

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised and regulated under the Financial Services and Markets Act 2000 (as amended).**

If you sell or have sold or otherwise transferred all of your ordinary shares in Leed Petroleum plc, you should deliver this document, together with the attached Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Directors, whose names are set out on page 5 of this document and the Company, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

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# **Leed Petroleum plc**

*(Incorporated and registered in England and Wales with No: 06034226)*

**Share Reorganisation  
Board Changes  
Issue of Convertible Loan Notes  
Adoption of Investing Policy  
and  
Notice of General Meeting**

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**Your attention is drawn to the letter from Mr. Robert Adair, Non-Executive Chairman of the Company, which is set out on pages 5 to 9 of this document and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting.**

Notice of a General Meeting of Leed Petroleum plc, to be held at the Company's registered office at One New Change, London EC4M 9AF on 22 June 2011 at 11.00 a.m. is set out at the end of this document. Whether or not you intend to be present at the General Meeting you are urged to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to arrive as soon as possible and, in order to be valid, in any event not later than 11.00 a.m. on 20 June 2011. Completion and return of Forms of Proxy will not preclude shareholders from attending and voting at the General Meeting should they so wish.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	7 June 2011
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 20 June 2011
General Meeting	11.00 a.m. on 22 June 2011
Record Date for the Share Reorganisation	5.30 p.m. on 22 June 2011

### STATISTICS

Number of Existing Ordinary Shares in issue at the date of this document	676,020,767
Number of New Ordinary Shares following the GM	67,602,076
Number of Deferred Shares following the GM	67,602,076
Number of New Ordinary Shares following the GM assuming full conversion of the Convertible Loan Notes	2,202,602,076
Par Value of New Ordinary Shares following the GM	£0.001
New ISIN following the GM	GB00B3XT3Q15
New SEDOL following the GM	B3XT3Q1

## DEFINITIONS

“Act”	the Companies Act 2006, as amended from time to time;
“AIM”	AIM, a market operated by London Stock Exchange Plc;
“AIM Rules”	AIM Rules for Companies published by London Stock Exchange Plc, as amended from time to time;
“Articles”	the articles of association of the Company, as amended from time to time;
“Completion”	the completion of the Proposals, which is subject to approval of the Resolutions by Shareholders;
“Consolidated Ordinary Shares”	ordinary shares of 50 pence each in the capital of the Company following the Share Consolidation and prior to the Share Split;
“Convertible Loan Notes” or “Loan Notes”	£2,135,000 loan notes of £1 convertible into 2,135,000,000 New Ordinary Shares and to be issued subject to the passing of all the Resolutions;
“Deferred Shares”	the deferred shares of 49.9 pence each in the capital of the Company to be created by the Share Split and as part of the Share Reorganisation;
“Directors” or “the Board”	the directors of the Company, being Robert Adair and Ian Gibbs as at the date of this document;
“Document”	this document dated 7 June 2011;
“Existing Ordinary Shares”	the existing ordinary shares of 5 pence each in the capital of the Company;
“Fundraising”	the conditional issue of the Convertible Loan Notes;
“GM” or “General Meeting”	the General Meeting of the Company to be held on 22 June 2011 at the Company’s registered office at One New Change, London EC4M 9AF;
“Investing Policy”	the new investment policy of the Company as described on page 7;
“Leed” or “the Company”	Leed Petroleum plc, incorporated and registered in England and Wales with No 06034226;
“New Ordinary Shares”	new ordinary shares of 0.1 pence each in the share capital of the Company following Completion;
“Noteholders”	holders of the Convertible Loan Notes;
“Notice”	the notice of General Meeting set out at the end of this Document;
“Proposals”	the proposals set out in this document including the Fundraising, the Share Reorganisation, and other matters to be considered at the General Meeting;
“Resolutions”	the resolutions to be proposed at the GM, as set out in the Notice;

“Rivington”	Rivington Street Corporate Finance Limited, the brokers to the Company;
“Shareholders”	the shareholders of the Company;
“Share Split”	the reorganisation of the Company’s share capital in accordance with Resolution 2;
“Share Consolidation”	the consolidation of the Company’s share capital in accordance with Resolution 1;
“Share Reorganisation”	the Share Split and the Share Consolidation; and
“UniCredit”	UniCredit Bank AG.

LETTER FROM THE CHAIRMAN OF

# Leed Petroleum plc

(Incorporated and registered in England and Wales with No: 06034226)

*Directors:*

Robert Adair (*Non-Executive Chairman*)  
Ian Gibbs (*Non-Executive Director*)

*Registered Office:*

One New Change  
London  
EC4M 9AF

7 June 2011

*Dear Shareholder,*

## **Introduction**

On 30 March 2011, the Company announced that the Board was unable to reach a satisfactory conclusion in its discussions with UniCredit, in conjunction with potential investors and asset acquirers, with a view to restructuring its loan facilities. As a consequence, the Company's financial position became uncertain and on 29 March 2011 the Board requested that the Company's shares be suspended from trading on AIM pending further clarification of the Company's financial position.

Effective as of 18 April 2011, the Company caused the shares of its operating subsidiary, Leed Petroleum LLC ("Leed LLC") to be transferred to a trust established for the benefit of Leed LLC's creditors, including UniCredit. The trustee of that trust subsequently sold all of the assets of Leed LLC for \$16 million, with the net sale proceeds to be disbursed to Leed LLC's creditors. All of the proceeds from the sale has been used to satisfy debt owed to UniCredit.

As a result the Company now has no material assets or liabilities.

On 20 April 2011, the Board of Directors of the Company convened a general meeting of the Company for 5 May 2011 to appoint a liquidator to wind up the Company. Subsequently, the Company received a non-binding offer to recapitalise the Company thus giving it the resources to continue as an investment vehicle, seeking oil and gas investment opportunities and retaining its quotation on AIM, providing the Company is able to have certain creditors release the Company from outstanding guarantees. As the alternative would involve the appointment of a liquidator to effect a winding up of the Company, which the Directors consider would deliver no value to Shareholders, the Board has pursued the recapitalisation route and so I am now writing to Shareholders to set out the details of the Proposals. As announced on 6 May 2011, the general meeting of shareholders to appoint a liquidator to wind the Company up voluntarily was adjourned in order for the Company to pursue the Proposals.

On 6 June 2011, it was announced that the Company had reached an agreement with UniCredit, whereby UniCredit agreed to release the Company from the guarantee and security arrangements it had provided to UniCredit pursuant to its loan facilities conditional on the payment of a fee by the Company which will be met from the existing resources of the Company. The Company has now had all its material creditors agree to release the Company from its guarantee obligations to them. The Company is now in a position to proceed with the Proposals. Certain arrangements relating to security and other obligations remain in place in respect of Leed Petroleum Inc, the Company's wholly owned US subsidiary, pending formal settlement and termination of all arrangements between UniCredit and Leed Petroleum Inc. Following completion of the same, it is expected that Leed Petroleum Inc. will be wound up. None of these arrangements impose any liability on the part of the Company.

On 6 June 2011, all of the Directors of the Company resigned, other than Ian Gibbs and me. Mr. Gibbs and I remain on the Board in order to approve and implement the Proposals. Following the implementation of the Proposals, I will resign as a Director and Mr. Gibbs will remain on the Board.

## Proposals

The Proposals involve the recapitalisation of the Company by means of the issue of Convertible Loan Notes to raise £2,135,000, before expenses, and the reclassification of the Company as an Investing Company under AIM Rules, with the purpose of making investments in the natural resources industry, with a focus on the oil and gas sector. Further details of the proposed Investing Policy are set out below.

The Placing is being effected by the issue of the Convertible Loan Notes, which are convertible into New Ordinary Shares on the basis of 1,000 New Ordinary Shares for each Loan Note of £1 converted. Full conversion of the Loan Notes will result in the issue of 2,135,000,000 New Ordinary Shares, which will represent 96.9 per cent. of the share capital of the Company as so enlarged. The Convertible Loan Notes have been conditionally placed with a number of investment clients of Rivington. The terms of the proposed Convertible Loan Notes are summarised below. It is intended that the Convertible Loan Notes will be converted into New Ordinary Shares immediately upon the issue of the same. On Completion, application will be made for the New Ordinary Shares, including those issued on conversion of the Loan Notes, to be admitted to AIM.

The Proposals are subject to the approval of Shareholders at General Meeting, to be held at 11.00 a.m. on 22 June 2011. The purpose of this letter is to provide you with the background to the Proposals and also to seek your approval for, *inter alia*, the Share Reorganisation, the issuance of shares to the Noteholders, the adoption of the Investing Policy, and the granting of authority to Directors to issue new shares, all of which will be proposed as special business at the General Meeting, notice of which is set out at the end of this Document.

**The Directors believe that the Resolutions are in the best interests of the Company and recommend that you vote in favour of them. In the event that these Resolutions are not approved, it is the intention of the Directors to take steps that would result in the winding up of the Company.**

## Share Reorganisation

The Act prohibits the Company from issuing ordinary shares at a price below their nominal value. The price per share at which the Company has been able to raise additional capital is less than their current nominal value. Accordingly, it will be necessary to reorganise the share capital of the Company in order to issue New Ordinary Shares at the subscription price available on conversion of the Loan Notes.

The result of the Share Reorganisation is that the Existing Ordinary Shares will be converted into New Ordinary Shares on the basis of one New Ordinary Share for each 10 Existing Ordinary Shares.

The Company currently has 676,020,767 Existing Ordinary Shares in issue. Resolution 1, to be proposed at the General Meeting and as set out at the end of this Document, proposes that the Existing Ordinary Shares of 5p each in nominal value will be consolidated into Consolidated Ordinary Shares with a nominal value of 50p each on the basis of 1 Consolidated Ordinary Share for every 10 Existing Ordinary Shares. Pursuant to Resolution 2, the 67,602,076 Consolidated Ordinary Shares of 50p each in nominal value will then be subdivided into 67,602,076 New Ordinary Shares of 0.1p each in nominal value and 67,602,076 Deferred Shares of 49.9p each in nominal value.

Where the Share Reorganisation results in any member being entitled to a fraction of a New Ordinary Share, such fraction shall be aggregated and the Directors intend to sell (or appoint another person to sell) such aggregated fractions and retain the net proceeds for the benefit of the Company.

**One consequence of the Share Reorganisation is that Shareholders holding less than 10 Existing Ordinary Shares will receive no New Ordinary Shares.**

The New Ordinary Shares of 0.1p each, so created, will continue to carry the same rights as attach to the Existing Ordinary Shares of 5p each (save for the reduction in nominal value). The Deferred Shares will be transferable only with the consent of the Company and will not be admitted to trading on AIM (or any other investment exchange). The Deferred Shares will have the rights set out in Resolution 3 of the Notice, and the Directors consider the Deferred Shares, so created, to be of no economic value.

## Placing

Conditional upon the passing of all of the Resolutions, the Company has placed £2,135,000 in Convertible Loan Notes with investment clients of Rivington.

The Loan Notes are unsecured and bear no interest. They are redeemable on 31 December 2012 if not previously converted. They are convertible at the option of either the Company or the Noteholder on the basis of 1,000 New Ordinary Shares for each £1 Loan Note held.

I have agreed to subscribe for £40,000 of Loan Notes which will result in the issue to me of 40,000,000 New Ordinary Shares on conversion of the same.

Bromius Capital Limited, a company of which Ian Gibbs is both a director and a shareholder, has agreed to subscribe for £100,000 of Loan Notes which will result in Bromius Capital Limited receiving 100,000,000 New Ordinary Shares on conversion of the same.

### **Investing Policy**

As the Company has now disposed of all of its trading business, the Company will be reclassified as an Investing Company under AIM Rules. The Directors intend to invest the proceeds of the Placing in companies operating in the natural resources sector, with a focus mainly but not exclusively on the oil and gas sector, in accordance with the following Investing Policy.

The proposed investments to be made by the Company may be either quoted or unquoted; made by direct acquisition or through farm-ins; may be in companies, partnerships, joint ventures; or direct interests in oil and gas projects. Target investments will generally be involved in projects in the exploration and/or development stage. The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.

The Directors will initially focus on projects located in Africa but will also consider investments in other geographical regions.

The Directors will identify and assess potential investment targets and, where they believe further investigation is required, intend to appoint appropriately qualified advisers to assist. They believe they have a broad range of sources of potential opportunities.

The Company proposes to carry out a comprehensive and thorough project review process in which all material aspects of any potential investment will be subject to rigorous due diligence, as appropriate.

It is likely that the Company's financial resources will be invested in a small number of projects or potentially in just one investment which may be deemed to be a reverse takeover under the AIM Rules. Where this is the case, the Directors intend to mitigate risk by undertaking an appropriate due diligence process. Any transaction constituting a reverse takeover under the AIM Rules will require Shareholder approval. The Directors have not, however, excluded the possibility of building a broader portfolio of investment assets.

The Company intends to deliver shareholder returns principally through capital growth rather than capital distribution via dividends.

Given the nature of the Company's Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value.

The Directors consider that, in due course, the Company may require additional funding as investments are made, and new investment opportunities arise.

### **Change of Directors**

It is proposed, pursuant to Resolution 9, that Mr. Peter Redmond will be appointed as Chairman of the Company. Subject to the passing of the Resolutions, I will resign as Chairman and the new Board of Leed will consist of Mr. Redmond and Mr. Gibbs.

Peter Redmond is an experienced corporate financier and has some 30 years experience in corporate finance and venture capital. He became director of corporate finance at Durlacher Limited in 2003, then joined Merchant House Group plc where he later became Chief Executive, prior to joining Rivington in 2010. He has been active in reconstructing a number of AIM companies which have

subsequently acquired or established operating businesses, including natural resources companies such as Igas Energy plc, Weatherly International plc and CarbonDesk plc.

Peter Redmond holds or has held the following directorships or has been a partner in the following partnerships within the five years prior to the date of this Document.

*Current Directorships/Partnerships*

Blenheim Wind (UK) plc  
Blenheim Energy Limited  
Blenheim Wind & Biomass Limited  
Renewable Power & Light Limited  
Bass Energy Pty (Australia)  
Citypoint Holdings plc  
Renewable Power & Light plc  
Fortfield Investments plc

*Past Directorships*

Merchant Capital Limited  
Merchant House Group plc  
Merchant House Finance Limited  
Island Gas Resources plc (now Igas Energy plc)  
Weatherly International plc  
Petsome plc  
Wind Ventures Limited  
BWA Group plc  
Westover Wines plc  
Synigence plc  
Fenchurch Capital Limited

He was a director of BWA Group plc, Bella Media plc, Weatherly International plc and Igas Energy plc all of which have in the past been the subject of CVAs. He joined the boards of the companies concerned in order to assist in the refinancing and reconstruction immediately after the CVAs had been put in place. In all cases the CVAs were successfully concluded.

**Share certificates**

New share certificates representing the New Ordinary Shares will be issued and sent by first class post at the risk of the Shareholder on or before 28 June 2011 following Completion. No certificates will be issued in respect of the Deferred Shares created as part of the Share Reorganisation. For uncertificated holders, their stock accounts in CREST will be credited with the New Ordinary Shares on or around 23 June 2011.

Following the Share Reorganisation, share certificates in respect of the Existing Ordinary Shares will no longer be valid. Subject to the Resolutions being passed, Shareholders will be able to trade in the New Ordinary Shares during the period between the passing of the Resolutions and the date on which Shareholders receive share certificates in respect of the New Ordinary Shares. During this period and pending the issue of certificates, transfers will be certified against the Company's share register.

If you are in any doubt with regard to your current shareholding in Existing Ordinary Shares or the Share Reorganisation, you should contact our registrar, Computershare Investor Services PLC, on: +44 (0) 870 703 6362 between 9.00 a.m. and 5.00 p.m. on any London business day.

The New Ordinary Shares will retain the same rights as those currently accruing to the Existing Ordinary Shares under the Company's Articles, including those relating to voting and entitlement to dividends.

**General Meeting**

The notice convening the General Meeting is set out on pages 10 to 12 of this document at which the Resolutions will be proposed for the purposes of the Proposals. All the Resolutions are interconditional on each other, and all of the Resolutions will need to be passed for the Proposals to become effective. If the Resolutions are not passed, the Directors intend to appoint a liquidator to effect a winding up of the Company, which the Directors consider would deliver no value to Shareholders. A summary of the Resolutions is set out below:

Resolution 1, which will be proposed as a special resolution, seeks approval for the consolidation of the Existing Ordinary Shares on the basis of 1 Consolidated Ordinary Share of 50 pence each for every 10 Existing Ordinary Shares of 5 pence;

Resolution 2, which will be proposed as an ordinary resolution, seeks approval for the subdivision of each Consolidated Ordinary Share into 1 New Ordinary Share of 0.1 pence each and 1 Deferred Share of 49.9 pence each;

Resolution 3, which will be proposed as a special resolution, seeks approval for the rights and restrictions attaching to Deferred Shares;

Resolution 4, which will be proposed as an ordinary resolution, seeks to grant the Directors authority to allot New Ordinary Shares in the capital of the Company;

Resolution 5, which will be proposed as a special resolution, seeks to grant the Directors the power to disapply statutory pre-emption rights over certain shares;

Resolution 6, which will be proposed as an ordinary resolution, seeks approval under the Articles (including, but not limited to, the limits on the Directors' borrowing powers under Articles 175 and 176) and the Act for the issue of 2,135,000 Convertible Loan Notes which are convertible into 1,000 New Ordinary Shares for each £1 Convertible Loan Note;

Resolution 7, which will be proposed as an ordinary resolution, seeks approval for the waiver of the mandatory takeover offer provision set out in Article 258 in accordance with Article 270 in relation to the issue of the Convertible Loan Notes. The subscribers for the Convertible Loan Notes will not be entitled to vote on this resolution;

Resolution 8, which will be proposed as an ordinary resolution, seeks approval for the proposed Investing Policy; and

Resolution 9, which will be proposed as an ordinary resolution, seeks to appoint Peter Redmond as a director of the Company.

Each of the Resolutions is conditional on the passing of all other Resolutions to be proposed at the General Meeting.

#### **Action to be taken**

Shareholders will find a Form of Proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 11.00 a.m. on 20 June 2011, being 48 hours before the time appointed for holding the General Meeting. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

#### **Recommendation**

**The Directors consider the Proposals to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole and therefore unanimously recommend that you vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings, amounting in aggregate to 6,834,043 Existing Ordinary Shares representing approximately 1 per cent. of the issued share capital of the Company. In the event that any one of the Resolutions is not passed then the Proposals will not be put into effect and it is extremely likely that the Company will then be wound up with the result that no value will be returned to Shareholders.**

Yours faithfully,

Robert Adair  
*Non-Executive Chairman*

# Leed Petroleum plc

(Incorporated and registered in England and Wales with No: 06034226)

## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of the Company will be held at Company's registered office at One New Change, London EC4M 9AF on 22 June 2011 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 2, 4, 6, 7, 8 and 9 will be proposed as ordinary resolutions and resolutions 1, 3 and 5 be proposed as special resolutions.

1. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, every 10 existing ordinary shares of 5 pence each in nominal value in the capital of the Company in issue at the close of business on the date of this meeting (the "Existing Ordinary Shares") be consolidated into one consolidated ordinary share of 50 pence in nominal value (the "Consolidated Ordinary Shares"), having the same rights and ranking *pari passu* in all respects with the Existing Ordinary Shares provided that where such consolidation results in any member being entitled to a fraction of a Consolidated Ordinary Share, such fraction shall be aggregated and the directors of the Company be and are hereby authorised to sell (or appoint another person to sell) such fraction and retain the net proceeds of such sale for the benefit of the Company.
2. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, each of the Consolidated Ordinary Shares arising from resolution 1 then in issue, be subdivided into 1 ordinary share of 0.1 pence in nominal value (the "New Ordinary Shares") having the same rights and ranking *pari passu* in all respects with the Existing Ordinary Shares and one deferred share of 49.9 pence in nominal value (the "Deferred Shares") having the rights and restrictions set out in Resolution 3 below
3. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, the Deferred Shares shall have the following rights and restrictions:
  - (a) The Deferred Shares shall carry no rights to participate in the profits of the Company.
  - (b) On a return of capital in a winding up or dissolution (but not otherwise) the holders of the Deferred Shares shall be entitled to participate in the distribution of the assets of the Company *pari passu* with the holders of the Ordinary Shares but only in respect of any excess of those assets above £1,000,000,000,000. The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.
  - (c) The holders of the Deferred Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.
  - (d) The Deferred Shares shall not be listed on any stock exchange nor shall any share certificates be issued in respect of such shares. The Deferred Shares shall not be transferable, save as referred to below or with the written consent of the directors.
  - (e) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose. A reduction by the Company of the capital paid up on the Deferred Shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (subject to and in accordance with the Companies Act 2006 (the "Companies Act") and without obtaining the consent of the holders of the Deferred Shares.
  - (f) The Company has the irrevocable authority at any time to do all or any of the following without obtaining the sanction of the holder or holders of the Deferred Shares:

- (i) to appoint any person to execute on behalf of any holder of Deferred Shares a transfer of all or any part thereof and/or an agreement to transfer the same (without making any payment therefor) to such person as the directors may determine (whether or not an officer of the Company) and who is willing to accept the same;
  - (ii) to purchase all or any of the same in accordance with the Companies Acts without obtaining the consent of the holders thereof and in consideration of the payment to each of the holders whose shares are purchased of an aggregate amount equal to one pence in respect of all the Deferred Shares then being purchased from him;
  - (iii) for the purposes of any such purchase under (ii) above, to appoint any person to execute on behalf of any holder of Deferred Shares a contract for the sale to the Company of any such Deferred Shares held by him; and
  - (iv) to cancel all or any of the same so purchased under (f) (ii) above in accordance with the Companies Acts.
- (g) Upon or after the purchase of any Deferred Shares in accordance with this paragraph the Board may consolidate and/or subdivide and/or convert and/or reclassify the authorised Deferred Share capital of the Company existing following such purchase (i) into shares of any other class of share capital into which the share capital is or may at that time be divided of a like nominal amount as the shares of such other class and/or (ii) into unclassified shares.
4. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, in substitution for all existing authorities for the allotment of shares by the Directors, which are hereby revoked, but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors be and they are hereby generally and unconditionally authorised, pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of “relevant securities”) up to an aggregate nominal amount of £4,135,000 generally, in each case for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, provided that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such relevant securities to be allotted after such expiry, variation or revocation and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked.
5. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, the Directors be and are hereby empowered pursuant to section 570 of the Companies Act 2006, to allot equity securities as defined by section 560 of the Companies Act for cash pursuant to the authority conferred by Resolution 4 above as if section 561 of the Companies Act 2006 did not apply to any such allotments. Such power shall, subject to the continuance of the respective authority conferred by Resolution 4, expire 15 months after the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, but may be previously revoked or varied from time to time by special resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.
6. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, the Directors be generally and unconditionally authorised in accordance with the articles of association of the Company and the Company Act 2006 to issue loan notes convertible into ordinary shares (the “Convertible Loan Notes”) in accordance with the terms of the convertible loan note instrument produced to the meeting and initialled by the Chairman for the purposes of identification and that the issue of the same be and is hereby approved for all purposes (including without limitation for the purposes of any provision of the articles of association of the Company relating to limitations on the borrowing powers of the Directors).

7. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, the obligation to make an offer under article 258 of the articles of association of the Company be waived in relation to the issue of the Convertible Loan Notes and the issue of the ordinary shares on conversion of such Convertible Loan Notes.
8. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, the Company's new investing policy as described in the circular to shareholders to which this Notice of Annual General Meeting is attached, is hereby approved.
9. That, conditional on the passing of all other resolutions proposed at this general meeting of the shareholders of the Company, Peter Redmond be and is hereby appointed a director of the Company.

By Order of the Board

Ian Gibbs  
*Director*

*Registered Office:*  
One New Change  
London  
EC4M 9AF

*Notes:*

1. Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend, vote and speak at the meeting.
2. A member entitled to attend, speak and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not also be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attaching to different shares.
3. A reply paid form of proxy is enclosed. To be valid forms of proxy must be deposited at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 11.00 a.m. on 20 June 2011. Completion of the proxy does not preclude members from subsequently attending and voting at the meeting in person if they should so wish.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Register of Members of the Company as at the close of business on the day which is two days before the date of the meeting (or, if the meeting is adjourned, those members registered on the Register of Members of the Company as at the close of business on the day which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Subsequent changes to entries on the register after this time shall be disregarded in determining the rights of any persons to attend or vote at the meeting.
5. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the first named on the Register of Members of the Company will be accepted to the exclusion of other joint holders.

In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.