

DISCLOSURE NOTICE

BASIS PACIFIC RIM OPPORTUNITY FUND (US)

As stated in the Disclosure Notice dated August 14th, 2007, the Directors of the Basis Pac-Rim Opportunity Fund ("Fund") have been advised by Basis Capital Funds Management Limited, the investment advisor to the Fund, that the Basis Pac-Rim Opportunity Fund (Master) ("Master Fund") in which the Fund invests most of its assets had, as at May 31st 2007, approximately 50% exposure to liquid high yield Asian and Emerging Market Credit securities and a 50% exposure to Structured Credit Securities consisting of CDOs (Collateralised Debt Obligations), CLOs (Collateralised Loan Obligations) and ABSs (Asset Backed Securities). Of this exposure, approximately \$US79m represented a long-term strategic investment in the Basis Yield Alpha Fund ("BYAF").

Attached is a Disclosure Notice that refers to an update on BYAF, which invests predominantly all of its assets in shares of the Basis Yield Alpha Fund (Master). Given the investment of the Master Fund in BYAF any change in the performance of BYAF will, in turn, impact upon the net asset value ("NAV") of the Fund.

Basis Capital Funds Management Limited, as the investment adviser to the Fund is extremely disappointed with the adverse consequences for investors in the Fund arising from market events that occurred throughout July.

The Master Fund continues to meet all margin calls and is working with Blackstone in negotiations with its financiers. The Board of the Fund, working together with Basis Capital Funds Management Limited, is attempting to minimise the losses to investors and will continue to advise investors as more precise information becomes available.

Basis Pac-Rim Opportunity Fund (US)
August 16th, 2007