

TETRAGON

TETRAGON FINANCIAL GROUP LIMITED (TFG) MONTHLY UPDATE FOR DECEMBER 2007

January 16, 2008

Tetragon Financial Group Limited (TFG) is a Guernsey closed-ended investment company traded on Euronext Amsterdam by NYSE Euronext under the ticker symbol "TFG."

TFG has amended its ongoing investor reporting program to provide investors with information in a streamlined manner, consistent with current market practice and in accordance with applicable Dutch regulatory requirements. TFG will also continue to provide quarterly updates in the form of previously released quarterly Performance Reports.

In this monthly update, unless otherwise stated, we report on the consolidated business incorporating TFG, Tetragon Financial Group LP and Tetragon Financial Group Master Fund Limited.⁽¹⁾

Net Asset Value Estimates as of December 31, 2007

(Amounts provided are unaudited and subject to change)

	<i>(in millions except per share data)</i>
Estimated Fair Value of Investments:	1,446.5
Cash and Cash Equivalents:	233.0
Net Other Assets/ (Liabilities):	(415.1)
Estimated Net Asset Value:	1,264.4
Shares Outstanding:	126.1
Net Asset Value per Share:	10.03

For further information, please contact:

TFG:

Heather Lockhart/Yuko Thomas
Investor Relations
ir@polygoninv.com

Press Inquiries:

Finsbury
Simon Moyse/Charles Chichester/Talia Druker
+44 20 7251 3801

⁽¹⁾ TFG invests substantially all its capital through a master fund, Tetragon Financial Group Master Fund Limited ("TFGMF"), in which it holds a 94% share. Tetragon Financial Group LP (TFGLP), a U.S. "feeder fund", holds the remaining 6.0% interest in TFGMF. TFG and TFGLP receive a pro-rata allocation of the performance of TFGMF.

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Portfolio Composition

Portfolio Held by Tetragon Financial Group Master Fund Limited (unless otherwise stated) As of December 31, 2007

Report Date	TFG Share Price (\$)	TFG group Market Cap (\$MM) ⁽¹⁾	TFG group Net Assets (\$MM)	No. of Closed Transactions	
31 December 2007	\$6.98	\$879.9	\$1,264.4	67	
Capital Allocation by Asset Class					
	Risk Capital Allocation	Investment - Amortized Cost (\$MM) ⁽²⁾	Investment - Amortized Cost B/Fwd (\$MM) ⁽³⁾	Overall Leverage ⁽⁴⁾	Asset Class Allocation
Broadly Syndicated Senior Secured Loans: US	62.5%	\$904.2	\$882.5		
Broadly Syndicated Senior Secured Loans: Europe	21.7%	\$313.8	\$299.4		
Middle Market Senior Secured Loans: US	15.8%	\$228.6	\$221.6		
CDOs Squared: US	0.0%	\$0.0	\$0.0		
ABS and Structured Finance: US	0.0%	\$0.0	\$0.0		
Total	100%	\$1,446.5	\$1,403.5	1.11	
Geographic Allocation by Asset Class					
	USA	Europe	Asia Pacific	Total	Geographic Allocation
Broadly Syndicated Senior Secured Loans	74%	26%	0%	100%	
Middle Market Senior Secured Loans	100%	0%	0%	100%	
CDOs Squared	0%	0%	0%	0%	
ABS and Structured Finance	0%	0%	0%	0%	
Total	81%	19%	0%	100%	
Top 15 Underlying Bank Loan Credits					
Bank Loan Exposure ⁽⁵⁾	Top 10 Bank Loan Industry Exposures				
Community Health	0.76%				
Univision Communications	0.75%				
Georgia Pacific Corp	0.73%				
HCA Inc	0.73%				
Idearc	0.68%				
Ineos Group Plc	0.57%				
Freescale Semiconductor Inc	0.55%				
OshKosh Truck	0.53%				
TXU Corp	0.53%				
Aramark Corp	0.51%				
NRG Energy	0.49%				
Metro-Goldwyn-Mayer Inc	0.48%				
Hexion Specialty Chemicals	0.48%				
Tribune Co	0.46%				
Cablevision Systems Corp	0.42%				
EUR-USD FX: 1.46					
⁽¹⁾ Includes exchange rights held by Tetragon Financial Group LP investors as if they had been converted to TFG shares and valued at the closing share price.					
⁽²⁾ Equivalent to Investment in Securities at Fair Value in the US GAAP Financial Statements.					
⁽³⁾ Investments at Amortized Cost less interest accrued since last payment date. Internal Rate of Return (IRR) x Amortized Cost B/Fwd determines CDO income.					
⁽⁴⁾ Equals CDO Amortized Cost B/Fwd / Book Value.					
⁽⁵⁾ Calculated as a percentage of total Loan Assets that Tetragon has exposure to net of any single name CDS hedges held against that credit. The value of both the Loan Credit and the Total Loan exposure are calculated at cost of purchase.					

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Expected Upcoming Events	Date
Q4 dividend guidance	January 16, 2008
January 2008 Monthly Update published	February 14, 2008
Q4 financial results (incl. dividend announcement) and 2007 audited financial statements reported	February 28, 2008
Quarterly Investor Conference Call	February 29, 2008
Q4 ex-dividend date	February 29, 2008
Q4 dividend record date	March 3, 2008
February 2008 Monthly Update published	March 14, 2008
Q4 dividend payment date	March 27, 2008

This release does not contain or constitute an offer to sell or a solicitation of an offer to purchase securities in the United States or any other jurisdiction. The securities of TFG have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act"), as amended, and may not be offered or sold in the United States or to US persons unless they are registered under applicable law or exempt from registration. TFG does not intend to register any portion of its securities in the United States or to conduct a public offer of securities in the United States. In addition, TFG has not been and will not be registered under the US Investment Company Act of 1940, and investors will not be entitled to the benefits of such Act. TFG is registered in the public register of the Netherlands Authority for the Financial Markets under Section 1:107 of the Financial Markets Supervision Act as a collective investment scheme from a designated country.