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If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the 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. If you have sold or otherwise transferred some of your Ordinary Shares, you should contact your stockbroker, banker or other agent through whom the sale or transfer was effected. However those documents should not be forwarded to or sent into the United States, Canada, Australia, South Africa or Japan. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the UK should seek appropriate advice before taking any action.

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 United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

Cluff Natural Resources Plc

(incorporated as a company in England and Wales with company number 07958581)

Placing and Subscription

and

Notice of General Meeting

Panmure Gordon (UK) Limited (“Panmure Gordon”), which is authorised and regulated in the United Kingdom by the FCA, is the Company’s nominated adviser for the purposes of the AIM Rules in connection with the Placing and Subscription and, as such, its responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person or entity in respect of his reliance on any part of this document. Allenby Capital Limited (“Allenby Capital”), which is authorised and regulated in the United Kingdom by the FCA, is the Company’s joint broker for the purposes of the AIM Rules in connection with the Placing. Panmure Gordon and Allenby Capital are acting for the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of Panmure Gordon or Allenby Capital nor for providing advice in relation to the contents of this document or any matter referred to herein. No representation or warranty, express or implied, is made by Panmure Gordon or Allenby Capital for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which they are not responsible.

This document should be read in conjunction with the Form of Proxy and the Notice of General Meeting set out at the end of this document. Your attention is drawn to the letter from the Chairman of Cluff Natural Resources Plc set out on pages 6 to 9 of this document which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting. Notice of the General Meeting to be held at 11.00 a.m. on 14 April 2015 is set out on pages 10 to 12 of this document. The accompanying Form of Proxy for use at the General Meeting should be completed in accordance with the instructions printed thereon and returned as soon as possible to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, by not later than 11.00 a.m. on 10 April 2015. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, Panmure Gordon or Allenby Capital. Without prejudice to the Company’s obligations under the AIM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this document or that the information contained in this document is correct as of any time subsequent to the date of this document. Neither Panmure Gordon nor Allenby Capital has authorised the contents of this document and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Panmure Gordon or Allenby Capital as to the contents of this document and no responsibility or liability whatsoever is accepted by Panmure Gordon or Allenby Capital for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company and the Directors are solely responsible.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore. This document does not constitute an offer to the public of transferable securities and so is not subject to the requirements or any legislation that implements the EU Prospectus Directive.

Certain statements contained in this document are or may constitute “forward looking statements”. Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, among others, changes in the credit markets, changes in interest rates, legislative and regulatory changes, changes in taxation regimes, and general economic and business conditions, particularly in the United Kingdom.

Copies of this document will be available, free of charge, for a period of one month from the date of this document at the Company’s registered office, Third Floor, 5-8 The Sanctuary, London SW1P 3JS, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted).

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STATISTICS

Issue Price	4.25p
Number of Placing Shares	27,254,664
Number of First Subscription Shares	16,967,668
Number of Second Subscription Shares	7,791,188
Gross Proceeds of the Placing and Subscription	£2.2 million
Number of Ordinary Shares in issue on the date of this document	155,000,000
Number of Ordinary Shares in issue at First Admission	199,222,332
First Subscription Shares and Placing Shares expressed as a percentage of the enlarged issued share capital of the Company at First Admission	22.2%
Number of Ordinary Shares in issue at Second Admission	207,013,520
New Ordinary Shares expressed as a percentage of the enlarged issued share capital of the Company at Second Admission	25.1%

EXPECTED TIMETABLE

Publication of this document	17 March 2015
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 10 April 2015
General Meeting	11.00 a.m. on 14 April 2015
First Admission of the First Subscription Shares and the Placing Shares	15 April 2015
Expected date for CREST accounts to be credited in respect of the First Subscription Shares and the Placing Shares	15 April 2015
Despatch of definitive share certificates (where applicable) in respect of the First Subscription Shares and the Placing Shares on or around	22 April 2015
Second Admission of the Second Subscription Shares	11 September 2015
Expected date for CREST accounts to be credited in respect of the Second Subscription Shares	11 September 2015
Despatch of definitive share certificates (where applicable) in respect of the Second Subscription Shares on or around	18 September 2015

DEFINITIONS

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

“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, published by the London Stock Exchange from time to time
“Allenby Capital”	Allenby Capital Limited
“Board”	the board of directors of the Company
“Company”	Cluff Natural Resources Plc
“DECC”	Department of Energy and Climate Change
“Directors”	the directors of the Company, whose names are set out on page 6 of this document
“FCA”	the Financial Conduct Authority
“First Admission”	the admission of the First Subscription Shares and the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“First Subscription Shares”	the 16,967,668 new Ordinary Shares conditionally subscribed for by investors, at the Issue Price, pursuant to subscription agreements between the Company and such investors
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting” or “GM”	the general meeting of the Company convened for 11.00 a.m. on 14 April 2015 (or any adjournment or postponement thereof)
“Halliburton”	Halliburton Manufacturing and Services Limited
“Issue Price”	4.25p per New Ordinary Share
“Kincardine”	the Company’s licence in respect of the Kincardine project in the Firth of Forth, Scotland
“London Stock Exchange”	the London Stock Exchange plc
“New Ordinary Shares”	the Placing Shares and the Subscription Shares
“Notice of General Meeting”	the notice of General Meeting, set out at the end of this document
“Official List”	the official list of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 0.5p each in the capital of the Company
“Panmure Gordon”	Panmure Gordon (UK) Limited
“Placing”	the conditional placing of the Placing Shares pursuant to the Placing Agreement at the Issue Price
“Placing Agreement”	the conditional agreement dated 17 March 2015 between the (1) Company, (2) Panmure Gordon and (3) Allenby Capital relating to the Placing

“Placing Shares”	the 27,254,664 new Ordinary Shares which are to be placed in accordance with the terms of the Placing Agreement
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Second Admission”	the admission of the Second Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Second Subscription Shares”	the 7,791,188 new Ordinary Shares conditionally subscribed for by an investor, at the Issue Price, pursuant to a subscription agreement between the Company and such investor
“Shareholders”	holders of Ordinary Shares
“Subscription”	the conditional subscription by investors for the Subscription Shares
“Subscription Shares”	the First Subscription Shares and the Second Subscription Shares
“UCG”	underground coal gasification
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of FSMA

LETTER FROM THE CHAIRMAN

Cluff Natural Resources Plc

(Incorporated as a company in England and Wales with company number 07958581)

Directors:

John Gordon Cluff (*Chairman and Chief Executive Officer*)
Graham Cameron Swindells (*Finance Director*)
Andrew James Nunn (*Chief Operating Officer*)
Nicholas William Berry (*Non-Executive Deputy Chairman*)
Peter Nigel Cowley (*Non-Executive Director*)
Dr Robert Victor Danchin (*Non-Executive Director*)
The Earl De La Warr DL. (*Non-Executive Director*)
Brian Anthony FitzGerald (*Non-Executive Director*)
Christopher John Matchette-Downes (*Non-Executive Director*)

Registered Office:

Third Floor
5-8 The Sanctuary
London
SW1P 3JS

17 March 2015

Dear Shareholder

Placing, Subscription and Notice of General Meeting

Introduction

The Company announced earlier today that it had conditionally placed 27,254,664 Placing Shares at 4.25p per Placing Share and conditionally agreed to issue 24,758,856 Subscription Shares at 4.25p per Subscription Share, with a range of new and existing institutional and private investors, to raise £2.2 million before expenses. The Placing and Subscription comprises 27,254,664 Placing Shares and 16,967,668 First Subscription Shares that the Company expects to issue on 15 April 2015 and 7,791,188 Second Subscription Shares that the Company expects to issue on 11 September 2015. This funding represents a significant step for the Company as it continues towards the commercialisation of its deep UCG licences in the UK and its aim to unlock the vast energy potential of the country's un-mined offshore coal resources as well as in the development of its Southern North Sea gas licences.

The allotment of the New Ordinary Shares is conditional, *inter alia*, upon the Company obtaining approval of Shareholders at the General Meeting to grant the Directors the authority to allot the New Ordinary Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment of the New Ordinary Shares.

The purpose of this document is to explain the background to and reasons for the Placing and Subscription, to explain why the Board considers the Placing and Subscription to be in the best interests of the Company and its Shareholders, and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their beneficial interests amounting, in aggregate, to 16,422,692 Ordinary Shares representing 10.6 per cent. of the existing issued ordinary share capital of the Company at the date of this document.

Use of Proceeds of the Placing and Subscription

Approximately £1.4 million of the net proceeds of the Placing and Subscription is anticipated to be utilised to develop the Company's most advanced licence – the Kincardine project in the Firth of Forth, Scotland. In November 2014 the Company announced a JORC resource estimate at Kincardine which confirmed the licence area as being suitable for UCG. The resource statement confirmed previous feasibility studies completed by the Coal Authority, the Department of Trade and Industry and DECC in the UK, which previously highlighted the suitability of this area for UCG development.

In the course of the current year, the Company will focus on preparing and submitting a planning application by year end, including an Environmental Impact Assessment for a UCG production test project at Kincardine. Between approximately 2016 and 2018, the Company anticipates constructing, operating and

then de-commissioning a production test plant. Assuming positive results from the test plant, the Company will then look to secure commercial offtake agreements and obtain relevant approvals to construct a full scale commercial project.

The Company also has five North Sea promote licences for conventional gas exploration which were awarded to the Company in December 2014, over 2,400km², covering a total of eleven blocks in an emerging gas province of the Southern North Sea. The licences are located in close proximity to a number of recent discoveries (e.g. the Breagh Field) which have been identified and unlocked by new broadband 3-D seismic and advances in drilling and completion technology. The licences are also in shallow water close to established infrastructure and gas markets. In order to unlock value in this proven gas basin, the Company anticipates utilising approximately £0.4 million from the Placing and Subscription to acquire and process seismic data to fully define prospects over these licence areas with the primary focus being the Company's licence P2252 which contains the undeveloped Lytham discovery in block 42/1 (in which the Company has a 100 per cent. interest). Following this, the Company will seek to secure suitable farm-in partner(s) ahead of a drill-or-drop decision by the end of 2016.

The remainder of the net proceeds from the Placing and Subscription, in addition to the Company's existing cash balance (totalling £1.07 million as at 31 January 2015, unaudited) will be used for corporate overheads and working capital purposes through to approximately the end of Q1 2016.

Notably, the Company entered into a memorandum of understanding in February 2015 with Halliburton, one of the world's largest providers of products and services to the energy industry, to collaborate on the development of both the Company's UCG and Southern North Sea gas assets in the UK, which includes acceleration of the development of knowledge and capabilities of the Company in relation to its UCG and North Sea assets, technical consultation and the provision of technical and consultancy services and projects by Halliburton.

In addition to the development of its UCG and Southern North Sea gas assets, the Company proposes to continue to evaluate other potential natural resources opportunities in line with its investing policy.

Directors' Subscription

Certain Directors of the Company have subscribed for the following Placing Shares:

<i>Director</i>	<i>Placing Shares subscribed for</i>	<i>Resulting holding of Ordinary Shares</i>	<i>% of Enlarged Share Capital after First Admission</i>	<i>% of Enlarged Share Capital after Second Admission</i>
Algy Cluff	470,588	12,038,502	6.04	5.82
Graham Swindells	235,294	323,406	0.16	0.16
Andrew Nunn	235,294	235,294	0.12	0.11
Nicholas Berry	470,588	1,370,588	0.69	0.66
Peter Cowley	47,059	447,059	0.22	0.22
William De La Warr	588,235	3,054,091	1.53	1.48

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Panmure Gordon and Allenby Capital, as agents for the Company, have conditionally agreed to use their reasonable endeavours to place the Placing Shares, other than those Placing Shares being subscribed for by certain Placees procured by the Company, on a non-underwritten basis at the Issue Price.

The Placing Agreement contains certain warranties from the Company in favour of Panmure Gordon and Allenby Capital in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company has agreed to indemnify Panmure Gordon and Allenby Capital in relation to certain liabilities it may incur in respect of the Placing. Panmure Gordon and Allenby Capital have the right to

terminate the Placing Agreement in certain circumstances prior to Admission, including without limitation for an event of *force majeure* or in the event of a material breach of the warranties set out in the Placing Agreement. Under the terms of the Placing Agreement the Company has agreed to pay Panmure Gordon and Allenby Capital commissions based on the number of Placing Shares which are the subject of the Placing.

Details of the Placing and Total Voting Rights

The Issue Price of 4.25 pence represents a discount of 5.6 per cent. to the closing mid-market price on 16 March 2015. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared following First Admission or Second Admission (as applicable). First Admission, of the Placing Shares and the First Subscription Shares, is expected to occur at 8.00 a.m. on 15 April 2015. Following First Admission, the Placing Shares and the First Subscription Shares will represent approximately 22.2 per cent. of the Company's enlarged issued share capital at that date and the total number of voting rights in the Company will be 199,222,332 Ordinary Shares. Second Admission, of the Second Subscription Shares, is expected to occur at 8.00 a.m. on 11 September 2015. Following Second Admission, the Placing Shares, the First Subscription Shares and the Second Subscription Shares will represent approximately 25.1 per cent. of the Company's enlarged issued share capital and the total number of voting rights in the Company will be 207,013,520 Ordinary Shares.

General Meeting

A notice convening the General Meeting to be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF at 11.00 a.m. on 14 April 2015 is set out at the end of this document.

At the General Meeting, the following Resolutions will be proposed:

Resolution relating to the Placing and Subscription (Resolution 1)

A Resolution will be proposed to grant the Directors the authority to allot the New Ordinary Shares (which is equivalent to approximately 25.1 per cent. of the enlarged issued share capital following Second Admission) without first offering them to existing Shareholders on a pre-emptive basis.

The Directors appreciate that it would be normal when a company issues a material number of new shares for cash for that issue to be fully pre-emptive (i.e. to incorporate an offer to all Shareholders). However, the Directors believe it would not be in Shareholders' best interests to incur the significant additional expense that would be required for such an offer to Shareholders to be implemented. The Directors have therefore concluded that seeking general authority from Shareholders to issue the New Ordinary Shares other than on a pre-emptive basis is the most flexible, simple and cost effective method available to the Company.

Resolutions relating to general authority to allot relevant securities and waiver of pre-emption rights (Resolutions 2 and 3)

Resolution 2 will be proposed to enable the Directors to allot relevant securities (including Ordinary Shares). The maximum nominal amount of securities which the Directors will have authority to allot pursuant to this Resolution is £690,045.07, such amount equating to 66.66 per cent. of the aggregate nominal value of the enlarged issued share capital following Second Admission. This amount is in line with the ABI Guidelines which recommends that the Directors' authority to allot share capital be limited to a sum equal to two-thirds of the issued ordinary share capital plus the amount required in order to satisfy outstanding share options on condition that half of this amount (representing one third of the Company's issued share capital) can only be allotted pursuant to a rights issue. This Resolution will, if passed, renew the authority to allot given to the Directors at last year's annual general meeting on 21 May 2014, but reflecting the increased number of Ordinary Shares comprised in the enlarged issued share capital broadly on the same terms as the equivalent resolution passed at that meeting.

Further, Resolution 3 will authorise the Directors to allot equity securities for cash subject to statutory pre-emption rights in favour of Shareholders and to disapply statutory pre-emption rights on the allotment of a limited number of equity securities (including Ordinary Shares). This authority will permit the directors to

allot:

- (a) shares of up to approximately two-thirds of the Company's issued ordinary share capital on an offer to existing Shareholders on a pre-emptive basis. However unless the shares are allotted pursuant to a rights issue (rather than an open offer), the directors may only allot shares up to approximately one-third of the Company's issued ordinary share capital (in each case subject to such adjustments or exclusions as are described in the notice); and
- (b) shares up to a maximum nominal amount of £155,260.14, such amount equating to 15 per cent. of the enlarged issued share capital following Second Admission.

The authority sought under these Resolutions will expire 15 months from the passing of the Resolutions.

Directors' Intention

The Directors intend to vote in favour of the Resolutions in respect of their aggregate beneficial interest in 16,422,692 Ordinary Shares representing approximately 10.6 per cent. of the existing issued share capital of the Company at the date of this document.

Action to be taken

Shareholders have been sent a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy and to return it to the Company's Registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, so as to arrive not later than 11.00 a.m. on 10 April 2015. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

Recommendation

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do themselves in respect of their beneficial interests amounting, in aggregate, to 16,422,692 Ordinary Shares representing approximately 10.6 per cent. of the existing issued share capital of the Company at the date of this document.

Yours faithfully

J G Cluff

Chairman and Chief Executive Officer

Cluff Natural Resources Plc

(incorporated as a company in England and Wales with company number 07958581)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Cluff Natural Resources Plc (the “**Company**”) will be held at 11.00 a.m. on 14 April 2015 at the offices of K&L Gates LLP, One New Change, London EC4M 9AF, for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 3 will be proposed as special resolutions and Resolution 2 will be proposed as an ordinary resolution.

Resolution 1

THAT:

- (a) the directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £260,067.60 in connection with a placing and subscription as described in a circular to shareholders dated 17 March 2015 (the “**Circular**”) provided that this authority shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted after such expiry and the directors may allot shares in pursuance of any such offers or agreements as if the authority conferred hereby had not expired and such authority is without prejudice to any unexercised authorities previously granted to the directors of the Company to allot shares; and
- (b) the directors be and are hereby empowered in accordance with section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to the allotment of shares in the Company up to an aggregate nominal amount of £260,067.60 as described in the Circular, provided that this authority shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offers or agreements as if the power conferred hereby had not expired and such authority is without prejudice to any unexercised authorities previously granted to the directors of the Company to grant shares.

Resolution 2

THAT, conditional on the passing of Resolution 1, the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all 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 (“**Rights**”):

- (a) up to an aggregate nominal amount of £345,022.53; and
- (b) up to a further aggregate nominal amount of £345,022.53 provided that (i) they are equity securities (within the meaning of section 560(1) of the Companies Act 2006) and (ii) they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record date as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date and to other holders of equity securities entitled to participate therein, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter,

provided that this authority shall expire on 14 July 2016, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the directors shall be entitled to allot relevant securities pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the directors to allot relevant securities (other than pursuant to Resolution 1 above) be and are hereby revoked.

Resolution 3

THAT, conditional on the passing of Resolution 2, the directors be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash pursuant to the authority conferred by Resolution 2 as if section 561(1) of the Companies Act 2006 did not apply to such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an issue or offer of securities (but, in the case of the authority granted under paragraph (b) of Resolution 2, by way of a rights issue only) in favour of holders of ordinary shares on the register of members at such record date as the directors may determine where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates, or legal or practical problems under the laws of, or the requirements of any regulatory authority or stock exchange in, any territory or any other matter; and
- (b) the allotment otherwise than pursuant to 3(a) above, to any person or persons of equity securities up to an aggregate nominal amount of £155,260.14,

and shall expire upon the expiry of the general authority conferred by Resolution 2 above, save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if this power had not expired.

By order of the Board

J G Cluff

Chairman and Chief Executive Officer

Date of Notice: 17 March 2015

Company Number: 07958581

Registered Office: Third Floor
5-8 The Sanctuary
London
SW1P 3JS

NOTES:

1. Resolution 1 entails Shareholders' waiver of their pre-emption rights in respect of the Placing Shares and the Subscription Shares pursuant to the Placing and the Subscription and enables the Directors to allot these shares for cash.
2. Resolution 2 enables the directors to allot relevant securities (including new Ordinary Shares). The maximum nominal amount of securities which the Board will have authority to allot pursuant to this Resolution is £690,045.07 (such amount equating to 66.66 per cent. of the aggregate nominal value of the enlarged issued share capital as at Second Admission (as defined in the Circular)). This amount is in line with the ABI Guidelines which recommend that the directors' authority to allot share capital be limited to a sum equal to two-thirds of the issued Ordinary Share capital plus the amount required in order to satisfy outstanding share options on condition that half of this amount (representing one third of the Company's enlarged issued share capital as at Second Admission) can only be allotted pursuant to a rights issue. Resolution 2 will, if passed, renew the authority to allot given to the directors at last year's annual general meeting on 21 May 2014 broadly on the same terms as the equivalent resolution passed at that meeting, but reflecting the increased number of Ordinary Shares comprised in the Company's enlarged issued share capital as at Second Admission.
3. Resolution 3 authorises directors to allot equity securities for cash subject to statutory pre-emption rights in favour of Shareholders and to disapply statutory pre-emption rights on the allotment of a limited number of equity securities (including new Ordinary Shares). In the light of the ABI Guidelines described in relation to Resolution 2 above, this authority will permit the directors to allot:
 - (a) shares up to approximately two-thirds of the Company's issued Ordinary Share capital pursuant to an offer to existing Shareholders on a pre-emptive basis. However unless the shares are allotted pursuant to a rights issue (rather than an open offer), the directors may only allot shares up to approximately one-third of the Company's issued Ordinary Share capital (in each case subject to such adjustments or exclusions as are described in the Notice of Meeting); and
 - (b) shares up to a maximum nominal amount of £155,260.14, such amount equating to 15 per cent. of the aggregate nominal value of the enlarged issued share capital as at Second Admission.
4. In order to be entitled to attend and/or vote at the General Meeting, a Shareholder must be entered on the register of members of the Company as being a holder of Ordinary Shares at 11.00 a.m. (UK time) on 10 April 2015.
5. Shareholders entitled to attend and vote may appoint a proxy or proxies to attend and vote on their behalf. A proxy need not be a member of the Company.
6. A Form of Proxy is enclosed for the General Meeting. All Shareholders who do not intend attending the General Meeting are asked to complete and return a Form of Proxy. To be valid, the Form of Proxy (and the power of attorney or other authority, if any, under which it is signed or a duly certified copy of such authority) must be deposited at the Company's Registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL not later than 11.00 a.m. (UK time) on 10 April 2015. Completion and return of a Form of Proxy does not prevent a member from attending and voting in person at the meeting.
7. In the case of an individual, the Form of Proxy must be signed by the appointer or by his or her attorney duly authorised in writing.
8. In the case of a body corporate, the Form of Proxy must either be executed under its seal or under the hand of a duly authorised officer or attorney.
9. In the case of joint holders, such persons shall elect one of their number to represent them and to vote whether in person or by proxy. In default of such election the person whose name stands first in the register of members shall alone be entitled to vote.
10. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
11. The Chairman may reject/accept any Form of Proxy which is completed and/or received other than in compliance with these notes.
12. A proxy for a Shareholder will exercise his discretion as to how he votes or whether he abstains from voting:
 - (a) on the resolutions set out in the notice of General Meeting if no instruction or contradictory instruction is given in the Form of a Proxy in respect of the resolution; and
 - (b) on any business or resolution considered at the meeting (or at any postponement or adjournment thereof) other than the resolutions set out in the notice of General Meeting.