

Basis Pac-Rim Opportunity Fund

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To all Participating Shareholders

4th June 2008

Dear Participating Shareholder,

As you are aware, the Directors of Basis Pac-Rim Opportunity Fund (the "Fund") recently sought approval, in the form of the Circular dated 6th May 2008 (the "Circular"), from its shareholders to amend the Fund's Articles of Association to allow for a partial return of shareholders' capital as soon as possible.

We are pleased to confirm that 92.79% of the Fund's shareholders registered their unanimous support for the proposal and it is now the intention of the Fund's Directors (and its various Advisors) to return cash to investors before June 30th 2008.

The amount to be returned represents approximately 30% of the Fund's entire invested capital and has been accumulated through the realization of the Fund's Asian High-Yield securities and the harvesting of and restructuring of cash flows from Structured Credit securities.

In the meantime, the Fund's remaining assets continue to be managed in what the Directors consider to be the best interests of the Fund as a whole.

Following the Shareholder vote, the Directors met and resolved that it was appropriate to implement the amendments to the Articles contemplated by the Circular. Shortly, thereafter the amendments were effected by way of a Written Resolution of Pac-Rim Investments Ltd ("PRIL"), as the sole holder of the Fund's Management Shares. Corresponding amendments were also made to the Articles of Association of the Basis Pac-Rim Opportunity Fund (Master) (the "Master Fund").

To allow the Fund to effect a partial compulsory redemption of its Participating Shares the Directors of the Fund subsequently resolved, pursuant to Articles 51 and 72, to lift temporarily the existing suspension of the right to receive redemption proceeds.

Accordingly, the Directors hereby give notice that around 30% of your Participating Shares have been compulsorily redeemed and you will receive a corresponding cash payment on or about June 30th 2008.

The Directors would like to take this opportunity to thank you for your ongoing support and patience during what has been a very difficult time for all.

Yours faithfully,

David Mapley
Zahid Ullah

Disclaimer:

The Fund's Directors and Officers, Investment Manager, Investment Advisor and Administrator wish to keep investors informed but accept no responsibility for the accuracy of its contents nor for the forwarding or other means by which any person other than the intended recipient, gains access to this letter and its attachments. Additional information is available upon request. This letter and its attachments should not be considered to be financial product advice, in particular they should not be considered to be a recommendation or a statement of opinion intended to influence you in making a decision in relation to financial products. The reader or user of this information should obtain their own advice from a professional advisor before making any decision in relation to the matters in this letter or its attachments.