

To Northern Rock Shareholders

14 December 2009

UK Shareholders Association
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Northern Rock Shareholders Action Group – Update No. 64

Update on Roger Lawson:

Roger went into the Princess Royal hospital in Farnborough on Friday 13 November and was then transferred to Kings when his condition became critical on the 20th. He is making progress, but when he gets back to health, Roger is going to be cutting down on his level of UKSA and Northern Rock related activity.

Whilst we are already picking up many of the tasks, some of what he did is difficult to replace. He did the work of many, as we always knew, and his work needs to be spread amongst a broader team.

He has our thanks, and our best wishes for a speedy recovery.

In the interim, Chris Hulme and Shum Ghumman will be dealing with Roger's responsibilities in respect of the Northern Rock Shareholders' Action Group, Chris and Shum's contact details are on the action group's website and at the foot of this update.

Update on the outcome of the valuation process:

After more than fourteen months since the date of his appointment, and over £4.5 million of taxpayer-funded fees, the government's appointed valuer, Mr Andrew Caldwell has finally arrived at a conclusion in the form of a consultation document that has been posted to his website today and can be read at <http://www.northernrockvaluer.org.uk/>

Shareholders should receive notification of this in the post in the next few days.

Unsurprisingly, it was exactly the same conclusion any member of the Northern Rock shareholders' committee could have provided immediately and without charge: that the government's terms of reference for the valuation of Northern Rock would result in absolutely nothing being paid to the bank's owners whose property was expropriated in February 2008.

This is despite repeated government admissions that Northern Rock had assets exceeding its liabilities of £1,630,000,000 at the time of nationalisation and that it would repay all government loans in full and with interest.

Nonetheless, despite the fact that this outcome was predicted at the time of nationalisation almost two years ago this news is likely to be heartbreaking for many of Northern Rock's former shareholders who include large numbers of pensioners in the North East of England.

That this government has chosen to violate the property rights of some of its most vulnerable citizens and most loyal voters is profoundly saddening.

What this means:

It is important to recognise that, on a more positive note, this news completely vindicates our assertion that the terms of the compensation order were manifestly unfair, and the fact that this valuation has finally been released will remove much of the uncertainty that the government and its lawyers have hidden behind in their (now demonstrably false) allegations that the terms of their compensation order adequately allows for the payment of fair compensation to shareholders.

We will continue in our efforts to have the contrived and highly artificial terms of the government compensation order, amended or overturned. However, we need your continued support. Every pound matters, and even if you donate just one pound, your help will be very much appreciated.

We are now rapidly approaching the 'pointy end' of our campaign, as we will find out very soon if this case will be heard before the newly formed Supreme Court, the highest court in Britain.

If the application for justice before the Supreme Court is not successful, then the next step will be to take this matter before the European Court of Human Rights in Strasbourg, where we are more optimistic on the prospects for a fair outcome for shareholders.

Support, Funding and Donations:

Over fifteen thousand supporters have already donated generously, and we are very grateful for their financial help.

When considered against the possible returns on offer (potentially hundreds of millions of pounds of compensation), a small donation from each of us will make a very real difference.

Whilst the Government has significant resources to defend our case against them, we are operating on a voluntary basis and still need donations and financial support to continue the fight on your behalf and any donations are gratefully received.

Donations can be made directly to UKSA at the following link where you can also find all of the updates on this case: www.uksa.org.uk/NorthernRock.htm

In addition to monetary contributions, we'd also be very happy for people to give us a few hours of their time to help in whatever way they can. Please email Chris at northernrock@claytonhulme.co.uk with an indication of where you are based and how much time you would be willing to commit.

We will provide our next update soon after an announcement is made on whether this case will be heard by the Supreme Court (i.e., in anything from a few days to a couple of months).

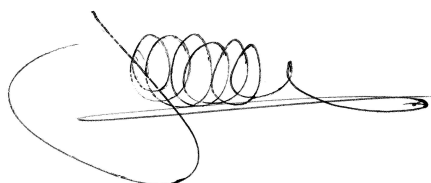
Until then, thank-you once again for your support.

Please Advise Address Changes

Please advise any postal or email address changes to uksa3@btconnect.com (telephone 0208-468-1027). It is particularly important to do so for email address changes otherwise we may lose touch with you altogether. And please include some other identification such as your postal post code and your name so we can identify you in our database when sending us such communications.



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Note that all previous "Update" notes on Northern Rock that we have issued are present on the following web site page: www.uksa.org.uk/NorthernRock.htm