

SPARC Limited
P.O. BOX 1093GT
Queensgate House
South Church Street
George Town
Grand Cayman
Cayman Islands

5 November 2008

To: **Noteholders of each Relevant Series**

cc: **UBS AG, London Branch in its capacity as Registrar**
Attn: SPV Operations
Tel: +44 20 7567 9983
Fax: +44 20 7567 0034
Email: DL-SPVOPS@ubs.com

NOTICE OF CREDIT EVENT REDEMPTION AMOUNT

Reference is made to the several Series of Notes specified in the Schedule hereto (each, a "Relevant Series") and each of their respective Charged Agreement constituting among other things, a credit default swap transaction (each a "Credit Default Swap Transaction").

We hereby notify you in our capacity as Issuer of the Relevant Series under each Credit Default Swap Transaction that on 31 October 2008 (the "Valuation Date"):

- (A) in respect of the Series 1a Notes:
 - (i) UBS AG London Branch in its capacity as Calculation Agent has determined:
 - (a) the Final Price to be 0.125%;
 - (b) the Loss Amount to be USD 4,993.75 per Note; and
 - (c) the Collateral Assets Adjustment Amount to be USD 4,900.00 per Note;
 - (ii) UBS AG London Branch in its capacity as Swap Counterparty has determined the Break Costs to be USD 0 per Note; and
 - (iii) as a result, we hereby notify you that the Credit Event Redemption Amount in respect of the Series 1a Notes is USD 0 per Note which is calculated as follows:

	USD 5,000	Aggregate Nominal Amount per Note
minus	USD 4,993.75	Loss Amount per Note
minus	USD 4,900.00	Collateral Assets Adjustment Amount per Note
minus	USD 0	Break Costs per Note
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	USD 0*	

*The Credit Event Redemption Amount is subject to a minimum of zero.

- (B) in respect of the Series 1b Notes:
- (i) UBS AG London Branch in its capacity as Calculation Agent has determined:
- (a) the Final Price to be 0.125%;
- (b) the Prevailing Exchange Rate to be 7.7516;
- (c) the product of the Loss Amount and the Prevailing Exchange Rate to be HKD 39,706.37 per Note; and
- (d) the product of the Collateral Assets Adjustment Amount and the Prevailing Exchange Rate to be HKD 38,960.94 per Note;
- (ii) in respect of the Series 1b Notes, UBS AG London Branch in its capacity as Swap Counterparty has determined the product of the Break Costs and the Prevailing Exchange Rate to be HKD 0 per Note; and
- (iii) as a result, we hereby notify you that the Credit Event Redemption Amount in respect of the Series 1b Notes is HKD 0 per Note which is calculated as follows:

	HKD 40,000	Aggregate Nominal Amount per Note
minus	HKD 39,706.37	Loss Amount per Note x Prevailing Exchange Rate
minus	HKD 38,960.94	Collateral Assets Adjustment Amount per Note x Prevailing Exchange Rate
minus	HKD 0	Break Costs per Note x Prevailing Exchange Rate
	<u>HKD 0 *</u>	

*The Credit Event Redemption Amount is subject to a minimum of zero.

The Notes will be redeemed by us on the Credit Event Redemption Date (expected to be 7 November 2008, being 5 Business Days after the Valuation Date). The Credit Event Redemption Amounts for both the Series 1a Notes and the Series 1b Notes are zero and shall be deemed to be paid on the Credit Event Redemption Date.


Such determination of the Credit Event Redemption Amount is consistent with the Credit Event Redemption Amount determined and notified to us by UBS AG London Branch in its capacity as Swap Counterparty, pursuant to a Notice of Credit Event Redemption Amount delivered from them to us on 5 November 2008, a copy of which is attached in Schedule 2 for your reference.

Any capitalised term not otherwise defined in this letter will have the meaning, if any, assigned to such term in the terms and conditions of the Relevant Series or the terms of the relevant Credit Default Swap Transaction.

Nothing in this letter shall be construed as a waiver of any rights that UBS may have with respect to any Relevant Series.

If you have any questions in respect of the above, please contact: SH-DBCG@ubs.com.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Suzan Morron', written in a cursive style.

Name: Suzan Morron

Title: Director

For and on Behalf of

SPARC Limited in its capacity as Issuer

SCHEDULE 1

1. Series 2007-1a USD First-to-Default Callable Credit-Linked Notes due 2010 and extendable to 2014 (ISIN XS0303679525).
2. Series 2007-1b HKD First-to-Default Callable Credit-Linked Notes due 2010 and extendable to 2014 (ISIN XS0303681265).

SCHEDULE 2



Notice of Credit Event Redemption Amount from the Swap Counterparty

UBS AG

1 Finsbury Avenue,
London,
EC2M 2PA

Tel. +44-20-7567 8000

www.ubs.com

5 November 2008

To: **SPARC Limited in its capacity as Issuer**
P.O. BOX 1093GT
Queensgate House
South Church Street
George Town
Grand Cayman
Cayman Islands

cc: **UBS AG London Branch in its capacity as Calculation Agent**
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

cc: **The Law Debenture Trust Corporation p.l.c. in its capacity as Trustee**
Attn: The Manager, Commercial Trusts
Tel: +4420 7606 5451
Fax: +44 20 7696 5208

NOTICE OF CREDIT EVENT REDEMPTION AMOUNT

Reference is made to the several Series of Notes specified in the Schedule hereto (each, a "Relevant Series") and each of their respective Charged Agreement constituting among other things, a credit default swap transaction (each, a "Credit Default Swap Transaction").

We hereby notify you in our capacity as Swap Counterparty under each Credit Default Swap Transaction that on 31 October 2008 (the "Valuation Date"):

(A) in respect of the Series 1a Notes:

(i) UBS AG London Branch in its capacity as Calculation Agent has determined:

- (a) the Final Price to be 0.125%;
- (b) the Loss Amount to be USD 4,993.75 per Note; and
- (c) the Collateral Assets Adjustment Amount to be USD 4,900.00 per Note;

(ii) UBS AG London Branch in its capacity as Swap Counterparty has determined the Break Costs to be USD 0 per Note; and

UBS Investment Bank is a business group of UBS AG

UBS AG is registered as a branch in England & Wales Branch No. BR004507 (A public company limited by shares, incorporated in Switzerland whose registered offices are at Aeschenvorstadt 1, CH-4051, Basel and Bahnhofstrasse 45, CH-8001 Zurich). Registered Address: 1 Finsbury Avenue, London EC2M 2PP. A member of the London Stock Exchange.



(iii) as a result, we hereby notify you that the Credit Event Redemption Amount in respect of the Series 1a Notes is USD 0 per Note which is calculated as follows:

	USD 5,000	Aggregate Nominal Amount per Note
minus	USD 4,993.75	Loss Amount per Note
minus	USD 4,900.00	Collateral Assets Adjustment Amount per Note
minus	USD 0	Break Costs per Note
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	USD 0*	

*The Credit Event Redemption Amount is subject to a minimum of zero.

(B) in respect of the Series 1b Notes:

(i) UBS AG London Branch in its capacity as Calculation Agent has determined:

- (a) the Final Price to be 0.125%;
- (b) the Prevailing Exchange Rate to be 7.7516;
- (c) the product of the Loss Amount and the Prevailing Exchange Rate to be HKD 39,706.37 per Note; and
- (d) the product of the Collateral Assets Adjustment Amount and the Prevailing Exchange Rate to be HKD 38,960.94 per Note;

(ii) UBS AG London Branch in its capacity as Swap Counterparty has determined the product of the Break Costs and the Prevailing Exchange Rate to be HKD 0 per Note; and

(iii) as a result, we hereby notify you that the Credit Event Redemption Amount in respect of the Series 1b Notes is HKD 0 per Note which is calculated as follows:

	HKD 40,000	Aggregate Nominal Amount per Note
minus	HKD 39,706.37	Loss Amount per Note x Prevailing Exchange Rate
minus	HKD 38,960.94	Collateral Assets Adjustment Amount per Note x Prevailing Exchange Rate
minus	HKD 0	Break Costs per Note x Prevailing Exchange Rate
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	HKD 0*	

*The Credit Event Redemption Amount is subject to a minimum of zero.

The Notes will be redeemed by the Issuer on the Credit Event Redemption Date (expected to be 7 November 2008, being 5 Business Days after the Valuation Date). The Credit Event Redemption Amounts for both the Series 1a Notes and the Series 1b Notes are zero and shall be deemed to be paid on the Credit Event Redemption Date.

Any capitalised term not otherwise defined in this letter will have the meaning, if any, assigned to such term in the terms and conditions of the Relevant Series or the terms of the relevant Credit Default Swap Transaction.

Nothing in this letter shall be construed as a waiver of any rights that UBS may have with respect to any Relevant Series.



If you have any questions in respect of the above, please contact: SH-DBCG@ubs.com.

Yours sincerely

A handwritten signature in black ink, appearing to be "SE", written over a horizontal line.

Name: Susan Ehr
Title: Director
Traded Products Legal

A handwritten signature in black ink, appearing to be "J. Norris", written over a horizontal line.

Name: Jonathan Norris
Title: Executive Director
Traded Products Legal

For and on Behalf of

UBS AG, London Branch in its capacity as Swap Counterparty



SCHEDULE 1

1. Series 2007-1a USD First-to-Default Callable Credit-Linked Notes due 2010 and extendable to 2014 (ISIN XS0303679525).
2. Series 2007-1b HKD First-to-Default Callable Credit-Linked Notes due 2010 and extendable to 2014 (ISIN XS0303681265).