

ETOLIAN CAPITAL OFFSHORE CREDIT FUND, LTD.

SUBSCRIPTION INSTRUCTIONS FOR U.S. TAX-EXEMPT ENTITIES

Any person desiring to subscribe for Common Shares of Etolian Capital Offshore Credit Fund, Ltd. (the "Fund") should:

(a) complete and execute one copy of the attached Subscription Agreement and Revocable Proxy (the "Agreement"), offering to purchase a specified dollar amount of Common Shares on a specified date ("Purchase Date") at their Offering Price (as described in the Fund's Confidential Explanatory Memorandum, as amended from time to time);

(b) send a completed and executed copy of the Agreement by facsimile to the Fund no later than two (2) Business Days prior to the requested Purchase Date at c/o Citco Fund Services (Bermuda) Limited, Attention: Shareholder Services Department, facsimile no. (441) 295 0992 with the completed and executed original to follow by mail or courier to: Etolian Capital Offshore Credit Fund, Ltd., c/o Citco Fund Services (Bermuda) Limited, Washington Mall West, 2nd Floor, 7 Reid Street, Hamilton HM 11, Bermuda, Attention: Shareholder Services Department; and

(c) fax or mail a copy of the Agreement to: Etolian Capital Group, LP, 67 Wall Street, 10th Floor, New York, New York 10005, U.S.A., facsimile: 212-659-2443.

Existing Shareholders of the Fund wishing to make an additional subscription should use the Additional Subscription Form attached hereto instead of the full Subscription Agreement and Revocable Proxy.

The Fund will advise each subscriber promptly of its acceptance of any offer to subscribe for Common Shares of the Fund, but the Fund reserves the right to rescind its acceptance if for any reason the Fund determines not to issue Common Shares.

Payment in United States currency by bank-to-bank wire transfer in the amount of the subscription must be received by the Fund at least one Business Day prior to the Purchase Date pursuant to the payment instructions below.

Payment by wire transfer referencing the subscriber's name should be sent to:

CHASE MANHATTAN BANK, NEW YORK
One New York Plaza
New York, NY 10087, U.S.A.
ABA No.: 021000021
Account of: Citco Banking Corporation N.V.
Account No.: 001-1-627502
For further credit to: Etolian Capital Offshore Credit Fund, Ltd.
A/c No.: 0012 343443 200
Reference: Name of Subscriber

In order to comply with the Cayman Islands and Bermuda anti-money laundering regulations applicable to the Fund and the Fund's Administrator respectively, the letter contained in Schedule A is required from the financial institution responsible for remitting subscription monies on behalf of the person desiring to subscribe for Common Shares.

SUBSCRIPTION AGREEMENT AND REVOCABLE PROXY FOR U.S. TAX-EXEMPT ENTITIES

Etolian Capital Offshore Credit Fund, Ltd.
c/o Citco Fund Services (Bermuda) Limited
Washington Mall West, 2nd Floor
7 Reid Street
Hamilton HM 11, Bermuda

Dear Sirs:

The undersigned (the "Subscriber") hereby acknowledges receipt of the Confidential Explanatory Memorandum dated February 2005 (the "Explanatory Memorandum") of Etolian Capital Offshore Credit Fund, Ltd., an exempted company formed under the laws of the Cayman Islands (the "Fund").

1. Having reviewed the Explanatory Memorandum, the Subscriber hereby agrees with the Fund, subject to the Fund's acceptance, to subscribe for as many of the Fund's Class A or Class B shares (the "Common Shares"), as the case may be, as may be purchased for U.S.\$_____ on _____, (the "Purchase Date") at the Offering Price (as described in the Explanatory Memorandum) as of the opening of business on the Purchase Date.

2. The Subscriber agrees that it will make payment in the amount of its subscription in accordance with the payment instructions attached hereto in time sufficient to be received by the Fund at least one business day prior to the Purchase Date.

3. The Subscriber agrees that this subscription is being made, and any Common Shares of the Fund hereby subscribed for will be held subject to the terms and conditions of the Explanatory Memorandum, Articles of Association of the Fund, as amended from time to time, and this Subscription Agreement, and recognizes that the Fund will protect and indemnify its officers, directors and other representatives against liability to the extent set forth in the Articles of Association.

4. The Subscriber agrees to indemnify and hold harmless the Fund, Etolian Capital Group, LP (the "Investment Manager"), Citco Services (Bermuda) Limited (the "Administrator") and their respective directors, members, partners, shareholders, officers, employees, agents and affiliates from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) that may result, directly or indirectly, from any inaccuracy in or breach of any representation, warranty, covenant or agreement set forth in this Agreement or in any other document delivered by the Subscriber to the Fund, or from the Subscriber's assertion of its lack of authorization to act.

5. (a) In consideration of the Fund's acceptance of the aforesaid offer and recognizing its reliance thereon, the Subscriber agrees, represents and warrants to the Fund that:

(i) the Subscriber will not transfer directly or indirectly any of the Subscriber's Common Shares or any interest therein (including, without limitation, any right to receive dividends or other distributions) to a citizen, resident or entity of the United States or to any other person or entity (i) unless the proposed transferee has made representations and warranties similar to those contained herein (including, without limitation, those relating to the U.S. Securities Act of 1933, as amended (the "Securities Act")), and such representations and warranties have been approved by the Fund, (ii) unless such Common Shares are registered pursuant to the provisions of the Securities Act or an exemption from registration is available, and (iii) unless the Fund has consented to such transfer;

(ii) if the Common Shares purchased under this Subscription Agreement and Revocable Proxy are being acquired by the Subscriber as nominee or custodian for another person or entity, the Subscriber will not permit the beneficial owners of such Common Shares to transfer any beneficial interest in the Common Shares, directly or indirectly, to any person or entity unless the representations made by the Subscriber in this Subscription Agreement and Revocable Proxy (the "Agreement") will continue to be true;

(iii) the Subscriber did not acquire (except as specifically authorized by the Fund) and will not transfer any of the Subscriber's Common Shares within the United States;

(iv) the Subscriber did not engage (except as specifically authorized by the Fund) and will not engage in any activity relating to the sale of the Common Shares of the Fund in the United States;

(v) the Common Shares are being acquired by the Subscriber (or, if the Subscriber is acting as a nominee or custodian for another person or entity, by such person or entity) solely for the Subscriber's own account for investment and not with a view to distribution or resale; and

(vi) the Subscriber will supply the Fund with such other facts as from time to time are deemed necessary or desirable in order to avoid the loss of a contemplated tax benefit to the Fund or any of its respective shareholders and in order to ascertain that no violation by the Fund shall occur of any securities laws of the United States or any other relevant jurisdiction, including the Securities Act, the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), and the U.S Investment Advisers Act of 1940, as amended.

6. EACH SUBSCRIBER MUST COMPLETE THE APPROPRIATE REPRESENTATIONS SET FORTH BELOW RELATING TO ITS ACCREDITED INVESTOR, QUALIFIED ELIGIBLE PERSON, QUALIFIED CLIENT AND BENEFIT PLAN INVESTOR STATUS:

Accredited Investor Status:

The Subscriber represents that it is an "accredited investor" within the meaning of Regulation D under the Securities Act and has indicated below each category under which the Subscriber qualifies as an accredited investor.

The Subscriber is as of the Purchase Date check off one of the following:

- (i) an Individual Retirement Account ("IRA") and the individual who established the IRA had an income in excess of \$200,000 in each of the two most recent years (or joint income with his or her spouse in excess of \$300,000 in each of those years) and has a reasonable expectation of reaching the same income level in the coming year or such person has a net worth (or joint net worth with his or her spouse) in excess of \$1,000,000;
- (ii) a self-directed pension plan and the participant who directed that assets of his or her account be invested in the Fund had an income in excess of \$200,000 in each of the two most recent years (or joint income with his or her spouse in excess of \$300,000 in each of those years) and has a reasonable expectation of reaching the same income level in the coming year or such person has a net worth (or joint net worth with his or her spouse) in excess of \$1,000,000, and such participant is the only participant whose account is being invested in the Fund;
- (iii) a pension plan that is not a self-directed plan and that has total assets in excess of \$5,000,000;
- (iv) an organization described in Section 501(c) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and exempt from U.S. income tax pursuant to Section 501(a) of the Code with total assets in excess of \$5,000,000;

or

- (v) none of the above apply (further information may be required to determine accredited investor status).

Qualified Eligible Person Status:

The Subscriber represents and warrants that it is a "qualified eligible person" within the meaning of Regulation §4.7 of the U.S. Commodity Exchange Act promulgated by the Commodity Futures Trading Commission ("CFTC") and has indicated below which category under which the Subscriber qualifies as a qualified eligible person.

The Subscriber is as of the Purchase Date check off one of the following:

- (A) (i) a person who (a) has at least \$2,000,000 in assets invested in securities (including pooled vehicles) and other investments (including real estate held as an investment), (b) has had on deposit with a futures commission merchant at any time during the six-month period prior to the closing at least \$200,000 in exchange-specified initial margins and option premiums, or (c) owns a portfolio comprised of a combination of the funds or property specified above in (a) and (b) where the sum of the percentages of the required amounts actually owned of (a) and (b) equals at least 100%; and
- (ii) such person is
- (a) an individual who is an accredited investor as defined in Regulation D under the Securities Act,
- (b) an employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), if the investment decision is made by a plan fiduciary, as defined in section 3(21) of ERISA (which fiduciary is either a bank, savings and loan association, insurance company or registered investment adviser), or the employee benefit plan has total assets in excess of \$5,000,000, or, if a self-directed plan, the investment decisions made solely by persons that are qualified eligible persons,
- (c) a pool (as defined in CFTC Regulation §4.10), trust, insurance company separate account or bank collective trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of participating in the Fund whose participation in the Fund is directed by a qualified eligible person,
- (d) a partnership, corporation or Massachusetts or similar business trust, which is not a pool, with total assets in excess of \$5,000,000, and not formed for the specific purpose of investing in the Fund,
- (e) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000,
- (f) a charitable organization as described in Section 501(c)(3) of the Code, with total assets in excess of \$5,000,000, or
- (g) except as provided for the governmental entities referenced in (h), if otherwise authorized by law to engage in such transactions, a governmental entity (including the United States, a state, or a foreign government) or political subdivision thereof, or a multinational or supranational entity or an instrumentality, agency, or department of any of the foregoing;

- (B) a person acting for its own account or for the account of a qualified eligible person, who is
- (i) a futures commission merchant registered pursuant to section 4d of the Commodity Exchange Act,
- (ii) a broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934,
- (iii) a registered commodity pool operator who has been registered and active as such for two years or who operates pools which, in the aggregate, have total assets in excess of \$5,000,000,
- (iv) a registered commodity trading advisor who has been registered and active as such for two years or who provides commodity interest trading advice to commodity accounts which, in the aggregate, have total assets in excess of \$5,000,000 deposited at one or more futures commission merchants, or
- (v) the General Partner and the commodity trading advisor of the Partnership; or
- (C) an entity in which all of the unit holders or participants are persons listed in (A) or (B) above.

QUALIFIED CLIENT STATUS:

The Subscriber acknowledges that, in accordance with Rule 205-3 of the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"), the Investment Manager will be paid compensation based, in part, upon an increase in the value of the Fund's portfolio and, in connection therewith, the Subscriber represents and warrants as to its status as a "Qualified Client" that, as of the Purchase Date

Check off one of the following:

- (i) it is a natural person who (A) together with such person's spouse, has a net worth in excess of \$1,500,000, (B) immediately after entering into this agreement will have at least \$750,000 under the management of the Investment Manager, or (C) is a "qualified purchaser" as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "1940 Act"); or
- (ii) it is a corporation, partnership, association, joint-stock company, trust or any organized group of persons, whether incorporated or not that (A) has a net worth in excess of \$1,500,000, (B) immediately after entering into this agreement will have at least \$750,000 under the management of the Investment Manager, or (C) that is a "qualified purchaser" as defined in Section 2(a)(51) of the 1940 Act; provided, however, that if such company is (a) a registered investment company under the 1940 Act, (b) a business development company under the Advisers Act, or (c) a company excepted from the definition of "investment company" under Section 3(c)(1) of the 1940 Act ((a)-(c) shall each be defined as an "Excluded Company"), then each equity owner of such Excluded Company is a natural person or non-Excluded Company satisfying the Qualified Client criteria set forth herein.

Benefit Plan Investor Status:

The Subscriber represents and warrants by indicating below that it is no, and for so long as it is a Subscriber will not be, a "Benefit Plan Investor" within the meaning of U.S. Department of Labor regulation 29 CFR 2510.3-101 (the "Plan Assets Regulation"); or that if it is a Benefit Plan Investor it represents and

warrants by indicating below the category under which the Subscriber qualifies as a Benefit Plan Investor. Generally, a Benefit Plan Investor is any plan or fund organized by an employer or employee organization to provide retirement, deferred compensation, welfare or similar benefits to employees, an IRA, Keogh Plan or an entity, including a hypothetical entity described in Section (g) of the Plan Assets Regulation, with 25% or more of any class of equity that is owned by such plans and that is primarily engaged in the business of investing capital.

The Subscriber is as of the Admission Date:

- (i) an employee benefit plan, whether or not subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (e.g., pension, profit-sharing and 401(k) plans);
- ii) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code") (e.g., IRAs, Keoghs or 403(b) plans);
- (iii) an entity whose underlying assets include "plan assets" by operation of the Plan Assets Regulation (e.g., a group trust, separate account, fund of funds or a hypothetical entity with significant (25% or more) Benefit Plan Investor ownership);
- (iv) an insurance company general account whose underlying assets include "plan assets" and, the undersigned hereby represents and warrants that the percentage of such assets used to purchase the investment that represents plan assets does not exceed the following percentage: ____%; or
- (iv) not a Benefit Plan Investor.

7. The undersigned Subscriber must complete this Section in order for the Fund to be able to determine the extent to which the Subscriber may participate in "new issue" securities in accordance with Rule 2790 of the Conduct Rules of the U.S. National Association of Securities Dealers, Inc. If the Subscriber is a corporation, partnership, trust or any other entity or a nominee for another person, the person completing this Section with respect to the Subscriber must be the beneficial owner(s), a person authorized to represent the beneficial owner(s), or a bank, foreign bank, broker-dealer, investment adviser or other conduit acting on behalf of the beneficial owner(s).

INSTRUCTIONS: Each Subscriber must complete this Section by checking the box next to all applicable categories under Part A of Item I to determine whether the Subscriber is a restricted person (a "Restricted Person") or indicating under Part B of Item I that none of the Restricted Person categories apply to it and the Subscriber is eligible to participate in new issues. A Subscriber that is an entity and that is also a Restricted Person under Part A of Item I may still be able to participate in new issue investments if it indicates in Item II that it is also an exempted entity (an "Exempted Entity"). Accordingly, each such Subscriber should check the box next to any applicable categories under Item II to determine whether the Subscriber is an Exempted Entity. If you do not complete this Section, you may not be permitted to participate in new issues to any extent, until you establish your eligibility to participate in new issues to the Fund's satisfaction.

Item I DETERMINATION OF RESTRICTED PERSON STATUS:

Please check all appropriate boxes.

A. The Subscriber is:

- (i) a broker-dealer;

- (ii) an officer, director, general partner, associated person¹ or employee of a broker-dealer (other than a limited business broker-dealer)²;
- (iii) an agent of a broker-dealer (other than a limited business broker-dealer) that is engaged in the investment banking or securities business;
- (iv) an immediate family member³ of a person described in (ii) or (iii) above. Under certain circumstances, a Subscriber who checks this box may be able to participate in new issue investments. The Fund may request additional information in order to determine the eligibility of a Subscriber under this Restricted Person category;
- (v) a finder or any person acting in a fiduciary capacity to a managing underwriter, including, but not limited to, attorneys, accountants and financial consultants;
- (vi) a person who has authority to buy or sell securities for a bank, savings and loan institution, insurance company, investment company, investment advisor or collective investment account⁴ (including a private investment vehicle such as a hedge fund or an offshore fund);
- (vii) an immediate family member of a person described in (v) or (vi) above who materially supports⁵, or receives material support from, the Subscriber;
- (viii) a person listed or required to be listed in Schedule A, B or C of a Form BD (other than with respect to a limited business broker-dealer), except persons whose listing on Schedule A, B or C is related to a person identified by an ownership code of less than 10% on Schedule A;
- (ix) a person that (A) directly or indirectly owns 10% or more of a public reporting company listed, or required to be listed, in Schedule A of a Form BD, or (B) directly or indirectly owns 25% or more of a public reporting company listed, or required to be listed in Schedule B of a Form BD, in each case (A) or (B), other than a reporting company that is listed on a national securities exchange or is traded on the Nasdaq National Market, or other than with respect to a limited business broker/dealer;
- (x) an immediate family member of a person described in (viii) or (ix) above. Under certain circumstances, a Subscriber who checks this box may be able to participate in new issue investments. The Fund may request additional information in order to determine the eligibility of a Subscriber under this Restricted Person category;
- (xi) any entity (including a corporation, partnership, limited liability company, trust or other entity) in which any person or persons listed in (i)-(x) above has a beneficial interest⁶;

¹ A person "associated with" a broker-dealer includes any natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by a broker-dealer, any partner, director, officer or sole proprietor of a broker-dealer.

² A limited business broker-dealer is any broker-dealer whose authorization to engage in the securities business is limited solely to the purchase and sale of investment company/variable contracts securities and direct participation program securities.

³ The term "immediate family" includes the Subscriber's: (i) parents, (ii) mother-in-law or father-in-law, (iii) husband or wife, (iv) brother or sister, (v) brother-in-law or sister-in-law, (vi) son-in-law or daughter-in-law, (vii) children, and (viii) any other person who is supported, directly or indirectly, to a material extent by an officer, director, general partner, employee, agent of a broker-dealer or person associated with a broker-dealer.

⁴ A "collective investment account" is any hedge fund, investment corporation, or any other collective investment vehicle that is engaged primarily in the purchase and/or sale of securities. Investment clubs (groups of individuals who pool their money to invest in stock or other securities and who are collectively responsible for making investment decisions) and family investment vehicles (legal entities that are beneficially owned solely by immediate family members (as defined above)) are not considered collective investment accounts.

⁵ The term "material support" means directly or indirectly providing more than 25% of a person's income in the prior calendar year or living in the same household with a member of one's immediate family.

⁶ The term "beneficial interest" means any economic interest such as the right to share in gains or losses. The receipt of a management or performance based fee for operating a collective investment account, or other fee for acting in a fiduciary capacity,

If you checked this box (xi) and you are a collective investment account, a family investment vehicle or an investment club, please provide the aggregate percentage of direct or indirect beneficial interests owned by Restricted Persons in such entity: _____%.

Do not check this box if you are a collective investment account, a family investment vehicle or an investment club which does not permit Restricted Persons to participate to any extent in new issue securities.

- B. None of the above categories apply and the Subscriber is eligible to participate in new issue securities. Check this box if you are a collective investment account, a family investment vehicle or an investment club which does not permit Restricted Persons to participate to any extent in new issue securities.

Item II. DETERMINATION OF EXEMPTED ENTITY STATUS:

A Subscriber that is an entity and that is also a Restricted Person under Item I may still be able to participate in new issue investments if it indicates below that it is also an Exempted Entity. Please check all appropriate boxes.

The Subscriber is:

- (i) a publicly-traded entity (other than a broker-dealer or an affiliate of a broker-dealer, where such broker-dealer is authorized to engage in the public offering of new issues either as a selling group member or underwriter) that is listed on a national securities exchange or traded on the Nasdaq National Market, or is a foreign issuer whose securities meet the quantitative designation criteria for listing on a national securities exchange or trading on the Nasdaq National Market;
- (ii) an investment company registered under the U.S. Investment Company Act of 1940, as amended;
- (iii) a corporation, partnership, limited liability company, trust or any other entity (including a private investment vehicle such as a hedge fund or an offshore fund, or a broker-dealer organized as an investment partnership) and

(A) the beneficial interests of Restricted Persons do not exceed in the aggregate 10% of such entity; or

(B) such entity limits participation by Restricted Persons to not more than 10% of the profits and losses of new issues;

If you checked this box (iii), please be sure you have included the percentage information requested in Item I (xi).

- (iv) an investment company organized under the laws of a foreign jurisdiction and
- (A) the investment company is listed on a foreign exchange or authorized for sale to the public by a foreign regulatory authority; and
- (B) no person owning more than 5% of the shares of the investment company is a Restricted Person;
- (v) (A) an employee benefits plan under the U.S. Employee Retirement Income Security

is not considered a beneficial interest in the account; however, if such fee is subsequently invested into the account (as a deferred fee arrangement or otherwise), it is considered a beneficial interest in that account.

Act of 1974, as amended, that is qualified under Section 401(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") and such plan is not sponsored solely by a broker-dealer, (B) a state or municipal government benefits plan that is subject to state and/or municipal regulation or (C) a church plan under Section 414(e) of the Code;

- (vi) a tax exempt charitable organization under Section 501(c)(3) of the Code;
- (vii) a common trust fund or similar fund as described in Section 3(a)(12)(A)(iii) of the U.S. Securities Exchange Act of 1934, as amended, and the fund

(A) has investments from 1,000 or more accounts, and

(B) does not limit beneficial interests in the fund principally to trust accounts of Restricted Persons; or

- (viii) an insurance company general, separate or investment account, and

(A) the account is funded by premiums from 1,000 or more policyholders, or, if a general account, the insurance company has 1,000 or more policyholders, and

(B) the insurance company does not limit the policyholders whose premiums are used to fund the account principally to Restricted Persons, or, if a general account, the insurance company does not limit its policyholders principally to Restricted Persons.

The undersigned Subscriber acknowledges that in making representations to brokers, the Fund will be relying upon the information provided by the Subscriber in this Section and agrees to notify the Fund promptly when any representation made herein is no longer accurate. If the Subscriber is a corporation, partnership, limited liability company, trust or any other entity, the person signing this Section (i) is authorized to represent the Subscriber and (ii) has the full power and authority under the Subscriber's governing instruments to do so.

8. The Subscriber agrees that the Fund, in its sole discretion, may issue non-voting shares to the Subscriber or convert a Subscriber's voting shares to non-voting shares, in each case as set out in Section 9 of the Explanatory Memorandum.

9. The person executing this Agreement for the Subscriber represents that it has the full power and authority under the Subscriber's governing instruments to do so and the Subscriber has the full power and authority under its governing instruments to acquire Common Shares of the Fund. If the Subscriber is acting as trustee, agent, representative or nominee for another person or entity, the Subscriber understands and acknowledges that the representations, warranties and agreements made herein are made by the Subscriber (a) with respect to the Subscriber, and (b) with respect to such other person or entity. Furthermore, the Subscriber represents and agrees that (x) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (y) the execution, delivery and performance by it of this Agreement is within its powers, has been duly authorized by all necessary action on its behalf, requires no action by or in respect of, or filing with, any governmental body, agency or official (except as disclosed in writing to the Fund) in order to make this investment, and does not contravene, or constitute a breach of or default under any provision of applicable law or governmental rule, regulation or policy statement or of its certificate of incorporation or other comparable organizational documents or any agreement, judgment, injunction, order, decree or other instrument binding upon it, and (z) this Agreement constitutes a valid and binding agreement of the Subscriber and is enforceable against the Subscriber in accordance with its terms.

10. If the Subscriber is a corporation, partnership, trust or other entity that is not a pension plan or an IRA, the Subscriber represents that it (A) is an organization described in Section 501(c) of the Code and exempt from United States income tax pursuant to Section 501(a) of the Code, (B) was not formed for the specific purpose of acquiring Common Shares in the Fund, and (C) does not have more than

40% of its net assets invested in the Fund. It may be necessary to count the beneficial owners of the Subscriber that are U.S. persons (regardless of whether it is an investment company) if its investment in the Fund constitutes 40% or more of the Subscriber's net assets. Accordingly, the Subscriber agrees to notify the Fund at any time if its investment in the Fund exceeds 40% of its net assets.

11. The Subscriber recognizes that the Fund is restricted by law as to the number of U.S. persons that can hold Common Shares in the Fund, and, that in determining the number of U.S. persons holding Common Shares, if the Subscriber is an investment company (an "Investment Company") as defined in Section 3(a) of the 1940 Act or an Investment Company that is exempt from registration pursuant to Section 3(c)(1) or Section 3(c)(7) of the 1940 Act (a "3(c)(1) or 3(c)(7) Company"), it will be necessary to count the beneficial owners of the Subscriber that are U.S. persons if it owns 10% or more of the Common Shares in the Fund. Accordingly, the Subscriber agrees (A) to notify the Fund prior to subscribing for Common Shares if it is an Investment Company, a 3(c)(1) Company or a 3(c)(7) Company, (B) to take whatever action, if any, is requested by the Fund to have its holdings of Common Shares be less than 10% of the total issued Common Shares in the Fund and (C) that the Fund may at any time require the Subscriber to redeem so many of its Common Shares as is necessary to keep such interest below 10%.

12. If the Subscriber is a Benefit Plan Investor subject to ERISA or Section 4975 of the Code (a "Plan"), the fiduciary executing this Agreement on behalf of such a Subscriber (the "Fiduciary") acknowledges that the Fund has the authority to require the redemption of any Common Shares if the continued holding of such Common Shares, in the opinion of the Board of Directors, could result in the Fund being subject to ERISA or Section 4975 of the Code and represents and warrants to the Fund and the Investment Manager that:

(i) The Fiduciary has considered the following with respect to the Plan's investment in the Fund and has determined that, in view of such considerations, the purchase of the Common Shares is consistent with the Fiduciary's responsibility under ERISA or the Code: including, (i) whether the investment in the Fund is prudent for the Plan, (ii) whether the risk, structure and operation of the incentive fee arrangement has been adequately disclosed, furthers the interests of the Plan and provides reasonable compensation to the Investment Manager, (iii) whether the Plan's current and anticipated liquidity needs would be met, given the limited rights to redeem or transfer the Common Shares, (iv) whether the investment would permit the Plan's overall portfolio to remain adequately diversified, (v) whether the investment is permitted under documents governing the Plan, and (vi) with respect to an IRA, the possible risk of loss of the IRA's tax-exempt status if an investment in the Fund is found to violate the requirements of the Code; and

(ii) The Fiduciary: (i) is responsible for the decision to invest in the Fund, (ii) has determined that neither the Fund nor the Investment Manager is a "party in interest" or a "disqualified person" (as such terms are defined in ERISA and the Code) with respect to the Plan, (iii) is qualified to make such investment decision and, to the extent it deems necessary, has consulted its own investment advisors and legal counsel regarding the investment in the Fund, and (iv) in making its decision to invest in the Fund has not relied on any advice or recommendation of the Fund, the Investment Manager or any of their affiliates as a primary basis for investing in the Fund.

13. (a) The Subscriber hereby designates and appoints the Administrator, with full power of substitution, as its true and lawful Proxy for the purpose of voting the Common Shares herein subscribed for as said Proxy may determine on any and all matters which may arise at any annual or special meeting of shareholders and upon which such Common Shares could be voted by shareholders present in person at such meeting. This Proxy may be revoked by the owner of record of the Common Shares hereby subscribed for, either personally or by presentation of a subsequently executed proxy at any annual or special meeting of shareholders, or by written notice to Etolian Capital Offshore Credit Fund, Ltd., c/o Washington Mall West, 2nd Floor, 7 Reid Street, Hamilton HM 11, Bermuda, Attention: Shareholder Services Department, received prior to any such meeting.

(b) The Subscriber acknowledges that while the shares herein subscribed generally have voting rights, the Fund, in its sole discretion, may designate certain shares as non-voting shares and may, in its sole discretion, convert shares herein subscribed to non-voting shares if it deems such conversion necessary to avoid certain adverse U.S. tax, filing or other requirements.

14. If the Subscriber is a corporation, partnership, trust, or other entity that is not a pension plan or an IRA, the Subscriber represents that the equity owners of the Subscriber share in the profits and losses of all investments of the Subscriber in the same way on the basis of their proportional ownership, and do not have non-pro rata interests in specified investments of the Subscriber.

15. (i) On the complete or at least 90% partial redemption of its Common Shares in the Fund, the Subscriber will (unless share certificates, if any, have not been delivered) receive 90% of the Redemption Price (as defined in the Explanatory Memorandum) no later than 30 days following the date of redemption. The Subscriber acknowledges that, promptly after the Fund has determined the net asset value of the Common Shares as of the redemption date, the Fund will pay to the Subscriber the balance, if any, of the amount to which it is entitled, or the Subscriber will repay to the Fund the excess, if any, of the amount previously paid over the amount to which the Subscriber is entitled, in each case with interest as set out in Section 12 of the Explanatory Memorandum.

(ii) The Subscriber agrees that its obligation to make the repayment in the event of an overpayment as described in Section 12 of the Explanatory Memorandum will endure notwithstanding the performance by it of all other obligations under this Agreement.

16. The Subscriber agrees that a legend reading substantially as follows may be placed on each stock certificate issued to the Subscriber pursuant to this Agreement and Revocable Proxy and that the Fund may take all steps it may deem necessary or desirable to see that the restrictions contained herein are complied with:

“The Common Shares represented by this certificate are subject to certain restrictions which limit the transfer of these shares or any interest therein (including without limitation the right to receive dividends or other distributions) and such shares have not been registered under the U.S. Securities Act of 1933, as amended, and may be offered and sold only if an exemption from registration is available, in accordance with a Subscription Agreement and Revocable Proxy dated between the shareholder and Etolian Capital Offshore Credit Fund, Ltd., a copy of which is on file at the registered office of the Fund.”

17. The Subscriber agrees that all or any funds payable to the Subscriber (including redemption proceeds) may be wire transferred to the Subscriber in accordance with the following instructions (which unless agreed to otherwise by the Fund, is the same account from which subscription proceeds were first remitted to the Fund), until further written notice, signed by one or more of the individuals authorized to act on behalf of the Subscriber under Section 20 below, to the Administrator, received prior to any such meeting.

Bank Name: _____
Bank Address: _____
ABA or CHIPS No.: _____
Account Name: _____
Account No.: _____
For Further credit: _____

18. The Subscriber hereby authorizes and instructs the Administrator and the Fund to accept and execute any instructions in respect of the Common Shares to which this Agreement relates

given by the Subscriber in written form or by facsimile. If instructions are given by the Subscriber by facsimile, the Subscriber undertakes to send the original letter of instructions to the Administrator and the Fund and agrees to keep each of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon facsimile instructions. The Administrator and the Fund may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine or to be signed by properly authorized persons.

19. The Fund and the Administrator reserve the right to request such information as is necessary to verify the identity of a prospective investor. The Subscriber acknowledges that the Administrator and the Fund shall be held harmless and indemnified against any loss arising as a result of a delay or failure to process this application or a redemption request if any information required by such parties, in order to satisfy applicable anti-money laundering rules, has not been provided by the Subscriber. In order to comply with the anti-money laundering regulations applicable to the Fund and the Administrator, the letter annexed hereto as Schedule A **MUST** be completed by the financial institution that will be remitting the subscription monies on behalf of the Subscriber.

20. Set forth below are the names of persons authorized by the Subscriber to give and receive instructions between the Fund (or its Administrator) and the Subscriber, together with their respective signatures. Such persons are the only persons so authorized until further written notice to the Administrator signed by one or more of such persons.

(please attach additional pages if needed)

Names	Signatures

21. (a) The Subscriber understands and agrees that the Fund prohibits the investment of funds by any persons or entities that are acting, directly or indirectly, (i) in contravention of any U.S. or international laws and regulations, including anti-money laundering regulations or conventions, (ii) on behalf of terrorists or terrorist organizations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control⁷ ("OFAC"), as such list may be amended from time to time, (iii) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure⁸, unless the Fund, after being specifically notified by the Subscriber in writing that it is such a person, conducts further due diligence, and determines that such investment shall be permitted, or (iv) for a foreign shell bank⁹ (such persons or entities in (i) – (iv) are collectively referred to as "Prohibited Persons").

⁷ The OFAC list may be accessed on the web at <http://www.treas.gov/ofac>.

⁸ Senior foreign political figure means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a senior foreign political figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. The immediate family of a senior foreign political figure typically includes the political figure's parents, siblings, spouse, children and in-laws. A close associate of a senior foreign political figure is a person who is widely and publicly known internationally to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

⁹ Foreign shell bank means a foreign bank without a physical presence in any country, but does not include a regulated affiliate. A post office box or electronic address would not be considered a physical presence. A regulated affiliate means a foreign shell bank that: (1) is an affiliate of a depository institution, credit union, or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable; and (2) is subject to supervision by a banking authority in the country regulating such affiliated depository institution, credit union, or foreign bank.

(b) The Subscriber represents, warrants and covenants that: (i) it is not, nor is any person or entity controlling, controlled by or under common control with the Subscriber, a Prohibited Person, and (ii) to the extent the Subscriber has any beneficial owners¹⁰, (A) it has carried out thorough due diligence to establish the identities of such beneficial owners, (B) based on such due diligence, the Subscriber reasonably believes that no such beneficial owners are Prohibited Persons, (C) it holds the evidence of such identities and status and will maintain all such evidence for at least five years from the date of the Subscriber's complete withdrawal from the Fund, and (D) it will make available such information and any additional information that the Fund may require upon request in accordance with applicable regulations.

(c) If any of the foregoing representations, warranties or covenants ceases to be true or if the Fund no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Fund may, in accordance with applicable regulations, be obligated to freeze the Subscriber's investment, either by prohibiting additional investments, declining or suspending any withdrawal requests and/or segregating the assets constituting the investment, or the Subscriber's investment may immediately be involuntarily withdrawn by the Fund, and the Fund may also be required to report such action and to disclose the Subscriber's identity to OFAC or other authority. In the event that the Fund is required to take any of the foregoing actions, the Subscriber understands and agrees that it shall have no claim against the Fund, the Investment Manager, the Administrator, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.

(d) The Subscriber understands and agrees that any redemption proceeds paid to it will be paid to the same account from which the Subscriber's investment in the Fund was originally remitted, unless the Fund, in its sole discretion, agrees otherwise.

22. The Subscriber acknowledges and understands that if, as a result of any information or other matter which comes to his attention, any person resident in the Cayman Islands or Bermuda (including the Fund, its Directors and the Administrator) knows or suspects that a payment to the Fund (by way of subscription or otherwise) is the proceeds of criminal conduct, such person is required to report such information or other matter pursuant to the Proceeds of Criminal Conduct Law (2001 Revision) of the Cayman Islands and/or the Proceeds of Crime Act 1997 of Bermuda (as the case may be), and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

23. The Subscriber recognizes that non-public information concerning the Subscriber set forth in this Agreement or otherwise disclosed by the Subscriber to the Fund, or other agents of the Fund (such as the Subscriber's name, address, social security number, assets and income) (collectively, the "Information") (i) may be disclosed to the Fund's Administrator, Investment Manager, attorneys, accountants and auditors in furtherance of the Fund's business and to other service providers such as brokers who may have a need for the Information in connection with providing services to the Fund, (ii) to third party service providers or financial institutions who may be providing marketing services to the Fund provided that such persons must agree to protect the confidentiality of the Information and use the Information only for the purposes of providing services to the Fund and (iii) as otherwise required or permitted by law. The Fund and Investment Manager restrict access to the Information to their employees who need to know the Information to provide services to the Fund, and maintain physical, electronic and procedural safeguards that comply with U.S. federal standards to guard the Information.

24. The Subscriber agrees that (a) any representations made hereunder will be deemed to be reaffirmed by it at any time it purchases or otherwise acquires additional Common Shares of the Fund and such purchase or acquisition will be evidence of such reaffirmation and (b) if any of the statements,

¹⁰ Beneficial owners will include, but not be limited to: (i) shareholders of a corporation; (ii) partners of a partnership; (iii) members of a limited liability company; (iv) investors in a fund-of-funds; (v) the grantor of a revocable or grantor trust; (vi) the beneficiaries of an irrevocable trust; (vii) the individual who established an IRA; (viii) the participant in a self-directed pension plan; (ix) the sponsor of any other pension plan; and (x) any person being represented by the Subscriber in an agent, representative, intermediary, nominee or similar capacity. If the beneficial owner is itself an entity, the information and representations set forth herein must also be given with respect to its individual beneficial owners. If the Subscriber is a publicly-traded company, it need not conduct due diligence as to its beneficial owners.

representations, warranties or covenants made herein become untrue or inaccurate, the undersigned shall immediately notify the Fund.

SPECIAL NOTICE TO GEORGIA INVESTORS: THE SHARES WILL BE SOLD IN RELIANCE ON THE EXEMPTION FROM SECURITIES REGISTRATION CONTAINED IN PARAGRAPH 13 OF CODE SECTION 10-5-9 OF THE GEORGIA SECURITIES ACT OF 1973, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT FROM SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

Dated: _____, _____

Very truly yours,

Print Subscriber's Name
(Shares issued by the Fund will be registered in the
Subscriber's Name specified above)

Signature of Subscriber or Authorized Signatory

Print name of Subscriber or Authorized Signatory
Address of Subscriber:

Telephone number of Subscriber:

Facsimile number of Subscriber:

E-mail address of Subscriber:

Name and Address of Bank
Wiring Instructions:

Name and Number of Account at bank:
Being debited

The foregoing offer is hereby accepted
subject to the conditions set forth and
the decision of the Directors of the
fund to issue the Common Shares

Etolian Capital Offshore Credit Fund, Ltd.

By: _____

Name:

Title:

Additional copies of correspondence from
The Fund should be sent to:

ADDITIONAL REPRESENTATION WITH RESPECT TO
INVESTMENT FROM AN IRA OR SELF-DIRECTED PENSION PLAN

If the Subscriber is an IRA or self-directed pension plan, the individual who established the IRA or the individual who directed the pension plan's investment in the Fund, as the case may be (the "Fiduciary") (i) has signed below to indicate that he hereby represents and warrants for himself those representations set forth in this Subscription Agreement and Revocable Proxy and (ii) has directed the custodian or trustee of the Subscriber to execute this Agreement on the line set forth above for the Authorized Signatory.

Print or Type Name

Signature

Name and Address of Custodian
and Contact Individual:

Account of other Reference Number:

Custodian's Tax I.D. Number:

SCHEDULE A

PLEASE GIVE THIS LETTER TO YOUR FINANCIAL INSTITUTION AND HAVE THEM RETURN IT TO THE ADMINISTRATOR AT THE SAME TIME THAT THE SUBSCRIPTION MONIES ARE REMITTED.

[to be placed on letterhead of the financial institution remitting payment]

Date:

Via mail and facsimile: (441) 295-0992
c/o Citco Fund Services (Bermuda) Limited
Washington Mall West, 2nd Floor
7 Reid Street
Hamilton HM 11, Bermuda
Attention: Shareholder Services Department
Dear Sirs:

RE: ETOLIAN CAPITAL OFFSHORE CREDIT FUND, LTD.

1. Name of Remitting Financial Institution:
2. Address of Remitting Financial Institution:
3. Name of Customer:
4. Address of Customer:
5. Name of Customer Account Being Debited:
6. Account number Being Debited:
7. We have credited your account at [bank], Account Number [number] for [amount] by order of [subscriber] on [date].

The above information is given in the strictest confidence for your own use only and without any guarantee, responsibility or liability on the part of this institution or its officials.

Yours faithfully,

Signed: _____

Full name: _____

Position: _____

16255.0002 #347322v2

INSTRUCTIONS RELATING TO ADDITIONAL SUBSCRIPTION REQUEST
FOR SHARES OF ETOLIAN CAPITAL OFFSHORE CREDIT FUND, LTD.

Any existing registered shareholder of Etolian Capital Offshore Credit Fund, Ltd. (the "Fund") wishing to subscribe for additional common shares of the Fund should:

- (a) complete and execute one copy of the attached Additional Subscription Request (the "Request"), offering to purchase a specified dollar amount of Common Shares on a specified date ("Purchase Date") at their Offering Price (as described in the Fund's Confidential Explanatory Memorandum, as amended from time to time);
- (b) send a completed and executed copy of the Request by facsimile to the Fund no later than two (2) Business Days prior to the requested Purchase Date at c/o Citco Fund Services (Bermuda) Limited, Attention: Shareholder Services Department, facsimile no. (441) 295 0992 with the completed and executed original to follow by mail or courier to: Etolian Capital Offshore Credit Fund, Ltd., c/o Citco Fund Services (Bermuda) Limited Washington Mall West, 2nd Floor, 7 Reid Street, Hamilton HM 11, Bermuda, Attention: Shareholder Services Department; and
- (c) fax or mail a copy of the Request to: Etolian Capital Group, LP, 67 Wall Street, 10th Floor, New York, New York 10006, U.S.A., facsimile:212-659-2443.

The Fund will advise each subscriber promptly of its acceptance of any offer to subscribe for additional shares of the Fund, but the Fund reserves the right to rescind its acceptance if for any reason the Directors determine not to issue shares.

Payment in U.S. currency by bank-to-bank transfer of the amount of the subscription must be received by the Fund at least one business day prior to the Purchase Date.

WIRING INSTRUCTIONS:

Payment should be made by wire transfer in immediately available funds to:

CHASE MANHATTAN BANK, NEW YORK
One New York Plaza
New York, NY 10087, U.S.A.
ABA No.: 021000021
Account of: Citco Banking Corporation N.V.
Account No.: 001-1-627502
For further credit to: Etolian Capital Offshore Credit Fund, Ltd.
A/c No.: 0012-343443-200
Reference: Name of Subscriber

ETOLIAN CAPITAL OFFSHORE CREDIT FUND, LTD.
ADDITIONAL SUBSCRIPTION REQUEST

(To be completed only by existing Registered Shareholders wishing to subscribe for additional Common Shares in Etolian Capital Offshore Credit Fund, Ltd.)

Etolian Capital Offshore Credit Fund, Ltd
c/o Citco Fund Services (Bermuda) Limited
Washington Mall West, 2nd Floor
7 Reid Street
Hamilton HM 11, Bermuda
Facsimile No. (441) 295 0992

The undersigned (the "Subscriber"), being an existing registered shareholder of Common Shares in Etolian Capital Offshore Credit Fund, Ltd., a company formed under the laws of the Cayman Islands (the "Fund"), hereby:

- a) acknowledges receipt of the Confidential Explanatory Memorandum and any supplement thereto (the "Explanatory Memorandum") of the Fund;
- b) agrees with the Fund, subject to the Fund's acceptance and on the terms and conditions set out in the Explanatory Memorandum, to subscribe for as many of the Fund's Common Shares as may be purchased on the Purchase Date specified below at the Offering Price for the Additional Subscription Amount specified below; and
- c) restates all of the declarations, acknowledgements, representations, warranties, agreements, and understandings made in the Subscriber's original Subscription Agreement and Revocable Proxy as if they were made on the date hereof, and certifies that all of the information set forth in the Subscriber's original Subscription Agreement and Revocable Proxy or otherwise provided to the Fund remains accurate and complete on the date hereof, except as specifically provided in writing to the Fund.

Name of Subscriber(s): _____

Purchase Date: _____

Additional Subscription Amount (in U.S. Dollars):\$ _____

Name and Address of Bank

Signature of Subscriber Wiring Subscription Amount:
or Authorized Signatory

Print name and title of
Authorized Signatory

Dated: _____

The foregoing offer is hereby accepted, subject to the conditions set forth herein and the decision of the Directors of the Fund to issue the shares.

ETOLIAN CAPITAL OFFSHORE CREDIT FUND, LTD.

By _____
Director