



Aspire
defence

Our Reference: O-AL-08-0068

Your Reference:

MBIA
1 Great St Helens St
London
EC3A 6HX

Ambac
Level 7, 6 Broadgate
London
EC2M 2QS

11 February 2008

Dear Sirs

Aspire Defence Limited – Annual Report and Certificate

We refer to Clause 5.1.3 of the Collateral Deed dated 6 April 2006.

Summary of Performance for the Year Ended 31 December 2007

Building on an encouraging mobilisation after Financial Close in April 2006, solid progress has been made during 2007 on all aspects of the Project.

On the construction aspects of the Project scope, the Company successfully delivered 81 assets into service across garrisons on Salisbury Plain and in Aldershot during 2007. Assets delivered included 28 buildings at Tidworth for use as working and living accommodation for 2nd Royal Tank Regiment enabling them to return from Fallingbommel in Germany and representing the Project's first major construction milestone. The new barracks, which provide 452 single en-suite bedrooms for senior and junior ranks, a regimental headquarters, two mess facilities, two diners, a leisure facility, workshops, storage, a football pitch and garages, were subsequently opened by Rt Hon Des Browne MP, the Secretary of State for Defence, and General Sir Richard Dannatt, the Chief of the General Staff for the Army.

On the hard and soft facilities management aspects of the Project scope, the Company continued to provide services at or above contractual performance targets. Fifteen per cent of the existing estate inherited from the Authority at Financial Close was successfully accepted into service, as planned.

In November 2007, the Company's quality and environmental management systems received third party certification to ISO standards 9001 and 14001, and accreditation as an 'Investor in People'.

Annual Certification

Pursuant to Clause 5.1.3 b), Aspire Defence Limited certifies that, so far as it is aware, there are:

- no Potential Events of Default, Events of Default or Trigger Events (as such terms are defined in the Collateral Deed) subsisting on the date of this certificate, and

ASPIRE DEFENCE LIMITED

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Aspire Defence Limited, Registered in England & Wales No. 5572542 | Registered Office: 24 Birch Street, Wolverhampton WV1 4HY

- no Lock-up Events (as such terms are defined in the two Ringfencing Agreements dated 6 April 2006) subsisting on the date of this certificate.

Yours faithfully

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

A B McColl
Director
Aspire Defence Limited

A handwritten signature in blue ink, featuring a vertical line on the left and a cursive name 'Peter Smart' to its right.

Peter Smart
Director
Aspire Defence Limited