

TEP Exchange Group Plc

(“TEP” or the “Company”)

Further Announcement regarding the Outsourcing Agreement

In 2002 the Company entered into an outsourcing agreement with Surrenda-link Limited (“Surrenda-link”), a 48.26 per cent shareholder in the Company, which allowed it to outsource all of its operational activities. In February 2007 the terms of this agreement were revised and the initial period was amended to end on 31 December 2008 and to continue thereafter unless and until terminated on six months notice by either party.

Surrenda-link has indicated to the Company that in accordance with the terms of the outsourcing agreement it intends to give notice to terminate this agreement on 31 December 2008. Consequently, in order to ensure the continuity of its operational activities the Company has granted approval to Surrenda-link to transfer the majority of its outsourcing responsibilities (excludes accounting and compliance) to Foregate Support Services Limited (“Foregate”) with immediate effect. Foregate is an IT support services business which was established recently by the former IT manager of Surrenda-link.

The proposed arrangements will allow the Company to monitor the performance of Foregate in the next six months to determine if they are capable of managing the activities on a longer term basis. Once the Company is satisfied as to Foregate’s ability to manage the initial outsourcing responsibilities the Company intends to enter into an outsourcing agreement directly with Foregate. In the event that, in the opinion of the Company, Foregate fails to deliver the service levels required by the Company all outsourcing responsibilities will revert back to Surrenda-link and the Company will seek an alternative outsource partner for the period commencing 1 July 2009.

To facilitate the transfer of these operational activities Foregate and Surrenda-link have entered into a separate outsourcing agreement. The Company has entered into a tri-partite agreement in order to formalise the Company’s consent to the transfer of the majority of the outsourcing responsibilities and to set out other necessary provisions to facilitate the handover from Surrenda-link to Foregate. The Company and Surrenda-link have entered into an agreement which sets out the services which are being retained by Surrenda-link and the agreed fee for those services is consistent with the terms of the existing outsourcing agreement between the parties.

The Directors believe that the total charges expected to be incurred under the new outsourcing arrangement in the year ended 31 December 2008 for the services being provided by Foregate and Surrenda-link will be less than the total amount which would have been charged by Surrenda-link under the terms of the February 2007 agreement between the Company and Surrenda-link.

Further Enquiries

TEP Exchange Group plc

David Roxburgh

00 353 1 668 7782

John East & Partners Limited

John East/Simon Clements

020 7628 2200