

**IN THE SUPREME COURT OF BERMUDA
CIVIL JURISDICTION
COMMERCIAL COURT
2011: No. 179
HIGHLAND CRUSADER FUND II, LTD.
(THE "COMPANY")**

**NOTICE OF MEETINGS ORDERED BY THE SUPREME COURT OF BERMUDA UNDER
SECTION 99 OF THE COMPANIES ACT 1981**

NOTICE IS HEREBY GIVEN that on an application by the Company, an order was made on 9 June 2011 that separate meetings of the two classes of Scheme Creditors (as defined in the scheme of arrangement referred to in this Notice) of the Company, could be convened for the purpose of considering and if thought fit, approving (with or without modification) a scheme of arrangement (the "Scheme") proposed to be made between the Company and its Scheme Creditors pursuant to section 99 of the Companies Act 1981. Terms defined in the Scheme shall have the same meaning in this notice.

The meetings are to be held on 7 July 2011 at Wakefield Quin, Victoria Place, 31 Victoria Street, Hamilton, Bermuda at the following times:

Company Prior Redeemers – at 9:00 a.m. (Bermuda time)

Company Compulsory Redeemers – at 9:30 a.m. (Bermuda time)

Scheme Creditors may attend and vote in person at the meeting for their class or they may appoint another person, whether or not such person is a Scheme Creditor, as their proxy to attend and vote in their place. Scheme Creditors which are corporations may attend and vote by a duly authorized representative or by proxy. Scheme Creditors are requested to complete the Proxy Form, which will be mailed and emailed to Scheme Creditors with this notice, and return it to the Company by email (as a scanned copy) to HighlandCrusaderFunds@hcmlp.com or by mail to c/o Wakefield Quin Limited, Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda, in each case marked for the attention of "Highland Crusader Funds Balloting." Provided that if the Proxy Form is submitted by email, it must be legible and an original executed copy or copies must be received by the Company within 3 business days of the date of electronic submission. Each Proxy Form should be received by 5:00 p.m. (Bermuda time) on 30 June 2011, although, if not so returned, the Chairman of the meeting has discretion to accept a Proxy Form if handed in between 8:30 a.m. and 8:45 a.m. on the day of the meeting at the place fixed for the meeting.

Each Scheme Creditor or his proxy will be required to register his attendance at the meeting prior to its commencement. Registration will commence at 8:45 a.m.

A copy of the Scheme, the Explanatory Statement to the Scheme required by section 100 of the Companies Act 1981 of Bermuda, a Proxy Form for use at this meeting and all other documents in relation or ancillary thereto have been sent to all Scheme Creditors by mail and can be downloaded from the Data Room at <https://services.intralinks.com> using your existing login name and password. A new login name and/or password may be obtained by emailing HighlandCrusaderFunds@hcmlp.com. If you are unable to access these documents from the Data Room, please contact the Company by email at HighlandCrusaderFunds@hcmlp.com and a copy of these documents will be sent to you at the address you specify (or if no address is specified, your last known address as shown in the Company's records).

The Bermuda Court has directed that Roderick Forrest, a director of the Company, or failing him, Nicholas Hoskins, also a director, act as chairman of the meeting and directed the chairman to report the result of the meeting to the Court.

If approved by the scheme creditors' meeting, the Scheme will not come into force unless it is sanctioned by order of the Bermuda Court at a hearing which is expected to take place in July 2011, and a copy of the order is delivered for registration to the Registrar of Companies in Bermuda after other conditions precedent to the Scheme are satisfied.

All Scheme Creditors are entitled to attend the sanction hearing in person or by counsel to support or oppose the approval and sanction of the Scheme.

Dated 13 June 2011

Attridge-Stirling & Woloniecki
Crawford House
50 Cedar Avenue
Hamilton HM11
Bermuda
Attorneys to the Company