

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

To the Distributors of the Notes:

Bank of Communications Co., Ltd. Hong Kong Branch	ICEA Securities Ltd.
CITIC Ka Wah Bank Limited	Chong Hing Bank Limited
Core Pacific-Yamaichi International (H.K.) Limited	MEVAS Bank Limited
Dah Sing Bank, Limited	Public Bank (Hong Kong) Limited
	Wing Hang Bank, Ltd.
	Wing Lung Bank Limited

Octave Notes Series 20

USD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2013 (ISIN: XS0315041557) ("Tranche A Notes")

HKD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2013 (ISIN: XS0315042282) ("Tranche B Notes")

(each a "Tranche" and the notes of any or all Tranches, the "Notes") issued by Victoria Peak International Finance Limited pursuant to its Retail Note Programme (the "Programme")

We are writing to you because of recent market events. As previously, although we are under no obligation to provide information in respect of the Notes or the Underlying Securities beyond that specified in the Offering Documents, in the present exceptional circumstances we believe it may be helpful to write to all Distributors to provide certain information relating to the Notes and the Underlying Securities. We would encourage you to provide this information to your customers who invested in the Notes.

Since we sent our previous notice to you in relation to the Notes on 11 December 2008, a credit event has occurred in respect of Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.). Whilst this is not a Reference Entity under the Notes, it is a reference entity under the Underlying Securities.

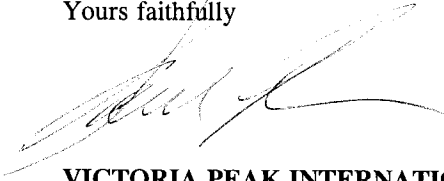
As of the date of this notice, the occurrence of this credit event has not resulted in an Underlying Securities Default Event or a Mandatory Redemption Event in relation to the Notes. The Issuer can give no assurance as to whether an Underlying Securities Default Event or a Mandatory Redemption Event will or will not occur in relation to the Notes in the future.

If you have any questions or queries regarding this notice or the Notes, please consult your own legal, tax, accountancy or other professional adviser as you may see fit.

Capitalised terms used but not otherwise defined in this notice or otherwise specified shall have the meanings ascribed thereto in the Issue Prospectus relating to the Notes dated 25 June 2007 (the "**Issue Prospectus**") or the Private Placement Memorandum Supplement of the Underlying Securities dated 9 August 2007 (the "**PPMS**"). The Issue Prospectus, the PPMS

and certain other documents and information in relation to the Notes can be viewed on the following website: www.morganstanley.com/octavenotes.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kareem Robinson', written over a light blue horizontal line.

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

BY: Kareem Robinson

7 May 2009