

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.

Pyxis Finance Limited
(the Issuer)

(a company with limited liability incorporated under the laws of the Cayman Islands)

FURTHER NOTICE IN RELATION TO THE LEHMAN MOTION

to the holders (the **Noteholders**) of the

Pyxis Equity-Linked Notes Series 19

HKD10,000,000 Principal Protected Equity Linked Notes due 2009 (the **Series 19 Tranche B Notes**)
XS0281063601

Pyxis Equity Linked Notes Series 20

HKD14,250,000 Equity Linked Notes due 2011 (the **Series 20 Tranche A Notes**) XS0288144024
USD2,027,000 Equity-Linked Notes due 2011 (the **Series 20 Tranche B Notes**) XS0288144453

Pyxis Equity Linked Notes Series 21

HKD38,370,000 Equity-Linked Notes due 2009 (the **Series 21 Tranche A Notes**) XSXS0302117741
USD1,473,000 Equity-Linked Notes due 2009 (the **Series 21 Tranche B Notes**) XS0301890199
(the Series 19 Tranche B Notes, the Series 20 Tranche A Notes, the Series 21 Tranche B Notes, the Series 21
Tranche A Notes and the Series 21 Tranche B Notes, together, the **Notes**)

of the Issuer
presently outstanding

Reference is made to the notice to Noteholders dated 4 December 2008 in relation to the motion filed by Lehman Brothers Holdings Inc. and its affiliated chapter 11 debtors (the **Motion**). On 24 November 2008, the Trustee has issued a notice to the Issuer requesting the Issuer to advise what action it proposes to take in relation to the Motion. As of today, the Trustee has not received any response from the Issuer or from Noteholders.

The Notes are collateralised by the following notes issued by Lehman Brothers Treasury Co. B.V. (**LBTCBV**) and guaranteed by Lehman Brothers Holdings, Inc.:

- (a) HKD10,000,000 in aggregate principal amount of Floating Rate Notes due 5 January 2009 (ISIN:XS0281184498) with respect to the Series 19 Tranche B Notes;
- (b) HKD14,250,000 in aggregate principal amount of Floating Rate Notes due 28 February 2011 (ISIN: XS0287989031) with respect to the Series 20 Tranche A Notes;

- (c) USD2,027,000 in aggregate principal amount of Floating Rate Notes due 28 February 2011 (ISIN: XS0287990047) with respect to the Series 20 Tranche B Notes;
- (d) HKD38,370,000 in aggregate principal amount of Floating Rate Notes due 25 November 2009 (ISIN: XS0301889779) with respect to the Series 21 Tranche A Notes; and
- (e) USD1,473,000 in aggregate principal amount of Floating Rate Notes due 25 November 2009 (ISIN: XS0301890199) with respect to the Series 21 Tranche B Notes.

The Issuer has itself entered into swap arrangements (the **Pyxis Swaps**) with Lehman Brothers Finance S.A. (**LBF**) whose obligations are guaranteed by LBHI.

The filing of a petition by LBHI in the United States Bankruptcy Court seeking relief under Chapter 11 of the United States Bankruptcy Code constitutes an event of default under each of the Pyxis Swaps and permits the Issuer to serve notice under each of the Pyxis Swaps to terminate the Pyxis Swaps, in each case, subject to the terms of the relevant documents.

In light of the Motion, the Trustee requests the Noteholders to contact it urgently to give directions to the Trustee as to whether the Noteholders would like to direct the Trustee, on behalf of the Issuer, to serve notice on LBF to terminate each of the Pyxis Swaps.

Noteholders are reminded that their claims in respect of a series of the Notes are limited in recourse to the series specific Mortgaged Property. Following enforcement or realisation of the Security, the Trustee shall apply all moneys received by it firstly in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver, secondly in meeting the claims of the Swap Counterparty, thirdly in payment or satisfactions of the fees, costs, charges, expenses and liabilities properly incurred by the Agents and fourthly in meeting the claims of the Noteholders.

Capitalised terms used herein but not otherwise defined herein shall have the meanings given to them in the relevant Trust Deed.

This Notice is given by

HSBC Trustee (C.I.) Limited as Trustee

Dated 8 December 2008