

Kroll (Cayman) Limited

P.O. Box 1102 GT
Bermuda House, 4th Floor
Cayman Financial Centre
Grand Cayman, Cayman Islands
Tel: +1-345-946-0081
Fax: +1-345-946-0082

To All Investors

21 August 2006

When telephoning please ask for:
Di Wardle or Eleanor Fisher

Direct Line:
+1 345 814 4019 or 4035

Dear Investor

Bayou Offshore Master Fund, Ltd; Bayou Offshore Fund A, Ltd; Bayou Offshore Fund B, Ltd and Bayou Offshore Fund C, Ltd – All in Official Liquidation (the “Funds”)

On 20 December 2005, G. James Cleaver and I of Kroll (Cayman) Limited were appointed as Joint Official Liquidators (“the Liquidators”) of the Funds having previously been appointed as Joint Provisional Liquidators by the Grand Court of the Cayman Islands on 2 September 2005.

The Liquidators now enclose a Proof of Claim Form, completion of which is required of all investors. You should include, with your completed Proof of Claim Form, evidence of any investments and redemptions. Please return the documents by 15 September 2006.

The Liquidators are not yet in receipt of funds and cannot yet say when they will be in a position to make a first interim distribution to investors. Please continue to monitor the website established by the Liquidators for updates (www.bayoucaymanliquidation.ky). The Liquidators anticipate that the next update to investors will be provided within the next three months.

Should you have any queries in respect of the above please contact Di Wardle or Eleanor Fisher, whose details appear above.

Yours faithfully

For and on behalf of Bayou Offshore Master Fund, Ltd; Bayou Offshore Fund A, Ltd; Bayou Offshore Fund B, Ltd and Bayou Offshore Fund C, Ltd

Gordon I. MacRae
Joint Official Liquidator

An Affiliate of **Kroll**