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If you have sold or otherwise transferred all of your Ordinary Shares or ZDP Shares please send this document and the accompanying Form(s) of Proxy, Form(s) of Instruction or Form(s) of Direction (as appropriate) as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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UTILICO LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with registered number 39480)

UTILICO FINANCE LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with registered number 39479)

Recommended proposals for amendments to the investment policy, the acquisition of the assets of Eclectic Investment Company plc, the acquisition of certain assets from General Provincial Life Pension Fund (L) Limited, cancellation of share premium account, increase of authorised share capital and change of name to Utilico Investments Limited

and

Notice of Special General Meeting of Utilico Limited and separate Class Meetings of the holders of ZDP Shares of Utilico Finance Limited

Notice of a Special General Meeting of the Company to be held at 10.00 a.m. (Bermuda time) on 7 January 2011 is set out at the end of this document. Notices of separate Class Meetings of Utilico Finance Limited for each class of ZDP Share on the same day are also set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the Resolutions to be proposed at the Special General Meeting and the approval by each class of ZDP Shareholders of the Resolutions to be proposed at the separate Class Meetings. Shareholders and ZDP Shareholders are requested to complete and return their Form of Proxy, Form of Instruction or Form of Direction (as appropriate) accompanying this document for the Special General Meeting and/or the separate Class Meetings as soon as possible.

To be valid, a Form of Proxy for use at the Special General Meeting or at a separate Class Meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the Special General Meeting or the separate Class Meeting. In view of this requirement, investors holding Ordinary Shares in the Company or ZDP Shares in Utilico Finance Limited through Depositary Interests in uncertificated form should ensure that Forms of Instruction are returned to the Depositary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 2.00 p.m. (London time) (10.00 a.m. Bermuda time) on 5 January 2011. Share Plan Participants should ensure that Forms of Direction are returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 2.00 p.m. (London time) (10.00 a.m. Bermuda time) on 4 January 2011.

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EXPECTED TIMETABLE

<i>Event</i>	<i>2011</i>
Latest time and date for receipt of Forms of Direction from Savings Plan Participants	2.00 p.m. on 4 January
Latest time and date for receipt of Forms of Instruction from holders of Depositary Interests	2.00 p.m. on 4 January
Latest time and date for receipt of Forms of Proxy	2.00 p.m. on 5 January
Latest time and date for receipt of Election Forms from Eclectic Shareholders under the Scheme	12.00 noon on 5 January
Calculation Date	Close of business on 5 January
Special General Meeting	10.00 a.m. (Bermuda time) on 7 January
2012 ZDP Class Meeting	10.05 a.m. (Bermuda time) on 7 January (or as soon as practicable thereafter as the SGM has concluded or been adjourned)
2014 ZDP Class Meeting	10.10 a.m. (Bermuda time) on 7 January (or as soon as practicable thereafter as the 2012 ZDP Class Meeting has concluded or been adjourned)
2016 ZDP Class Meeting	10.15 a.m. (Bermuda time) on 7 January (or as soon as practicable thereafter as the 2014 ZDP Class Meeting has concluded or been adjourned)
First Eclectic GM	12.00 noon on 7 January
Announcement of results of the First Eclectic GM, the SGM and the Class Meetings	7 January
Second Eclectic GM	12.00 noon on 17 January
Announcement of results of Proposals	17 January
Effective Date of the GPLPF Subscription, the Scheme and Eclectic in liquidation	17 January
Admission and dealings in respect of the New Utilico Shares commence	8.00 a.m. on 18 January
CREST accounts credited in respect of Depositary Interests for New Utilico Shares in uncertificated form	18 January
Certificates for New Utilico Shares in certificated form despatched	on or as soon as practicable after 18 January
Cheques expected to be despatched and CREST payments made to Eclectic Shareholders in respect of the Cash Option	on or as soon as practicable after 18 January

Notes:

- (i) The dates set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates will be notified to the UK Listing Authority and the London Stock Exchange, and an announcement will be made through a Regulatory Information Service.
- (ii) All references to time in this document are to London time, except for the time of the Meetings, which are references to Bermuda time.

RISK FACTORS

The risk factors set out below are those which are considered by the Directors to be material to the Proposals and the Group as at the date of this document and which the Directors believe Shareholders and ZDP Shareholders should consider prior to deciding how to cast their votes at the Special General Meeting or the Class Meetings but are not the only risks in relation to the Proposals and the Group. Additional risks and uncertainties relating to the Group and/or the Proposals that are not currently known to the Directors or that the Directors do not currently consider to be material may also have a material adverse effect on the Group and the market price of the Ordinary Shares and the ZDP Shares. Shareholders and ZDP Shareholders who are in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser without delay.

Utilico Shares

The value of Utilico Shares can go down as well as up. The market price of Utilico Shares may not fully reflect their underlying Net Asset Value.

The Group's capital structure is such that the underlying value of assets attributable to the Utilico Shares will be geared on the performance of Utilico's assets relative to the rising capital entitlements of the ZDP Shares and the amount of the Group's borrowings. The Utilico Shares are therefore geared by any bank finance provided to the Group and by the ZDP Shares. A positive Net Asset Value for Utilico Shareholders is dependent upon Utilico's assets being sufficient to meet these prior entitlements and all other liabilities of Utilico.

Utilico Shares rank for repayment of capital after any bank finance provided to the Group, all other liabilities of the Group and, save in respect of the Winding-Up Revenue Profits, after the ZDP Shares.

Dividends on the Utilico Shares will depend on dividends or other income returns on Utilico's portfolio, which may reduce. The income derived from Utilico Shares (if any) can go down as well as up. If the Share Premium Cancellation does not take place Utilico will be unable to pay any dividends until the deficit in its capital reserves has been eliminated. There is no guarantee as to when, if at all, this will occur.

Risks relating to the Proposals

The Proposals are subject to the satisfaction of a number of conditions

The implementation of the Scheme is subject to a number of conditions, details of which are set out in Part 3 of this document, and there is no certainty that the Scheme will become effective. In particular, the implementation of the Scheme is conditional upon the Eclectic Resolutions being passed at the First Eclectic GM and the Second Eclectic GM and all the Resolutions being passed at the SGM and at each of the Class Meetings. In the event that any of the Eclectic Resolutions, and/or any of the Resolutions are not passed, or any other condition of the Scheme is not met, the Scheme will not be implemented.

Under the UK Insolvency Act 1986, if an Eclectic Shareholder does not vote in favour of the Eclectic Resolution at the First Eclectic GM he will have the right to dissent from the Scheme pursuant to section 111 of the Insolvency Act. If an Eclectic Shareholder does dissent from the Scheme he will be entitled to have his Eclectic Shares acquired by the Liquidators for a price to be determined by agreement or arbitration. This would require the Liquidators to retain additional sums in the Liquidation Fund to pay for the dissenter's Eclectic Shares and, potentially, all or part of the costs of any arbitration.

The implementation of the Proposals is also subject to a number of conditions, details of which are set out in Part 3 of this document, and there is no certainty that any element of the Proposals will become effective.

Issue of New Utilico Shares to Eclectic Shareholders

New Utilico Shares will be issued to Eclectic Shareholders who elect to receive Utilico Shares under the Scheme on the basis of the respective adjusted net asset values of each company calculated as at the Calculation Date, further details of which are set out in the section entitled "Valuations for the Scheme" in Part 1 of this document. The Eclectic FAV per Share and the Utilico FAV per Share, and the valuations

of the respective investment portfolios, will depend on the performance of Eclectic's and Utilico's assets respectively and may vary between the Calculation Date and the Effective Date. The values used for the implementation of the Proposals may be lower or higher than the illustrative figures in this document.

The GPLPF Subscription and Resolute Mining Limited

Utilico currently has an interest in 25,000,000 ordinary shares, 60,011,871 convertible loan notes, 16,150,491 listed options and 2,250,000 unlisted options in Resolute. Eclectic currently has an interest in 500,000 ordinary shares and, 5,711,667 convertible loan notes in Resolute. The assets to be transferred to the Company pursuant to the GPLPF Subscription consist of 19,965,369 ordinary shares in Resolute.

If both the Scheme and the GPLPF Subscription proceed, the Company would have an interest in 19.6 per cent. of Resolute's fully diluted share capital, which would represent 22.5 per cent. of the Company's Gross Assets immediately following the completion of the Proposals (based on the valuation of the Company's and Eclectic's portfolios as at 30 November 2010 and assuming that all Eclectic Shareholders (other than those who have given irrevocable undertakings to elect for New Utilico Shares) elect or are deemed to elect for the Cash Option in respect of all their Eclectic Shares). As a result of this weighting towards Resolute, if the Company's investment in Resolute were to perform badly, it would have a material adverse effect on the Company as a whole.

The issue of New Utilico Shares pursuant to the Scheme and the GPLPF Subscription

The issue of New Utilico Shares pursuant to the Scheme and the GPLPF Subscription will lead to a dilution in the voting rights of existing Shareholders. Based on the estimates and assumptions set out in this document, the voting rights of an existing Shareholder will be diluted by 14.0 per cent., if both transactions are implemented.

The New Utilico Shares issued pursuant to the GPLPF Subscription will be issued at the Utilico FAV per Share calculated as at the Calculation Date. The New Utilico Shares issued pursuant to the Scheme will be issued at the Utilico FAV per Share, which will reflect the costs of the Proposals. This will therefore result in a small dilution to the Net Asset Value per Utilico Share.

Risks relating to the proposed new investment policy

The Company's current investment policy is focussed on utilities and related industries. If the proposed new investment policy is adopted, the Company's investment policy will be broader in scope and will permit investment in the securities of companies in specialist sectors, smaller and/or unquoted companies that can involve greater risk than is customarily associated with investment in larger, more established companies. It may be difficult to value or realise investments in such companies as they are often less liquid and potentially subject to a greater degree of price fluctuation. Any factor which would make it more difficult to buy or sell investments may have an adverse effect on the profitability of the Company. Even successful investments made by the Company may be illiquid for prolonged periods of time. Proper information for determining the value of such securities or the risks to which they are exposed may also not be readily available.

The past performance of the Company, Eclectic and other investment companies managed or advised by the Manager, Ingot or their respective affiliates is not a guide to the future performance of the Company, whether or not the new investment policy is adopted.

Debt instruments held by the Company will be affected by general changes in interest rates that will result in increases and decreases in the market value of those instruments. Debt instruments will also be subject to credit or default risks associated with such assets.

Changes in economic conditions (including, for example, interest rates and rates of inflation), industry conditions, competition, changes in the law, political and diplomatic events and trends, tax laws and other factors can substantially affect the value of investments, either adversely or favourably, and therefore the Company's performance and prospects.

The Company may invest in derivatives, financial instruments, money market instruments and currencies for the purpose of efficient portfolio management, in order to reduce, transfer or eliminate investment risk in the Company's investments. There may not be a price correlation between price movements in the underlying securities, currency or index, on the one hand, and price movements in the investments which are the subject of the hedge, on the other hand, leading to losses due to the Company's hedging strategy. In addition, an active market may not exist for a particular derivative instrument at any particular time, meaning that the Company is unable to hedge against a particular risk.

A proportion of the Company's portfolio may be held in cash from time to time. Such proportion of the Company's assets will be out of the market and will not benefit from positive stock market movements.

The success of the investment strategies followed by the Manager depends upon the Manager's success at correctly interpreting market data. No assurance can be given that the strategies to be used will be successful under all or any market conditions.

The performance of the Company's investment programme depends to a great extent on correct assessments of the future course of price movements of securities and other investments selected by the Manager. There can be no assurance that the Manager will be able to accurately predict these price movements. With respect to the investment strategies utilised by the Manager, there is always some, and occasionally a significant, degree of market risk.

The Company may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganisations, bankruptcies and similar transactions. There exists the risk that the transaction in which such business enterprise is involved will be unsuccessful, take considerable time, or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Company may be required to sell its investment at a loss. Because there may be uncertainty concerning the outcome of transactions involving financially troubled companies in which the Company may invest, there is a potential risk of loss by the Company of its entire investment in such companies.

Borrowings

Utilico uses gearing. Gearing can be employed in a variety of ways, including direct borrowing, buying securities on margin and the use of futures, warrants, options and other derivative products. Generally, gearing is used to increase the overall level of investment in a portfolio. Higher investment levels may offer the potential for higher returns. This exposes investors to increased risk as gearing can increase the portfolio's market exposure and volatility. In particular, whilst the use of borrowings should enhance the total return on the Utilico Shares where the return on Utilico's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Utilico Shares. Furthermore, should any fall in the underlying asset value result in Utilico breaching financial covenants contained in any loan facilities, it may be required to repay such borrowings in whole or in part together with any attendant costs. Such a requirement could result in Utilico being forced to sell investments at lower prices than would normally be obtained. This could adversely affect the capital and income returns to Shareholders.

Utilico's existing £30m facility becomes repayable on 31 March 2011. Whilst it is the Board's current intention to refinance the facility, there can be no guarantee that the Company will be able to do so. If the Company does not refinance the facility, it will need to realise part of its investment portfolio to fund the repayment. The Board is confident that sufficient assets could be realised at short notice to pay off this facility.

In addition to gearing employed through the methods described in the paragraph above, the Utilico Shares are geared by virtue of the ZDP Shares, as described above under the heading "Utilico Shares".

Dilution

The Company has a number of Warrants in issue. Exercise of all the Warrants currently outstanding would result in the issue of new Ordinary Shares representing approximately 4.5 per cent. of the Company's current issued ordinary share capital. On each occasion that Warrants are exercised this will dilute the shareholdings of Shareholders.

If the NAV per Ordinary Share at the time of exercise of the Warrants exceeds the applicable exercise price, the issue of the Ordinary Shares upon such exercise will also have a dilutive effect on the NAV per Ordinary Share. The extent of such dilution will depend on the number of Warrants that are exercised on each occasion and the difference between the exercise price and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Warrants. The perceived risk of dilution may cause the market price of the Ordinary Shares to reflect a lesser sensitivity to increases in the Net Asset Value per Ordinary Share than might otherwise be expected.

No Takeover Protection

Utilico is incorporated in Bermuda and is managed and controlled outside the UK. For those reasons the City Code does not apply to Utilico. It is emphasised that, although the Utilico Shares are admitted to the Official List and are traded on the main market for listed securities of the London Stock Exchange, Utilico is not subject to takeover regulation in the UK. It follows that Shareholders are not entitled to the protections afforded by the City Code, and there are no similar protections under Bermuda law. In particular, it will be possible for an individual investor or a group of investors acting in concert to acquire Utilico Shares representing 30 per cent. or more of the issued share capital of Utilico or to exercise control over Utilico's affairs without being under an obligation to make an offer to acquire the Utilico Shares not owned by them, as would be required by Rule 9 of the City Code.

As at 30 November 2010, the shareholding of GPLPF represented 52.6 per cent. of the voting rights exercisable on a poll at a general meeting of Utilico. Following the Proposals it is expected that GPLPF and NLPL, which are associated parties as they have the same ultimate beneficial owner, will hold between them more than 50 per cent. of Utilico's issued share capital.

PART 1

LETTER FROM THE CHAIRMAN

UTILICO LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39480)

UTILICO FINANCE LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39479)

Directors:

Michael Collier (*Chairman*)
Susan Hansen
Warren McLeland
Eric Stobart
Roger Urwin

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

6 December 2010

To the holders of Ordinary Shares, ZDP Shares and Depositary Interests and, for information only, to Warrantholders.

Recommended proposals for amendments to Utilico's investment policy, the acquisition of the assets of Eclectic Investment Company plc, the acquisition of certain assets from General Provincial Life Pension Fund (L) Limited, cancellation of share premium account, increase of authorised share capital, change of name to Utilico Investments Limited and notice of a Special General Meeting of the Company and Class Meetings of Utilico Finance Limited.

Introduction

I am writing to explain our proposals for a change in Utilico's investment policy and to seek your approval for this and other associated matters. As these include class I transactions with related parties under the Listing Rules, to effect these proposals the consent of Shareholders is required pursuant to the Listing Rules and the Bermuda Companies Act. Your Board has concluded that the current investment policy, restricted predominantly to the infrastructure and utilities sectors, no longer offers long term attractions for Shareholders. This has arisen as a result of a number of changes to these sectors over recent years, as described below.

The Board is therefore proposing a new investment objective and policy that will allow the Company to invest across all sectors and markets. To reflect these changes it is also proposed that Utilico will change its name to Utilico Investments Limited.

The change in the Company's investment policy would give rise to a potential conflict for Utilico's manager, ICM, as Ingot, Utilico's former manager and an affiliate of ICM, manages Eclectic Investment Company plc, which has a similar investment mandate. As Eclectic's investment portfolio contains a number of attractive assets that would comply with Utilico's proposed new investment policy, the Board considers that the most appropriate way to resolve this potential conflict, as well as allowing Utilico to acquire an attractive and diversified portfolio of assets, is for the Company to acquire Eclectic's investment portfolio through a scheme of reconstruction and winding up of Eclectic. This would also lead to potential efficiency savings as the asset base of the Company would increase by the value of the assets acquired. Pursuant to the Scheme, Utilico will acquire all of Eclectic's investment portfolio in consideration for a cash payment to Eclectic and the issue of New Utilico Shares to certain Eclectic Shareholders. As a result of this transaction, Utilico's Gross Assets will increase by approximately £14.0 million.

It is also proposed that Utilico acquires 19,965,369 Resolute ordinary shares from GPLPF (having a value, based on their closing bid price on 30 November 2010 and a A\$/sterling exchange rate of 1.6238 on that date, of £15 million) in exchange for New Utilico Shares. The Board and the Manager believe that Resolute is an attractive investment and that it is advantageous to the Company to take this opportunity to increase its holding in this company. This also has the benefit of increasing Utilico's asset base further, which is particularly positive for ZDP Shareholders as it will provide additional ZDP Cover. The New Utilico Shares will be issued to GPLPF at the Utilico FAV per Share as at the Calculation Date with the Resolute ordinary shares being acquired being valued at their closing mid-market value on the same day translated into sterling at the prevailing A\$/sterling exchange rate.

Applications will be made for the New Utilico Shares to be admitted to a premium listing on the Official List and to trading on the main market for listed securities of the London Stock Exchange. The New Utilico Shares will be issued in registered form and may be held either in certificated form or as depositary interests in uncertificated form and settled through CREST. The New Utilico Shares will be transferable and will rank *pari passu* in all respects with each other and the existing Utilico Shares save in respect of any distribution made or declared on the existing Utilico Shares prior to the Effective Date.

As previously announced to the market, despite having positive revenue earnings in addition to revenue reserves, under Bermuda law, Utilico has been unable to pay a dividend to Shareholders as a result of having negative capital reserves since March 2008. Whilst the bonus issue mechanism used in April this year allowed for some profits representing income to be returned to Shareholders, your Board believes that a more permanent solution is needed. To this end, the Company is proposing to cancel the amount standing to the credit of the Company's share premium account as at the date of this document, which will allow it to resume dividend payments. Any such dividends will only be paid out of existing and future revenue profits, which will ensure that the interests of ZDP Shareholders are not prejudiced thereby, and will be made in accordance with Bermuda law.

Finally, it is necessary to increase the authorised share capital of the Company to create sufficient additional New Utilico Shares to implement the Proposals, whilst leaving a degree of headroom for the future.

Your Board strongly believes that Utilico will emerge stronger following the implementation of the Proposals and that this will be in the best interests of Shareholders and ZDP Shareholders as whole. This document contains further details on the Proposals, gives you details of the action you should take and explains why the Board are recommending that you vote in favour of all of the Resolutions to be proposed at the SGM and the Class Meetings.

Investment objective and policy

Background to change of investment objective and policy

The Board and ICM have reviewed and discussed at length the merits of the current investment policy. This review concluded that the infrastructure and utilities sectors in emerging markets remain attractive. However, in developed markets this is not the case and in such markets these asset classes face a number of challenges, namely the following:

- Low growth. GDP growth in certain developed markets is likely to be depressed for a number of years. This arises from various factors, including declining populations, ageing populations and significant capital requirements to reduce both personal and sovereign debt levels exacerbated by current financial market pressures.
- High debt. A number of utility and infrastructure investment opportunities require significant debt finance. The ability to roll this debt over into the next cycle will be challenging given the increased margin and asset cover requirements that many lenders have imposed following the recent credit crisis. Further, many lenders are likely to need to reduce their loan books to meet regulatory requirements and reduce risk. This poses an additional risk to equity investors.

- Uncertain political environment. Governments are under severe constraints to redress sovereign debt concerns. In Europe this is being met by the imposition of severe austerity measures in a number of countries, which is likely to result in a reduction in government spending on infrastructure and related projects, and an increase in protectionist tax and regulation. This was illustrated by the Spanish response to the solar industry where the Spanish Government has unilaterally reduced the feed-in tariffs for new solar energy projects and has publicly considered that this decision should have retrospective effect.
- Smaller investment universe. The strength of Utilico's manager, ICM, has been in exploiting quoted investments and ICM's investment team is structured to focus on this. However, the pool of listed utility and infrastructure investments in the developed markets has reduced significantly in recent times. In the UK, a number of utility and infrastructure companies have been taken private, including BAA and many of the water and power generation and supply companies. The reduced pool of listed investments limits ICM's investment flexibility. While there is a requirement for significant investment in this sector the Board believes that this is likely to be through public private finance initiatives or in the private equity arena, which is not ICM's core strength.

The Board is therefore proposing a new investment objective and a new investment policy, which will allow the Company to invest across all sectors and markets. This will position Utilico as an absolute return fund, utilising strengths in infrastructure and utilities investment as well as in the wider market. The Board expects the investment outlook to change as the world's economies are rebalanced and that the wider flexibility offered by the new investment policy will be beneficial to Utilico's Shareholders and indirectly ZDP Shareholders.

Proposed new investment objective and investment policy

If all of the Resolutions and the Eclectic Resolutions are passed by the requisite majorities, the Company's new investment objective and investment policy will be as follows:

Proposed investment objective

Utilico's investment objective will be to maximise shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price.

Proposed investment policy

Utilico will seek to invest in undervalued investments and under its proposed investment policy will have the flexibility to make investments in a wide range of sectors and markets worldwide.

The Company will identify and invest in opportunities where the underlying value is not reflected in the market price. This perceived undervaluation may arise from any number of factors including technological, market motivation, prospective financial engineering opportunities, competition or shareholder apathy.

In the short to medium term it is anticipated that the Company will continue to have a significant proportion of its Gross Assets invested in developed markets in existing utilities and related stocks, including (but not limited to) water and sewerage companies, waste, electricity, gas, telecommunications, ports, airports, service companies, rail, roads, any business with essential service or monopolistic characteristics and in any new utilities which may arise. The Company may also invest this segment of its portfolio in businesses which supply services to or otherwise support the utilities and related sectors.

Subject to compliance with the Listing Rules in force from time to time, Utilico may invest in other investment funds or vehicles, including any managed by the Manager, where such investment would be complementary to the Company's investment objectives and policy.

The Company will continue to have the flexibility to invest in any instrument appropriate to the particular opportunity under consideration, including shares, bonds, convertibles, options, warrants, futures and debt securities and to invest in unlisted securities. The Company may use derivative instruments for the purposes of efficient portfolio management and to obtain investment exposure, such as contracts for difference, financial futures, call and put options and warrants. The Company may from

time to time seek to actively protect the Company's portfolio and balance sheet from major market corrections. This may include foreign currency hedges, interest rate hedges, stock market index options and similar instruments.

The Company will have the flexibility to invest in markets worldwide although investments in the utilities and infrastructure sectors will principally be made in the developed markets of Australasia, Western Europe and North America, as Utilico's exposure to the emerging markets utilities and infrastructure sectors will primarily be through its holding in Utilico Emerging Markets Limited. Utilico will have the flexibility to invest directly in these sectors in emerging markets with the prior agreement of Utilico Emerging Markets Limited.

The Company believes it is appropriate to support investee companies with their capital requirements while at the same time maintaining an active and constructive shareholder approach through encouraging the organisation of capital structure and business efficiencies. The Manager's investment team will maintain regular contact with investee companies and Utilico may often be among the largest shareholders. There are no limits on the proportion of an investee company that Utilico may hold and Utilico may take legal or management control of a company from time to time.

The Company aims to maximise value for Shareholders through a relatively concentrated portfolio of investments. There will be no fixed limits on the allocation of investments between sectors and markets, however the following investment limits will apply:

- investments in unlisted companies will, in aggregate, not exceed 20 per cent. of the Gross Assets at the time that any new investment is made; and
- no single investment will exceed 30 per cent. of Gross Assets at the time such investment is made, save that this limit shall not prevent the exercise of any warrants, options or similar convertible instruments acquired prior to the relevant investment reaching the 30 per cent. limit.

Under the Bye-laws, the Group is permitted to borrow an aggregate amount equal to 100 per cent. of the Group's Gross Assets. Borrowings will be drawn down in any currency appropriate for the portfolio.

As required by the Listing Rules, there will be no material change to the investment policy without prior approval of Shareholders. Any such change would also require the consent of ZDP Shareholders in accordance with the Subscription Agreement.

The Scheme

The Board announced today that it has reached agreement with Eclectic Investment Company plc to acquire the investment portfolio of Eclectic through the Scheme.

The Scheme will result in Eclectic Shareholders who elect to do so receiving New Utilico Shares, valued at the Utilico FAV per Share as at the Calculation Date, issued by the Company in exchange for the transfer to the Company of certain investments held by Eclectic. The Scheme will also provide for Eclectic Shareholders who do not elect for New Utilico Shares to receive a cash exit in respect of their investment in Eclectic equal to 95 per cent. of the Eclectic FAV per Share as at the Calculation Date. Eclectic Shareholders who do not make an election under the Scheme will be deemed to have elected for the Cash Option. In order to provide sufficient cash to fund the Cash Option and the costs of Eclectic's liquidation, Utilico has agreed to purchase certain assets from Eclectic shortly before the Scheme becomes effective pursuant to the Sale and Purchase Agreement. The Scheme is subject to a number of conditions, details of which are set out below and in Part 3 of this document.

Eclectic is an investment company with a broad investment policy, which permits Eclectic to make investments worldwide across all sectors and in a variety of financial instruments without having to focus on any country, sector or industry. As at 30 November 2010 (being the latest practicable date prior to the publication of this document), Eclectic had unaudited net assets of £19.3 million. The ten largest investments in Eclectic's portfolio, constituted 86.0 per cent. of the portfolio. Further information about Eclectic is set out in Part 2 of this document.

The majority of the assets of Eclectic to be acquired by the Company pursuant to the Scheme would fall outside the scope of the Company's existing investment policy. The Scheme is therefore conditional, *inter alia*, on the amendment of the Company's investment policy.

The Scheme will not result in any changes to the Company's management arrangements or the management and performance fees currently payable by Utilico to ICM.

The majority shareholder in Eclectic, NLPL, is controlled by the ultimate beneficial owner of GPLPF, the majority shareholder in Utilico. This means that Eclectic is a related party of Utilico for the purposes of the Listing Rules. As a result, the entry into the Transfer Agreement and the Sale and Purchase Agreement pursuant to the Scheme constitute related party transactions for Utilico, which must be approved by the Utilico Shareholders, excluding GPLPF and any of its associates.

An irrevocable undertaking to vote in favour of the Resolution to approve the Scheme and the Sale and Purchase Agreement has been received in respect of 10,452,260 Ordinary Shares in aggregate, as described below.

The Scheme is conditional, *inter alia*, on the approval of Eclectic Shareholders at two separate general meetings.

Benefits of the Scheme

The Board believes that the Scheme represents a good opportunity for the Company to attract new shareholders and to increase the size of the Company. The main benefits of the Scheme for Shareholders and ZDP Shareholders are that:

- the Company will acquire a portfolio of assets which are, in the Manager's opinion, attractive investments;
- Eclectic will cease to exist, which will eliminate a potential source of conflict of interest for ICM and Ingot as affiliates and investment managers of two funds with similar investment policies;
- the Company's asset base will increase, which should have a beneficial effect on the Company's total expense ratio; and
- ZDP Cover will be improved through the increase in the Company's Gross Assets.

Valuations for the Scheme

New Utilico Shares will be issued to Eclectic Shareholders who elect to receive New Utilico Shares under the Scheme on the basis of the Eclectic FAV per Share and the Utilico FAV per Share as at the Calculation Date. The Eclectic FAV and the Utilico FAV will be based on the net asset values of Eclectic and Utilico as calculated in accordance with their normal accounting policies (which are substantially similar) but adjusted as follows:

- by deducting from the net asset value of Eclectic (i) all known costs of the Scheme and of its liquidation incurred or to be incurred by Eclectic and all other known liabilities of Eclectic and (ii) the Liquidators' retention (expected to be £50,000) to cover unknown liabilities; and
- by deducting from the Net Asset Value of Utilico all known costs of the Proposals incurred or to be incurred by Utilico.

Illustrative financial effects of the Scheme

For illustrative purposes only, if the Scheme had become effective at close of business on 30 November 2010 (being the latest practicable date prior to the publication of this document) and based on the assumptions set out below, the Eclectic FAV per Share would have been 107.66 pence and the Utilico FAV per Share would have been 204.31 pence. Based on the assumptions set out below, an Eclectic Shareholder would receive approximately 0.526 New Utilico Shares in respect of each Eclectic Share held.

On this basis, an Eclectic Shareholder would receive New Utilico Shares with an aggregate market price of £798.21 for every 1,000 Eclectic Shares held, which have an aggregate market price of £855.00, based on the closing share price of an Eclectic Share as at 30 November 2010. On this basis, Utilico would issue up to 6,668,737 New Utilico Shares, representing 7.7 per cent. of the existing issued Ordinary Shares.

It should be noted that these figures are given for illustrative purposes only and should not be regarded as a forecast of the actual Eclectic FAV per Share or the actual Utilico FAV per Share to be calculated on the Calculation Date.

Assumptions

1. As at close of business on 30 November 2010, the middle market share price of an Eclectic Share was 85.5 pence and of a Utilico Share was 151.75 pence;
2. As at close of business on 30 November 2010, the unaudited NAV per Eclectic Share and the unaudited Eclectic FAV per Share were 109.51 pence and 107.66 pence respectively;
3. As at close of business on 30 November 2010, the unaudited NAV per Utilico Share and the unaudited Utilico FAV per Share were 205.03 pence and 204.31 pence respectively;
4. Shareholders holding 71.83 per cent. of the Eclectic Shares validly elect for New Utilico Shares in respect of their entire holdings (being those who have given irrevocable undertakings to roll-over their investment);
5. Current period revenue reserves are included within the relevant NAV calculations;
6. Eclectic's total costs in implementing the Proposals are £275,000;
7. The retention proposed by the Liquidators to cover unknown liabilities of Eclectic is £50,000;
8. Utilico's total costs in implementing the Scheme and associated matters are £625,000;
9. Completion of the Proposals as described herein; and
10. No accounts of the Warrants is taken in calculating the Utilico FAV per share.

The Cash Option

Under the Cash Option, Eclectic Shareholders may elect to dispose of some or all of their Eclectic Shares for cash equivalent to 95 per cent. of the Eclectic FAV per Share. Based upon the illustrative ratio given above this would represent a premium of 19.6 per cent. to the closing share price of an Eclectic Share as at 30 November 2010. If no form of election is received by Eclectic, the relevant Eclectic Shareholder will be deemed to have elected for the Cash Option in respect of their entire holding of Eclectic Shares.

Eclectic Shareholders who are resident outside the United Kingdom, the Channel Islands and the Isle of Man will be deemed to have elected for the Cash Option under the Scheme. This is subject to the discretion of the Independent Directors and the Independent Eclectic Directors to allow such Eclectic Shareholders to elect for New Utilico Shares provided that the Independent Directors and the Independent Eclectic Directors are satisfied that such Eclectic Shareholders can be issued New Utilico Shares without breaching any relevant securities laws or regulations and without the need for compliance on the part of Utilico or Eclectic with any overseas laws, regulations, filing requirements or the like.

Funding the Cash Option

The beneficial holders of 71.83 per cent. of the Eclectic Shares have irrevocably undertaken to elect for New Utilico Shares under the Scheme. If all other Eclectic Shareholders elect, or are deemed to elect, for the Cash Option, the maximum aggregate cash required by Eclectic to satisfy those elections would be approximately £5.1 million, based upon 95 per cent. of the illustrative Eclectic FAV per Share shown above. In order to ensure that Eclectic has sufficient cash to meet those elections and other liabilities, Utilico has agreed to enter into the Sale and Purchase Agreement shortly before the Second Eclectic GM. Under the Sale and Purchase Agreement, Utilico will purchase certain investments from Eclectic (valued as at the Calculation Date in the same manner as if they would be transferred pursuant to the Scheme) in consideration for a cash payment. These assets will be investments within Utilico's current investment policy. The amount of assets sold to Utilico under the Sale and Purchase Agreement will depend on elections received under the Scheme and Eclectic's other cash requirements and cannot, therefore, be determined at this time. The Sale and Purchase Agreement is not conditional upon the completion of the Scheme.

Information on Resolute and the GPLPF Subscription

As part of the Proposals, GPLPF has agreed, subject to Shareholder approval, to subscribe for New Utilico Shares in consideration for the acquisition by Utilico, in accordance with Utilico's proposed investment policy of 19,965,369 Resolute ordinary shares (having a value, based on their closing bid price on 30 November 2010 and a A\$/£ sterling exchange rate on that date of 1.6238, of £15 million).

Resolute is incorporated in Western Australia and has its registered office at 4th Floor, The BGC Centre, 28 The Esplanade, Perth, Western Australia 6000. Resolute is a developer and operator of gold projects, with operations in Africa, principally in Mali and Tanzania, and in Australia. Its ordinary shares, convertible notes and listed options are quoted on the official list of the Australian Stock Exchange.

As a result of the significant market turmoil in 2008 and the resultant flight to safety by many investors, both the equity and debt markets closed to Resolute, which was left with a significant funding gap, as it required capital to complete the development of the Syama gold mine in Mali. Utilico and Eclectic invested, net of realisations, £18.6m and £3.4m respectively in ordinary shares, loan notes, convertible loan notes and secured options over Resolute's equity. The value of these investments by Utilico and Eclectic has increased from an aggregate £22.0m total cost, net of realisations, to £75.4m today, an increase of over 3.4 times.

In the year to 30 June 2010, Resolute's operations yielded in excess of 350,000 ounces of gold at a cash cost of A\$741 per ounce. The re-development of the Syama project in Mali has been completed and is now operational and in Tanzania drilling at Kasav has identified a large low grade resource within 7km of the Golden Pride mine. Resolute's financial results reported revenues of A\$342.5m, up 14.3 per cent. on the previous year, and a profit before treasury, tax and finance costs of A\$36.0 million. As at 30 June 2010, Resolute had consolidated net assets of A\$283.0 million. On 6 October 2010 Resolute raised A\$40.0m by way of the issue of new equity, the proceeds of which were to be used primarily to close out of the Group's gold derivative contracts, effectively unhedging the Group and fully exposing it to gold price movements and the balance for working capital and general corporate purposes. Resolute announced on 18 October 2010 that it had closed out all its gold hedge positions at a total net cost of A\$80 million.

Utilico currently has an interest in 25,000,000 ordinary shares, 60,011,871 convertible loan notes, 16,150,491 listed options and 2,250,000 unlisted options in Resolute. As at 30 November 2010 (the latest practicable date prior to the publication of this document) these assets were valued at £70.6 million in aggregate and represented 19.1 per cent. of Gross Assets. Eclectic has an interest in 500,000 ordinary shares and 5,711,667 convertible loan notes in Resolute with an aggregate value as at the same date of £4.8 million.

The Directors, advised by the Manager, believe that these investments, and the opportunity to acquire further Resolute ordinary shares pursuant to the GPLPF Subscription, offer counter cyclical diversification through exposure to the gold sector and that they still remain undervalued with potential for significant upside.

The 19,965,369 ordinary shares in Resolute to be acquired by the Company from GPLPF will be valued at closing bid price as at the Calculation Date and the New Utilico Shares issued in consideration will be valued at the Utilico FAV per Share on the Calculation Date and applying the A\$/£ sterling exchange rate at that date. Based upon valuations and the A\$/£ sterling exchange rate as at 30 November 2010, the satisfaction of the consideration would result in the issue of 7,341,748 New Utilico Shares to GPLPF, representing 8.5 per cent. of the current issued share capital and 7.3 per cent. of the enlarged issued share capital of Utilico on the assumption that the Scheme is also implemented and that all Eclectic Shareholders (other than those who have irrevocably undertaken to elect for New Utilico Shares) elect for, or are deemed to elect for, the Cash Option pursuant to the Scheme.

GPLPF is interested in 52.6 per cent. of the current issued share capital of Utilico and accordingly the GPLPF Subscription constitutes a related party transaction for the purposes of the Listing Rules. It is therefore conditional on the approval of the Shareholders excluding GPLPF and any of its associates. If

the GPLPF Subscription and the Scheme are both implemented, based on the assumptions in relation to the Cash Option and the valuations set out above, GPLPF will be interested in 52,778,632 Utilico Shares representing 52.6 per cent. of the enlarged issued share capital of Utilico.

If the GPLF Subscription and the Scheme are both implemented and based upon the valuations set out above, immediately following the Effective Date, Utilico will hold 45,465,369 ordinary shares, 65,723,538 convertible loan notes, 16,150,491 listed options and 2,250,000 unlisted options in Resolute with an aggregate valuation as at 30 November 2010 (the latest practicable date prior to the publication of this document) of £90.4 million, representing 22.5 per cent. of gross assets as enlarged by the Proposals.

The Company will on completion of the Proposals hold an interest in 20.8 per cent of Resolute's voting power on a fully diluted basis. If all of the options and convertible loan notes held by the Company and Eclectic were exercised (and assuming the Company acquired all such instruments held by Eclectic), the Company and its associates (for the purposes of Australian law) would have an interest in 33.2 per cent. of the voting power of Resolute.

The Australian Corporations Act (Cth) 2001 contains rules governing the acquisition of substantial interests in companies listed on the Australian Securities Exchange (**ASX**). Under these rules, a person is prohibited from acquiring a relevant interest in the voting shares of a company listed on ASX where either that person's or someone else's voting power increases from 20 per cent. or below to more than 20 per cent. or increases from a starting point that is above 20 per cent. and below 90 per cent. (the **General Prohibition**). This General Prohibition is subject to a number of exceptions, including:

- **3 per cent. creeping acquisitions:** a person (and their associates) can increase their holding in a target company by up to 3 per cent. every 6 months without making a takeover bid on the condition that that person (and their associates) has held at least 19 per cent. for 6 months; and
- **Shareholder approval:** obtaining the approval of shareholders in general meeting to approve the issue of shares to or the acquisition of shares by a person who would otherwise breach the General Prohibition.

At Resolute's annual general meeting which was held on 30 November 2010, a resolution was passed to allow the exercise of the options and convertible loan notes held by associates of Utilico. This resolution will allow the exercise of the options and convertible loan notes held by Utilico without any breach of the General Prohibition.

The Share Premium Cancellation

As previously announced to the market, despite having positive revenue earnings in addition to revenue reserves, under Bermuda law, Utilico has been unable to pay a dividend to Shareholders as a result of having negative capital reserves since March 2008. In light of this position, the Board, in conjunction with its advisers, has examined alternative ways to enable the Company to make cash distributions to Shareholders equal to the dividends the Board would otherwise have declared if they were permitted to do so in accordance with Bermuda law. This resulted in the bonus issue and buyback of Ordinary Shares on 21 April this year.

Whilst the bonus issue and buyback mechanism allowed the Company to make a distribution equivalent to the dividend that would have been paid but for the Bermuda legal issue, this method is unsatisfactory as a long term solution. It relies on ZDP Cover exceeding 1.4 times immediately following any bonus issue and is administratively more complicated than the payment of a cash dividend. With these concerns in mind, the Board is therefore proposing the Share Premium Cancellation. This will eliminate the negative capital reserves as the negative balance is less than the amount standing to the credit of the share premium account and thereby permit the future payment of dividends out of the Company's revenue reserves and future revenue profits on both the existing Ordinary Shares and New Utilico Shares.

As at 30 June 2010, being the last date to which audited accounts have been prepared, the negative balance on the Company's capital reserve account was £138.0 million, whilst the credit balance on the share premium account amounted to £223.5 million. At the same date, the Company's revenue reserve was £4.1 million.

Both the Scheme and the GPLPF Subscription are conditional on the Share Premium Cancellation taking place.

The Share Premium Cancellation requires the consent of both Shareholders and ZDP Shareholders. The Board has considered the interests of ZDP Shareholders and considers that ZDP Shareholders' interests are not prejudiced by the Share Premium Cancellation. Any dividends paid to Shareholders will only be paid from the Company's existing and future revenue reserves, which would not be available to ZDP Shareholders even on the Company's winding up (as they would constitute Winding-Up Revenue Profits under the Bye-laws, which are attributable to the Ordinary Shares only).

In addition, had the GPLPF Subscription and the Scheme taken place prior to the publication of this document, they would have had the effect of increasing ZDP Cover from 1.52 times as at 30 November 2010 (being the latest practicable date prior to the publication of this document) to 1.63 times. This figure assumes that both the GPLPF Subscription and the Scheme proceed and that all Eclectic Shareholders other than those who have irrevocably undertaken to elect for New Utilico Shares elect for, or are deemed to elect for, the Cash Option pursuant to the Scheme.

Dividend Policy

If the Share Premium Cancellation takes place, the Directors intend to reinstate the Company's original dividend policy, under which they anticipate distributing the majority of net revenue arising from normal income streams (such as dividends from portfolio companies) less costs (such as management fees). Any dividend payments would be made in accordance with Bermuda law.

Costs and expenses

The costs to be incurred by Utilico in connection with the Proposals are expected to be approximately £625,000 in aggregate (including irrecoverable VAT but excluding stamp duty).

If any of the Resolutions are not passed at the SGM or at the Class Meetings or the Proposals do not otherwise proceed it is estimated that the Company would suffer approximately £485,000 of irrecoverable costs.

Related party issues

The Scheme

As at the date of this document, GPLPF owns and is entitled to exercise votes attaching to 45,436,884 Ordinary Shares, representing 52.6 per cent. of the issued Ordinary Shares. NLPL is interested in 9,252,332 Eclectic Shares, representing 52.5 per cent. of the issued Eclectic Shares (excluding treasury shares). GPLPF and NLPL are ultimately controlled by the same beneficial owner and as a result Eclectic and Utilico constitute related parties for the purposes of Chapter 11 of the Listing Rules. The Scheme, which requires the entry into of the Transfer Agreement and the Sale and Purchase Agreement, is therefore a related party transaction for the purposes of the Listing Rules.

The Listing Rules require that a related party transaction of a listed company must be approved by its shareholders, other than the related party and any of its associates who are not allowed to vote on the relevant resolutions. The Scheme is therefore conditional, *inter alia*, on the passing of Resolution 2, which will be proposed as an ordinary resolution which will require the approval of a majority of the Ordinary Shareholders voting on the resolution. GPLPF and its associates will not vote on this resolution.

The GPLPF Subscription

The GPLPF Subscription is a transaction between the Company and GPLPF (the Company's majority shareholder) and is a related party transaction for the purposes of the Listing Rules. As a result, the GPLPF Subscription is conditional on the passing of Resolution 3, which will be proposed as an ordinary resolution which will require the approval of a majority of the Ordinary Shareholders voting on the resolution. GPLPF and its associates will not vote on this resolution.

Conditions to the Proposals

Each of the Resolutions (other than Resolution 2) is conditional upon all of the other Resolutions and the Eclectic Resolutions being passed by the requisite majorities. Accordingly, if any of the Resolutions or the Eclectic Resolutions are not passed no element of the Proposals will be implemented other than the acquisition of assets under the Sale and Purchase Agreement, which may be implemented without the Eclectic Resolutions to be proposed at the Second Eclectic GM being passed.

The change to the investment policy and the Share Premium Cancellation are also conditional upon the approval of the ZDP Shareholders, with each of the 2012, 2014 and 2016 ZDP Shareholders voting at separate class meetings.

Irrevocable undertakings

The Board has consulted with its two largest shareholders, GPLPF and Foreign and Colonial Investment Trust plc, who hold in aggregate 64.7 per cent. of the Company's issued Ordinary Shares. GPLPF and FCIT have signed irrevocable undertakings to vote in favour of the Resolutions to be proposed at the SGM, in GPLPF's case with the exception of Resolutions 2 and 3, on which it cannot vote as it is a related party.

The board of Eclectic has consulted with certain of its major shareholders, holding 71.83 per cent. of Eclectic's issued share capital (excluding shares held in treasury), who have all undertaken to vote in support of the Scheme and to elect to receive New Utilico Shares in respect of their entire holdings of Eclectic Shares.

The SGM and the Class Meetings

The Proposals are conditional, *inter alia*, on the passing of all of the Resolutions by the requisite majorities. Set out at the end of this document are notices of the following meetings:

- the SGM;
- the 2012 ZDP Class Meeting of Utilico Finance;
- the 2014 ZDP Class Meeting of Utilico Finance; and
- the 2016 ZDP Class Meeting of Utilico Finance.

All of the above meetings will be held on 7 January 2011, with the first meeting commencing at 10.00 a.m. (Bermuda time). All of the meetings will be held at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

SGM

The resolutions that will be proposed at the SGM are as follows:

Resolution 1 – Changes to the investment policy

This resolution will amend the Company's existing investment policy and replace it with the new investment policy set out above. This resolution will be proposed as an ordinary resolution requiring the approval of a simple majority of the votes cast in respect of it. All Shareholders will be entitled to vote on this resolution.

Resolution 2 – Approval of the Scheme as a related party transaction

As explained above, due to the relationship between GPLPF, the controlling shareholder in the Company, and NLPL, the controlling shareholder in Eclectic, the entry into of the Transfer Agreement and the Sale and Purchase Agreement pursuant to the Scheme constitutes a related party transaction for the purposes of Chapter 11 of the Listing Rules. The Listing Rules provide that a related party transaction entered into by a listed company and a related party must be approved by its shareholders other than the related party and any of its associates. An ordinary resolution will therefore be proposed to approve the Scheme and the Sale and Purchase Agreement as related party transactions. This resolution will require the approval of a simple majority of the votes cast in respect of it. The Company will take all reasonable steps to ensure that GPLPF will not vote on this resolution.

Resolution 3 – Approval of the GPLPF Subscription as a related party transaction

For the same reasons as explained above in relation to Resolution 2, the GPLPF Subscription also constitutes a related party transaction for the purposes of the Listing Rules. An ordinary resolution will therefore be proposed to approve the GPLPF Subscription as a related party transaction. This resolution will require the approval of a simple majority of the votes cast in respect of it. GPLPF will not vote on this resolution and has undertaken to take all reasonable steps to ensure that any of its associates will not vote on this resolution.

Resolution 4 – Approval of the Share Premium Cancellation

Under Bermuda law a company may only reduce its share premium account with Shareholder approval. This resolution will be proposed as an ordinary resolution requiring the approval of a simple majority of the votes cast in respect of it. All Shareholders will be entitled to vote on this resolution.

Resolution 5 – Change of name

Under Bermuda law, a company may only change its name with shareholder approval. This resolution will be proposed as an ordinary resolution requiring the approval of a simple majority of the votes cast in respect of it. All Shareholders will be entitled to vote on this resolution.

Resolution 6 – Increase of authorised share capital

Under Bermuda law, a company may only increase its share capital with shareholder approval. This resolution will be proposed as an ordinary resolution requiring the approval of a simple majority of the votes cast in respect of it. All Shareholders will be entitled to vote on this resolution.

2012 ZDP Class Meeting

The resolutions that will be proposed at the 2012 ZDP Class Meeting are as follows:

Resolution 1 – Changes to the investment policy

This resolution will authorise the replacement of the Company's existing investment policy with the new investment policy set out above. Under the terms of the Subscription Agreement the Company cannot materially change its investment policy without the sanction of a special resolution of each class of ZDP Shares. This resolution will therefore be proposed as a special resolution requiring the approval of 75 per cent. of the votes cast in respect of it. All holders of 2012 ZDP Shares will be entitled to vote on this resolution.

Resolution 2 – Approval of the Share Premium Cancellation

Under the terms of the Subscription Agreement the Company cannot reduce or cancel any amount standing to the credit of its capital reserves without the sanction of a special resolution of each class of ZDP Shares. This resolution will therefore be proposed as a special resolution requiring the approval of 75 per cent. of the votes cast in respect of it. All holders of 2012 ZDP Shares will be entitled to vote on this resolution.

2014 ZDP Class Meeting

The resolutions to be proposed at the 2014 ZDP Class Meeting are exactly the same as the resolutions to be proposed at the 2012 and 2016 ZDP Class Meetings, save that only the holders of 2014 ZDP Shares will be entitled to vote on them.

2016 ZDP Class Meeting

The resolutions to be proposed at the 2016 ZDP Class Meeting are exactly the same as the resolutions to be proposed at the 2012 and 2014 ZDP Class Meetings, save that only the holders of 2016 ZDP Shares will be entitled to vote on them.

Action to be taken

Forms of Proxy, Direction and Instruction

Shareholders and ZDP Shareholders who hold their Ordinary Shares or ZDP Shares in certificated form will find enclosed with this document the following Forms of Proxy for use in relation to the SGM and Class Meetings:

- a white Form of Proxy for use at the SGM;
- a white Form of Proxy for use at the 2012 ZDP Class Meeting;
- a white Form of Proxy for use at the 2014 ZDP Class Meeting; and
- a white Form of Proxy for use at the 2016 ZDP Class Meeting.

Shareholders and ZDP Shareholders who hold their Ordinary Shares or ZDP Shares through Depository Interests will find enclosed the following Forms of Instruction for use in respect of the Meetings to instruct the Depository how to vote on their behalf:

- a light blue Form of Instruction for use at the SGM;
- a light blue Form of Instruction for use at the 2012 ZDP Class Meeting;
- a light blue Form of Instruction for use at the 2014 ZDP Class Meeting; and
- a light blue Form of Instruction for use at the 2016 ZDP Class Meeting.

Savings Plan Participants in the F&C Pension Savings Plan will find enclosed the following Forms of Direction for use at the Meetings to indicate the way in which they wish their votes to be cast at the Meetings:

- a yellow Form of Direction for use at the SGM;
- a yellow Form of Direction for use at the 2012 ZDP Class Meeting;
- a yellow Form of Direction for use at the 2014 ZDP Class Meeting; and
- a yellow Form of Direction for use at the 2016 ZDP Class Meeting.

Savings Plan Participants in the F&C Private Investor Plan will find enclosed the following Forms of Direction for use at the Meetings to indicate the way in which they wish their votes to be cast at the Meetings:

- a light green Form of Direction for use at the SGM; and
- a light green Form of Direction for use at the 2012 ZDP Class Meeting.

Deadlines for receipt of Forms

Ordinary Shareholders and ZDP Shareholders who hold their Ordinary Shares or ZDP Shares in certificated form are urged to complete and return the relevant Forms of Proxy so as to be received by the Company's and Utilico Finance's Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the SGM and the Class Meetings.

Ordinary Shareholders and ZDP Shareholders who hold their Ordinary Shares or ZDP Shares through Depositary Interests in uncertificated form are urged to complete and return the relevant Forms of Instruction so as to be received by the Company's and Utilico Finance's Depositary, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 2.00 p.m. (London time) (10.00 a.m. Bermuda time) on 4 January 2011.

Savings Plan Participants are urged to complete and return the relevant Forms of Direction so as to be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 2.00 p.m. (London time) (10.00 a.m. Bermuda time) on 4 January 2011.

Submitting a Form of Proxy will not preclude a Shareholder or a ZDP Shareholder from attending the Special General Meeting or Class Meeting (as appropriate) and voting in person should they so wish.

Recommendation

The Board which has been so advised by Westhouse Securities Limited, believes that the Transfer Agreement, the Sale and Purchase Agreement and the GPLPF Subscription are fair and reasonable as far as the Shareholders and ZDP Shareholders are concerned. Warren McLeland did not take part in the Board's consideration of the Transfer Agreement and the Sale and Purchase Agreement as he is also a director of Eclectic, a related party of Utilico under the Listing Rules. In providing its advice, Westhouse Securities Limited has taken into account the Board's commercial assessments of the Proposals.

Accordingly, the Board believes that the Proposals are in the best interests of the Shareholders and the ZDP Shareholders as a whole and unanimously recommends that Shareholders and ZDP Shareholders vote in favour of the Resolutions to be proposed at the Meetings, as they intend to do in respect of their own personal beneficial holdings.

Yours faithfully,

Michael Collier
Chairman

PART 2

INFORMATION ON ECLECTIC

Eclectic is an investment company that looks to identify and invest in investments where the underlying value is not reflected in the market price. Eclectic aims to maximise value for its shareholders by holding a relatively concentrated portfolio of securities and by investing in instruments appropriate to the investment opportunity under consideration. Its portfolio is focussed on absolute performance.

As at 30 November 2010, Eclectic had net assets of approximately £19.3 million. The Eclectic Directors have been concerned for some time that the capital base of Eclectic is too small and that it would be desirable to raise further capital in order to increase Eclectic's net assets. However, in light of current market conditions and the relatively wide discount to net asset value at which the price of the Eclectic Shares continue to trade, it has not been possible for Eclectic to raise capital.

Accordingly, the Eclectic Directors have reviewed the options available to Eclectic and the Eclectic Independent Directors have concluded that it is in Eclectic Shareholders' best interests to propose the Scheme.

Portfolio analysis

Under the terms of the Scheme Utilico will acquire all of the portfolio investments of Eclectic. In order to allow Shareholders to properly assess the effect of the Scheme on the Company, an analysis of Eclectic's portfolio as at 30 November 2010 (being the latest practicable date prior to the publication of this document) is set out below.

Top ten investments

<i>Company (Country of listing)</i>	<i>Sector</i>	<i>At 30 November 2010</i>	
		<i>Fair value (£'000)</i>	<i>Gross Assets (%)</i>
Bermuda Commercial Bank Ltd (Bermuda)	Banks	6,180	29.9%
Resolute Mining Limited (Australia)	Mining	4,772	23.1%
Guinness Peat Group Plc (New Zealand)	Speciality & Other Finance	3,364	16.3%
DTI Group Ltd (Australia)	Transport Management Systems	708	3.4%
Blue Star Print (New Zealand)	Print	521	2.5%
Argus Group Holdings Ltd (Bermuda)	Insurance	467	2.3%
Hunnu Coal Ltd (Australia)	Mining	460	2.2%
eBet Ltd (Australia)	Software & Computer Services	433	2.1%
Mam Funds Plc (UK)	Investment Companies	431	2.1%
BP PLC (UK)	Oil & Gas	426	2.1%
Ten largest investments		17,762	86.0%
Other investments		1,323	6.4%
Current assets less current liabilities (excluding bank debt and overdraft)		1,568	7.6%
Total investments		<u>20,653</u>	<u>100.0%</u>

Classification of assets

	<i>At 30 November 2010</i>	
	<i>Fair value</i>	<i>Gross Assets</i>
	<i>(£'000)</i>	<i>(%)</i>
Equity	13,417	65.0%
Convertible Securities	4,800	23.2%
Fixed Interest Securities	868	4.2%
Current assets less current liabilities – (excluding bank debt and overdraft)	1,568	7.6%
Gross assets	<u>20,653</u>	<u>100.0%</u>

Geographical analysis

	<i>At 30 November 2010</i>	
	<i>Fair value</i>	<i>Gross Assets</i>
	<i>(£'000)</i>	<i>(%)</i>
Bermuda	6,980	33.8%
Australia	6,618	32.1%
New Zealand	4,199	20.3%
United Kingdom	1,000	4.8%
India	152	0.7%
Ireland	121	0.6%
Asia	13	0.1%
Current assets less current liabilities – (excluding bank debt and overdraft)	1,568	7.6%
Gross assets	<u>20,653</u>	<u>100.0%</u>

PART 3

FURTHER DETAILS OF THE PROPOSALS

1 The Scheme

1.1 The Scheme involves a scheme of reconstruction of Eclectic under section 110 of the UK Insolvency Act 1986. The key points for Shareholders are as follows:

- Eclectic Shareholders will be able to choose one or a combination of the following options:
 - (a) to roll-over all or part of their investment in Eclectic into New Utilico Shares on the basis of the Utilico FAV per Share and the Eclectic FAV per Share; and/or
 - (b) to realise all or part of their investment in Eclectic for cash, subject to a 5 per cent. discount to the Eclectic FAV per Share (being a cash sum per Eclectic Share equal to 95 per cent. of the Eclectic FAV per Share);
- the Utilico FAV per Share and the Eclectic FAV per Share will be calculated as at the Calculation Date using each company's respective accounting policies (which are substantially similar). The calculations will include an adjustment in respect of the estimated transaction costs incurred or to be incurred by the respective companies in connection with the Proposals, together with the liquidation costs of Eclectic;
- Eclectic Shareholders who do not make a valid election under the Scheme will be deemed to have elected for the Cash Option in respect of their entire holding of Eclectic Shares;
- Eclectic will be put into members' voluntary liquidation and its business and assets (after appropriating sufficient assets to meet the estimated actual and contingent liabilities of Eclectic, together with an amount expected to be £50,000 to meet unknown liabilities, to the Liquidation Fund) will be split into two funds:
 - the Rollover Fund in respect of the interests of Eclectic Shareholders electing to roll-over their investment into Utilico; and
 - the Cash Fund in respect of the interests of Eclectic Shareholders electing or being deemed to elect to receive cash;
- Utilico will issue New Utilico Shares to Eclectic Shareholders who elect to receive Utilico Shares under the Scheme in exchange for the transfer to Utilico of the business and assets comprised in the Rollover Fund;
- the New Utilico Shares issued to Eclectic Shareholders who roll-over their investment into Utilico will rank *pari passu* with the existing issued Utilico Shares in respect of any dividends or other distributions declared, made or paid with a record date on or after the date of issue of those Utilico Shares;
- the number of New Utilico Shares to which an Eclectic Shareholder electing for the New Utilico Shares will be entitled under the Scheme will be calculated by dividing the Eclectic FAV per Share attributable to the Eclectic Shares in respect of which an election has been made by that Eclectic Shareholder for New Utilico Shares by the Utilico FAV per Share;
- the cash consideration to which an Eclectic Shareholder electing (or deemed to have elected) for the Cash Option will be entitled under the Scheme will equal 95 per cent. of the Eclectic FAV per Share attributable to the Eclectic Shares in respect of which an election has been made (or deemed to have been made) by that Eclectic Shareholder for the Cash Option;

- prior to Eclectic's liquidation (shortly before the Second Eclectic GM), any non-cash assets in the Liquidation Fund and the Cash Fund will be sold by Eclectic to Utilico in return for cash at a price equal to the values attributed to such assets in the calculation of the Eclectic FAV per Share. The cash received through the sale of those non-cash assets will be used to help repay Eclectic's bank borrowings, to satisfy Eclectic's other liabilities and also to satisfy the entitlements of Eclectic Shareholders who have elected, or are deemed to have elected, for the Cash Option;
- the assets representing the 5 per cent. discount to the Eclectic FAV per Share will be appropriated to the Rollover Fund and transferred to the Company for the benefit of all Utilico Shareholders (including those Eclectic Shareholders electing to roll-over) and will not enhance the Eclectic FAV per Share of those Eclectic Shareholders who elect to roll-over;
- Overseas Eclectic Shareholders (as defined in paragraph 1.3 below) will be deemed to have elected for the Cash Option under the Scheme unless they have satisfied the Eclectic Independent Directors and the Independent Directors that they may receive and hold Utilico Shares without breaching any relevant securities laws or regulations and without the need for compliance on the part of the Company or Eclectic with any overseas laws, regulations, filing requirements or the like.

1.2 To become effective, the Scheme requires, *inter alia*, all of the following events to occur:

- the passing of all of the Resolutions by Shareholders at the SGM and by ZDP Shareholders at each of the Class Meetings;
- the GPLPF Subscription becoming unconditional (save for the admission of the New Utilico Shares to be issued thereunder to a premium listing on the Official List and to trading on the London Stock Exchange's main market for listed securities becoming effective);
- the passing of the special resolution to be proposed at the First Eclectic GM and special resolution to be proposed at the Second Eclectic GM (or any adjournment of those meetings);
- the UKLA and the London Stock Exchange agreeing to the admission of the New Utilico Shares required to be issued pursuant to the Scheme and the GPLPF Subscription to a premium listing on the Official List and to trading on the main market for listed securities of the London Stock Exchange respectively, conditional only on allotment;
- the Share Premium Cancellation becoming effective;
- the Eclectic Independent Directors and the Independent Directors not resolving to abandon the Scheme at any time prior to admission.

1.3 The availability of the Scheme to Eclectic Shareholders who are not resident in the United Kingdom, the Channel Islands and the Isle of Man (**Overseas Eclectic Shareholders**) may be affected by the laws of their relevant jurisdiction. In order to avoid any inadvertent breach of overseas securities laws, Overseas Eclectic Shareholders shall be deemed to have elected for the Cash Option under the Scheme. The Company and Eclectic reserve the right to permit any Overseas Eclectic Shareholders to receive New Utilico Shares under the Scheme, provided that the Directors and the Independent Eclectic Directors are satisfied that such Eclectic Shareholders can be issued New Utilico Shares without breaching any relevant securities laws or regulations and without the need for compliance on the part of Utilico or Eclectic with any overseas laws, regulations, filing requirements or the like.

2 The GPLPF Subscription

The GPLPF Subscription is conditional on the passing of all of the Resolutions at the SGM and on the Scheme becoming unconditional (other than in relation to the GPLPF Subscription becoming unconditional). The GPLPF Subscription is therefore also conditional on the passing of Resolutions 1 and 2 at each of the Class Meetings.

Under the GPLPF Subscription, Utilico will acquire 19,965,369 Resolute ordinary shares from GPLPF (having a value, based on their closing bid price on 30 November 2010 and the A\$/£ sterling exchange rate on that day of 1.6238, of £15 million) in exchange for New Utilico Shares. The New Utilico Shares will be valued at the Utilico FAV per Share as at the Calculation Date. The value of the Resolute ordinary shares will be the closing bid price of a Resolute ordinary share taken from the official list of the Australian Stock Exchange as at the close of business of that stock exchange on the Calculation Date. The exchange rate used for the purposes of the GPLPF Subscription will be the rate of exchange for Australian Dollars and Sterling as at the close of business London time on the Calculation Date.

Under the GPLPF Subscription Agreement GPLPF will give standard representations and warranties in relation to the Resolute Assets as to its title to and its ability to make a valid transfer.

3 The Share Premium Cancellation

To become effective, the cancellation of the current share premium account of the Company requires an ordinary resolution to be passed by Ordinary Shareholders at the SGM and a special resolution to be passed by ZDP Shareholders at each of the Class Meetings. The Share Premium Cancellation is also conditional, *inter alia*, on the passing of all of the Resolutions at the SGM and at each of the Class Meetings.

The Company must cause a notice to be published in an appointed newspaper in Bermuda at a date not more than thirty days and not less than fifteen days before the date on which the cancellation of the current share premium account is to have effect stating the amount of the share premium account, the amount to which the share premium account is to be reduced and the date on which the cancellation is to have effect. It is intended that such notice will be published in the Royal Gazette on or around 6 December 2010. In addition, the Directors must have reasonable grounds for believing that the Company is, and after the cancellation will be, able to pay its liabilities as they become due.

4 Change to investment policy

To become effective, the change of the investment policy requires an ordinary resolution to be passed by Shareholders at the SGM and a special resolution to be passed by ZDP Shareholders at each of the Class Meetings. The change to the investment policy is also conditional, *inter alia*, on the passing of all of the Resolutions at the SGM and at each of the Class Meetings.

5 Change of name

To become effective, the change of the Company's name requires an ordinary resolution to be passed by Shareholders at the SGM. The change of name is also conditional, *inter alia*, on the passing of all of the Resolutions at the SGM and at each of the Class Meetings.

6 Increase of authorised share capital

To become effective, the increase of authorised share capital requires an ordinary resolution to be passed by Ordinary Shareholders at the SGM. The increase of authorised share capital is also conditional, *inter alia*, on the passing of all of the Resolutions at the SGM and at each of the Class Meetings.

PART 4

ADDITIONAL INFORMATION

1 Incorporation and registration

- 1.1 Utilico was incorporated and registered in Bermuda on 17 January 2007 as an exempted, closed-ended investment company with limited liability under the Bermuda Companies Act with registered number 39480.
- 1.2 Utilico Finance was incorporated and registered in Bermuda on 17 January 2007 as an exempted, closed-ended investment company with limited liability under the Bermuda Companies Act with registered number 39479.
- 1.3 Both Utilico and Utilico Finance operate under the Bermuda Companies Act, but are otherwise not regulated.
- 1.4 The registered office of both Utilico and Utilico Finance is in Bermuda and is located at Canon's Court, 22 Victoria Street, Hamilton HM 12 Bermuda. The telephone number of Utilico and Utilico Finance is 001 441 295 2244.

2 Directors' and other interests

- 2.1 Insofar as is known to the Company, the interests of each Director, including any connected person (as defined in the Disclosure and Transparency Rules), the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company and Utilico Finance as at the date of this document are:

<i>Name</i>	<i>Ordinary Shares</i>	<i>Warrants</i>	<i>ZDP Shares</i>
Michael Collier	20,000	—	—
Eric Stobart	10,000	136	—
Roger Unwin	144,371	5,294	52,029
Susan Hansen	7,000	—	—
Warren McLeland	—	—	—

- 2.2 Warren McLeland is a director of both Utilico and Eclectic. As such he has a conflict of interest in relation to his duties to those companies and he has not taken part in the deliberations of either the Eclectic Directors or the Board in relation to the Scheme.
- 2.3 Save as described above, none of the Directors has or had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company which has been effected by the Company in the current financial year or in the financial year ended 30 June 2010 or in any earlier financial year which remains in any respect outstanding or unperformed.
- 2.4 There are no service agreements in existence between the Company and any of the Directors, nor are any such contracts proposed. Each of the Directors has entered into a letter of appointment with the Company.

3 Major interests in shares and other securities

As at 30 November 2010 (being the latest practicable date prior to the publication of this document) insofar as is known to the Company, the following parties were known to be interested in three per cent. or more of the Ordinary Shares and Warrants:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>% of Ordinary Shares</i>
General Provincial Life Pension Fund (L) Limited	45,436,884	52.6
Foreign & Colonial Investment Trust plc	10,452,260	12.1

4 Material contracts

Save as described below, neither the Company nor any member of the Group has (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this document; or (ii) entered into any contracts that contain provisions under which any member of the Group has any obligation or entitlement that is material to the Group as at the date of this document.

4.1 *Subscription Agreement*

A subscription agreement (the “Subscription Agreement”) dated 14 May 2007 between Utilico and Utilico Finance pursuant to which, in consideration for Utilico Finance agreeing to transfer to Utilico certain assets, Utilico undertook to contribute (by way of gift, capital contribution or otherwise) such funds as will ensure that Utilico Finance will have in aggregate sufficient distributable reserves on each Utilico Finance ZDP Repayment Date (as defined in the Subscription Agreement) to satisfy the final capital entitlement of the ZDP Shares then due and any operational costs or expenses incurred by Utilico Finance.

Utilico has undertaken to Utilico Finance for so long as Utilico’s obligations under the Subscription Agreement remain outstanding:

- (a) that for so long as it is the holder of all the ordinary shares in issue in Utilico Finance, it shall not vote in general meetings to pass a resolution of Utilico Finance on the matters set out below without the previous sanction of a special resolution of the holders of each class of ZDP Shares passed at separate general meetings of such holders. The relevant matters are as follows:
 - (i) subject to paragraph (iv) below, the issue by Utilico Finance or by Utilico of any further shares or rights to subscribe for further shares or convert any securities into shares in any member of the Group or the reclassification of any issued share capital into shares of a particular class where such shares rank, or would on issue, conversion or reclassification rank, as to capital, in priority to, or *pari passu* with, Utilico’s payment obligations under the Subscription Agreement in respect of any class of ZDP Shares;
 - (ii) the passing of a resolution for the voluntary winding up of Utilico Finance, such winding up to take effect prior to the final Utilico Finance ZDP Repayment Date (or, if that day is not a business day, the immediately preceding business day);
 - (iii) the passing of a resolution to reduce the capital of Utilico Finance in any manner or to purchase shares in Utilico Finance other than as permitted below;
 - (iv) the passing of a resolution amending the provisions of the Utilico Finance Bye-laws;
 - (v) the passing of a resolution authorising the directors of Utilico Finance to pay a dividend or other distribution out of the capital reserves of Utilico Finance; or

- (vi) the making of any material variation to the terms of the Subscription Agreement or any further subscription agreement entered into between Utilico and Utilico Finance in respect of any further issues of ZDP Shares which, at the time of being made, could reasonably be considered to be materially prejudicial to the interests of the existing ZDP Shareholders,

provided that no such sanction will be required for the passing of any resolution authorising Utilico Finance to purchase any ZDP Shares where such shares may only be purchased at prices at or below their prevailing accrued capital entitlement (as determined by the directors of Utilico Finance in accordance with the bye-laws of Utilico Finance as at a date falling not more than 10 days before the date of the relevant repurchase) or at a higher price per Utilico Finance ZDP Share if the directors of Utilico Finance determine this to be in the interests of ZDP Shareholders, or for any purchase of such ZDP Shares in accordance with any such resolution;

- (b) that it shall not (and that it shall, so far as it is able, procure that none of its subsidiaries shall) enter into any transaction which, if it were a transaction entered into by Utilico Finance, would require the sanction of the ZDP Shareholders under the bye-laws of Utilico Finance or otherwise as required by law without such sanction having been obtained;
- (c) that, except with such sanction as aforesaid or as required from time to time by the UK Listing Authority or any other relevant legal or regulatory requirement, it shall ensure that the board of directors of Utilico Finance as constituted from time to time comprises the same individuals who form the Board of Utilico;
- (d) that, except with such sanction as aforesaid, it will not make any distribution to the Shareholders in excess of the amount of its net revenues and revenue reserves nor will it make any repayment of capital to the Shareholders or repurchase any of the Utilico Shares in the event that following such repayment or repurchase the ZDP Cover shall be less than 1.4;
- (e) that it will have due regard to the interests of the ZDP Shareholders;
- (f) that if all of the relevant ZDP Shares are not redeemed on or before the relevant Utilico Finance ZDP Repayment Date (except by reason of administrative error rectified within 7 days and disregarding any ZDP Shares which are not redeemed as a result of a failure by the holder to comply with a requirement relating to redemption imposed in accordance with the bye-laws of Utilico Finance), Utilico shall convene a special general meeting of Utilico to be held within 60 days of the relevant Utilico Finance ZDP Repayment Date at which a resolution shall be proposed requiring that Utilico be wound up voluntarily pursuant to the Bermuda Companies Act;
- (g) that it shall not, without the previous sanction of a special resolution of the holders of each class of ZDP Shares passed at separate general meetings of such holders undertake any of the following matters:
 - (i) issue any further shares or rights to subscribe for further shares or convert any securities into shares in Utilico or reclassify any issued share capital into shares of a particular class where such shares rank, or would on issue, conversion or reclassification rank, as to capital, in priority to, or *pari passu* with, Utilico's payment obligations under the Subscription Agreement in respect of any class of ZDP Shares unless the Directors shall have calculated and Utilico's financial adviser shall have reported to the Directors on such calculations within 60 days prior to the Calculation Date (as defined below) that, were the further shares to be issued or the shares to be reclassified or rights of subscription or conversion to be issued and immediately exercised at the date of the report, the ZDP Shares in issue immediately thereafter would have a ZDP Cover of not less than 1.5 times. For this purpose, the ZDP Cover shall represent a fraction where the numerator is equal to the gross assets of the Group on the Calculation Date and the denominator is equal to the aggregate on the Calculation Date of (i) the aggregate capital entitlement on the relevant Utilico Finance

ZDP Repayment Dates of the ZDP Shares in issue on the Calculation Date and (ii) the outstanding amounts payable by the Group under bank facilities and any borrowings ranking in priority to its payment obligations under the Subscription Agreement. Gross assets for this purpose shall mean the unaudited aggregate value of the gross assets of the Group, including assets represented by principal monies borrowed by Utilico, less current liabilities (not including contingent liabilities) of Utilico (other than principal monies borrowed), each as determined by the Directors. The Calculation Date, for the purpose of this paragraph 4.1(g)(i) shall mean the close of business on a date which is not earlier than 60 days prior to (and excluding) the date of the announcement of such issue or reclassification or, if applicable and earlier, the date of any announcement of the intention to make such proposed issue. In calculating such ZDP Cover, the Directors shall where available:

- (A) use the gross assets of Utilico at the most recent practicable date before the Calculation Date;
- (B) assume that the share capital or rights proposed to be issued or arising on reclassification had been issued and/or exercised and/or reclassified at the end of the month prior to the Calculation Date;
- (C) adjust the gross assets of Utilico by adding the minimum net consideration (if any) which would be received upon such issue, reclassification or exercise;
- (D) take account of the entitlements to be attached to the new shares or securities or rights to be issued;
- (E) aggregate the final capital entitlement of the existing ZDP Shares and the capital entitlements of the new shares or securities or rights to be issued as aforesaid in each case as at the relevant Utilico Finance ZDP Repayment Date;
- (F) make appropriate adjustments for any other issues or reclassifications or purchases of own share capital which have been made by Utilico or Utilico Finance since the end of the preceding month or will have been made by or at the time of the proposed issue of shares or rights of subscription or conversion into shares or reclassification; and
- (G) make such other adjustments as they consider appropriate.

The Utilico Directors shall have absolute discretion to determine whether the conditions set out above are satisfied in any case and no independent valuation need be carried out; or

- (ii) pass a resolution to reduce the share capital of Utilico in any manner or to purchase shares in Utilico other than as permitted below; or
- (iii) pass a resolution for the voluntary winding-up of Utilico, such winding-up to take effect prior to the final Utilico Finance ZDP Repayment Date; or
- (iv) alter any objects set out in the Memorandum of Association of Utilico; or
- (v) pass any resolution which authorises or permits the Utilico Directors to pay any dividend or other distribution out of the capital reserves of Utilico (which, for the avoidance of doubt, shall not include a bonus or capitalisation issue of shares) other than as permitted below; or
- (vi) change the investment policy of Utilico materially,

provided that no such sanction will be required for the passing of any resolution authorising Utilico to purchase Utilico Shares which shares may only be purchased at prices at or below their prevailing Net Asset Value on a diluted basis (as determined by the Directors as at a date falling not more than 10 days before the date of the relevant repurchase) and where such

repurchases shall not reduce the ZDP Cover below 1.4 times (as determined by the Directors as at a date falling not more than 10 days before the date of the relevant repurchase) and taking into account of any related purchase by Utilico Finance of ZDP Shares which the directors of Utilico Finance determine to make at or about the same time.

4.2 *Investment Management Agreement*

- (a) An Investment Management Agreement dated 27 September 2010 between Utilico, Utilico Finance and the Manager (the “Investment Management Agreement”) under which Utilico and Utilico Finance have appointed the Manager to provide it with portfolio monitoring, research and other investment management services. The Agreement is subject to termination on 6 months’ notice by the Manager and on 12 months’ notice by Utilico or Utilico Finance. The Investment Management Agreement may be terminated by any of the parties forthwith in circumstances which are customary for an agreement of this type, including material breach and liquidation.
- (b) Under the Investment Management Agreement, the Manager is entitled to receive a fee equal to 0.5 per cent. per annum of the Group’s gross assets after deducting current liabilities (excluding borrowings incurred for investment purposes) payable semi-annually in arrears. For these purposes, assets invested in other investment companies or funds managed or advised by the Manager or its subsidiaries are disregarded. The Manager will also be reimbursed its out-of-pocket expenses, including reasonable travel and related costs.
- (c) The Manager is also entitled to a performance fee calculated on the following basis:

$$PF = (A-B) \times 15\%$$

where:

PF is the performance fee (excluding VAT), if any, payable to ICM;

A is the Adjusted Equity Funds as at that Calculation Date;

B is the “Base Equity Funds” being the higher of:

- (i) the Equity Funds of Utilico Investment Trust plc on the last day of the calculation period in respect of which a performance fee was last paid by Utilico Investment Trust plc under the Investment Advisory Agreement less any professional fees and expenses incurred by Utilico Investment Trust plc and the Company in connection with Utilico Investment Trust plc’s scheme of reconstruction (but not any costs and expenses incurred in connection with the placing and offer for subscription of the ZDP Shares in May 2007) (**Opening Equity Funds**);
- (ii) the Equity Funds on the last day of a Calculation Period in respect of which a performance fee was last paid under the Investment Management Agreement (**High Water Mark**); and
- (iii) the Equity Funds on the last day of the previous Calculation Period, increased by the Real Percentage Yield on the Reference Index during that Calculation Period (**Previous Equity Funds**).

B (i) above, Opening Equity Funds, will be adjusted as appropriate for any Capital Events.

B (ii) above, High Water Mark, will be adjusted as appropriate for any Capital Events occurring since the establishment of the High Water Mark.

B (iii) above, Previous Equity Funds, will be adjusted as appropriate for any Capital Events occurring since the previous Calculation Date. The value of those Capital Events will be added to (in respect of a capital increase) or deducted from (in respect of a capital

reduction) the Previous Equity Funds, such adjustments being increased by the Real Percentage Yield on the Reference Index for the period between the date of the relevant Capital Event and the end of the Calculation Period.

The first Calculation Period for the performance fee will be the period from 1 July 2010 to 30 June 2011.

The performance fee will be payable within 14 days of the publication of the Company's annual report and accounts for the relevant Calculation Period, or within 30 days of the termination of ICM's appointment or the commencement of the winding up of the Company where (ii) or (iii) in the definition of Calculation Period applies.

- (d) For the purpose of the above calculation:

Adjusted Equity Funds means Equity Funds adjusted by adding back any dividends paid or accrued relating to that Calculation Period, plus any accrual for unpaid performance fee arising for that Calculation Period;

Calculation Date means the last day of each Calculation Period;

Calculation Period means each successive period starting on the first day of an accounting reference period of the Company and ending on the earlier of (i) the last day of that accounting reference period (ii) the termination of ICM's appointment for any reason and (iii) the commencement of the winding up of the Company, provided that in respect of the first Calculation Period under this Agreement such period shall be deemed to have commenced on 1 July 2010;

Capital Event means any repayment or otherwise that reduces funds attributable to Shareholders, or any issuance of equity or otherwise which has the effect of increasing funds attributable to Shareholders (including by means of further issues of ZDP Shares, the proceeds of which shall be advanced by Utilico Finance to the Company);

Company's Shares means ordinary shares of 10p each in the capital of Utilico;

Equity Funds means the Net Asset Value (including revenue items) attributable to the Utilico Shares;

Inflation means the rate of UK inflation in annual percentage terms calculated by reference to the year on year change in the UK all items Retail Prices Index excluding mortgage interest payments as issued by the Office of National Statistics calculated as a monthly average;

Investment Advisory Agreement means the investment advisory agreement dated 16 June 2003 (as amended on 5 May 2004 and 25 August 2005) made between Utilico Investment Trust plc and Ingot Capital Management Pty Ltd;

Real Percentage Yield means the average percentage income yield on the Reference Index for the relevant Calculation Period, calculated on a monthly basis, reduced by the percentage rate of UK corporation tax, plus Inflation; and

Reference Index means the FTSE Actuaries Govt. Securities UK Gilts 5 to 10 Years Index.

- (e) ICM has the benefit of an indemnity from Utilico and Utilico Finance in relation to liabilities incurred by ICM in the discharge of its duties under the Investment Management Agreement other than those arising by reason of any fraud, wilful default, negligence on the part of ICM.

4.3 *Administration Agreement*

An Administration Agreement dated 14 May 2007 between Utilico, Utilico Finance and the F&C Management Limited (the **Administrator**) relating to the provision of administrative services to the Group. Under the agreement Utilico and Utilico Finance have also appointed the Administrator as secretary to the Group. The agreement is terminable on 6 months' notice in

writing and on shorter notice in the event of breach of contract or insolvency. The Administrator receives an annual fee of £295,000 (plus applicable VAT). Utilico will reimburse the Administrator in respect of reasonable out of pocket expenses including transaction, banking fees and charges. The Administrator has the benefit of an indemnity from Utilico under the terms of the Administration Agreement in relation to liabilities incurred in the discharge of its duties other than those arising by reason of any breach, fraud, wilful default or negligence.

4.4 ***Custody Agreement***

A custody agreement dated 14 May 2007 between Utilico and JPMorgan Chase Bank N.A. (the **Custodian**) whereby Utilico has appointed the Custodian to act as custodian of the Group's investments, cash and other assets and to accept responsibility for the safe custody of the property of the Group which is delivered to and accepted by the Custodian or any of its sub-custodians. Each party is able to terminate the Custody Agreement on sixty days' notice in writing. The Custodian has an indemnity from Utilico in relation to liabilities incurred in the performance of its duties other than those incurred as a result of its negligence, fraud or wilful default and a general lien in respect of liabilities owing by the Group. The Custody Agreement provides that the Custodian will be liable for direct losses incurred by the Group that result from any appointed sub-custodian's failure to use reasonable care in the provision of custodial services, fraud or wilful default. The Custodian is not, however, liable for losses arising as a result of a sub-custodian going into liquidation or insolvency except in the case of an affiliated sub-custodian and accordingly the Group may suffer a loss of assets in the event of a liquidation or insolvency of a non-affiliated sub-custodian. The Custodian will receive from Utilico for the provision of such services such fees as may be agreed between the Custodian and Utilico from time to time, plus reasonable out-of-pocket and incidental expenses (including, but not limited to, legal fees and tax or related fees incidental to processing by governmental authorities, issuers, or their agents).

4.5 ***Letters of Undertaking***

Pursuant to Letters of Undertaking dated 6 December 2010 Utilico will enter into the Sale and Purchase Agreement shortly before the Second Eclectic GM and the Transfer Agreement on or about the Effective Date.

4.6 ***Transfer Agreement***

Immediately following Eclectic entering into liquidation, Eclectic, the Liquidators, Ingot and Utilico will enter into the Transfer Agreement pursuant to which the assets of Eclectic comprised in the Rollover Fund will be transferred to Utilico in consideration for the issue of New Utilico Shares. The New Utilico Shares will be allotted to the Liquidators as nominees and bare trustees and the Liquidators will renounce the New Utilico Shares in favour of Eclectic Shareholders who elected for New Utilico Shares in accordance with their entitlements under the Scheme as at the Record Date.

4.7 ***Sale and Purchase Agreement***

Shortly before the Second Eclectic GM, Eclectic, Utilico and Ingot will enter into the Sale and Purchase Agreement, pursuant to which any non-cash assets of Eclectic comprised in the Cash Fund and the Liquidation Fund will be transferred to Utilico in consideration for a cash payment by Utilico of an amount equal to the aggregate value of such assets, as valued in accordance with the Scheme as at the Calculation Date.

4.8 ***GPLPF Subscription Agreement***

An agreement between the Company and GPLPF dated 6 December 2010 pursuant to which GPLPF agreed to subscribe for New Utilico Shares, valued as at the Utilico FAV per Share on the Calculation Date, the consideration for such subscription being satisfied by the transfer to the Company by GPLPF of the Resolute Assets which will be valued at their closing market price on the Australian Stock Exchange on the Calculation Date, converted into sterling at the A\$/£ sterling exchange rate applying on that date. Pursuant to the agreement, GPLPF has given certain standard warranties to the Company. The New Utilico Shares to be issued by the Company will rank *pari passu* with all other Utilico Shares in issue as at the date of their allotment.

4.9 *The Loan Facilities*

A £70 million multi-currency loan facility originally made between UIT and The Royal Bank of Scotland plc (**RBS**) dated 16 June 2003, subsequently novated to Utilico on 11 May 2007 and restated on 30 November 2007, and subsequently amended by several additional amending agreements. The loan is split into several tranches, only one of which, to the value of £30 million, is currently outstanding. No further sums can be drawn down under the facility agreement. The final repayment date for the loan is 31 March 2011.

The facility bears interest at an annual rate equal to the aggregate of: (i) sterling LIBOR for the interest period of the relevant advance (selected by Utilico); (ii) 2.5 per cent.; and (iii) an amount to reflect the mandatory costs of RBS in providing the facility.

RBS has a floating charge over the assets of Utilico in respect of amounts owing under the facility, secured by debentures under English and Bermuda law dated 11 May 2007.

The facility agreement contains representations, warranties, undertakings, events of default and indemnities which are customary for facility agreements of this nature.

4.10 *Westhouse Securities Engagement Letter*

The engagement letter dated 2 December 2010 between Utilico and Westhouse Securities pursuant to which Westhouse Securities will provide financial advice to Utilico in connection with the Proposals.

4.11 *Sponsor Engagement Letter*

The Engagement Letter dated 19 October 2010 between Utilico, ICM and Howard Kennedy pursuant to which Howard Kennedy will act as Utilico's sponsor in connection with the Proposals.

4.12 *Depository and Custody Services Agreement*

A depository agreement and custody services agreement dated 11 May 2007 between Utilico and the Depository pursuant to which Computershare Investor Services PLC has agreed to act as CREST Agent and UK transfer agent to Utilico. Under the Agreement, the Depository is entitled to a set up fee and ongoing annual fees. The agreement is terminable by either party on 6 months' notice.

4.13 *BCB Custody Agreement*

A custody agreement dated 30 May 2010 between Utilico and Bermuda Commercial Bank Limited (BCB) pursuant to which BCB as Utilico's custodian in respect of such cash and investments as Utilico shall from time to time deposit with BCB. The fees payable to BCB depend on the nature and quantity of the assets deposited with BCB and there is no minimum fee. There is no obligation on Utilico to deposit any assets with BCB. The agreement can be terminated on three months notice by either party.

4.14 *Eclectic Contracts*

Neither Eclectic nor any member of its group has entered into a material contract within the period of two years immediately preceding publication of this document (other than contracts entered into in the ordinary course of business), nor have they entered into any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which they have any obligation or entitlement which is material to them, as at the date of this document, in each case respect of the Rollover Fund.

4.15 *GPLPF Contracts*

Neither GPLPF nor any member of its group has entered into a material contract within the period of two years immediately preceding publication of this document (other than contracts entered into in the ordinary course of business), nor have they entered into any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which they have any obligation or entitlement which is material to them, as at the date of this document, in each case in respect of the Resolute Assets.

5 Significant change

Save for the rise in the audited value of the Company's net assets from £143.7 million as at 30 June 2010 to £177.1 million (unaudited) as at 30 November 2010 (being the latest practicable date prior to the publication of this document) and a corresponding rise in the NAV per Ordinary Share from 166.39 pence per Ordinary Share (audited) to 205.03 pence per Ordinary Share (unaudited) over the same period, there has been no significant change in the financial or trading position of the Group since 30 June 2010, being the date to which the latest audited annual results of the Company were published.

Since 30 November 2010 being the date at which Eclectic's portfolio of assets as set out in Part 2 was valued and the date of the valuation of the Resolute ordinary shares for the purpose of the GPLPF subscription there has been no significant change in the value of the Rollover Fund or the Resolute Assets.

6 Related party transactions

The Company was not a party to, nor had any interest in, any related party transaction (as defined in the Standards adopted according to the Regulation (EC) No 1606/2002) at any time during the three financial years to 30 June 2008, 2009 and 2010 or during the period from 1 July 2010 to 30 November 2010 (being the latest practicable date prior to the publication of this document) other than it being a party to the Investment Management Agreement (described in paragraph 4.2 of this Part 4), the Letters of Undertaking described in paragraph 4.5 of this Part 4 and the GPLPF Subscription Agreement described in paragraph 4.8 of this Part 4. The Transfer Agreement and the Sale and Purchase Agreement will constitute related party transactions when entered into.

7 Consent

- 7.1 Howard Kennedy has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to such name in the form and context in which they appear.
- 7.2 Westhouse Securities Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to such name in the form and context in which they appear.

8 Litigation Relating to Rollover Fund

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the last twelve months in respect of the Rollover Fund, which may have, or have had in the recent past, a significant effect on Eclectic's financial position or profitability.

9 Litigation Relating to Resolute Assets

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the last twelve months in respect of the Resolute Assets, which may have, or have had in the recent past, a significant effect on GPLPF's financial position or profitability.

10 Litigation Relating to Utilico

There have been no governmental, legal or arbitration proceedings (and no such proceedings are pending or threatened of which the Company is aware) in the previous twelve months which may have, or have had in the recent past, significant effects on any member of the Group's financial position or profitability.

11 Responsibility

The Directors, whose names appear on page 8, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

12 Effect of Issue of New Utilico Shares

The issue of the New Utilico Shares will impact on the Company's assets, earnings and liabilities as follows. The total assets of the Company will increase by the value of the assets transferred to the Company pursuant to the Transfer Agreement and also by the value of the Resolute Assets transferred to the Company pursuant to the GPLPF Subscription Agreement. It is not expected that there will be any material impact on the earnings and liabilities per Utilico Share as a result of the New Utilico Shares.

13 Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of Utilico at Canon's Court, 22 Victoria Street, Hamilton HM 12 Bermuda and at the offices of Norton Rose LLP, 3 More London Riverside, London SE1 2AQ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document up to and including the Effective Date:

- (a) the Transfer Agreement;
- (b) the Sale and Purchase Agreement;
- (c) the GPLPF Subscription Agreement; and
- (d) this document.

14 Availability of documents

Copies of this circular and the prospectus published by Utilico on 6 December 2010 have both been submitted to the National Storage Mechanism and are available for inspection at: www.hemscott.com/nsm.do

DEFINITIONS

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

2012 ZDP Class Meeting	the separate class meeting of the holders of 2012 ZDP Shares convened for 10.05 a.m. (Bermuda time) on 7 January 2011 (or as soon thereafter as the SGM shall have concluded or been adjourned), notice of which is set out at the end of this document, or any adjournment thereof
2012 ZDP Shares	zero dividend preference shares of 10p each issued by Utilico Finance that entitle their holders to a capital repayment of 177.52p per share on 31 October 2012
2014 ZDP Class Meeting	the separate class meeting of the holders of 2014 ZDP Shares convened for 10.10 a.m. (Bermuda time) on 7 January 2011 (or as soon thereafter as the 2012 ZDP Class Meeting shall have concluded or been adjourned), notice of which is set out at the end of this document, or any adjournment thereof
2014 ZDP Shares	zero dividend preference shares of 10p each issued by Utilico Finance that entitle their holders to a capital repayment of 167.60p per share on 31 October 2014
2016 ZDP Class Meeting	the separate class meeting of the holders of 2016 ZDP Shares convened for 10.15 a.m. (Bermuda time) on 7 January 2011 (or as soon thereafter as the 2014 ZDP Class Meeting shall have concluded or been adjourned), notice of which is set out at the end of this document, or any adjournment thereof
2016 ZDP Shares	zero dividend preference shares of 10p each issued by Utilico Finance that entitle their holders to a capital repayment of 192.78p per share on 31 October 2016
Bermuda Companies Act	the Companies Act 1981, as amended, of Bermuda
Bye-laws	the bye-laws of the Company
Board or the Directors	the board of directors of the Company and Director means any one of them
Calculation Date	close of business on 5 January 2011 or such other time and date as agreed between the Independent Directors and the Eclectic Independent Directors
Cash Fund	the pool of assets of Eclectic to be established under the Scheme for the purpose of meeting elections made or deemed to be made by Eclectic Shareholders for the Cash Option
Cash Option	the option being made available to Eclectic Shareholders under the Scheme to elect to receive a cash sum (being 95 per cent. of the Eclectic FAV per Share) in respect of their Eclectic Shares
Circular	this document
City Code	the City Code on Takeovers and Mergers, administered by The Panel on Takeovers and Mergers
Class Meetings	together, the 2012 ZDP Class Meeting, the 2014 ZDP Class Meeting and the 2016 ZDP Class Meeting, or any of them as the context may require

Company or Utilico	Utilico Limited
CREST	the computerised settlement system operated by Euroclear UK & Ireland Limited, which facilitates the transfer of title to securities in uncertificated form
Depository	Computershare Investor Services PLC
Depository Interests	the dematerialised depository interests issued by the Depository representing the underlying Ordinary Shares
Eclectic	Eclectic Investment Company plc, incorporated in England and Wales with registered number 02133976
Eclectic Directors	the directors of Eclectic
Eclectic FAV	the net asset value of Eclectic's undertaking, cash and other assets as at the Calculation Date after deducting the Liquidation Fund (calculated in accordance with the Scheme)
Eclectic FAV per Share	the Eclectic FAV divided by the number of Eclectic Shares in issue on the Calculation Date (excluding treasury shares)
Eclectic Independent Directors	the Eclectic Directors excluding Warren McLeland
Eclectic Resolutions	the resolutions to be proposed at the First Eclectic GM and the Second Eclectic GM
Eclectic Shareholders	holders of Eclectic Shares
Eclectic Shares	ordinary shares of 25p each in the capital of Eclectic
Effective Date	the effective date for the completion of the Proposals, currently expected to be on or around 17 January 2011, subject to, <i>inter alia</i> , the Resolutions being passed
First Eclectic GM	the general meeting of Eclectic convened for 12.00 noon (London time) on 7 January 2011
Form of Direction	the relevant form of direction to be used by Savings Plan Participants to indicate how they wish their voting rights to be exercised in respect of the SGM and/or the Class Meetings which accompanies this document
Form of Instruction	the form of instruction to be used by holders of Depository Interests to indicate to the Depository how they wish their voting rights to be exercised in respect of the SGM and/or the Class Meetings which accompanies this document
Form(s) of Proxy	the forms of proxy for use by Shareholders in connection with the SGM and by ZDP Shareholders in connection with the Class Meetings which accompany this document
FSMA	the Financial Services and Markets Act 2000
GPLPF	General Provincial Life Pension Fund (L) Limited, the Company's majority shareholder
GPLPF Subscription	the subscription by GPLPF for New Utilico Shares in consideration for the transfer to the Company of the Resolute Assets

GPLPF Subscription Agreement	the agreement between GPLPF and Utilico in respect of the GPLPF Subscription, as summarised in paragraph 4.8 of Part 4 of this document
Group	the Company and all of its subsidiaries from time to time, including Utilico Finance
Gross Assets	the unaudited aggregate value of the total assets of the Group, including assets represented by principal monies borrowed by the Group, less current liabilities (not including contingent liabilities of the Group) (other than principal monies borrowed and other than contingent liabilities) of the Group
ICM or the Manager	ICM Limited
Independent Directors	in relation to the Scheme, all of the Directors except Warren McLeland
Ingot	Ingot Capital Management Pty Ltd
Liquidators	the liquidators for the time being of Eclectic
Liquidation Fund	the liquidation fund to be established by the Liquidators in order to meet the expenses of the winding up of Eclectic and Eclectic's unknown liabilities
Listing Rules	the listing rules of the UK Listing Authority made under section 73A of FSMA
London Stock Exchange	the London Stock Exchange plc
Meetings	the SGM and the Class Meetings, or any of them as the context may require
Net Asset Value or NAV	in respect of the Ordinary Shares, the amount which would be payable to a Shareholder on any specified date if the Company was wound up and its assets (after making provisions for all its liabilities, including the amounts due to ZDP Shareholders) distributed on that date, valuing assets and providing for liabilities in accordance with the normal accounting policies of the Company, but ignoring winding up expenses
New Utilico Shares	new ordinary shares of 10p each in the capital of the Company proposed to be issued pursuant to the implementation of the Scheme and the GPLPF Subscription
NLPL	National Life & Pensions (L) Limited, Eclectic's majority shareholder
Notice of Special General Meeting	the notice convening the SGM set out at the end of this document
Notices of Class Meetings	the notices convening each of the Class Meetings set out at the end of this document
Official List	the official list of the UK Listing Authority
Ordinary Resolution	a resolution that requires a simple majority of those present, in person or by proxy, and voting in favour of the resolution in order to be passed
Ordinary Shares or Utilico Shares	ordinary shares of 10p each in the capital of the Company

Proposals	together, the Scheme, the GPLPF Subscription, the Share Premium Cancellation, the change to the Company's investment policy, the change of name of the Company and the increase in the Company's authorised share capital
Registrars	Computershare Investor Services (Jersey) Ltd
Resolute	Resolute Mining Limited
Resolute Assets	19,965,369 ordinary shares in Resolute (having an aggregate value of £15 million, based on the closing bid price on the Australian Stock Exchange on 30 November 2010 and a A\$/£ sterling exchange rate of 1.6238 on that date) to be transferred by GPLPF to the Company pursuant to the GPLPF Subscription
Resolutions	the resolutions to be proposed at the SGM as set out in the Notice of Special General Meeting and the resolutions to be proposed at the Class Meetings, as set out in the Notices of Class Meetings
Rollover Fund	the pool of assets of Eclectic to be established under the Scheme to be transferred to Utilico pursuant to the Transfer Agreement for the purpose of meeting elections made by Eclectic Shareholders for New Utilico Shares
Sale and Purchase Agreement	the agreement to be entered into by Eclectic, Ingot and Utilico providing, <i>inter alia</i> , for the sale of any non-cash assets in the Cash Fund and the Liquidation Fund to Utilico;
Savings Plan Participants	the participants in the Savings Plans
Savings Plans	the F&C Private Investor Plan and the F&C Pension Savings Plan
Scheme or Eclectic Scheme	the proposed scheme for the reconstruction and solvent winding up of Eclectic under section 110 of the Insolvency Act 1986
Second Eclectic GM	the general meeting of Eclectic convened for 12.00 noon (London time) on 17 January 2011
Shareholders	holders of Ordinary Shares
Share Premium Cancellation	the cancellation of the Company's current share premium account as described in this document
Special General Meeting or SGM	the special general meeting of the Company convened for 10.00 a.m. (Bermuda time) on 7 January 2011, notice of which is set out at the end of this document, or any adjournment thereof
special resolution	a resolution that requires a majority of 75 per cent. or more of those present, in person or by proxy, and voting in favour of the resolution in order to be passed
Subscription Agreement	the agreement dated 14 May 2007 between Utilico and Utilico Finance pursuant to which, <i>inter alia</i> , Utilico Finance transferred certain assets to Utilico in consideration for which Utilico agreed to put Utilico Finance into sufficient funds to enable it to pay the final capital entitlement of each ZDP Share when it falls due for payment, as summarised in paragraph 4.1 of Part 4 of this document

Transfer Agreement	the agreement to be entered into by the Liquidators (in their personal capacity and on behalf of Eclectic), Ingot and Utilico providing, <i>inter alia</i> , for the transfer of the Rollover Fund from Eclectic to the Company in connection with the Scheme
UKLA or UK Listing Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
Utilico FAV	the Net Asset Value on the Calculation Date, having deducted Utilico's costs pursuant to the Proposals calculated in accordance with the terms of the Scheme
Utilico FAV per Share	the Utilico FAV divided by the number of Utilico Shares in issue on the Calculation Date (excluding treasury shares)
Utilico Finance	Utilico Finance Limited, a subsidiary of Utilico, which has issued the ZDP Shares
Warrantholders	holders of Warrants
Warrant Instrument	the deed poll of Utilico dated 14 May 2007 constituting the Warrants
Warrants	warrants to subscribe for Ordinary Shares issued by Utilico on the terms and conditions of the Warrant Instrument
Winding-up Revenue Profits	the net revenue profits of Utilico (including accumulated revenue reserves) as at the proposed date of winding-up of Utilico, determined in accordance with Utilico's usual accounting policies and the Bye-Laws
ZDP Cover	has the meaning given to it in the bye-laws of Utilico Finance
ZDP Shareholders	holders of ZDP Shares
ZDP Shares	the 2012 ZDP Shares, the 2014 ZDP Shares and the 2016 ZDP Shares

UTILICO LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39480)

NOTICE OF SPECIAL GENERAL MEETING

YOU ARE HEREBY NOTIFIED that a Special General Meeting of the Company will be held at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda on:

7 January 2011 at 10.00 a.m. (Bermuda time)

for the purpose of considering the following agenda and, if thought fit, passing the resolutions set out below, all of which will be proposed, with or without modification, as ordinary resolutions (as such term is defined in the Company's Bye-Laws):

In this notice, any capitalised terms used herein and not defined shall have the same meanings attributed to such terms in the circular of the Company and Utilico Finance Limited dated 6 December 2010 (the Circular) of which this notice forms a part.

Agenda

Elect a Chairman, if necessary.

Read Notice convening this meeting.

Resolutions

- 1 THAT, subject to (i) the passing of resolutions 2 to 6 below; (ii) the passing of the resolutions to be proposed at each of the Class Meetings; and (iii) the passing of the Eclectic Resolutions, the revised investment policy as set out in the Circular be and is hereby approved and adopted to the exclusion of the Company's current investment policy.
- 2 THAT, subject to (i) the passing of resolution 1 above and resolutions 3 to 6 below; (ii) the passing of the resolutions to be proposed at each of the Class Meetings; and (iii) the passing of the special resolution to be proposed at the First Eclectic GM, the entry into by the Company of the Transfer Agreement and the Sale and Purchase Agreement pursuant to the Scheme, being related party transactions for the purposes of the Listing Rules of the UK Listing Authority, and the issue by the Company of New Utilico Shares valued at the Utilico FAV per Share on the Calculation Date pursuant to the Transfer Agreement, be and is hereby approved.
- 3 THAT, subject to (i) the passing of resolutions 1 and 2 above and resolutions 4 to 6 below; (ii) the passing of the resolutions to be proposed at each of the Class Meetings; and (iii) the passing of the Eclectic Resolutions (as such terms are defined in the Circular), the GPLPF Subscription (as such term is defined in the Circular), being a related party transaction for the purposes of the Listing Rules of the UK Listing Authority, and the issue by the Company of New Utilico Shares valued at the Utilico FAV per Share on the Calculation Date pursuant to the GPLPF Subscription, be and is hereby approved.
- 4 THAT, subject to (i) the passing of resolutions 1 to 3 above and resolutions 5 and 6 below; (ii) the passing of the resolutions to be proposed at each of the Class Meetings; and (iii) the passing of the Eclectic Resolutions, the share premium account of the Company be reduced by £223,501,293 by the payment out of it of the sum of £223,501,293 to the Company's new special distributable reserve account with effect from 17 January 2011 and that the Board be and it is hereby authorised to effect such reduction of share premium and to determine, as it thinks expedient, any and all matters in connection therewith not specifically resolved upon herein.
- 5 THAT, subject to (i) the passing of resolutions 1 to 4 above and resolution 6 below; (ii) the passing of the resolutions to be proposed at each of the Class Meetings; and (iii) the passing of the Eclectic Resolutions, the Company's name be and is hereby changed to Utilico Investments Limited.

- 6 THAT, subject to (i) the passing of resolutions 1 to 5 above; (ii) the passing of the resolutions to be proposed at each of the Class Meetings; and (iii) the passing of the Eclectic Resolutions, the authorised share capital of the Company be and is hereby increased from £12,747,950 to £25,000,000 by the creation of 122,520,500 additional ordinary shares of par value 10 pence each, and that such new shares rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company as set out in the Company's Bye-laws.

By Order of the Board

F&C Management Limited

Secretary

6 December 2010

Notes:

- 1 Only the holders of Ordinary Shares registered on the register of members of the Company at 2.00 p.m. (London time) (10.00 a.m. Bermuda time) on 5 January 2011 shall be entitled to attend and vote or to be represented at the meeting in respect of the shares registered in their name at that time. Changes to entries on the register after 2.00 p.m. (London time) (10.00 a.m. Bermuda time) on 5 January 2011 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- 3 A Form of Proxy is enclosed. Completion and return of the Form of Proxy will not preclude a member from attending the meeting and voting in person if he/she wishes to do so.
- 4 To be valid, the Form of Proxy for use at the meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company's Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the meeting.
- 5 General Provincial Life Pension Fund (L) Limited and its associates may not vote on Resolutions 2 and 3.

UTILICO FINANCE LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39479)

NOTICE OF CLASS MEETING OF THE HOLDERS OF UTILICO FINANCE 2012 ZDP SHARES

YOU ARE HEREBY NOTIFIED that a Class Meeting of the Company will be held at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda on:

7 January 2011 at 10.05 a.m. (Bermuda time) (or as soon thereafter as the Special General Meeting of Utilico Limited convened for the same day shall have concluded or been adjourned)

for the purpose of considering the following agenda and, if thought fit, passing the resolutions set out below, all of which will be proposed, with or without modification, as resolutions requiring a majority of 75 per cent. of those voting, whether on a show of hands or on a poll and whether in person or by proxy to vote in favour:

Agenda

Elect a Chairman, if necessary.

Read Notice convening this meeting.

Resolutions

- 1 THAT, subject to: (i) the passing of resolution 2 below; (ii) the passing of the Resolutions (other than this Resolution); (iii) the passing of the resolutions to be proposed at the other Class Meetings; and (iv) the passing of the Eclectic Resolutions (as such terms are defined in the circular of the Company and Utilico Limited dated 6 December 2010 (the **(Circular)**)), the adoption by Utilico Limited of the revised investment policy as set out in the Circular be and is hereby approved.
- 2 THAT, subject to: (i) the passing of resolution 1 above; (ii) the passing of the Resolutions (other than this Resolution); (iii) the passing of the resolutions to be proposed at the other Class Meetings; and (iv) the passing of the Eclectic Resolutions (as such terms are defined in the Circular), the cancellation of the share premium account of Utilico Limited be and is hereby approved.

By Order of the Board

F&C Management Limited

Secretary

6 December 2010

Notes:

- 1 Only the holders of Utilico Finance 2012 ZDP Shares registered on the register of members of the Company at 2.05 p.m. (London time) (10.05 a.m. Bermuda time) on 5 January 2011 shall be entitled to attend and vote or to be represented at the meeting in respect of the shares registered in their name at that time. Changes to entries on the register after 2.05 p.m. (London time) (10.05 a.m. Bermuda time) on 5 January 2011 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- 3 A Form of Proxy is enclosed. Completion and return of the Form of Proxy will not preclude a member from attending the meeting and voting in person if he/she wishes to do so.
- 4 To be valid, the Form of Proxy for use at the meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company's Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the meeting.

UTILICO FINANCE LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39479)

NOTICE OF CLASS MEETING OF THE HOLDERS OF UTILICO FINANCE 2014 ZDP SHARES

YOU ARE HEREBY NOTIFIED that a Class Meeting of the Company will be held at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda on:

7 January 2011 at 10.10 a.m. (Bermuda time) (or as soon thereafter as the separate class meeting of Utilico Finance 2012 ZDP Shares convened for the same day shall have concluded or been adjourned)

for the purpose of considering the following agenda and, if thought fit, passing the resolutions set out below, all of which will be proposed, with or without modification, as resolutions requiring a majority of 75 per cent. of those voting, whether on a show of hands or on a poll and whether in person or by proxy to vote in favour:

Agenda

Elect a Chairman, if necessary.

Read Notice convening this meeting.

Resolutions

- 1 THAT, subject to: (i) the passing of resolution 2 below; (ii) the passing of the Resolutions (other than this Resolution); (iii) the passing of the resolutions to be proposed at the other Class Meetings; and (iv) the passing of the Eclectic Resolutions (as such terms are defined in the circular of the Company and Utilico Limited dated 6 December 2010 (the **(Circular)**), the adoption by Utilico Limited of the revised investment policy as set out in the Circular be and is hereby approved.
- 2 THAT, subject to: (i) the passing of resolution 1 above; (ii) the passing of the Resolutions (other than this Resolution); (iii) the passing of the resolutions to be proposed at the other Class Meetings; and (iv) the passing of the Eclectic Resolutions (as such terms are defined in the Circular), the cancellation of the share premium account of Utilico Limited be and is hereby approved.

By Order of the Board

F&C Management Limited

Secretary

6 December 2010

Notes:

- 1 Only the holders of Utilico Finance 2014 ZDP Shares registered on the register of members of the Company at 2.10 p.m. (London time) (10.10 a.m. Bermuda time) on 5 January 2011 shall be entitled to attend and vote or to be represented at the meeting in respect of the shares registered in their name at that time. Changes to entries on the register after 2.10 p.m. (London time) (10.10 a.m. Bermuda time) on 5 January 2011 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- 3 A Form of Proxy is enclosed. Completion and return of the Form of Proxy will not preclude a member from attending the meeting and voting in person if he/she wishes to do so.
- 4 To be valid, the Form of Proxy for use at the meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company's Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the meeting.

UTILICO FINANCE LIMITED

(Incorporated in Bermuda under the Companies Act 1981, as amended, with company number 39479)

NOTICE OF CLASS MEETING OF THE HOLDERS OF UTILICO FINANCE 2016 ZDP SHARES

YOU ARE HEREBY NOTIFIED that a Class Meeting of the Company will be held at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda on:

7 January 2011 at 10.15 a.m. (Bermuda time) (or as soon thereafter as the separate class meeting of Utilico Finance 2014 ZDP Shares convened for the same day shall have concluded or been adjourned)

for the purpose of considering the following agenda and, if thought fit, passing the resolutions set out below, all of which will be proposed, with or without modification, as resolutions requiring a majority of 75 per cent. of those voting, whether on a show of hands or on a poll and whether in person or by proxy to vote in favour:

Agenda

Elect a Chairman, if necessary.

Read Notice convening this meeting.

Resolutions

- 1 THAT, subject to: (i) the passing of resolution 2 below; (ii) the passing of the Resolutions (other than this Resolution); (iii) the passing of the resolutions to be proposed at the other Class Meetings; and (iv) the passing of the Eclectic Resolutions (as such terms are defined in the circular of the Company and Utilico Limited dated 6 December 2010 (the **(Circular)**)), the adoption by Utilico Limited of the revised investment policy as set out in the Circular be and is hereby approved.
- 2 THAT, subject to: (i) the passing of resolution 1 above; (ii) the passing of the Resolutions (other than this Resolution); (iii) the passing of the resolutions to be proposed at the other Class Meetings; and (iv) the passing of the Eclectic Resolutions (as such terms are defined in the Circular), the cancellation of the share premium account of Utilico Limited be and is hereby approved.

By Order of the Board

F&C Management Limited

Secretary

6 December 2010

Notes:

- 1 Only the holders of Utilico Finance 2016 ZDP Shares registered on the register of members of the Company at 2.15 p.m. (London time) (10.15 a.m. Bermuda time) on 5 January 2011 shall be entitled to attend and vote or to be represented at the meeting in respect of the shares registered in their name at that time. Changes to entries on the register after 2.15 p.m. (London time) (10.15 a.m. Bermuda time) on 5 January 2011 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- 3 A Form of Proxy is enclosed. Completion and return of the Form of Proxy will not preclude a member from attending the meeting and voting in person if he/she wishes to do so.
- 4 To be valid, the Form of Proxy for use at the meeting and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be deposited with the Company's Registrars, Computershare Investor Services (Jersey) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not less than 48 hours before the time appointed for holding the meeting.

