

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action you should take, it is recommended that you immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, in the case of recipients outside the United Kingdom, your stockbroker, bank manager, solicitor, accountant or other financial adviser.

If you have sold or transferred all your shares in EPE Special Opportunities plc, please forward this document at once, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

EPE SPECIAL OPPORTUNITIES PLC

(a company incorporated in the Isle of Man with registered number 108834C)

Directors:

G O Vero (Chairman)
R B M Quayle
C L Spears
N V Wilson

Registered Office:

IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

27 November 2008

Dear Shareholder,

Recommended proposals to amend the Articles of Association of the Company and satisfy the final dividend in respect of the financial year ended 31 January 2008 by the issue of additional Ordinary Shares of 1p each ('Ordinary Shares').

The Annual Report of the Company in respect of the financial year ended 31 January 2008 proposed a final dividend (the 'Final Dividend') in respect of that year of 3.24p per Ordinary Share and this Final Dividend was approved at the annual general meeting held in July 2008. Given the extraordinary events that have taken place in the financial markets since July, your Board now believes that it is in the Company's best interests to retain the cash that would have been used to pay the Final Dividend for use within the business and instead to satisfy the Final Dividend by the issue of new Ordinary Shares, referred to in this circular as the Scrip Dividend.

Although (as far as the Directors are aware) there is no precedent in Isle of Man law for satisfying a dividend in the manner described below and the proposal is therefore subject to some legal uncertainty, the Directors believe that approval of the Scrip Dividend would be in the best interests of the Company. Since the dividend was declared in July 2008, the financial world has materially changed making third party finance more difficult to obtain. The Company is engaged in financing businesses that have experienced extreme financial and operational difficulties, leading the Company to provide finance. During the current period of unusually tight credit, it is probable that the Company's portfolio companies may find finance harder to access than more established businesses. Lack of finance from third parties and low cash balances at the Company, could lead to portfolio companies enduring working capital issues or an inability to capitalise on development or acquisition opportunities.

Details of the proposed Scrip Dividend

Shareholders whose names appear on the register at the close of business on a revised Record Date of 19 December 2008 would be issued Scrip Dividend Shares in satisfaction of the payment of the Final Dividend, in place of cash.

Shareholders' entitlements to Scrip Dividend Shares would be calculated by dividing the cash amount such holder would have received in respect of the Final Dividend by reference to 35.9 p, being the average of the middle market price for the Ordinary Shares on the AIM Market of the London Stock Exchange ('AIM') for the five dealing days prior to the date of this letter.

Fractional entitlements would be disregarded and the number of Scrip Dividend Shares that a Shareholder would be entitled to would be rounded down to the nearest whole Ordinary Share. Fractional entitlements would not be allotted or sold.

The Scrip Dividend Shares would be allotted shortly following the Extraordinary General Meeting convened for 22 December 2008 and would be expected to be admitted to AIM on 23 December 2008. The Scrip Dividend Shares would rank in full for any dividend or other distribution or other entitlement declared, paid or made by reference to any date after the Record Date and otherwise pari passu in all respects with the fully paid Ordinary Shares in issue on the Record Date.

Shareholders would keep their existing share certificates. New share certificates representing the Scrip Dividend Shares would be sent to Shareholders holding their shares in certificated form on 23 December 2008 and CREST accounts would be credited on the same date.

Shareholders would not need to make any payment for their Scrip Dividend Shares. The Scrip Dividend Shares would be issued credited as fully paid.

Taxation

Shares in a company not tax resident in the United Kingdom that are issued to UK shareholders should not be treated as taxable income for UK tax purposes. Accordingly, UK Shareholders who are individuals who receive the Scrip Dividend should not be assessable for UK income tax on the new shares issued by way of the Scrip Dividend.

A UK shareholder within the charge to corporation tax should not be assessable for UK corporation tax upon issue of the new shares issued by way of the Scrip Dividend.

The new shares should be regarded as having a nil base cost for the purposes of UK taxation of capital gains, and should be treated as having been acquired on the same date as the original shares to which they relate.

Dividends paid by the Company to persons who are not persons resident in the Isle of Man are exempt from all forms of taxation in the Isle of Man.

Amendment to Articles

The proposed Scrip Dividend requires an amendment to the Company's Articles, which do not currently permit the payment of scrip dividends, as set out in the notice of meeting.

Summary of Meeting and Resolutions

Shareholders will find at the end of this document a notice convening the Extraordinary General Meeting. The meeting is convened to be held at the time set out in the notice and will be held at IOMA House, Hope Street, Douglas, Isle of Man.

The following special resolutions will be considered at the Extraordinary General Meeting:

1. A resolution to amend the Articles to allow for the payment of scrip dividends.
2. A resolution to approve the Final Dividend being paid by way of the Scrip Dividend.

Resolution 2 is conditional on the passing of resolution 1.

The quorum for the Extraordinary General Meeting is two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member. On a show of hands, each holder who is present in person or (being a corporation) by a duly authorised representative has one vote. On a poll, each holder who is present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for every Ordinary Share held. In order to be passed, each resolution must be passed by a majority consisting of not less than three-quarters of the total number of votes cast for and against the resolution.

Action to be taken

Shareholders will find enclosed a form of proxy for use at the Extraordinary General Meeting. Whether or not Shareholders propose to attend the Extraordinary General Meeting, they are requested to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible, and in any event, so as to be received by not later than 48 hours before the meeting is held. The completion and return of the proxy form will not prevent Shareholders from attending and voting in person at the Extraordinary General Meeting, should they so wish.

Recommendation

The Directors consider that the proposals to amend the Company's Articles and for the satisfaction of the Final Dividend by way of the Scrip Dividend as set out in this circular are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors of the Company unanimously recommend that Shareholders vote in favour of the resolutions at the Extraordinary General Meeting.

Yours faithfully

Geoffrey Vero
Chairman

EPE SPECIAL OPPORTUNITIES PLC

(a company incorporated in Isle of Man with registered number 108834C)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of EPE Special Opportunities plc (the "Company") will be held on 22 December 2008 at IOMA House, Hope Street, Douglas, Isle of Man at 10.00 am to consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions.

1. That the articles of association of the Company be altered by deleting the present article number 153 and replacing it with the following new article number 153:

"The Board may with the prior authority of an ordinary resolution of the Company and subject to such conditions as the Board may determine, provided that the Company has sufficient unissued shares and undistributed profits or reserves to give effect to it, resolve that holders of Ordinary Shares shall receive Ordinary Shares credited as fully paid, in whole or in part, instead of cash in respect of the whole or some part (to be determined by the Board) of any dividend. The dividend shall not be payable on Ordinary Shares in respect of which such a resolution has been made and instead additional Ordinary Shares shall be allotted to the holders of the Ordinary Shares. For such purpose the Board may capitalise out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determined, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the Ordinary Shares on that basis. A Board resolution capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with article 155 (Capitalisation of reserves) and in relation to any such capitalisation the Board may exercise all the powers conferred on them by article 155 (Capitalisation of reserves) without need of such ordinary resolution."

2. Conditional on the passing of resolution 1, that the satisfaction of the final dividend of the Company for the year ended 31 January 2008 of 3.24p per Ordinary Share of 1p each in the capital of the Company ("Ordinary Shares") by the issue of new Ordinary Shares, as described in the circular issued by the Company dated 27 November 2008, be and is hereby approved.

27 November 2008

Registered Office:

By order of the Board

Philip Scales
Secretary

IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

Notes:

1. Only shareholders of EPE Special Opportunities plc are entitled to attend and vote at this meeting. Any such shareholder is entitled to appoint a proxy (or proxies) to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. Completion and return of a form of proxy will not prevent a shareholder from subsequently attending the Extraordinary General Meeting and voting in person if he/she so wishes.
3. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the Directors), must be deposited with the Company's Registrar, not less than 48 hours before the time for holding the meeting or adjourned meeting.