

13 December 2011

Dear Shareholder

The EPIC Board is pleased to announce that it has successfully completed a transaction whereby all of its shares in Kemble Water International Holdings Limited (the holding company for its indirect investment in Thames Water) have been redeemed for total consideration of £36,636,271 (ex-dividend) prior to deduction of transaction costs and fees.

The Board believes this to be a satisfactory result given current volatility in international financial markets and the economic downturn in the United Kingdom. EPIC purchased its stake in Thames Water for £33 million. The result is also an improvement on the minimum price of £34 million to which shareholders last month granted approval to the Board to proceed towards a transaction.

The proceeds from this transaction is enabling EPIC to repay in full its debt facilities with National Australia Bank (including Pyne Gould Corporation's sub-participation). The Board is also currently finalising arrangements to repay in full the total debt owing to Torchlight Fund No. 1 LP.

Having achieved this transaction, the Board will now carefully consider the next steps for EPIC with an aim to maximising value for shareholders. Meanwhile we are taking an active role in managing EPIC's remaining significant investment in Moto.

On behalf of the Board, I thank shareholders for the patience you have shown over the past 16 months. We will continue to keep you apprised of developments and progress.

Yours sincerely



Margaret Devlin
Chairman, EPIC