**Notice to U.S. Taxpayers**

Lehman Brothers Private Equity Partners Limited and certain of its underlying investments are passive foreign investment companies ("PFICs") under U.S. tax law and, as a result, U.S. taxpayers have special tax considerations that they should address in connection with their 2007 U.S. tax returns. Failure to take action could result in onerous tax consequences to a U.S. shareholder. In many cases, it will make sense for U.S. shareholders to make a Qualified Electing Fund ("QEF") or Mark-to-Market ("MTM") election on their 2007 U.S. tax returns. Non U.S. shareholders are not impacted by PFICs and do not need to take any action. For a full description of PFICs and the effects of the related elections, please see the description on our website at www.lbpe.com. **Please consult a tax adviser to determine the best course of action for you.**

A U.S. taxpayer makes a QEF or MTM election by filing Form 8621, which is available on our website at www.lbpe.com or on the IRS website at www.irs.gov. In order to complete the filing for a QEF or MTM election, LBPE will need to provide certain information regarding the affected PFIC(s) to you in the form of an Annual Information Statement ("AIS"). The AIS is customized for each PFIC and shareholder and will provide you with the data necessary to administer the U.S. tax rules should you choose to make a QEF election for your investment in LBPE.

We currently anticipate that we will receive all of the information needed for PFIC administration from our underlying investments during the third quarter of 2008. As soon as the information is collected, we will prepare and provide you with the AIS necessary to make a QEF election. We will work to deliver the AIS as soon as possible, but not later than September 1, 2008. **Due to the effort required to gather and process the information to prepare the AIS, U.S. taxpayers should plan to fully extend the time to file their tax returns for 2007.**

In order to prepare the AIS, LBPE needs the U.S. shareholder to provide the following information:

- Name and tax identification number
- A list of transactions in LBPE shares during the year, including dates and numbers of shares involved in each purchase or sale, and number of shares owned as of 31 December 2007.

Please provide this information on the accompanying data request form, which will be available on our website at www.lbpe.com. We will also fax or mail you a copy if you call (214) 647-9593 with your contact information. When completed, please return the form to us by attaching it to an email to investorrelations@lbpe.com, faxing to (214) 647-9501, or mailing to c/o Lehman Brothers Private Fund Advisers, LP, 325 N. Saint Paul Street, Suite 4900, Dallas, TX 75201. We will confirm receipt of your request in writing.

U.S. taxation of PFIC's is a complex matter and you should consult with your tax advisor.

Neither Lehman Brothers Inc. nor its employees provide tax or legal advice. Matters contained within this communication are not intended or written to be used for the purposes of (1) avoiding U.S. tax related penalties or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein. Unless otherwise agreed, Lehman Brothers is not responsible for pairing trades across different accounts for tax planning purposes. © 2008 Lehman Brothers Inc. All rights reserved. Member SIPC.