

**The Shareowners**

**Overseas Partners Ltd. – in Liquidation**

August 10, 2007

Dear Sirs

**Overseas Partners Ltd. – in Liquidation**

We refer to our letter of February 16, 2007, in which we reported on the on-going liquidation of Overseas Partners Ltd (OPL). This letter is an update to the February letter, and includes the following:

OPL's **ANNUAL INFORMATION STATEMENT** (Attachment B)

OPL's **FINALIZED BALANCE SHEET SUMMARY AND INCOME & EXPENDITURE STATEMENT** (Attachment C)

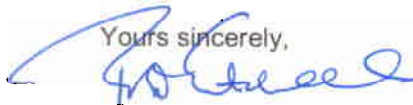
[Please note that your **ANNUAL STATEMENT OF ACCOUNT** as of December 31, 2006 that reflects the number of shares held in your account will be mailed with the hard copy of this letter and is not available from this web-site]

OPL's finalized Summary and Statement, together with the Annual Information Statement, explain how to calculate your pro rata share of OPL's ordinary earnings and net capital gain for the year that ended on December 31, 2006. If you make a Qualified Electing Fund (QEF) election, the cost basis for your shares will increase by the full amount of ordinary earnings and net capital gains that you report on your federal tax return. For all tax matters, we urge you to consult a tax advisor.

As previously advised, OPL had as of December 31, 2006, a tax refund of approximately \$3 million due to be recovered; **we do not yet have information on the timing of this recovery. Therefore, we are not yet able to inform you as to when the final liquidation distribution will take place. As you will see from Attachment C, "Balance Sheet Summary" the distribution (net book value) is estimated to be approximately 53 cents per share.**

There is no further information at this time. However, AST Equity Plan Solutions, plan administrator for the OPL plans, has prepared a recording that answers Frequently Asked Questions (FAQ) that you may access by calling 877-223-6966. **Please be advised that the Customer Service Representatives have no additional information other than what is supplied in the FAQ recording.**

Yours sincerely,



Peter C.B. Mitchell  
Joint Liquidator



Nigel Chatterjee  
Joint Liquidator

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**OVERSEAS PARTNERS LIMITED ("OPL")  
ANNUAL INFORMATION STATEMENT FOR OPL'S  
TAX YEAR BEGINNING 1/1/06 AND ENDING 12/31/06**

**HOW TO CALCULATE YOUR EARNINGS**

1. OPL's **ORDINARY EARNINGS\*** for US tax purposes for the year ending December 31, 2006 were \$1,660,721 USD (net profit less net capital gains). **To calculate your pro rata share of OPL's ordinary earnings for the year, take the above figure and divide it by 118,749,500 (the number of shares in issue) and multiply the resultant figure by the number of shares that you hold.**

**\* REFER TO CALCULATION WORKSHEET – PAGE 2**

**HOW TO CALCULATE YOUR GAIN**

2. OPL's **NET CAPITAL GAIN\*** for the year ending December 31, 2006 was \$42,622 USD. **To calculate your pro rata share of OPL's net capital gain for the year, take the above figure and divide it by 118,749,500 (the number of shares in issue) and multiply the resultant figure by the number of shares that you hold.**

**\* REFER TO CALCULATION WORKSHEET – PAGE 2**

**WHAT AMOUNT HAS BEEN DISTRIBUTED TO ME BY OPL THIS PAST YEAR?**

3. The total amount distributed to you by OPL during the year is shown on the enclosed Annual Statement of Account (Attachment A).



Peter C.B. Mitchell  
Joint Liquidator



Nigel Chatterjee  
Joint Liquidator

**CALCULATION WORKSHEET**

**1. ORDINARY INCOME**

**TO CALCULATE YOUR PRO RATA SHARE OF OPL'S ORDINARY EARNINGS FOR TAX YEAR 2006:**

$\frac{\$1,660,721}{118,749,500} = 0.013985$	X	# of Shares you hold from your Annual Statement of Account	=	Ordinary Income Amount
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**EXAMPLE: John Smith held 10,000 shares at 12/31/06:**

0.013985	X	10,000	=	\$139.85
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**RESULT: John's Ordinary Income = \$139.85**

**CALCULATE YOUR ORDINARY INCOME:**

$\frac{\$1,660,721}{118,749,500} = 0.013985$	X	# of Shares you hold from your Annual Statement of Account	=	Your Ordinary Income Amount
		↓		↓
0.013985	X	_____	=	_____

**2. NET CAPITAL GAIN**

**TO CALCULATE YOUR PRO RATA SHARE OF OPL'S NET CAPITAL GAIN FOR TAX YEAR 2006:**

$\frac{\$42,622}{118,749,500} = 0.000359$	X	# of Shares you hold from your Annual Statement of Account	=	Net Capital Gain
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**EXAMPLE: John Smith held 10,000 shares at 12/31/06:**

0.000359	X	10,000	=	\$3.59
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**RESULT: John's Net Capital Gain = \$3.59**

**CALCULATE YOUR NET CAPITAL GAIN:**

$\frac{\$42,622}{118,749,500} = 0.000359$	X	# of Shares you hold from your Annual Statement of Account	=	Your Net Capital Gain
		↓		↓
0.000359	X	_____	=	_____

**OPL's FINALIZED ACCOUNTS**

**Overseas Partners Ltd  
in Liquidation  
Balance Sheet Summary**

	<b><u>31st December</u></b> <b><u>2006</u></b> <b><u>US\$</u></b>	<b><u>31st January</u></b> <b><u>2006</u></b> <b><u>US\$</u></b>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	61,249,687	57,620,340
Other Assets	2,999,971	1,011,961
	<u>64,249,658</u>	<u>58,632,301</u>
<b><u>Liabilities</u></b>		
Accounts Payable and other Liabilities	110,000	938,559
Reserve for estimated costs during the Liquidation Period	945,000	0
	<u>1,055,000</u>	<u>938,559</u>
<b><u>Members' Equity</u></b>		
Common Stock (118,749,500 shares of 10 cents each)	11,874,950	11,874,950
Retained Earnings	51,319,708	45,818,792
	<u>63,194,658</u>	<u>57,693,742</u>
<b><u>Total Liabilities &amp; Members' Equity</u></b>	<u>64,249,658</u>	<u>58,632,301</u>
<b>Estimated Net Book Value per share</b>	<b>0.53</b>	<b>0.49</b>

**Notes:-**

- 1) The company was placed into Members Voluntary Liquidation on 31st January, 2006
- 2) The eventual amount to be returned to Shareowners by way of a Final Liquidation Distribution is not yet known.

Overseas Partners Ltd  
in Liquidation  
Statement of Income and Expenditure  
For the Year Ended 31st December, 2006

	<u>Total 12 Months</u> <u>1/2/06</u> <u>to 31/12/06</u> <u>US\$</u>	<u>11 Months</u> <u>1/2/06</u> <u>to 31/12/06</u> <u>US\$</u>	<u>Pre-Liquidation</u> <u>1/1/06</u> <u>to 31/1/06</u> <u>US\$</u>
<b><u>Income</u></b>			
Interest	2,775,218	2,616,394	158,824
Realised Gain on Sale	42,622		42,622
Amortisation of Fixed Interest Security	(66)		(66)
	<u>2,817,774</u>	<u>2,616,394</u>	<u>201,380</u>
<b><u>Expenditure</u></b>			
Administration Expenses	4,736,092	221,326	4,514,766
Liquidation Costs	377,967	377,967	
Bank Charges	333	333	
	<u>5,114,392</u>	<u>599,626</u>	<u>4,514,766</u>
<b><u>Profit/(Loss) before Taxes</u></b>	(2,296,618)	2,016,768	(4,313,386)
Tax Refund Due	3,999,961	3,999,961	0
<b><u>Net Profit/(Loss)</u></b>	<u>1,703,343</u>	<u>6,016,729</u>	<u>(4,313,386)</u>
Other Adjustments:-			
Net Unrealised Loss on Available-for-Sale Securities	(11,388)		(11,388)
Reserve for estimated costs during the Liquidation Period	(945,000)	(945,000)	
Withholding Tax Provision Released	429,187	429,187	
<b><u>Comprehensive Profit/(Loss) for the Period</u></b>	<u>1,176,142</u>	<u>5,500,916</u>	<u>(4,324,774)</u>

**Notes:-**

- 1) The company was placed into Members Voluntary Liquidation on 31st January, 2006.
- 2) The tax figure of \$3,999,961 represents abatement taxes due from the Massachusetts Dept of Revenue. Of this amount \$999,990 has been received during 2006, the balance is payable over the next three years.
- 3) The eventual amount to be returned to Shareowners by way of a Final Liquidation Distribution is not yet known.