

REGISTERED MAIL

Kevin G. Stanford
The Dower House
Roydon Hall Lane
East Peckham, Near Tonbridge
TN12 5NH Kent
United Kingdom

Reykjavik, 23 October 2008

Dear Sir,

Your Portfolio with the bank (the "Portfolio").

We are writing with reference to the Secured Investment Line Agreement originally between you as borrower and Kaupthing Bank Luxembourg S.A. as lender, dated 27.09.2006 (the "Agreement"). The lender is now Kaupthing Bank hf. (the "Bank")

According to our records, the position of the Portfolio as of the date of this letter is as follows:

Liabilities	GBP 251,586,940
Collateral Value of assets	GBP 178,386,277
Liabilities exceeding Collateral Value	GBP 73,200,663

The Portfolio no longer meets the LOMBARD requirement under the Agreement. The terms of the Agreement require you to pledge in our favour and to deliver to us claims or securities of the amount required to properly secure the facility granted to you under the Agreement, within four (4) days of our demand.

We hereby request that you arrange for further cash collateral in an amount not less than GBP 73,200,663 (the "Payment"), to be deposited with us **no later than 29 October 2008**, in order to meet the LOMBARD requirements under the Agreement.

Bank	Swift code	Account no.
Central Bank of Iceland	SISLISRE	3410302
National Westminster Bank, London	NWBKGB2L	4400 204 596900



Kaupthing banki hf.
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Borgartúni 19
105 Reykjavik, Iceland
Tel +354 444 7000
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Please note that the terms of the Agreement allow us to take all conservative measures, and in particular to effect all transactions, in order to reduce the amount due under the Agreement, or to render due and payable any sums due to the Bank and to enforce the Agreement pursuant to its terms. If we have not received the Payment by the deadline stated above, we reserve the right to unwind all or a portion of your position in order to meet the LOMBARD requirement under the Agreement.

If you have any questions please do not hesitate to contact your Account Manager.

Yours sincerely,

On behalf of Kaupthing Bank hf.

