



September 2, 2008

Re: The Ospraie Fund Ltd.

Dear Investor:

This year has been very difficult for the Ospraie Fund Ltd. (the "Fund"). The Fund returned -26.72% in August and is down 38.59% year-to-date. I am extremely disappointed with this result and the Fund's sudden reversal in performance.

The losses were primarily caused by a substantial sell-off in a number of our energy, mining and resource equity holdings during a six-week period characterized by some of the sharpest declines in these sectors in the past ten to twenty years. As the Fund's performance deteriorated, we made the decision -- despite continued confidence in the Fund's positions -- to reduce risk and de-lever the portfolio significantly due to concern of incurring even greater potential losses.

As a result of this performance, the Fund has now exceeded the 30% drawdown threshold that provides investors a right to redeem their shares irrespective of the Fund's lock-up provisions. Given the level of anticipated redemptions in addition to pending redemption requests, the Fund's Board of Directors (the "Board") and I have been focused on how to ensure the most equitable result and treatment for all investors. Based on my recommendation, the Board has concluded that this result is best achieved by suspending redemptions and conducting an orderly disposition of the Fund's remaining positions.

It is our intention to distribute 40% of the Fund's assets by September 30, 2008 and, assuming normal market conditions, an additional 40% by year-end. The balance of the Fund's assets, which should consist mostly of illiquid investments, will be returned as investments are realized sufficient to make distributions and we will keep you updated periodically throughout this process. We estimate that it could take as long as three years to dispose of certain portions of the remaining portfolio. Please note that you will also be receiving a separate letter from the Board with additional information concerning the suspension and disposition process as well as an update from the Fund's Administrator on your individual performance.

We will be hosting a listen-only conference call this Thursday, September 4, at 9AM EST to provide investors with additional information regarding performance and ongoing portfolio management. Dial-in information for the conference call will be forthcoming, and we will be available for personal meetings over the coming weeks and months. Please feel free to contact Kara Hobbs at (212) 602-5064 (or by e-mail at kara.hobbs@ospraie.com) or Eric Vincent at (212) 602-5057 (or by e-mail at eric.vincent@ospraie.com) if you have any questions during this process.

Not only as portfolio manager, but as one of the largest investors in the Ospraie Fund L.P., I have shared in these losses with you. After nine years of striving to be a good steward of your capital, I am very sorry for this outcome.

I thank you for the trust you placed in us and appreciate your patience during this challenging period.

Very truly yours,

Dwight W. Anderson
Ospraie Management, LLC