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11 February 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 – IMPORTANT INVESTMENT UPDATE

There has been a further decrease in the market price of US Senior Secured Loans (Senior Loans) since the announcement made to the market on 5 February 2008 and as a result, Macquarie Fortress Investments Limited (as trustee for the Macquarie Fortress Australia Notes Trust) (MFIL) estimates that net asset value (NAV) as at 8 February 2008 was approximately 35 cents per Macquarie Fortress Note (Note) (including estimated accrued income).

Since the announcement on 5 February 2008, the Investment Manager (Four Corners Capital Management, LLC), has sold Senior Loans from the portfolio with a face value of US\$164 million using the proceeds to reduce debt. As a result of these sales, the portfolio has realised losses of US\$25.5 million which represents approximately 17% of the aggregate face value of Notes (or 17 cents per Note). Cumulative realised losses as a result of the sales undertaken since July 2007 now represent 32 cents per Note. These losses are reflected in the estimated NAV of 35 cents as at 8 February 2008.

The remaining portfolio comprises Senior Loans with a face value of US\$420 million and net debt outstanding that currently amounts to US\$320 million. The current market value of the portfolio, as determined by an independent pricing service is US\$372 million and this value has been used in calculating the estimated NAV. However, given current market conditions, the Investment Manager believes that a sale of the remaining portfolio would be unlikely to realise the current market value and also believes that a meaningful portion of the portfolio would not be able to be sold.

The portfolio breached its borrowing covenants for the first time on 7 February 2008 as market prices of loans in the portfolio declined. This breach was rectified by Senior Loan sales undertaken on 8 February 2008 which are included in the total sales disclosed above.

The remaining Senior Loans in the portfolio continue to generate their expected interest income and there have been no defaults in the portfolio. The Investment Manager continues to seek to arrange refinancing of the portfolio prior to the maturity of its existing financing, however there can be no assurance that such a facility will be able to be obtained.

Yours sincerely

Macquarie Fortress Investments Limited

A handwritten signature in black ink, appearing to read 'Peter Lucas', with a long horizontal line extending to the right.

Peter Lucas
Director

Further Information Concerning Macquarie Fortress

Macquarie Fortress is an investment product which represents less than 0.5% of assets under management by the Macquarie Group.

In the various Fortress investment products the proceeds subscribed by investors were leveraged to acquire a portfolio of Senior Loans with an objective to pay distributions to investors on a quarterly basis equal to the bank bill rate plus 4.5% per annum. Senior Loans are syndicated loans made to corporate borrowers primarily used to finance capital acquisition programmes, mergers and acquisitions, stock repurchases and internal growth. There is an active secondary market in Senior Loans. These loans generally hold the most senior position in a borrower's capital structure and are typically secured by a first-ranking security interest in the borrower's assets which may include assets such as cash, accounts receivable, inventory, property, plant and equipment, shares in subsidiaries, and intangible assets including trademarks, copyrights, patent rights and franchise value.

Macquarie Fortress Notes were issued and quoted on the Australian Securities Exchange on three occasions between May 2005 and April 2006. Macquarie New Zealand Fortress Notes were issued and quoted on the New Zealand Debt Exchange in May 2005. Units were first issued in the unlisted Macquarie Fortress Fund (Fund) in June 2004.

As at 11 February 2008 there are 141.5 million Notes quoted on the ASX with a face value of A\$1 each, 28.7 million Notes quoted on the NZDX with a face value of NZ\$1 each, and 70 million Units in the unlisted Fund.

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