

**SRM Global Master Fund Limited Partnership
PO Box 309 GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands**

2 January 2008

STATEMENT BY SRM GLOBAL FUND

Dear Shareholder

Northern Rock plc (the "**Company**") - Extraordinary General Meeting 15
January 2008

By now it is likely that you will have received a communication from the board of directors of the Company (the "**Board**") in connection with business to be conducted at a proposed extraordinary general meeting of the Company to be held on 15 January 2008. You will note that resolutions 5, 6, 7, 8 and 9 have been proposed by the Company and that resolutions 1, 2, 3 and 4 (the "**Resolutions**") have been proposed by two of the Company's shareholders, RAB Capital and SRM Global Fund ("**SRM**"). The purpose of this letter is to set out the reasons why SRM has proposed the Resolutions, why we consider that adoption by the Company of the Resolutions benefits all shareholders and why we would urge you and every shareholder to vote in favour of resolutions 1,2,3 and 4.

The Company's current difficulties result from its inability to access short term liquidity from the wholesale credit markets. This situation is not unique to the Company. Many financial institutions throughout the world are also currently experiencing difficulties in accessing operating finance from other banks. As a result such institutions are being supported by central banks, although none of the other financial institutions appears to be subject to the media scrutiny or conditions relating to such central bank funding as the Company. HM Government is merely fulfilling its role as lender of last resort (in common with other central banks) and providing the financial support required by the Company.