

NOTICE TO HOLDERS OF
INTERNATIONAL POWER FINANCE (JERSEY) III LIMITED (the "Issuer")
€700,000,000 4.75 PER CENT. GUARANTEED CONVERTIBLE BONDS DUE 2015
ISIN: XS0363710566

**NOTICE OF ADJUSTMENT TO THE EXCHANGE PRICE AND BONDHOLDER PUT
OPTION**

Adjustment Event: Relevant Event

On 28 June 2012, the Court sanctioned the Scheme of Arrangement for the acquisition by Electrabel S.A ("**EBL**") of the entire issued share capital of International Power plc ("**IPR**") not already owned (directly or indirectly) by GDF SUEZ S.A. (the "**Scheme**") and the Scheme became effective on 29 June 2012. As notified in the Issuer's notice to Bondholders on 17 May 2012, the Scheme becoming effective constitutes a "Relevant Event" under the Terms and Conditions of the Bonds.

Adjustment of Exchange Price

Clause 7 of the Preference Share Guarantee and Undertaking requires an adjustment to be made to the Exchange Price in accordance with the terms of the schedule thereto (the "**Schedule**") on the occurrence of certain corporate events. As a result of the occurrence of the Relevant Event, an adjustment to the Exchange Price is required for a limited period pursuant to paragraph B (x) of the Schedule.

The current Exchange Price is 415 pence per Share.

From and including 29 June 2012 (being the date of the occurrence of the Relevant Event) up to and including 28 August 2012 (being the 60th day after the occurrence of the Relevant Event) (the "**Special Conversion Period**"), the Exchange Price will be adjusted to 369 pence per Share. Thereafter (assuming that no further events occur which would require any adjustment to the Exchange Price) the Exchange Price will be 415 pence per Share, as the adjustment for the Relevant Event is only applicable during the Special Conversion Period.

Principal Paying, Conversion and Exchange Agent

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

Attention: Debt & Agency Services, DAS
Telephone: +44 (0)20 7545 8000
Facsimile: +44 (0)20 7547 6149
Email: earlyredemptions.desk@db.com

The current form of conversion notice is available from the Conversion Agent.

Exercise of Conversion Rights and payment of cash consideration

Bondholders who exercise their Conversion Rights during the Special Conversion Period will be issued with Shares at the adjusted Exchange Price of 369 pence per Share (with no fractions of Shares being delivered) in accordance with the Preference Share Guarantee and Undertaking, which will (as a result of the amendments to IPR's Articles of Association which have been implemented as part of the Scheme) be automatically transferred to EBL in exchange for payment of a cash amount of 418 pence in respect of each Share so transferred. In respect of Conversion Rights exercised up to and including 10 July 2012, any such payment will be made to the converting Bondholder on or before 13 July 2012. In respect of Conversion Rights exercised at any other time during the Special Conversion Period, any such payment shall be made to the converting Bondholder on or before 11 September 2012.

Bondholders who exercise their Conversion Rights at any time from and including 29 August 2012 will be issued with Shares at the Exchange Price of 415 pence per Share (with no fractions of Shares being delivered) in accordance with the Preference Share Guarantee and Undertaking, which will (as a result of the amendments to IPR's Articles of Association which have been implemented as part of the Scheme) be automatically transferred to EBL in exchange for payment of a cash amount of 418 pence in respect of each Share so transferred. Any such payment will be made to the converting Bondholder within 14 days following the exercise of its Conversion Right.

Bondholder Put Option

Bondholders will have the right, during the period from and including 30 June 2012 to and including 28 August 2012, to put the Bonds that they hold to the Issuer. To exercise such option in respect of the Bonds held by it in Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), a holder of such Bonds must give notice to the Principal Paying, Conversion and Exchange Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Principal Paying, Conversion and Exchange Agent by electronic means) of the principal amount of the Bonds in respect of which such option is exercised and at the same time presenting or procuring the presentation of the Global Bond representing the Bonds to the Principal Paying Agent for notation accordingly.

Defined Terms

All words and terms that are capitalised herein but not defined shall have the same meaning as set out in the Terms and Conditions of the Bonds.

International Power Finance (Jersey) III Limited

29 June 2012