

Macquarie Fortress Investments Limited
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A Member of the Macquarie Group of Companies

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31 December 2008

Kim-Ly Nguyen
Senior Companies Officer
Australian Securities Exchange
Level 6
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Dear Kim-Ly

For Announcement to the market

MACQUARIE FORTRESS NOTES – NAV ANNOUNCEMENT

Macquarie Fortress Investments Limited (as trustee for the Macquarie Fortress Australia Notes Trust) (MFIL) wishes to advise that the net asset value (NAV) as at 28 November 2008 was zero cents per Note. This NAV has not been audited.

As previously disclosed, the deterioration in global financial markets has continued to affect the traded prices of US Senior Secured Loans (Senior Loans) in the Fortress portfolio. Presently, the cumulative market value of Senior Loans in the Fortress portfolio is below the total debt facility balance. As a result, MFIL estimates that as at 31 December 2008 the NAV remains zero cents per Note.

Despite the above, even in the event that there is ultimately a shortfall between the total debt facility balance and the cumulative realised value of Senior Loans in the Fortress portfolio, holders of Macquarie Fortress Notes will not be required to fund this shortfall.

As previously notified, the refinancing arrangement concluded in April 2008 is committed for 8 years until 2016 and does not incorporate any market value based repayment triggers. Under this arrangement, the finance provider has no rights to require an accelerated repayment of the debt facility. The final return to investors continues to depend on default and recovery rates of Senior Loans in the Fortress portfolio.

Since the date of the last market announcement there has been one new Senior Loan default. The defaulted Senior Loan accounts for 1.01% of the Fortress portfolio. The market price of the defaulted Senior Loan is 29% of par value. The Investment Manager does not currently intend to sell the defaulted loan in expectation that the ultimate recovery value of the loan will exceed the current market price.

Yours sincerely

Macquarie Fortress Investments Limited



Peter Lucas
Director

Macquarie Fortress Investments Limited is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia), and Macquarie Fortress Investments Limited's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Fortress Investments Limited.