

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document or to the action you should take, you are recommended to seek advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. All shareholders are strongly advised to consult their professional advisers regarding their own tax position.

If you have sold or transferred all your shares in Private Equity Investor PLC ("the Company"), please send this document and other relevant documents, immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Martineau Johnson is acting for the Company and no-one else in connection with the advice given to the directors referred to in this document. Martineau Johnson is regulated by the Law Society.

PRIVATE EQUITY INVESTOR PLC

(Incorporated and registered in England and Wales with registered number 03912487)

Notice of Extraordinary General Meeting

Proposed cancellation of share premium account

Notice of an Extraordinary General Meeting of the Company to be held at the offices of Martineau Johnson, 35 New Bridge Street, London, UK EC4V 6BW on 29 May 2008 at 10.30 a.m. is set out at the end of this document.

To be valid the attached reply paid form of proxy for use by Shareholders at this meeting should be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Capita Registrars, Proxy Dept., Beckenham, Kent BR3 4TU, as soon as possible and in any event not later than 10.30 a.m. on 27 May 2008.

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EXPECTED TIMETABLE

	2008
Notice of Extraordinary General Meeting	2 May
Latest time for receipt of Forms of Proxy	27 May
Extraordinary General Meeting	29 May
Provisional Date for the Petition Hearing	25 June
Cancellation expected to become effective	30 June

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Board” or the “Directors”	the board of directors of the Company as at the date of this document
“the Companies Acts”	as defined in section 2 of the Companies Act 2006
“Company”	Private Equity Investor Plc
“Court”	the Chancery Division, Companies Court of the High Court of Justice of England and Wales
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of Shareholders of the Company convened for 29 May 2008 as set out on page 5 of this document
“Resolution”	the resolution set out in the notice of the Extraordinary General Meeting at the end of this document
“Shareholders”	holders of Shares
“Shares”	ordinary shares of 0.01p each in the capital of the Company
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland

LETTER FROM THE CHAIRMAN

PRIVATE EQUITY INVESTOR PLC

*(Registered in England and Wales under the Companies Act 1985
with registered number 03912487.*

An investment company within the meaning of section 833 the Companies Act 2006

Directors:

Peter Dicks (Chairman)
Lady Barbara Judge
David Quysner
Colin Kingsnorth
Rory Macnamara

Registered Office:

Beaufort House
51 New North Road
Exeter
EX4 4EP

2 May 2008

To Shareholders of Private Equity Investor PLC

Dear Shareholder,

Notice of Extraordinary General Meeting and Cancellation of the Share Premium Account

Introduction

This letter sets out the background to and reasons for a cancellation of the share premium account of the Company in order to create a special distributable reserve and why your Board believes the cancellation of the share premium account to create a special distributable reserve to be in the best interests of Shareholders as a whole.

The proposed cancellation of the Company's share premium account requires the approval of Shareholders at an Extraordinary General Meeting to be held at the offices of Martineau Johnson, 35 New Bridge Street, London UK EC4V 6BW on 29 May 2008 at 10.30 a.m.

The Board is unanimously recommending Shareholders to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting, as the Directors intend to do in respect of their own beneficial holdings of Shares.

Background to the Cancellation of the Share Premium Account

One of the main principles of company law is that the capital of a company should be maintained, share premium being included for this purposes within the definition of "capital". Therefore a company with share capital must obtain proper consideration for the shares that it issues and must not return funds which have been subscribed for shares except in certain prescribed ways. The principle of maintenance of capital underlies various provisions of the Companies Acts - for example, a company may only make distributions to its members out of distributable profits and a company may not buy back its own shares except in limited circumstances.

A company can, however, reduce its share capital, including its share premium account, in circumstances where creditors will not be adversely affected, provided that the company complies with certain procedural requirements. The Companies Acts provide that a company may reduce its capital by special resolution if its articles of association contain the power to do so and subject to confirmation by the Court. A special reserve will then be created from the sums set free from such a cancellation which, subject to the Court being satisfied that the Company's creditors have been properly protected, may be treated by the Company as a distributable reserve.

The Company proposes to cancel the Company's share premium account and use the sums set free by the cancellation to create such a special distributable reserve to be used to fund distributions to Shareholders by way of dividends, to buy back the Company's own shares, to set off or write off losses against and/or for other corporate purposes of the Company. This will provide the Company with flexibility in returning funds to Shareholders whether this be by means of a dividend, a further tender offer to repurchase shares or other mechanism.

The statutory process prescribed by the Companies Acts requires the Shareholders to pass a special resolution for the cancellation of the Company's share premium account and the proposed cancellation to be the subject of confirmation by the Court.

The cancellation of the Company's share premium account will only take effect if confirmed by the Court and upon the appropriate documents being lodged with the Registrar of Companies. The Company has been advised that the Court may require the Company to put in place protection for creditors of the Company to whom liabilities are outstanding on the date the cancellation becomes effective. It is anticipated that the Company will provide such protection as may be required by the Court as is consistent with achieving the object for which the cancellation of the share premium account is proposed.

Although there is no guarantee that the Court will confirm the cancellation of the share premium account, the Company has been advised that there are good prospects that the Court will give such confirmation.

If the Company's members approve the cancellation of share premium account at the Extraordinary General Meeting, it is intended that steps should be taken to obtain the Court's confirmation of the proposed cancellation promptly thereafter. To that end, a provisional date of 25 June 2008 has been obtained for the final hearing of the Company's petition. This date is subject to postponement dependent on the Court's schedule and the Board cannot guarantee that the petition will in fact be dealt with on this day. However, they would certainly anticipate that even if this date cannot be fulfilled that the Company's petition can be dealt with, and the cancellation of the Company's share premium account become effective before the end of July 2008.

Extraordinary General Meeting

A notice convening an Extraordinary General Meeting of the Company, which is to be held at the offices of Martineau Johnson, 35 New Bridge Street London, UK EC4V 6BW on 29 May 2008 at 10.30 a.m. is set out at the end of this document.

At this meeting, a special resolution (requiring the approval of 75 per cent. of those voting) will be proposed to authorise the cancellation of the share premium account of the Company.

Action to be taken

Form of Proxy

Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete, sign and return the accompanying form of proxy, in accordance with the instructions printed thereon, so as to be received by Capita Registrars, Proxy Dept, Beckenham, Kent, BR3 4TU, as soon as possible, and in any event not later than 10.30 a.m. on 27 May 2008. The completion and return of the form of proxy will not preclude you from attending the meeting and voting in person should you so wish.

Recommendation

The Directors consider that the Resolution to be proposed at the Extraordinary General Meeting is in the best interests of the Company and Shareholders as a whole. The Directors unanimously recommend Shareholders to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting. The Directors intend to vote in favour of the Resolution in respect of their own beneficial holdings of Shares (amounting, in aggregate, to 65,804 Shares representing 0.064 per cent. of the issued share capital of the Company, as at 1 May 2008 (being the latest practicable date prior to the publication of this document)).

Yours sincerely,

Peter Dicks
Chairman

Private Equity Investor PLC

(Incorporated in England and Wales with registered number 03912487)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Private Equity Investor PLC (the "Company") will be held at the offices of Martineau Johnson, 35 New Bridge Street, London, UK EC4V 6BW on 29 May 2008 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

That, subject to the confirmation of the Court, the share premium account of the Company be cancelled.

By order of the Board

Capita Sinclair Henderson Limited
Company Secretary

Registered Office:
Beaufort House
51 New North Road
Exeter
Devon EX4 4EP

2 May 2008

Notes

1. A member who is entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote instead of him or her. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person if they so wish.

2. A reply paid form of proxy is attached at the end of this document. To be valid, the appointment of a proxy must be made in hard copy form and delivered by post or by hand together with the power of attorney (if any) under which it is signed, or a notarially certified copy of such power, to the Company's registrars, Capita Registrars to be received by not later than 10.30 a.m. on 27 May 2008.

3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Capita Registrars on (UK) 0871 664 0300* (Overseas +44 208 639 3399). Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.

3. Pursuant to regulation 41 of the CREST Regulations, the Company has specified that only those Shareholders registered in the Company's register of members at 10.30 a.m. on 27 May 2008 shall be entitled to attend and vote at the meeting in respect of the number of the Company's Shares registered in their name at that time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.

4. As at 1 May 2008 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 42,723,408 ordinary shares, carrying one vote each. Therefore the total voting rights in the Company as at 1 May 2008 are 42,723,408.

5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it he/she may, under any such agreement, have a right to give instructions to the shareholder as the exercise of voting rights.

6. The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 and 2 does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.

7. The Register of Directors' Interests will be available for inspection at the meeting.

8. Each Director has a letter of appointment with the Company, all of which will be available for inspection at the meeting.

** Calls cost 10p per minute plus network extras*

PRIVATE EQUITY INVESTOR PLC ("the Company")

FORM OF PROXY

For use at the Extraordinary General Meeting of the Company to be held at Martineau Johnson, 35 New Bridge Street, London, UK, EC4V 6BW on 29 May 2008.

I/We (Block Capitals please)

.....
ofbeing a shareholder(s)
of the above-named Company, appoint the Chairman of the Meeting or

.....

for the following number of ordinary shares

to act as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at 35 New Bridge Street, London, UK, EC4V 6BW at 10.30 a.m. on Thursday, 29 May 2008 (see note 1 below) and at every adjournment thereof and to vote for me/us on my/our behalf as directed below.

Please indicate with an 'X' if this is one of multiple proxy instructions being given

Please indicate with an 'X' in the space below how you wish you vote to be cast. If no indication is given your proxy will vote for or against the resolution or abstain from voting as he thinks fit.

The proxy is directed to vote as follows:

Resolution	For	Against	Vote Withheld
To approve the cancellation of the share premium account of the Company subject to confirmation of the Court.			

Signed

Dated 2008

Notes

- The notice of the meeting is set out in the circular to shareholders of the Company dated 2 May 2008.
- If any other proxy is preferred, strike out the words "Chairman of the Meeting" and add the name and address of the proxy you wish to appoint and initial the alteration. The proxy need not be a member.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Capita Registrars on (UK) 0871 664 0300* (Overseas +44 208 639 3399). Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope
- Any alterations to the form should be initialled.
- If the appointer is a corporation this form must be completed under its common seal or under the hand of some officer or attorney duly authorised in writing.
- The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
- To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power must reach the registrars of the Company at Capita Registrars, Proxy Dept., Beckenham, Kent, BR3 4TU not less than forty-eight hours before the time appointed for holding the Extraordinary General Meeting or adjournment as the case may be.
- The completion of this form will not preclude a member from attending the Meeting and voting in person.

* Calls cost 10p per minute plus network extras

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Capita Registrars
Proxy Dept.
PO Box 25
Beckenham
Kent
BR3 4BR

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