

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

	30-Sep-06	31-Aug-06
<b>Master Fund Assets</b>		
Cash <sup>1</sup>	339,581,902	338,157,921
Investments in Securities <sup>2</sup>	0	0
Amounts Receivable from Feeder Funds:		
Professional fees paid on behalf of Bristol Fund <sup>3</sup>	16,333	16,333
Professional fees paid on behalf of Safe Harbor <sup>3</sup>	748,928	748,928
<b>Total Master Fund Assets</b>	<b>340,347,163</b>	<b>338,923,182</b>
<b>Master Fund Liabilities</b>		
<i>Accrued Expenses:</i>		
Gifford Fong Associates	49,406	32,939
PWC	12,856	12,856
Directors (DMS)	28,676	28,676
KPMG Cayman Islands	175,798	145,744
Solomon Harris	64,419	49,276
Stenger & Stenger P.C.	274,636	244,203
Access Litigation Support Services	581	581
Broadhurst Barristers	12,462	9,278
Friedman Kaplan Seiler & Adelman LLP	443,600	398,154
Levine, Barry M.	2,232	2,232
TrialGraphix	7,977	6,093
Connell Foley LLP	17,939	17,939
Moskowitz, Harvey D.	6,380	6,380
Marks Paneth & Shron	96,176	85,701
<b>Total Master Fund Liabilities</b>	<b>1,193,138</b>	<b>1,040,052</b>
<b>Estimated Net Investment Assets of the Master Fund</b>	<b>339,154,025</b>	<b>337,883,130</b>

Feeder Funds	% of Shares in Master Fund at Sept. 30, 2002 <sup>4</sup>	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%	61,386,879	(748,928)	(30,856)	60,607,095
Bristol	78.71%	266,948,133	(16,333)	(532,376)	266,399,424
Milestone	3.19%	10,819,013	0	0	10,819,013
	<b>100%</b>	<b>339,154,025</b>	<b>(765,261)</b>	<b>(563,232)</b>	<b>337,825,532</b>

<sup>1</sup> 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%.

<sup>2</sup> 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).

<sup>3</sup> 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.

<sup>4</sup> 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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**Phillip S. Stenger**

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