ANNOUNCEMENT TO STOCK EXCHANGE

GRAPHITE ENTERPRISE TRUST PLC

3 November 2008

Graphite Enterprise Trust PLC ("Graphite Enterprise" or the "Company") has exchanged contracts to sell interests in ten funds ("the Interests") to funds managed by AlpInvest Partners NV. The sale is expected to generate proceeds of approximately £47.1 million and release the Company from undrawn commitments of approximately £45.2 million. The rate of realisations from the Company's unquoted portfolio has slowed materially in recent months and in the current uncertain economic environment the Board and the Manager considered it prudent to strengthen the Company's balance sheet. The sale both increases the Company's level of cash and reduces its level of undrawn commitments.

The Company's latest reported net asset value was released in the interim accounts to 30 June 2008. At this date, the net value of the Interests was £56.0 million and since then a further £4.2 million (net of distributions) has been drawn down, bringing the adjusted value of the Interests to £60.2 million. The sale proceeds of £47.1 million represent a discount of 21.8% to this adjusted value. At 30 June, Graphite Enterprise's net asset value per share was 520.5p and if this were adjusted to take account of the sale it would fall by 18.1p or 3.5% to 502.4p.

As at 30 June 2008 the Company had net assets of £386.6 million of which £280.0 million was in the investment portfolio and £106.6 million was in cash. Undrawn commitments less cash were £239.7 million or 62.0% of net assets. The Company now has cash balances of £74.5 million and undrawn commitments less cash of £237.0 million. The sale increases the pro forma cash balance to £121.6 million and reduces undrawn commitments less cash to £144.7 million or 37.4% of the adjusted June net asset value. Commitments have historically been drawn down over a period of three to four years and it is usual for 10 - 15% to remain undrawn for the first five years.

The sale agreement includes a provision that, if the MXEU Europe Index falls by 20% or more between 15 October and 18 November, the price will be reduced pro-rata to any fall. If the index falls by less than 20% the price remains unchanged. As at 31 October the index had risen by 2.6%. The transaction will have an initial closing when the transfer of substantially all of the Interests has been approved by the general partners of the respective funds and a final closing when the remaining consents have been received. This would normally take six to eight weeks.

Three of the funds in which interests are being sold are managed by Graphite Capital Management – Graphite Capital Partners VI, Graphite Capital Partners VII and Graphite Capital Partners VII Top Up Fund. These account for £11.3 million (18.8%) of the assets sold and £16.9 million (37.3%) of the undrawn commitments transferred. In the short term, the transaction should not materially change the balance between funds managed by Graphite Capital and funds managed by third parties.

The Company will announce its net asset value as at 30 September 2008 on 19 November 2008.

For further information, please contact:

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