



3 September 2007

Mr. Brad Butterworth
Vice President and Skipper
Team Alinghi
Base 11 – Port America's Cup
Valencia, SPAIN

Dear Brad,

Despite your letter of 1 September 2007, we have always been and continue to be ready and willing to negotiate with SNG regarding this matter. We have repeated this on numerous occasions, both publicly and to you in our correspondence. We have suggested dates and specific venues for meetings which we know were convenient for you -- such as California or at the Farr 40 Worlds in Copenhagen. So far, SNG has not taken up these opportunities.

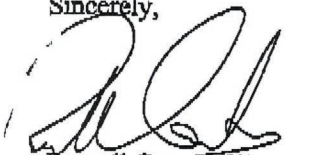
Our strong preference remains to resolve this quickly, and to revert to a traditional multi-challenger America's Cup under a Protocol similar to AC 32.

Moreover, even if we end up in a regatta under the default provisions of the Deed of Gift, Larry and I have stated publicly – both to the media and to AC 32 challengers – that we would welcome and mutually consent with SNG to other challengers.

As per our letter of 17 August we are making considerable investment towards our challenge. Despite the 31 August deadline in our previous letter to you having now passed, we remain open to negotiating. However, we need to see some willingness from your side to meet with us immediately.

Your requirement that we accept the CNEV challenge and the AC 33 Protocol in order to enter discussions with you is not reasonable given that we dispute the very validity of the AC 33 Protocol. Again, we remain available to meet at any time – please suggest dates and venues which work for you.

Sincerely,



Russell Coats, CEO

BMW ORACLE Racing