

IMPORTANT NOTICE TO BONDHOLDERS

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS IMMEDIATELY.

2 November 2015

ELECTRA PRIVATE EQUITY PLC

(a company incorporated and registered in England and Wales under the Companies Act 1929 with registered number 00303062 and an investment company under section 833 of the Companies Act 2006)

£100,000,000 5 per cent. Subordinated Convertible Bonds due 2017 (ISIN: GB00B5B0NW64)

(the "**Bonds**")

MANDATORY CONVERSION NOTICE

Mandatory Conversion

Electra Private Equity PLC (the "**Issuer**") has elected to exercise its option to convert all of the outstanding Bonds into new Ordinary Shares pursuant to Condition 5(c)(i) (*Conversion – Conversion at the Option of the Company*) of the Bonds on the basis that Parity Value has exceeded 130 per cent. of the principal amount of a Bond on each dealing day between 8 September 2015 and 5 October 2015.

Mandatory Conversion Date, Record Date for Conversion and Delisting of the Bonds

The Mandatory Conversion Date in respect of the Bonds will be 29 December 2015.

The Mandatory Conversion Date will be the last day of dealing in the Bonds and 6.00 p.m. (London time) on 29 December 2015 will be the record date for conversion of the Bonds into the new Ordinary Shares.

The Bonds are expected to be delisted from the London Stock Exchange on or around 30 December 2015.

The new Ordinary Shares arising from Conversion are expected to be delivered to the Bondholders, in uncertificated form via CREST or in certificated form by mail, no later than 13 January 2016.

Conversion Price

The Conversion Price in respect of each Bond will be 2,025 pence.

Aggregate principal amount of Bonds outstanding and closing price of Ordinary Shares

As at 29 October 2015, (a) the aggregate principal amount of Bonds outstanding was £77,113,000, (equivalent to 77,113 Bonds) and (b) the closing price per Ordinary Share (as derived from the London Stock Exchange plc) was 3,735 pence.

Terms used in this Mandatory Conversion Notice and not otherwise defined have the meanings given to them in the Conditions of the Bonds.

For queries to Electra Private Equity PLC's registrar:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone: 0371 384 2351* (from inside the United Kingdom)

 or +44 121 415 7047* (from outside the United Kingdom)

*Lines open 8.30am to 5.30pm, Mondays to Fridays (excluding UK bank holidays)

Electra Private Equity PLC

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65 St. Paul's Churchyard
London EC4M 8AB

Telephone: 020 7214 4200 / 020 3008 4910