

FOR IMMEDIATE RELEASE

22 October 2007

EUROPEAN EQUITY TRANCHE INCOME LIMITED

ESTIMATED NET ASSET VALUE OF A SHARE

The estimated Net Asset Value ("NAV") of an Ordinary Share of no par value each (a "Share") in European Equity Tranche Income Limited (the "Company") is calculated as being EUR 0.9807 as at 30 September 2007.

This estimated NAV of a Share is provided for indication purposes only and should not be relied upon for investment decisions. As some of the Company's assets are not freely traded it is not possible to obtain prices from an independent third party source and such assets have been valued by the Investment Manager using pricing models designed by the Investment Manager and reviewed by one of the Company's joint auditors.

The above estimated NAV of a Share has been calculated by the Administrator using asset valuation information provided by the Investment Manager which, whilst being considered as received from a reliable source, is itself in part 'estimated' and accordingly none of the Company, the Investment Manager, the joint auditor nor the Administrator accept any responsibility for the accuracy of the estimated NAV figure given, and neither is any responsibility implied.

Note: The Company is a closed-ended limited liability investment company incorporated in Guernsey under the Companies Law. The Company's investment objective is to deliver stable returns to shareholders in the form of quarterly dividends and to preserve capital. It intends to achieve this by investing in non-investment grade and equity tranche (or 'first loss') positions of residential mortgage-backed securities ('RMBS') and, to a limited extent, other asset-backed securities ('ABS') in Continental Europe and the UK.

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E&OE – in transmission

END OF ANNOUNCEMENT