



Notice to NZX
4 November 2011

As previously announced, Equity Partners Infrastructure Management Limited ("**EPIM**"), a wholly owned subsidiary of Pyne Gould Corporation Limited ("**PGC**"), is party to a management agreement ("**Agreement**") with Equity Partners Infrastructure Company No. 1 Limited ("**EPIC**"), and that Agreement provides that EPIC may terminate the Agreement if there is any change in the direct or indirect ownership or control of EPIM or its holding company ("**Change of Control**") without the prior written consent of EPIC.

EPIM sought the consent of EPIC to any Change of Control occurring as a result of the takeover offer of Australasian Equity Partners Fund No. 1 LP ("**AEP**").

The independent directors of EPIC have concluded they cannot and do not give that consent. PGC understands that EPIC has taken this step as a result of advice to EPIC that a Change of Control of EPIM would trigger pre-emptive rights in the shareholders' agreement for its Moto investment (which PGC understands would mean that EPIC's Moto shareholding would then need to be offered for sale to other Moto shareholders).

Consequently, EPIC has also given notice that the Agreement will be terminated immediately prior to any Change of Control occurring (which EPIC considers would occur if AEP received acceptances under its takeover offer which will result in AEP holding or controlling greater than 50% of the voting rights in PGC, and declaring the offer unconditional). If a Change of Control does not occur, the notice will be of no effect.

PGC is considering the notice and taking advice on it. PGC believes, at this stage, by working closely with EPIC and AEP an outcome satisfactory to PGC shareholders can be achieved.

Bryan Mogridge and Bruce Irvine, as the committee of disinterested directors established to deal with the Offer, confirm their advice that PGC shareholders should not sell their shares pending receipt of PGC's Target Company Statement, the Independent Adviser's Report and resolution of this issue.

For more information, please contact:

Bryan Mogridge
Phone 021-931 355