

To: Distributors and holders of bonds (the “Bonds”) issued by Minibond Limited (the “Issuer”) under its S\$10,000,000 Secured Note Programme

In the following, we provide answers to some questions which apply generally to the Bonds, but holders should be aware that each series of Bonds is different and the status of their series may therefore differ in some respects from the general answers given here. The structure of the Bonds and the rights of holders are explained more fully in the prospectuses for the issues

See the sections of the pricing statements headed “Description of the Underlying Securities” and “Legal and Structural Matters” for a general description of the collateral and the swap arrangements.

What is the current status of Lehman Brothers Holdings Inc.?

On 15 September 2008 Lehman Brothers Holdings Inc. (“LBHI”) filed a petition (the “Petition”) under Chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court of the Southern District of New York.

What is the role of Lehman Brothers Holdings Inc. in the Bonds?

LBHI is the swap guarantor for the Bonds. The swap counterparties for the Bonds are wholly-owned subsidiaries of LBHI.

How does this affect the Bonds?

According to ISDA (the International Swaps and Derivatives Association Inc., an industry body), the filing of the Petition constitutes an event of default under swaps such as the swap arrangements which Minibond Limited, the issuer of the Bonds, has entered into with Lehman. The Issuer therefore has the right to notify Lehman that it wishes to terminate all outstanding transactions under the swap arrangements. If the Issuer elects to do so, the Bonds will, subject to conditions and to a number of other procedures, be subject to early redemption.

What happens if the Bonds are redeemed early?

After the termination of the swap arrangements, the Bonds would become subject to early redemption and the collateral for the Bonds would be sold in the market. The proceeds of sale of the collateral would be adjusted to take account of any payment which is due to, or due from, the swap counterparty on termination of the swap arrangements and for the costs, fees and expenses of making the sale. The amount of any termination payment under the swap arrangements will be based on the cost of entering into a swap transaction with the same terms and conditions that would have the effect of preserving the economic equivalent of the relevant swap arrangement. This will be determined on the basis of quotations obtained from leading dealers in the market selected by the Issuer, being the non-defaulting party under the swap arrangements. The proceeds would then be available for repayment of the Bonds. The amount of the available proceeds will depend on many factors, including the nature and current market value of the collateral underlying the particular series of Bonds. However, it is likely that the redemption of the Bonds would be at less, and perhaps significantly less, than their principal amount.

Is the collateral safe, or could it be claimed by Lehman’s creditors?

The collateral for each series is kept separately by a custodian and is subject to security in favour of the holders of that series of Bonds (In some cases, it may be shared between the holders of different tranches of that series; in others different tranches have different collateral). Some of the proceeds of the collateral may be paid to Lehman if Lehman is owed a termination payment on termination of the swap arrangements, but Lehman (or its liquidator) has no other rights to take the collateral.

What is the collateral for the Bonds?

What the collateral is varies between the series. Where collateralised debt obligations (CDOs) are used as collateral, the CDOs are synthetic securities which include further swap arrangements with Lehman. These swap arrangements are also subject to termination because of the filing of the petition. The CDOs are backed by further collateral - bonds of a single financial institution or a money-market fund.

How much will holders get back? When will they get it?

The amount holders will get back depends on many things, but mainly on the current market value (assuming a purchaser can be found) of the particular collateral underlying a series of Bonds and on whether an early termination amount is due to or from the swap counterparty on termination of the swap arrangements. The early redemption of the Bonds of particular series and the sale of collateral, termination of swap arrangements and eventual distribution of proceeds to holders are not within the control of Lehman and may be expected to take some time to resolve.

Who are the trustees for the Bonds? What action are they taking?

Lehman has made initial contact with the trustee for the Bond, HSBC Institutional Trust Services (Singapore) Limited. Further information is expected shortly from the trustee as to next steps.

Lehman Brothers Singapore Pte. Ltd.
As Arranger of the Bonds

22 September 2008