

**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 September 30, 2007. Please note that this does not constitute a net asset valuation of the Master Fund.

	30-Sep-07	31-Aug-07
Master Fund Assets		
Cash ¹	354,132,505	354,121,142
Investments in Securities ²	0	0
Amounts Receivable from Feeder Funds:		
Professional fees paid on behalf of Bristol Fund ³	472,718	472,718
Professional fees paid on behalf of Safe Harbor ³	784,428	773,760
Total Master Fund Assets	355,389,651	355,367,620
Master Fund Liabilities		
<i>Accrued Expenses:</i>		
Gifford Fong Associates	113,392	113,392
PWC	103,956	103,956
PWC Cayman Islands	58,770	58,770
Directors (DMS)	28,676	28,676
KPMG Cayman Islands	186,153	311,408
Solomon Harris	179,509	242,289
Stenger & Stenger P.C.	140,128	277,831
Access Litigation Support Services	0	4,672
Broadhurst Barristers	275	4,612
Friedman Kaplan Seiler & Adelman LLP	1,186,669	1,901,364
Levine, Barry M.	81,405	153,387
TrialGraphix	36,763	50,112
Gallopp, Sean	100,630	100,630
Moskowitz, Harvey D.	269,683	325,061
Marks Paneth & Shron	10,222	10,255
Ikon Office Solutions	0	10,739
TSG Reporting	57,454	92,072
Quin & Hampson	0	600
The Michel-Shaked Group	62,979	44,098
The Harbour Trust Co. Ltd.	2,140	2,140
Cadwalader, Wickersham & Taft LLP	36,707	36,707
Erskine Chambers	18,429	0
Record Press Inc.	7,025	0
Total Master Fund Liabilities	2,680,965	3,872,771
Estimated Net Investment Assets of the Master Fund	352,708,686	351,494,849

Feeder Funds	% of Shares in Master Fund at Sept. 30, 2002 ⁴	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	18.10%	63,840,272	(784,428)	(16,856)	63,038,988
Bristol	78.71%	277,617,006	(472,718)	(230,390)	276,913,898
Milestone	3.19%	11,251,407	0	(4,250)	11,247,157
	100%	352,708,686	(1,257,146)	(251,496)	351,200,044

¹ As of August 10, 2004, the cash assets are earning interest at a rate of official British Bankers Association One-month LIBOR minus 0.08%.

² Valuation provided by former investment managers, Ellington Management Group, LLC. As no 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 distribution of funds, these expenses will be apportioned to the respective Feeder Funds, as shown above.

⁴ The percentage of participating shares is based on the historical valuation of the Master Fund. Provided that the Court sanctions the average distribution methodology, the shares of the Feeder Funds in the Master Fund will be recalculated which will lead to adjustments in the Feeder Funds' percentage shareholdings.

Should you have any queries regarding the statement, please do not hesitate to contact Blair Houston with KPMG at (345) 914-4334 or Sara Fazio 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