

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 10
U.S.\$648,000 Equity-Linked Notes due 2010 (**Tranche A Notes**) XS0207261727
HK\$16,400,000 Equity-Linked Notes due 2010 (**Tranche B Notes**) XS0207261057
(the Tranche A Notes and the 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 Saphir Finance Public Limited Company (**Saphir**):

- (a) U.S.\$648,000 in aggregate principal amount of Floating Rate Synthetic Portfolio Notes due 2010 (ISIN: XS0208195882) with respect to the Tranche A Notes; and
- (b) U.S.\$2,112,000 in aggregate principal amount of Floating Rate Synthetic Portfolio Notes due 2010 (ISIN: XS0208195882) with respect to the Tranche B Notes.

In respect of the abovementioned notes issued by Saphir, Saphir has entered into swap arrangements (the **Saphir Swap**) with Lehman Brothers Special Financing, Inc. (**LBSF**) whose obligations under the Saphir Swap are guaranteed by Lehman Brothers Holdings Inc. (**LBHI**).

The Issuer has itself entered into a swap arrangement (the **Pyxis Swap**) 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 Saphir Swap and the Pyxis Swap and permits (a) Saphir to serve notice under the Saphir Swap to terminate the Saphir Swap and (b) the Issuer to serve notice under the Pyxis Swap to terminate the Pyxis Swap, 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:

- a. whether the Noteholders, would like to direct the Issuer, being the entity having beneficial interests in the abovementioned notes issued by Saphir, to direct The Bank of New York Mellon to serve notice, on behalf of Saphir, on LBSF to terminate the Saphir Swap; and
- b. whether the Noteholders would like to direct the Trustee, on behalf of the Issuer, to serve notice on LBF to terminate the Pyxis Swap.

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