

**Victoria Peak International Finance Limited  
P.O. Box 1093GT  
Queensgate House  
South Church Street  
George Town  
Grand Cayman  
Cayman Islands**

To: The holders of the Octave Series 3 Notes (via Euroclear and/or Clearstream, Luxembourg)

28 January 2008

**Octave Notes Series 3**

**USD Credit-Linked Secured Callable Fixed Rate Notes due 2010 (ISIN: XS0218381365)  
("Tranche A Notes")**

**USD Credit-Linked Secured Callable Variable Rate Notes due 2010 (ISIN: XS0218380987)  
("Tranche B Notes")**

**HKD Credit-Linked Secured Callable Fixed Rate Notes due 2010 (ISIN: XS0218380474)  
("Tranche C Notes")**

**HKD Credit-Linked Secured Callable Variable Rate Notes due 2010 (ISIN: XS0218381522)  
("Tranche D 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")**

As at the date of this notice, the Underlying Securities for the Notes consist of Series 2005-11 Class II Secured Floating Rate Notes due 2010 issued by Morgan Stanley ACES SPC acting for the account of the Series 2005-11 Segregated Portfolio (the "**Original Underlying Securities**"). The Original Underlying Securities are CDO Squared Securities referenced to six credit default basket reference transactions (each specifying 100 Corporate Reference Entities, as defined in the Private Placement Memorandum Supplement of the Underlying Securities dated 27 April 2005 (the "**PPMS**")) and 34 ABS Reference Obligations (as defined in the PPMS).

We hereby give you notice that on or about 22 January 2008, a Credit Event (as defined in the PPMS) has occurred in respect of Quebecor World Inc., a Corporate Reference Entity specified in three of the six credit default basket reference transactions listed in Schedule A to the Credit Confirmation (as defined in the PPMS) of the Original Underlying Securities (the "**Event**"). Under the Credit Confirmation, the Loss Amount (as defined in Annex B of the PPMS) relating to the Event was USD15,000,000, and the remaining subordination of the relevant credit default basket reference transactions after taking into account the occurrence of the Event are

USD101,750,000, USD101,750,000 and USD86,750,000. The effective subordination of the other credit default basket reference transactions were unaffected by the Event. No Floating Amount (as defined in the PPMS) is payable under the Credit Confirmation of the Original Underlying Securities as a result of the occurrence of the Event.

Accordingly, the occurrence of the Event will not, of itself, result in an Underlying Securities Default Event or an Early Redemption Event in relation to the Notes, and the credit rating assigned by S&P to the Original Underlying Securities remains "AAA" as of 25 January 2008.

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 29 March 2005.

Yours faithfully

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

By:



**Kareem Robinson**  
Director