

JERSEY ELECTRICITY PLC
(incorporated and registered in Jersey under number 67)

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, or other authorised financial adviser.

If you have sold or otherwise transferred all your Jersey Electricity plc shares, please send this document, together with the accompanying documents as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Notice of the Annual General Meeting of Jersey Electricity plc to be held on Thursday 3 March 2011 at 2.30pm at the Company's offices at The Powerhouse, Queens Road, St Helier, Jersey, JE4 8NY is set out at the end of this document. A Form of Proxy for use at the Annual General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it to the Company at the above address as soon as possible but in any event so as to arrive not later than 2.30 pm on 1 March 2011.

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TIMETABLE OF EVENTS

'A' Ordinary shares quoted ex-dividend 23 February 2011

Record date 25 February 2011

Final date for receipt of Forms of Proxy 1 March 2011 at 2.30pm

Annual General Meeting on 3 March 2011 at 2.30pm

Posting of new share certificates (subject to passing Resolution 8) on or before 17 March 2011

Payment of final and special dividends on 31 March 2011

JERSEY ELECTRICITY PLC
(incorporated and registered in Jersey under number 67)

Registered Office:

The Powerhouse
Queens Road
St Helier
JERSEY
JE4 8NY

28 January 2011

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING OF JERSEY ELECTRICITY PLC ("the Company")

I am pleased to be writing to you with details of our 2011 Annual General Meeting ("AGM") which we are holding on Thursday 3 March 2011 at 2.30pm at the Company offices. The formal notice of AGM is set out on page 6 of this document.

If you would like to vote on the Resolutions but cannot come to the AGM, you can appoint a proxy to exercise your voting rights at the AGM by completing the enclosed Form of Proxy.

The explanatory notes in the attached Appendix outline the business to be considered at the meeting.

Recommendation

The Board considers the Resolutions will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings.

Yours sincerely



G Grime
Chairman

APPENDIX

EXPLANATORY NOTES

Resolution 1 - To receive the Annual Report and Accounts

The Chairman will present the accounts and the reports of the directors and the auditors for the year ended 30 September 2010 to the meeting.

Resolution 2 - Final dividend

A final dividend of £1.24 on the Ordinary and 'A' Ordinary shares for the year ended 30 September 2010 is recommended for payment by the Directors. If you approve the recommended final dividend, this will be paid on 31 March 2011, along with a special dividend of £0.65 per Ordinary and 'A' Ordinary share declared by the Directors on 16 December 2010, to shareholders who were on the register of members at the close of business on 25 February 2011. A participating dividend of 1½ per cent per annum less Income Tax on the Cumulative Participating Preference Share Capital for the period ended 30 September 2010 will also become payable, on the 1 July 2011, to Shareholders on the Register on 10 June 2011.

Resolutions 3 to 5 - Re-election of Directors

Resolutions 3 to 5 deal with re-election of Directors in accordance with the requirements of the Company's Articles of Association. Messrs Chaplin and Liston are seeking re-election following their retirement by rotation and Mr Le Cornu is seeking re-election following his appointment by the Board with effect from 1 January 2011.

Resolution 6 - Re-appointment of auditors and auditors' remuneration

Resolution 6 relates to the appointment of Deloitte LLP as the Company's auditors to hold office until the next AGM of the Company and authorises the Directors to set their remuneration. The Directors have delegated the responsibility of setting the auditors' remuneration to the Audit Committee of the Board.

Resolution 7 - Employee share plan

Resolution 7 refers to the Directors' intention to introduce an employee share plan. The **Jersey Electricity Restricted Share Plan** is intended to encourage, motivate and retain all eligible employees of the Company and to align their interests more closely with those of the Company.

The Company's majority shareholder has been consulted on the formulation of the Plan and the Board is grateful for the comments received, of which due note has been taken. The Board appreciates the support received for the proposal.

An outline and summary of the key features of the Restricted Share Plan follow below:

Jersey Electricity Restricted Share Plan

The rules of the Plan are available on request from the Company Secretary and will be on display at the registered office of the Company and also will be available for inspection at the place of the AGM of the Company for at least 15 minutes before and during the meeting.

Summary of the Principal Features of the Jersey Electricity Restricted Share Plan**(a) Introduction**

Under the Restricted Share Plan, eligible employees will be offered the opportunity to acquire a beneficial interest in the 'A' Ordinary share capital of the Company from time to time.

(b) Structure of Plan

The Company proposes to operate the Plan through an employee benefit trust (EBT) which it will establish for the purpose.

The EBT will be a discretionary trust constituted by a trust deed between the Company and an independent professional trustee company (the "Trustee"). The EBT will be constituted with the purpose of encouraging and facilitating the holding of shares by bona fide employees of the Company and its subsidiaries, former employees and certain of their relatives or for their benefit.

The EBT will be funded by way of loans and/or gifts to acquire 'A' Ordinary shares in the Company either by way of market purchase or by subscription.

The Trustee will have full discretion with regard to the application of the trust assets. The Trustee will also have the power to acquire 'A' Ordinary shares and any 'A' Ordinary shares so acquired may be used for the purposes of the Restricted Share Plan and any other employees' share plan operated by the Company.

(c) Eligible Employees

Subject to certain eligibility criteria, all employees of the Company will be eligible to participate in the Plan.

(d) Granting of Awards

Awards may be granted by the Trustee to such eligible employees as it may from time to time determine. The Trustee may, but is not bound to, take into account such recommendations as are made to it by the Company's Board. On making an award, the Trustee will transfer the beneficial interest in the number of 'A' Ordinary shares comprised in such award to the participant subject to certain restrictions. The award may be subject to forfeiture (see below).

The legal title will remain with the Trustee (as nominee for the participants) until the restrictions are lifted.

Awards granted under the Restricted Share Plan are not pensionable.

(e) Limits

The aggregate value of the 'A' Ordinary shares issued under the Restricted Share Plan (determined at the date of grant) shall not exceed £300,000 during a financial year of the Company.

The aggregate value of awards (determined at the date of grant) made to any employee shall not exceed £1,000 during a financial year of the Company.

The number of 'A' Ordinary shares which may be allocated under the Restricted Share Plan shall not, when added to the aggregate of the number of 'A' Ordinary shares allocated in the previous 10 years under the Restricted Share Plan and any other employees' share scheme adopted by the Company, exceed that number of 'A' Ordinary shares that represents 10% of the 'A' Ordinary share capital of the Company.

(f) Vesting

Awards vest at the end of the restricted period which is the three year period starting with the date of award and ending on the third anniversary of the date of award.

(g) Dividends

A participant shall be entitled to receive dividends (if any) paid on the 'A' Ordinary shares subject to his award.

(h) Voting

Following the vesting of an award, a participant shall be entitled to vote his shares. Prior to the vesting of an award, the Trustee (as nominee) shall have absolute discretion on how to vote the 'A' Ordinary shares.

(i) Forfeiture/Leaver provisions

Forfeiture means that the beneficial interest in the 'A' Ordinary shares the subject of an award reverts to the Trustee in its capacity as trustee of the EBT.

Prior to an award vesting, an award which is subject to forfeiture will be forfeited if a participant leaves employment as a bad leaver, tries to assign or otherwise dispose of the 'A' Ordinary shares comprised in his award or is declared bankrupt. On forfeiture, a participant's beneficial interest in the 'A' Ordinary shares reverts to the Trustee in its capacity as trustee of the EBT for no consideration. A good leaver is someone who leaves as a result of death, injury, ill-health or permanent disability (evidenced to the satisfaction of the Board), retirement at or after age 60, redundancy or otherwise with the permission of the Board.

(i) Change of Control/winding-up

On a change of control by way of a takeover offer and/or a compromise or arrangement under Article 125 of the Companies (Jersey) Law, 1991, as amended, all awards will vest in full. Similarly on a winding-up of the Company, all awards vest in full.

(k) Rights issue/Capitalisation issue

In the event of a rights issue, the Trustee shall notify participants in respect of the issue and take instructions on whether to take up the rights issue in respect of the 'A' Ordinary shares comprised in awards or allow the rights to lapse.

In the event of a capitalisation issue, such additional shares shall be held by the Trustee (as nominee) together with the 'A' Ordinary shares subject to the awards.

(l) Amendments

The rules of the Restricted Share Plan may be amended, altered, varied or deleted by the Board provided that no amendment, alteration, variation or deletion to the Rules which is to the advantage of participants shall be permitted without the prior approval of the Company's shareholders in general meeting, except for minor amendments to benefit the administration of the Restricted Share Plan or to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Company.

Special Resolution

Resolution 8 - Sub-division of Ordinary and 'A' Ordinary Share Capital and consequential amendments to the Memorandum and Articles of Association

Under Resolution 8, the Company is proposing to sub-divide its Ordinary and 'A' Ordinary shares on a 'twenty for one' basis. The Board believes this will bring the share price in-line with market norms and may assist with the liquidity of the shares. Consequential changes are needed to the Memorandum and Articles of Association to reflect this change to the Company's capital structure and the attendant voting rights.

Subject to this Resolution being passed, new share certificates for the 'A' Ordinary share capital will be dispatched on or before 17 March 2011 to all holders of the Company's 'A' Ordinary shares as at the close of business on 3 March 2011. The existing 'A' Ordinary share certificates will become invalid from close of business on 3 March 2011.

NOTICE OF ANNUAL GENERAL MEETING**JERSEY ELECTRICITY PLC**

NOTICE IS HEREBY GIVEN that the eighty seventh Annual General Meeting of the shareholders of the Company will be held on Thursday 3 March 2011 at 2.30pm at the Company's offices at The Powerhouse, Queens Road, St Helier, Jersey JE4 8NY to transact the following business. Resolutions 1 to 7 inclusive will be proposed as ordinary resolutions. Resolution 8 will be proposed as a special resolution:

Ordinary Resolutions

1. To receive the accounts and the reports of the directors and the auditors thereon for the year ended 30 September 2010.
2. To declare a dividend.
3. To re-elect C Chaplin as a Director of the Company
4. To re-elect M Liston as a Director of the Company
5. To re-elect A Le Cornu as a Director of the Company
6. To re-appoint the Auditors and authorise the Directors to agree their remuneration
7. To authorise the Directors to establish an Employee Share Plan

Special Resolution:

8. To resolve:

THAT in accordance with Article 38 of the Companies (Jersey) Law 1991 the existing authorised share capital of the Company be amended such that the 1,500,000 ordinary par value shares of £1.00 each shall be split into 30,000,000 ordinary par value shares of £0.05 each and the 1,250,000 "A" ordinary par value shares of £1.00 each shall be split into 25,000,000 "A" ordinary par value shares of £0.05 each; and

THAT Clause 4 of the Memorandum of Association of the Company shall be deleted and replaced with the following:

"The par value of the Company is £3,000,000 divided into the following:

30,000,000 ordinary par value shares of £0.05 each;

25,000,000 "A" ordinary par value shares of £0.05 each;

100,000 5% cumulative participating preference par value shares of £1.00 each; and

150,000 3½% cumulative non-participating preference par value shares of £1.00 each."; and

THAT the following definitions be inserted alphabetically into Article 1 of the Articles of Association of the Company (the 'Articles'):

"A Share"	means an "A" ordinary par value share of £0.05,
"Cumulative Non-Participating Preference Share"	means a 3½% cumulative non-participating preference par value share of £1.00,
"Cumulative Participating Preference Share"	means a 5% cumulative participating preference par value share of £1.00,
"Ordinary Share"	means an ordinary par value share of £0.05,

and;

THAT Article 5 of the Articles shall be deleted in its entirety; and

THAT Article 8 of the Articles be amended so that all references to 'five' be replaced with 'one hundred' and the reference to 'one vote for every share held' be replaced with 'one vote for every twenty shares held'.

BY ORDER OF THE BOARD

P Routier
Company Secretary

14 January 2011

Registered Office:
The Powerhouse, Queens Road, St Helier, Jersey, JE4 8NY
Registered in Jersey No. 67

NOTES

1. A member of the Company entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint one or more proxies to attend and, on a poll, to vote in his place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. A proxy form, which may be used to make this appointment and give proxy instructions, accompanies this notice. In order to be valid, an appointment of proxy must be returned, together with any authority under which it is executed, to the Company's registered office at least 48 hours before the commencement of any meeting, or adjournment thereof, at which the person named in the instrument proposes to vote or, in the case of a poll, before the time appointed for taking the poll and, in default, the instrument shall not be treated as valid.
3. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes on the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person in place of your proxy. If the proxy form is returned without any indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes.
4. An abstention option has been included on the Form of Proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.