the Master Fund are \$15,012.38. The total outstanding fees currently being reserved for by the Joint Official Liquidators for Mssrs. Seymour and Young combined are \$106,059.98.

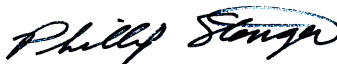
⁵ On December 3, 2008, Judge Kaplan entered an order approving the use of the "averaged distribution methodology" to calculate investor distributions and authorization to make an interim distribution. As a result the JOLs have altered the Feeder Funds percentage of shares in the Master Fund in order to reflect as much.

Should you have any queries regarding the statement, please do not hesitate to contact Lauren Christie with KPMG at (345) 815-2663 or Kay Hammond with Stenger & Stenger at (616) 940-1190.

Kind Regards,



Theo Bullmore
Joint Official Liquidator



Phillip S. Stenger
Joint Official Liquidator

Theo Bullmore

KPMG, Century Yard, P.O. Box 493, Grand Cayman KY1-1106, Cayman Islands Telephone: (345) 949-4800 Fax: (345) 949-7164 E-mail: tbullmore@kpmg.ky

Phillip S. Stenger

Stenger & Stenger, P.C., 4095 Embassy Drive, SE, Suite A, Grand Rapids, Michigan, 49546 Telephone: (616) 940-1190 Fax: (616) 940-1192 E-mail: phil@stengerlaw.com