

**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 July 31, 2006. Please note that this does not constitute a net asset valuation of the Master Fund.

	31-Jul-06	30-Jun-06
Master Fund Assets		
Cash ¹	336,676,944	336,594,569
Investments in Securities ²	0	0
Amounts Receivable from Feeder Funds:		
Professional fees paid on behalf of Bristol Fund ³	16,333	16,333
Professional fees paid on behalf of Safe Harbor ³	748,928	717,476
Total Master Fund Assets	337,442,205	337,328,378
Master Fund Liabilities		
<i>Accrued Expenses:</i>		
Gifford Fong Associates	32,939	32,939
PWC	12,856	21,365
Directors (DMS)	28,676	28,676
KPMG Cayman Islands	123,998	257,699
Solomon Harris	40,477	198,480
Stenger & Stenger P.C.	190,971	529,043
Access Litigation Support Services	581	66,828
Broadhurst Barristers	8,894	17,031
Friedman Kaplan Seiler & Adelman LLP	357,779	726,434
Levine, Barry M.	2,232	59,108
TrialGraphix	6,093	55,486
Galopp, Sean	0	9,675
Connell Foley LLP	17,939	17,939
Moskowitz, Harvey D.	6,380	0
Marks Paneth & Shron	85,701	0
Total Master Fund Liabilities	915,516	2,020,703
Estimated Net Investment Assets of the Master Fund	336,526,689	335,307,675

Feeder Funds	% of Shares in Master Fund at Sept. 30, 2002 ¹	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 Assets
Safe Harbor	18.10%	60,911,331	(748,928)	(25,266)	60,137,137
Bristol	78.71%	264,880,157	(16,333)	(511,416)	264,352,408
Milestone	3.19%	10,735,201	0	0	10,735,201
	100%	336,526,689	(765,261)	(536,682)	335,224,746

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.

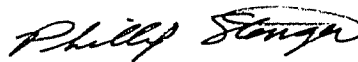
⁴ The percentage of participating shares is based on the historical valuation of the Master Fund. Provided that the Court sanctions the average distribution methodology, the shares of the Feeder Funds in the Master Fund will be recalculated which will lead to adjustments in the Feeder Funds' percentage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

Should you have any queries regarding the statement, please do not hesitate to contact Michael Schulz with KPMG at (345) 914-4335 or Heather Adams with Stenger & Stenger at (616) 940-1190.

Kind Regards,



Joint Official Liquidator



Joint Official Liquidator

Theo Bullmore

KPMG, Century Yard, P.O. Box 493GT, Grand Cayman, 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