

Dear Investor,

Annual General Meeting of PI Power International Limited

10.00am on 22nd June 2010

at Hilton Vienna Hotel, Am Stadtpark 1, 1030 Vienna

I write to advise you of the convening of the annual general meeting (“AGM”) of PI Power International Limited (the “Company”). The AGM is to be held at 10.00 am (Austrian time) on 22nd June 2010 at Hilton Vienna Hotel, Am Stadtpark 1, 1030 Vienna.

Please find enclosed the notice of the AGM (the “Notice”), which contains the resolutions to be considered at the AGM and the proxy form to be used by investors wishing to vote at the AGM (the “Proxy Form”).

The resolutions to be considered cover the usual matters to be dealt with at an annual general meeting, together with resolutions regarding an incentive compensation scheme for Company Directors and Management.

A copy of this letter, the notice of AGM and the documentation referred to therein is available on the Company’s website, www.powerinternational.eu. If any party has difficulty accessing the website or would like a copy of the documents to be sent to them by other means, they should contact Metrum Communications at m.lipa@metrum.at to request this.

Explanation of the Resolutions

Resolution 1

Resolution 1 proposes to approve the Company's annual accounts, together with a copy of the directors’ report for that financial year and the auditors’ report on those accounts (together the “Accounts”)

A copy of the Accounts was made available via the Company's website, www.powerinternational.eu on 1 June 2010. A German translation of these documents will be available on the Company's website on or about 11 June 2010. If any party has difficulty accessing the website or would like a copy of the documents to be sent to them by other means, they should contact Metrum Communications at m.lipa@metrum.at to request this.

Resolution 1 therefore simply approves the Accounts.

Resolution 2

Jersey company law requires the Company to appoint Auditors at each Annual General Meeting, to hold office from the conclusion of the Annual General Meeting to the conclusion of the next Annual General Meeting.

Grant Thornton Wirtschaftsprüfungs- und Steuerberatungs-GmbH, Vienna, are currently appointed as the Company's Auditors. Details of Grant Thornton Wirtschaftsprüfungs- und Steuerberatungs-GmbH may be found at www.grantthornton.at.

It is proposed that Grant Thornton Wirtschaftsprüfungs- und Steuerberatungs-GmbH be re-appointed as Auditors to the Company, by the passing of Resolution 2.

Resolutions 3 to 6

By Article 115A of the Articles of Association of the Company, "Each director shall retire at each annual general meeting". Therefore, Murdoch McKillop, Richard Boléat, George Baird and James Shinehouse (together the "Current Directors") shall retire from their positions as directors of the Company at the AGM.

All of the Current Directors have agreed to put themselves forward for re-election at the AGM to the roles of directors of the Company.

As a result of the retirement of all Current Directors at the AGM, it is also necessary that a director of the Company be elected as Managing Director of the Company. I have agreed to put myself forward for re-election at the AGM to the role of Managing Director of the Company.

Resolutions 7 and 8

At the Company's extraordinary general meeting (the "EGM") of 21 April 2009 it was resolved to, inter alia, distribute certain assets of the Company. That resolution was passed by an overwhelming majority of 99.6% of the Company's Certificate Holders. Since the date of the EGM, the Company has made a distribution of EUR 254.8m on 2 June 2009 representing a sum equal to EUR 4.40 per ADC and a further distribution of EUR 144.8m on 30 October 2009 representing a sum equal to EUR 2.50 per ADC.

On 29 May 2010, the Board announced an updated guidance on further distributions (the "Further Distributions"). In its current view, Further Distributions of between EUR 0.60 and EUR 1.40 per ADC are anticipated.

In the best interests of the Certificate Holders of the Company and consistent with the investment objectives of the Company as adopted by special resolution on 21 April 2009, such Further Distributions should be made as soon as reasonably possible. In consultation with several Certificate Holder representatives and to encourage the prompt payment of the highest possible amount of such Further Distributions, the Certificate Holder representatives proposed that a scheme (the "Scheme") be established to so incentivise the current directors and management of the Company which shall be comprised of a cash pool for current directors and management (the "Current Director Pool").

In respect of the Current Director Pool, it is suggested that the Company pay a cash amount into the Scheme equal to 1.0% of the amount by which the Adjusted Cumulative Distribution exceeds EUR 385 million (which equals EUR6.65 per ADC, exclusive of ADC's held by the Company) where the "Adjusted Cumulative Distribution" equals the sum of all cash distributions made by the Company to its Certificate Holders between 21 April 2009 and 31 March 2011 where each payment is discounted back to 21 April 2009 using a per annum discount rate of 15%. This discount rate (which reflects a cost of capital plus a risk premium) will have the effect of aligning the interests of directors and management with those of the Certificate Holders by incentivizing maximum and prompt return of capital.

That cash amount shall be payable in accordance with terms of the Scheme to the current directors and management of the Company. The Scheme also provides that any current director who resigns or is removed from office will not be entitled to any further payment under the Scheme. Also, the payments forfeited by such director will not be redistributed to the remaining directors, but will revert to the Company and form part of the Company's assets.

Finally, the Scheme will terminate if the Company is not liquidated by 31 March 2011. An extension of the Scheme beyond that date or the implementation of a new scheme will require a resolution at a general meeting of the Certificate Holders.

Attached to this letter is an illustrative calculation identifying the level of possible payments to be made to the directors in accordance with the Scheme. You will note that the amounts of such payments are dependent on the amount and timing of Further Distributions which may be made to Certificate Holders.

Resolutions 9 and 10

Resolutions 9 and 10 propose bonus payments to each of Fred Duswald and Wilfried Hassler, who served as directors of the Company from 14 November 2008 to 21 April 2009. The bonus payments shall only be due, if the general meeting resolves to approve the Scheme. The payments are to be effected at the same time as the payments under the Scheme to the Current Directors and are based on the amounts paid under the Scheme to the current non-executive Directors.

AGM arrangements

The Notice and the Proxy Form set out the detailed arrangements for attending and voting at the AGM and should be considered carefully and promptly, so that the deadlines referred to therein can be observed for appointing proxies and attending, should you so wish. If you have any queries regarding the process, please contact Metrum Communications at m.lipa@metrum.at.

To help with the organisation of the AGM, any questions relating to the resolutions should be sent in advance to Metrum Communications at m.lipa@metrum.at or may be handed in at the location of the AGM, prior to the start of the AGM.

The Company currently holds 2,120,062 ADCs representing shares in the Company at the time of the calling of the AGM, which each provide a right to vote at the AGM. The Company will not be exercising any rights to vote in relation to these ADCs.

Board Recommendation

The Board of Directors of the Company recommends that you approve resolutions 1 and 2.

The Board of Directors of the Company does not consider it appropriate to make a recommendation as to whether shareholders and ADC holders should support resolutions 3 to 10, as these resolutions deal with the composition of the Board, the appointment to the role of Managing Director of the Company and the implementation of an incentive scheme of the company management and the Board of Directors.

Signed:

A handwritten signature in blue ink, appearing to read "James Shinehouse". The signature is fluid and cursive, with a long horizontal flourish at the end.

James Shinehouse
Managing Director

For and on behalf of the board of directors of
PI Power International Limited

Date: 3 June 2010

PI Power International Limited

Illustrative Calculation of Incentive Payments (Euro '000s)

The following tables are intended to indicate, by way of hypothetical examples, potential amounts which would be funded to the Current Director Pool and the resulting share of the participants therein, if the assumptions in each table were to be achieved. At this time, the directors make no statement regarding the likelihood of achieving the assumptions.

The potential amounts presented in the illustrative examples below assume repayments are made in the amounts of the currently-issued guidance in full on the dates listed below.

The total discounted value of the repayments made on 2 June 2009 and 30 October 2009 is approximately MEUR 384; no amounts will be paid to the Current Director Pool following approval of the special resolution, unless and until further distributions are made to ADC Holders.

PI Payments at Low (Guidance = €7.50)				
Repayment date - final repayment		30 June 2010		31 March 2011
Total potential incentive pool		€ 282.3		€ 251.2
Managing Director (Shinehouse)	43.0%	€ 121.4		€ 108.0
Non executive directors (Baird, Boléat, McKillop)	38.0%	€ 107.3		€ 95.5
Executive management	19.0%	€ 53.6		€ 47.7

PI Payments at High (Guidance = €8.30)				
Repayment date - final repayment		30 June 2010		31 March 2011
Total potential incentive pool		€ 669.4		€ 597.1
Managing Director (Shinehouse)	43.0%	€ 287.9		€ 256.8
Non executive directors (Baird, Boléat, McKillop)	38.0%	€ 254.4		€ 226.9
Executive management	19.0%	€ 127.2		€ 113.5