

To: All Known Creditors

7 August 2012

Our Ref: ML7E/SJ/MC/ARB

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Dear Sirs

TXU Europe Group plc (in liquidation and subject to a company voluntary arrangement) ("TXUEG")

Re: notice of liquidation and proposed payment to The Energy Group Limited ("TEG") (in administration and subject to a company voluntary arrangement) pursuant to the TXUEG Company Voluntary Arrangement issued 10 January 2005 ("CVA")

I refer to the CVA and write to you on behalf of the Joint Liquidators (the "Office Holders") of TXUEG.

Notice of liquidation

Further to the final report of the administration of TXUEG dated 30 April 2012, the Joint Administrators of TXUEG made an application to Court to place TXUEG into liquidation and for the appointment of myself and Roy Bailey of Ernst & Young LLP as Joint Liquidators of TXUEG for the primary purpose of making a further application to Court for an order for authority under section 154 of the Insolvency Act 1986 (the "Act") to make a return of capital to TEG in furtherance of the intended and agreed purpose of the CVA.

On 6 August 2012 the Court ordered that (in summary):

1. the administration order be discharged and the Joint Administrators be released and discharged from all liability in respect of their acts and omissions as Joint Administrators of TXUEG, such release to take effect 28 days after the Joint Administrators file their final receipts and payment accounts in accordance with rule 2.52 of the Insolvency Rules 1986 (the "Rules"), save in respect of claims made against them by that date;
2. TXUEG be wound up by the Court under the provisions of the Act and myself and Roy Bailey of Ernst & Young LLP be appointed as Joint Liquidators of TXUEG pursuant to section 140 of the Act; and
3. TXUEG's Joint Liquidators be authorised under section 154 of the Act and rule 4.221 of the Rules to make a return of capital to TEG in the amount of (a) £122,180,174 (plus any interest accrued thereon) and (b) any subsequent amounts which are received by the TXUEG under or in connection with the CVA.



INVESTOR IN PEOPLE

The impact of the liquidation on the CVA

Clause 36.3 of the CVA provides that, unless previously terminated, the CVA shall continue even if TXUEG goes into liquidation. Therefore, TXUEG's CVA creditors ("CVA Creditors") continue to be bound by the terms of the CVA.

Accordingly, the Office Holders believe that, under the terms of the CVA and in the circumstances that have arisen, you are not entitled to any payment or distribution out of TXUEG's liquidation because:

1. you have been paid 100p in the pound on your Allowed CVA Claim(s) in the CVA; and
2. in accordance with Clause 24.3 of the CVA, no interest is required to be paid to any CVA Creditor unless all of the CVA Creditors of all of the CVA Companies have been paid the principal amount of their claims in full and, as number of the CVA Companies have paid (or are in a position to pay) less than 50p in the pound, there is no realistic prospect of future realisations being made sufficient to enable the principal amounts of the claims of their CVA Creditors to be paid in full - as such, you are not entitled to claim for unpaid interest on your Allowed CVA Claim(s).

However, if you consider that you have a claim in the liquidation which is not caught by the CVA then you must submit a claim to the joint liquidators within 28 days of the date of this letter by completing the enclosed Proof of Debt form and submitting it to us at the above address.

If you have any queries on the contents of this letter please contact either Matthew Coomber on +44 (0) 20 7951 2771 or Sian Jones on +44 (0) 20 7951 1063.

Yours faithfully
for and on behalf of
TXU Europe Group plc (in liquidation and subject to a company voluntary arrangement)



AR Bloom
Joint Liquidator

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Alan Robert Bloom is licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants of England and Wales and Roy Bailey is licensed in the United Kingdom to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants.

The joint liquidators act without personal liability.