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If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that admission to AIM will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on 21 December 2009 in respect of the Firm Placing Shares and at 8.00 a.m. on 13 January 2010 in respect of the Conditional Placing Shares.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. Neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document.

Hydrodec Group plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 05188355)

Proposed cash placing of new Ordinary Shares
of 0.5 pence each at 12 pence per share

by
Numis Securities Limited

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the 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.

Numis Securities Limited ("Numis"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company in relation to the Placing, First Admission and Second Admission and will not be responsible to any person other than the Company under the Financial Services and Markets Act 2000, the rules of the Financial Services Authority or otherwise for providing the protections afforded to its clients or for advising any other person in relation to the contents of this document, the Placing or any matter, transaction or arrangement referred to in this document. Numis is not making any representation or warranty, express or implied, as to the contents of this document.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this document comes should inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company or Numis that would permit possession or distribution of this document in any jurisdiction where action for that purpose is required. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

Notice of a General Meeting of Hydrodec Group plc, to be held at 4th Floor, 120 Moorgate, London EC2M 6SS at 10.00 a.m. on 7 January 2010, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, by not later than 10.00 a.m. on 5 January 2010. 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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PLACING STATISTICS

Placing Price	12 pence
Number of Ordinary Shares currently in issue	324,094,672
Number of Treasury Shares	56,673,333
Number of Issued Voting Shares currently in issue	267,421,339
Number of Firm Placing Shares being placed on behalf of the Company	16,094,200
Number of Conditional Placing Shares being placed on behalf of the Company	1,405,800
Estimated aggregate net proceeds of the Placing receivable by the Company	£2.0 million
Enlarged Share Capital	341,594,672
Number of Issued Voting Shares immediately following Admission of the Firm Placing Shares	283,515,539
Number of Issued Voting Shares immediately following Admission of the Conditional Placing Shares	284,921,339
Number of Placing Shares as a percentage of the Enlarged Share Capital	5.1 per cent.
Number of Placing Shares as a percentage of the Issued Voting Shares immediately following Second Admission	6.1 per cent.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and commencement of dealings in the Firm Placing Shares and CREST accounts credited	8.00 a.m. on 21 December 2009
Latest time and date for receipt of forms of proxy to be valid at the General Meeting	10.00 a.m. on 5 January 2010
General Meeting	10.00 a.m. on 7 January 2010
Admission and commencement of dealings in the Conditional Placing Shares and CREST accounts credited*	8.00 a.m. on 13 January 2010

*This event is conditional on the passing of the Resolutions at the General Meeting.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Companies Act 2006
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“AU\$”	Australian dollars, the lawful currency of Australia
“Company” or “Hydrodec”	Hydrodec Group plc
“Conditional Placing”	the placing by Numis of the Conditional Placing Shares pursuant to the Placing Agreement
“Conditional Placing Shares”	the 1,405,800 Ordinary Shares conditionally placed with investor(s) that will be allotted following the General Meeting provided the Resolutions are passed and the Placing Agreement has become unconditional in all respects and not been terminated
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“Directors” or “Board”	the directors of the Company whose names are set out on page 5 of this document
“Enlarged Share Capital”	the Ordinary Shares in issue immediately following Second Admission
“Firm Placing”	the placing by Numis of the Firm Placing Shares pursuant to the Placing Agreement
“Firm Placing Shares”	the 16,094,200 Ordinary Shares placed firm with investors and to be issued on or around 21 December 2009
“First Admission”	the admission of the Firm Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document
“General Meeting”	the General Meeting of the Company to be held at 10.00 a.m. on 7 January 2010
“Group”	the Company, its subsidiaries and its subsidiary undertakings
“Issued Voting Shares”	the Ordinary Shares in issue from time to time, after deduction of the Treasury Shares
“Loan Notes”	the fixed rate unsecured convertible loan notes 2012 issued by Hydrodec pursuant to an instrument dated 5 November 2007
“London Stock Exchange”	London Stock Exchange plc

“Notice of General Meeting”	the notice convening the General Meeting which is set out on pages 10 and 11 of this document
"Numis"	Numis Securities Limited
“Ordinary Shares”	ordinary shares of 0.5 pence each in the capital of the Company
“Placing”	the Firm Placing and the Conditional Placing
“Placing Agreement”	the conditional agreement dated 15 December 2009 between the Company and Numis relating to the Placing
“Placing Price”	12 pence per Placing Share
“Placing Shares”	the Conditional Placing Shares and the Firm Placing Shares
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Second Admission”	the admission of the Conditional Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“Shareholders”	holders of Ordinary Shares
"Treasury Shares"	the 56,673,333 Ordinary Shares which are now held by a member of the Group and in respect of which votes may not be cast at a general meeting of the Company
“UK”	the United Kingdom of Great Britain and Northern Ireland
“US” or "United States"	the United States of America, its territories and possessions

Hydrodec Group plc
*(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered number 05188355)*

Directors:

Neil Gaskell (Non-executive Chairman)
John Gunn (Non-executive Deputy Chairman)
Gillian Leates (Non-executive Director)
Mark McNamara (Chief Executive Officer)
John Cowan (Chief Marketing Officer)

Registered Office:

120 Moorgate
London
EC2M 6SS

15 December 2009

To Shareholders and, for information only, participants in the Company's share option schemes and holders of Loan Notes

Dear Shareholder

Proposed cash placing of new Ordinary Shares of 0.5 pence each at 12 pence per Share

Notice of General Meeting

1. Introduction and summary

The purpose of this document is to provide you with details of, and the reasons for, the Placing, and the proposed Resolutions to facilitate the issue of the Conditional Placing Shares and other cash placings of Ordinary Shares from time to time.

The Company announced earlier today that it proposes to raise approximately £2.1 million (before expenses) through a placing of Ordinary Shares. The Placing will be split into two tranches, the Firm Placing and the Conditional Placing, both at a placing price of 12 pence per Ordinary Share. The Firm Placing consists of the placing of 16,094,200 Ordinary Shares and the Conditional Placing consists of the placing of 1,405,800 Ordinary Shares. Pursuant to the Placing Agreement, Numis has agreed to use its reasonable endeavours to procure places for the Firm Placing Shares and the Conditional Placing Shares.

It is expected that the Firm Placing Shares will be issued and admitted to trading on AIM on or about 8.00 a.m. on 21 December 2009, provided the Placing Agreement is not terminated prior to this date. The issue of the Conditional Placing Shares is conditional on the passing by Shareholders of the Resolutions, which will give the Directors authority to allot, and dis-apply statutory pre-emption rights in respect of the allotment of, the Conditional Placing Shares. Subject, *inter alia*, to the passing of the Resolutions at the General Meeting, the Placing Agreement not having been terminated in respect of the Conditional Placing Shares and Second Admission, the Conditional Placing Shares are expected to be admitted to trading on AIM on or about 8.00 a.m. on 13 January 2010.

The Directors intend to vote in favour of the Resolutions in respect of their holdings of 4,877,500 Ordinary Shares, representing, in aggregate, approximately 1.8 per cent. of the Company's Issued Voting Shares as at the date of this document.

The purpose of this document is to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. Background to and reasons for the Placing

As recently announced in the Company's trading statement of 19 November 2009, the Group continues to demonstrate its recovery from the difficult first half of 2009 which was seriously impacted by a combination of the global financial crisis, the collapse in the price of oil and initial operational challenges at the Canton plant.

The ramp-up in the Group's production and sales are continuing and fourth quarter volumes are expected to exceed those achieved in the third quarter. The Board remain confident that production and sales levels will continue to increase into next year.

Currently, the Group's core customers in the US are original equipment manufacturers (OEMs). OEMs traditionally purchase their transformer oil requirements on a calendar year basis and allocate their demand to several suppliers under annual off-take arrangements. These arrangements are typically concluded prior to the relevant period and usually at an agreed margin over the prevailing West Texas Intermediate (WTI) crude oil price. As a result of the difficulties experienced during the first half of 2009, as referred to above, the Group's production in the second half of the year has exceeded its committed off-take volumes and it has therefore been more exposed to the "spot" market for transformer oil in the US. The "spot" market constitutes sales to customers which either do not commit to purchase transformer oil in advance or which have excess requirements above their pre-agreed off-take allocations. During this period, the spot market has been soft, both in terms of the supply/demand situation and price, although currently the situation is improving. This has resulted in revenues and related cash generation being lower than expected so far in the fourth quarter and the Group is therefore cash constrained as it gears up for increased production and off-take sales in the first quarter of 2010 and to focus on the growth opportunities it has identified for 2010 and beyond.

As announced on 8 December 2009, the Group has reached agreement with Howard Industries, one of the largest privately owned transformer manufacturers in the world and one of the Group's largest existing customers, for the supply of 11.4 million litres of 2010 Canton SUPERfine production. It has also received letters of intent from two further OEMs in respect of at least 7.5 million litres in aggregate. These two remain subject to contract but the Board expects that, if contracts are signed, they will result in total contracted off-take arrangements for approximately 19 million litres for 2010. The balance of Canton production will be reserved for additional OEMs, utilities and serving new and existing export markets during the year, which should in turn assist with demonstrating the viability of a second US plant and demand for 2011 and beyond.

As described further below, the Placing is split into two tranches. The net proceeds of the Firm Placing are expected to be approximately £1.8 million. The net proceeds of the Conditional Placing are expected to be approximately £0.2 million, assuming the Resolutions are passed and the Conditional Placing is completed. These sums will be used, in conjunction with the Group's existing resources, to provide approximately £1.2 million to meet both the next payment of interest due on the Loan Notes (which is payable on 31 December 2009) and to pay certain trade creditors. The balance of the proceeds of the Firm Placing and the proceeds of the Conditional Placing will be used to fund the increased working capital requirements of the Group and to assist in providing the appropriate resources to better exploit the growth opportunities identified by the Group for 2010. This will include building sufficient stocks to service the increased demand on Canton production output from the start of the first quarter of 2010, and ramping up pre-sales and pre-construction development activities to underpin the viability of the second North America plant and, with our Japanese partners, the first plant in Japan.

It should be noted that the continuing working capital position of the Group for the next 12 months (taking into account the proceeds of the Firm Placing together with the Group's banking facilities) is not, in the view of the Board, dependent upon the sums being raised in the Conditional Placing, which is subject to approval by Shareholders at the General Meeting.

3. Operational and Trading Update

Production

Group production continues to increase with fourth quarter volumes expected to exceed those produced in the third quarter.

The ramp-up of production in Canton continues with volumes comfortably matching sales demand but restrained to reduce stock build-up and conserve working capital. Critical equipment continues to operate well while still being closely monitored following issues with faulty equipment earlier in the year which has since been replaced.

US average feedstock costs continue to be managed downwards through securing a wider portfolio of suppliers. In addition, the Board is pleased to report that the initial PCB treatment trials undertaken at Canton in October this year by the US Environmental Protection Agency (EPA) were successfully passed. As a result the Board expects that full EPA approval to treat PCB contaminated oil should be obtained during 2010, although as with all regulatory approvals this is not certain. Full EPA approval, if obtained, should see the Canton facility benefit from further reduction in average feedstock costs as a result of being able to process supplies of PCB contaminated feedstock.

The Australian plant continues to run reliably. Production has been constrained by the availability of feedstock but action is being taken to seek to improve this supply.

Sales

Group sales volumes have also continued on an upwards trend with fourth quarter volumes expected to exceed those in the third quarter.

As described above, higher production levels in the second half of 2009 have led to greater exposure to the spot price. This has been soft in recent months but major US refiners have recently announced price increases of around 10%. US sales volumes in November were up on October and at improved margins helped by the progressive reduction in average feedstock costs.

Fourth quarter sales from the Australian plant are expected to exceed each of the first three quarters of the year but feedstock supplies remain tight. The Group intends to make a concerted effort to broaden its Australian customer base and improve pricing and is optimistic that this will lead to improved results into 2010.

The Group's off-take arrangements for 2010, together with continued successful operation of the plants and the reduction of average feedstock costs, reinforce the Board's belief that the Group's sales volumes and margins will improve into 2010 and beyond.

Japan

As announced in November, the Japan and wider Asian opportunity continues to progress well and formal approval to operate the technology in Japan as a PCB treatment system is expected early in 2010. Prospective plant locations have been identified and technology approval will, when obtained, permit application for local government approvals for the first and preferred site to commence.

4. Details of the Placing

The Placing consists of two tranches of Ordinary Shares: 16,094,200 Firm Placing Shares and 1,405,800 Conditional Placing Shares, all being placed at the Placing Price of 12 pence per Ordinary Share. The Placing Price represents a discount of approximately 5.9 per cent. to the closing mid-market price of 12.75 pence per Ordinary Share on 14 December 2009, being the last dealing day prior to the announcement of the Placing.

The Firm Placing is expected to raise approximately £1.9 million (before expenses estimated to be approximately £0.1 million). The net proceeds of the Firm Placing are therefore expected to be approximately £1.8 million. The net proceeds of the Conditional Placing are expected to be approximately £0.2 million.

Assuming both the Firm Placing and the Conditional Placing proceed, immediately following Second Admission the Placing Shares will represent approximately 5.1 per cent. of the Company's Enlarged Share Capital and 6.1 per cent. of the Company's Issued Voting Shares at that time.

Pursuant to the terms of the Placing Agreement, Numis, as agent for the Company, has agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The obligations of Numis under the Placing Agreement in respect of the Firm Placing Shares are conditional upon, *inter alia*, First Admission becoming effective on or before 8.00 a.m. on 21 December 2009 (or such later time and date, not being later than 8.30 a.m. on 31 December 2009). The obligations of Numis under the Placing Agreement in respect of the Conditional Placing Shares are conditional upon, *inter alia*, First Admission becoming effective, the Resolutions being duly passed at the General Meeting and Second Admission becoming effective on or before 8.00 a.m. on 13 January 2010 (or such later time and date, not being later than 8.30 a.m. on 5 February 2010). The Placing Agreement contains provisions entitling Numis to terminate the Placing Agreement at any time prior to the Second Admission in certain circumstances. If this right is exercised before First Admission the Placing will not proceed or, if the Placing Agreement is terminated (in respect of the Conditional Placing only) after First Admission but before Second Admission, the placing of the Conditional Placing Shares will not proceed.

In consideration for arranging the Placing, Numis will be entitled to a commission of 3 per cent. of the value of those Placing Shares placed by Numis on behalf of the Company.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective at 8.00 a.m. on 21 December 2009 and that Second Admission will become effective at 8.00 a.m. on 13 January 2010.

The Placing Shares will rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends and other distributions declared on or after the date on which they are issued. It is expected that CREST accounts will be credited with entitlements to Placing Shares as soon as practicable after 8.00 a.m. on the day of First Admission or Second Admission (as the case may be) and that share certificates (where applicable) will be despatched by 22 January 2010.

5. General Meeting

Set out on pages 10 and 11 of this document is a notice convening the General Meeting to be held on 7 January 2010 at 10.00 a.m. at the Company's offices at 4th Floor, 120 Moorgate, London EC2M 6SS, at which the Resolutions will be proposed.

The Resolutions to be proposed at the General Meeting are as follows:

- Resolution 1 is an ordinary resolution which will authorise the Directors to allot the Conditional Placing Shares in connection with the Conditional Placing and otherwise to allot shares or grant rights to subscribe for or to convert any security into shares in the Company of up to £550,000 in nominal value (representing approximately one third of the Enlarged Share Capital) and, for use in a rights issue only, up to a further £550,000 in nominal value (representing a further one third of the Enlarged Share Capital). Save for the issue of the Conditional Placing Shares, the Directors have no present

intention of exercising this authority. Unless revoked, varied or extended, such authority shall expire on the date falling 15 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

- Resolution 2 is a special resolution which disapplies Shareholders' statutory pre-emption rights in relation to the issue of the Conditional Placing Shares and grants further authority to the Directors to allot equity securities (as defined in section 560 of the Act) of the Company for cash on a non-pre-emptive basis up to an aggregate nominal value of £85,000 (representing approximately 5 per cent. of the Enlarged Share Capital) and in certain other limited circumstances. Unless revoked, varied or extended, such authority shall expire on the date falling 15 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

In accordance with section 571(5) of the Act, the Directors believe that the proposed disapplication of pre-emption rights will be necessary in order to issue the Conditional Placing Shares and to give the Company the ability to issue a limited number of shares for cash to third parties in the future should that be considered desirable.

6. Director's Subscription

Mark McNamara, a Director and the Company's Chief Executive Officer, will be participating in the Placing. Mr McNamara will subscribe for 166,667 Ordinary Shares at the Placing Price, representing a total subscription of £20,000. Following the completion of the Placing (assuming both elements of the Placing take place), Mr McNamara's beneficial holding of ordinary shares will be 166,667 (representing 0.06 per cent. of the Issued Voting Shares). Mr McNamara currently has no beneficial holding of Ordinary Shares but he has an interest in options over 6,500,000 Ordinary Shares. No other Director is participating in the Placing.

7. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed in accordance with the instructions thereon and returned to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 5 January 2010. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

8. Recommendation

The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 4,877,500 Ordinary Shares, representing approximately 1.8 per cent. of the Issued Voting Shares as at the date of this document.

Yours sincerely



Neil Gaskell
Chairman

NOTICE OF GENERAL MEETING

Hydrodec Group plc

*(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered no. 05188355)*

NOTICE IS HEREBY GIVEN THAT a General Meeting of Hydrodec Group plc (the "**Company**") will be held at **4th Floor, 120 Moorgate, London EC2M 6SS** at 10.00 a.m. on 7 January 2010. The business of the meeting will be to consider as special business and, if thought fit, to pass the following resolutions (the "**Resolutions**"), of which Resolution 1 will be proposed as an ordinary resolution of the Company and Resolution 2 will be proposed as a special resolution of the Company:

ORDINARY RESOLUTION

- 1 **THAT**, in substitution for all subsisting authorities to the extent unused, the directors of the Company (**Directors**) be and they are hereby generally and unconditionally authorised in accordance with section 551 Companies Act 2006 (**CA 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, shares in the Company:
 - A. up to an aggregate nominal amount of £550,000; and
 - B. comprising equity securities (within the meaning of section 560 CA 2006) up to a further aggregate nominal amount of £550,000 in connection with an offer by way of a rights issue:
 - i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that that Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts).

The authorities conferred on the Directors under paragraphs (A) and (B) above shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or 15 months after the passing of this Resolution, whichever is the earlier save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

2. **THAT**, in substitution for any power which may have been given to the Directors prior to the date of the passing of this resolution pursuant to section 95 of the Companies Act 1985 to the extent unused, the Directors be and they are empowered pursuant to sections 570 and 573 of the CA 2006 to allot equity securities (within the meaning of section 560 of the CA 2006) for cash pursuant to the authority conferred under Resolution 1, as if section 561(1) of the CA 2006 did not apply to such allotment provided that the power conferred by this resolution shall be limited to:
 - (i) the allotment of 1,405,800 new ordinary shares of 0.5 pence each in the capital of the Company in connection with the Placing of the Conditional Placing Shares, as such terms are defined in the circular of the Company dated 15 December 2009;
 - (ii) the allotment, otherwise than pursuant to paragraph (i) above, of equity securities of the Company in connection with an issue or offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their respective holdings of such

shares (excluding any shares held by the Company as treasury shares (within the meaning of section 724 of the CA 2006)) on the record date for such allotment or in accordance with the rights attached to such shares but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange, in any territory; and

- (iii) the allotment, otherwise than pursuant to paragraphs (i) and (ii) above, of equity securities of the Company up to an aggregate nominal value equal to £85,000;

and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the date which is 15 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

By Order of the Board
Michael Preen
Company Secretary

Registered Office
120 Moorgate
London
EC2M 6SS

15 December 2009

NOTES:

1. A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint one or more proxies to attend, speak and vote in that member's place. A member may appoint more than one proxy in relation to this meeting provided that each proxy is appointed to exercise rights attached to a different share or shares held by that member. A proxy need not also be a member. Completion and return of a Form of Proxy (or any CREST Proxy Instruction, as described in notes 6 to 8) will not preclude a member from attending and voting at the meeting should the member so decide. A pre-paid form of proxy accompanies this notice. If you wish to appoint multiple proxies please photocopy the Form of Proxy, fill in each copy in respect of different shares and send the multiple forms together to the Company's registrars, Capita Registrars in accordance with note 2 below. Alternatively you may appoint multiple proxies by CREST Proxy Instruction in accordance with note 5 below.
2. To be valid, the enclosed Form of Proxy and the Power of Attorney or other authority (if any) under which it is signed (or a copy certified notarially, or in some other manner approved by the Board) must be completed and returned so as to reach the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU by 10.00a.m. on 5 January 2010 (or, if the meeting is adjourned, not less than 48 hours before the time fixed for the holding of the adjourned meeting).
3. In the event that a poll is demanded at the meeting, and such poll is to be taken more than 48 hours thereafter, the enclosed Form of Proxy (together with any documents of authority required by note 2) may be returned to the Company's registrars, Capita Registrars at the address in note 2 above so as to arrive not later than 24 hours before the time appointed for such poll. In the event that a poll is demanded at the meeting, and such poll is not taken at the meeting, but is taken less than 48 hours after the meeting, the enclosed Form of Proxy (together with any documents of authority required by note 2) may be delivered at the meeting to the chairman of the meeting or to the secretary or any director of the Company.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the General Meeting (and for the purpose of determining the number of votes a member may cast), members must be entered on the Register of Members of the Company by 6.00 p.m. on 5 January 2010.
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 senior (by order in the register of members) who tenders a vote will be accepted to the exclusion of the others.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('Euroclear') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent (ID RA10 by the latest time for proxy appointments set out in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.