

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

	31-Aug-06	31-Jul-06
Master Fund Assets		
Cash ¹	338,157,921	336,676,944
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	748,928
Total Master Fund Assets	338,923,182	337,442,205
Master Fund Liabilities		
<i>Accrued Expenses:</i>		
Gifford Fong Associates	32,939	32,939
PWC	12,856	12,856
Directors (DMS)	28,676	28,676
KPMG Cayman Islands	145,744	123,998
Solomon Harris	49,276	40,477
Stenger & Stenger P.C.	244,203	190,971
Access Litigation Support Services	581	581
Broadhurst Barristers	9,278	8,894
Friedman Kaplan Seiler & Adelman LLP	398,154	357,779
Levine, Barry M.	2,232	2,232
TrialGraphix	6,093	6,093
Galopp, Sean	0	0
Connell Foley LLP	17,939	17,939
Moskowitz, Harvey D.	6,380	6,380
Marks Paneth & Shron	85,701	85,701
Total Master Fund Liabilities	1,040,052	915,516
Estimated Net Investment Assets of the Master Fund	337,883,130	336,526,689

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 Assets
Safe Harbor	18.10%	61,156,847	(748,928)	(30,282)	60,377,637
Bristol	78.71%	265,947,812	(16,333)	(522,259)	265,409,220
Milestone	3.19%	10,778,472	0	0	10,778,472
	100%	337,883,130	(765,261)	(552,541)	336,565,328

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.

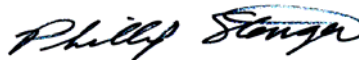
⁴ The percentage of participating shares is based on the historical valuation of the Master Fund. Provided that the Court sanctions the average distribution methodology, the shares of the Feeder Funds in the Master Fund will be recalculated which will lead to adjustments in the Feeder Funds' percentage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



Theo Bullmore
Joint Official Liquidator



Phillip S. Stenger
Joint Official Liquidator

Theo Bullmore

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