

October 5, 2005

Liquidators Obtain Injunctions on behalf of Offshore Bayou Funds

BRIDGEPORT, CT — James Cleaver and Gordon MacRae of Kroll (Cayman) Limited (the “Joint Liquidators”), acting as Joint Provisional Liquidators of Bayou Offshore Master Fund, Ltd., Bayou Offshore Fund A, Ltd., Bayou Offshore Fund B, Ltd. and Bayou Offshore Fund C, Ltd., and as Joint Official Liquidators of Bayou Offshore Fund D, Ltd., Bayou Offshore Fund E, Ltd., and Bayou Offshore Fund F, Ltd. (collectively, the “Offshore Funds”) today obtained preliminary injunctions under § 304 of the U.S. Bankruptcy Code in connection with proceedings ancillary to the Offshore Funds’ Cayman Islands liquidations and provisional liquidations (the “Ancillary 304 Proceedings” and the “Cayman Islands Proceedings”, respectively), in the United States Bankruptcy Court, District of Connecticut, Bridgeport Division (the “Bankruptcy Court”). The Offshore Funds are related to U.S. domestic entities owned or managed by Samuel Israel III and Daniel Marino including Bayou Management, LLC and Bayou Securities, LLC. The Joint Liquidators were appointed by the Grand Court of the Cayman Islands and their role, as officers of the Court, is to protect the collective interests of creditors and investors in the Offshore Funds. They are independent of and do not represent the previous management or directors, or any individual creditor or investor,

The Ancillary 304 Proceedings, in conjunction with the Cayman Islands Proceedings, were initiated to facilitate the Joint Liquidators’ employment of a broad range of rights and powers to protect the interests of the Offshore Funds’ creditors and investors and to pursue independent investigations into the Offshore Funds’ circumstances. At the inception of the Ancillary Proceedings, the Honorable Alan H. W. Shiff, Bankruptcy Judge, entered a temporary restraining order temporarily enjoining the dissipation of the Offshore Funds’ assets, staying litigation affecting their estates and requiring the return of their properties in the possession, custody or control of others. After today’s hearing, the Court entered an order granting the petitions filed in each of the seven 304 proceedings and recognized MacRae and Cleaver as the foreign representatives of foreign proceedings as set forth in section 304 of the Bankruptcy Code. To aid the administration of the Cayman Islands Proceedings, Judge Shiff also granted preliminary injunctions to enjoin actions against the Offshore Funds and to require turnover of certain books, records and property of the Offshore Funds. Copies of the Bankruptcy Court’s Orders will be made available when they are docketed at www.bayoucaymanliquidation.ky, a website created by the Joint Liquidators for the posting of publicly available information and other updates about the status of the Cayman Islands Proceedings and the Ancillary 304 Proceedings.

Trip Finley, the lawyer for the Liquidators, stated that he believed the Order issued by the Court was fair and balanced. “It provides the Cayman Liquidators with the recognition and authority to act in the United States and does not interfere with the ongoing investigations and related civil and criminal proceedings being brought by the state and federal officials.”

Gordon MacRae of Kroll said today: “I am very pleased with today’s results. It was very important for the efficient administration of the Cayman Islands Proceedings to have the U.S. Bankruptcy Court agree to facilitate our liquidation proceedings through access to the U.S. courts. Now, we can turn our full attention to the investigation.”

Contacting Joint Liquidators: For further information and enquiries, please contact the Joint Liquidators using the following email address – bayouenquiries@krollcayman.ky. All enquiries should be addressed to Eleanor Fisher or Di Wardle.