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This document is being sent to you because you are a shareholder of Clerkenwell Ventures plc (the "**Company**"). This letter is exempt from the restriction in section 21 of the Financial Services and Markets Act 2000 on the basis that it is only being sent in the United Kingdom to persons who are shareholders of the Company in accordance with article 43 of the FSMA (Financial Promotion) Order 2005. Any person who is not a shareholder in the Company should not rely on or act on this document.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying 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 transmission to the purchaser or transferee. If you have sold or otherwise transferred part of your registered holding of Ordinary Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

CLERKENWELL VENTURES PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 5127684)*

Recommended Proposals for the return of approximately £26.8 million to Shareholders and Notice of General Meeting

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the Bonus Issue or Reduction of Capital constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

Notice of a General Meeting of the Company, to be held at The Real Greek, 142 St John Street, London EC1V 4UA at 10.00 am on Monday 2 February 2009, is set out at the end of this document. To be valid, the enclosed Form of Proxy must be completed in accordance with the instructions set out on the form and deposited with the Company's registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol, BS99 3FA not less than 48 hours before the time for holding the Meeting. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the General Meeting convened by the above mentioned Notice.

Your attention is drawn to the Chairman's Letter which is set out in this document. The Board unanimously recommends that you vote in favour of the resolutions to be proposed at the General Meeting. You should note that the proposals for the return of approximately £26.8 million to Shareholders are conditional upon the approval by the Shareholders of the Resolutions to be proposed at the General Meeting.

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EXPECTED TIMETABLE OF KEY EVENTS

Latest time for receipt of Form of Proxy for the General Meeting	10.00 am on Saturday 31 January 2009
General Meeting	10.00 am on Monday 2 February 2009
Record Date and Bonus Issue	5.00 pm on Tuesday 3 March 2009
Court Hearing	Wednesday 4 March 2009
Expected Return of Capital through despatch of cheques to Shareholders	By Friday 6 March 2009

Notes

These dates (except those of the receipt of Forms of Proxy and of the General Meeting) are estimates only, being subject to agreement of hearing dates with the Court. The timetable assumes that the General Meeting is not adjourned as a result of there being no quorum, or for any other reason. If there is an adjournment, all subsequent dates are likely to be later than those shown. Any changes will be notified to Shareholders by an announcement on the Regulatory News Services of the London Stock Exchange.

All references to time in this document are to London time.

This document contains certain forward-looking statements which relate to future events. Such forward-looking statements reflect the Directors' current beliefs, are based on information currently available to the Directors and are based on reasonable assumptions at this date. While the Company makes these forward-looking statements in good faith, neither the Company, nor its Directors, can guarantee that any anticipated future results will be achieved.

DEFINITIONS

In this document and in the accompanying Form of Proxy the following expressions shall (unless the context requires otherwise) have the following meanings:

“Act”	the Companies Act 2006
“Admission Document”	the admission document relating to the admission of the Company’s Ordinary Shares to trading on AIM, dated 25 October 2004
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
““B” Shares”	the “B” shares of 0.1 pence each in the capital of the Company to be created by the Bonus Issue
“Bonus Issue”	the bonus issue of 272 “B” shares for every Ordinary Share held by each Shareholder on the Record Date
“Company” or “Clerkenwell”	Clerkenwell Ventures plc
“Consolidation”	the proposed consolidation of the Ordinary Shares to New Ordinary Shares on a 10 for 1 basis to be carried out after the Reduction of Capital pursuant to the Resolutions
“Court”	the High Court of England and Wales
“Court Hearing”	the hearing of the Company’s claim for the confirmation by the Court of the Reduction of Capital
“Directors” or “Board”	the directors of the Company as listed on page 5 of this document
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting
“General Meeting”	the general meeting of the Company to be held at The Real Greek, 142 St John Street, London EC1V 4UA at 10.00 am on Monday 2 February 2009, notice of which is set out at the end of this document
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	the Clerkenwell Ventures plc 2007 Long Term Incentive Plan
“LTIP Participants”	holders of awards granted under the LTIP
“New Ordinary Shares”	after the Consolidation, the ordinary shares of 1 pence each in the capital of the Company
“Notice”	the notice set out at the end of this document convening the General Meeting
“Optionholders”	holders of Options
“Options”	options granted under the Share Option Plan
“Ordinary Shares”	the existing issued ordinary shares of 5 pence each in the capital of the Company at the date of this document
“Proposals”	the Bonus Issue, the Reduction of Capital, the Return of Capital and the Consolidation
“Record Date”	5.00 pm on the business day immediately preceding the day of the Court Hearing
“Reduction of Capital”	the proposed cancellation of the “B” Shares and reduction of the nominal value of the Ordinary Shares
“Resolutions”	the resolutions to be proposed as ordinary and special resolutions at the General Meeting as detailed in the Notice
“Return of Capital”	the proposed payment of capital to Shareholders following the proposed Reduction of Capital
“Share Option Plan”	the Clerkenwell Ventures plc 2007 Share Option Plan
“Shareholder(s)”	holder(s) of Ordinary Shares

LETTER FROM THE CHAIRMAN
CLERKENWELL VENTURES PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 5127684)*

Directors:

David Michael Page (*Non-Executive Chairman*)
Paul Adam Campbell (*Non-Executive Director*)
Stefan Leon Borson (*Corporate Development Director*)

Registered Office:

1 Park Row
Leeds
LS1 5AB

To Shareholders and, for information only, Optionholders and LTIP Participants

9 January 2009

Dear Shareholders,

1. Introduction

I am writing to inform you that the Directors are proposing to make a return of capital to Shareholders of approximately £26.8 million in aggregate.

Since the admission of the Company's shares to trading on AIM, the Directors have been seeking investment opportunities in the form of acquisitions in the leisure sector in line with its stated investing strategy. As you are aware no acquisitions have been made to date. On 5 December 2008, the Board announced that as the Company was unlikely to make any such acquisition prior to 28 February 2009 and in response to dramatically altered market conditions, it had decided to explore in detail the process for returning capital to Shareholders and that it was investigating the most efficient method for achieving this.

The Board today announces the methodology and anticipated timetable for the repayment of approximately £26.8 million in aggregate to Shareholders by way of a Return of Capital. In order to effect this repayment, the Directors propose that each Shareholder will receive, by way of capitalisation of part of the Company's share premium account, 272 "B" Shares credited as fully paid up at par for every Ordinary Share held on the Record Date. The Directors then propose to implement a reduction of capital by the cancellation of the "B" Shares and the reduction of the nominal value of the Ordinary Shares returning approximately £26.8 million in aggregate to Shareholders. The purpose of this letter is to explain the background to the Proposals and how the return of capital is to be effected.

The Directors are recommending that:

- (i) the Bonus Issue be implemented with effect from the Record Date (expected to be 5.00 pm on Tuesday 3 March 2009); and
- (ii) subject to the approval of the Court, the capital of the Company be reduced by the cancellation of the "B" Shares in consideration of the payment to holders thereof of 0.1 pence per "B" Share and the reduction of the nominal value of Ordinary Shares in consideration of the payment to holders thereof of 4.9 pence per Ordinary Share.

The effect of the Bonus Issue and Reduction of Capital will be as follows:

for every Ordinary Share held at the Record Date a Shareholder will receive 32.1 pence in cash

Pursuant to the Reduction of Capital there will be no change in the number of Ordinary Shares in issue. However following the Reduction of Capital it is proposed that there will be a consolidation of Ordinary Shares into New Ordinary Shares and the Directors believe that this Consolidation is necessary to maintain the share price of the Company.

2. Background to the Directors' Proposals

Since admission of the Company's shares to trading on AIM in October 2004, the Directors have been seeking acquisitions in line with its stated investing strategy. The Company's investing strategy, as described in its Admission Document and reiterated in its circular for its Extraordinary General Meeting dated 4 August 2007 ("**2007 Circular**") is to seek to acquire leisure businesses with the potential for rapid growth and/or above average cash flow, strong operational management and a proven business model offering attractive returns on invested capital.

In the Company's 2007 Circular, the Board committed to consult with Shareholders and return capital to them in the event that the Company did not make any acquisitions by 28 February 2009.

Since the completion of the Company's most recent equity fundraising in September 2007, both valuations and

debt availability across the leisure sector have been substantially impacted by economic conditions. Added to this, good businesses without a special need have been reluctant to crystallise value at current levels. Accordingly, the Company withdrew from several negotiations where valuations were considered by the Board to be unrealistic.

It is now the view of the Board that due to a lack of investment opportunity and adverse market conditions the Company is unlikely to make any acquisitions by 28 February 2009 and that surplus capital should be returned to Shareholders.

The Company proposes to continue to seek acquisitions in line with its stated investing strategy following completion of the Proposals. Any proposed changes to the Company structure, its Board or its investing strategy will be announced as appropriate.

In accordance with AIM Rule 15 the Company is seeking re-approval of its stated investing strategy in the Resolutions. Pursuant to AIM Rule 15 following the Return of Capital the Company will be treated as an investing company for the purposes of the AIM Rules and the Company will have to make an acquisition or otherwise implement its approved investing strategy within 12 months of having received the consent of Shareholders at the General Meeting.

3. Bonus Issue and rights of "B" Shares

272 "B" Shares will be allotted for every Ordinary Share held on the Record Date by way of bonus issue through the capitalisation of part of the Company's share premium account.

The "B" Shares will not be admitted to trading on AIM or any other market. No share certificates will be issued in respect of "B" Shares. The "B" Shares will be non-renounceable and non-transferable.

The "B" Shares will have no rights to participate in the profits of the Company. The holders of "B" Shares will 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 general meeting. On a return of capital on a winding up or otherwise there shall be paid to the holders of "B" Shares 0.1 pence in respect of each "B" Share held by them.

After the Bonus Issue, the Company will have in issue 22,697,646,288 "B" Shares. It is anticipated that the "B" Shares will only be in issue for one day and then it is proposed that they will be cancelled pursuant to the Reduction of Capital.

4. The Reduction of Capital

Under the Act, a company may, with the sanction of a special resolution and the consent of the Court, reduce or cancel existing paid up share capital which is in excess of its requirements. It may apply the sums resulting from such reduction in repaying holders of the share capital the amounts paid up on the share capital held by them which is reduced or cancelled. This is what the Board proposes to do in relation to the capital paid up on the Ordinary Shares and the "B" Shares which it considers to be in excess of the Company's requirements. This is the mechanism by which Shareholders will receive 4.9 pence for each Ordinary Share and 0.1 pence for each "B" Share which they hold upon the Reduction of Capital taking place.

The Reduction of Capital is subject to the approval of the Court. The Company intends that an application will be made for the Court to approve the Reduction of Capital promptly after the General Meeting provided that the Resolutions shall have been passed. Shareholders should note that if, for any reason, the Court declines to approve the Reduction of Capital, then the Return of Capital thereunder will not take place and the Company would then make an application for the Court to cancel all of the "B" Shares. However, your Board has taken advice and, on the basis of the position as it currently exists, it has been advised that there is no reason why the Reduction of Capital should not be confirmed by the Court.

It is anticipated that Shareholders will be sent cheques for the proceeds of the Return of Capital by Friday 6 March 2009.

5. The Consolidation

Assuming that the Consolidation is approved at the General Meeting, it is anticipated that following the Reduction of Capital the Ordinary Shares will be consolidated into New Ordinary Shares on the basis of one New Ordinary Share for every ten existing Ordinary Shares.

The rights attaching to the New Ordinary Shares, including voting and dividend rights, will be the same as the rights attaching to the Ordinary Shares.

Trading in the New Ordinary Shares is expected to commence on AIM on the business day following the date that the Consolidation becomes effective. Following the Consolidation, share certificates will be called in and new share certificates will be issued. For Shareholders who hold shares through the CREST system, the New Ordinary Shares are expected to be credited to CREST accounts on the business day following the date that the Consolidation becomes effective. Following the Consolidation becoming effective and pending the receipt of new share certificates, transfers of New Ordinary Shares held in certificated form will be certified against the register of members of the Company.

If Shareholders would otherwise be entitled to a fraction of a New Ordinary Share on such Consolidation, then the Company shall arrange for the aggregate and sale of such fractional entitlement and shall retain the net proceeds of sale for the benefit of the Company and no Shareholder shall himself have any entitlement to a fraction of a New Ordinary Share.

6. Benefits of the Proposals

The Directors believe that the amount of paid up share capital is surplus to the Company's requirements and that part of it should be returned to Shareholders for them to deploy elsewhere. The Company has approximately £24.9 million standing to the credit of its share premium account. The Directors believe that the Consolidation will assist in the maintenance of the Company's share price on AIM.

7. Share Option Plan

Should the Proposals be completed, the exercise price of Options and the number of Ordinary Shares subject to Options under the Share Option Plan will be amended to take account of the implementation of the Proposals. It is intended that Optionholders continue to hold Options after implementation of the Proposals which have a comparable commercial position to the Options that they currently hold in terms of the option price and the percentages of the revised issued share capital that is subject to the Options.

As required under the Share Option Plan rules, the Company's advisers, Seymour Pierce, have confirmed, in writing that they consider the proposed amendments to the existing Options to be fair and reasonable.

The Company will be writing separately to Optionholders with details of the impact on them of the effect of the Proposals.

8. Long Term Incentive Plan

Given the significant changes to the Company's share capital that will result from the implementation of the Proposals, the Company intends to invite holders of LTIP awards to surrender these awards in return for new awards under the LTIP. These new awards can vest only if the Company's share price grows by more than a compound 20% per annum from the market price when awards are made following completion of the Proposals. The new awards cannot normally vest before March 2011.

The Company's advisers, Seymour Pierce, have confirmed, in writing, that they consider the proposals regarding LTIP awards to be fair and reasonable.

9. General Meeting

The Proposals set out in this document require the approval of the Shareholders. Accordingly, you will find set out at the end of this document a notice convening the General Meeting to be held at The Real Greek, 142 St John Street, London EC1V 4UA at 10.00 am on Monday 2 February 2009.

At this meeting the Resolutions will be proposed. The ordinary resolutions are required to receive and adopt the report of the directors, the financial statements and the report of the auditors for the period ended 30 September 2008, to approve the Company's investing strategy and to approve the Return of Capital for the purposes of AIM Rule 15 as under such AIM Rule the Return of Capital is deemed to be a disposal resulting in a fundamental change of business. The special resolutions are required to make the Bonus Issue, the Reduction of Capital, the Return of Capital and the Consolidation.

It is intended that the ordinary resolution for the purposes of AIM Rule 15 and the special resolutions are inter-conditional with such resolutions incapable of being passed without the others being passed.

10. Taxation

The following comments are intended as a general guide only and are based on current UK legislation and HM Revenue & Customs ("HMRC") practice as at the date of this document. These comments deal only with Shareholders who are resident or ordinarily resident for taxation purposes in the United Kingdom, who are the absolute beneficial owners of Ordinary Shares and who hold them as an investment. They do not deal with the position of certain classes of Shareholders, such as dealers in securities or persons regarded as having obtained their Ordinary Shares by reason of employment.

10.1 Bonus Issue

The Bonus Issue should be treated as a "reorganisation" for the purposes of UK taxation of chargeable gains ("CGT"), so that a Shareholder should not be treated as making a disposal or part disposal of his Ordinary

Shares for CGT purposes upon receipt of the “B” Shares. Instead, the “B” Shares will be treated as the same asset, acquired at the same time, as his Ordinary Shares. The CGT base cost of the “B” Shares and the Ordinary Shares should be calculated by apportioning the base cost of the Ordinary Shares between the “B” Shares and the Ordinary Shares based on their respective market values as at the date of any disposal for CGT purposes (including on cancellation).

10.2 Return of Capital

Subject to the comments below, no part of the proceeds received by a Shareholder on the Return of Capital should be an income distribution in the Shareholder’s hands.

Section 703 of the Income and Corporation Taxes Act 1988 and Chapter 1 of Part 13 of the Income Tax Act 2007 (“Chapter 1 ITA 2007”) are anti-avoidance provisions which might be applied to the Return of Capital so as to treat all or part of the receipt as income in the hands of Shareholders within the charge to UK corporation tax and within the charge to income tax respectively. The Company would not expect section 703 or Chapter 1 ITA 2007 to apply but Shareholders should note the Company does not intend to apply for clearance from HMRC under these sections.

On the basis of the comments above, the Return of Capital should be treated as a disposal of “B” Shares and a part disposal of the Ordinary Shares for CGT purposes. In order to calculate any gain or loss on such a disposal the base cost of the “B” Shares will be determined as described under “Bonus Issue” above.

The Return of Capital on cancellation may give rise to a liability to CGT depending on the Shareholder’s individual circumstances (including the availability of exemptions, reliefs or allowable losses).

In the case of a Shareholder within the charge to UK corporation tax, an indexation allowance may apply to reduce any chargeable gain arising on the cancellation of the “B” Shares.

The Company has been advised that as it has not made any acquisitions and is making the Return of Capital:-

- the conditions for relief under the Enterprise Incentive Scheme (“EIS”) may not be satisfied. This means that for individuals some or all of any EIS relief previously claimed will be withdrawn and no further EIS reliefs may be available; and
- the shares in the Company may no longer be a “qualifying holding” for the purposes of the Venture Capital Trust (“VCT”) legislation. This may have implications for the tax status of any Shareholders who are a VCT.

10.3 Consolidation

No stamp duty or SDRT will be payable in the United Kingdom in respect of the issue (following the Consolidation) of the New Ordinary Shares.

The Consolidation should be treated as a “reorganisation” for the purposes of UK taxation of CGT, so that a Shareholder should not be treated as making a disposal or part disposal of his Ordinary Shares for CGT purposes upon receipt of the New Ordinary Shares. Instead, the New Ordinary Shares will be treated as the same asset, acquired at the same time, as his Ordinary Shares.

This paragraph 10 is not intended to be, and should not be construed to be, legal or taxation advice to any particular Shareholder. Any Shareholder who has any doubt about his own taxation position, whether regarding EIS or VCT relief, CGT or otherwise, or who is subject to taxation in any jurisdiction other than the UK should consult his professional taxation adviser immediately.

11. Non-United Kingdom Shareholders

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the Bonus Issue and/or Return of Capital will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Shareholder not resident in the United Kingdom or a citizen, resident or national of another country to satisfy himself as to full observance of the laws of each relevant jurisdiction in connection with the Bonus Issue and Return of Capital, including the obtaining of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the issue or cancellation of “B” Shares constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

12. Action to be Taken

A Form of Proxy is enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete, sign and return the Form of Proxy by hand or by post with the Company's registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol, BS99 3FA by no later than 10.00 am on 31 January 2009. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so. Accordingly, whether or not you intend to attend the General Meeting in person, you are urged to complete and return the Form of Proxy as soon as possible.

13. Recommendation

The Directors consider that the Proposals are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions.

The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings amounting, in aggregate, to 2,096,707 Ordinary Shares (representing approximately 2.5 per cent. of the issued ordinary share capital of the Company as at the date of this document).

Yours faithfully

David Page

Non-executive Chairman

CLERKENWELL VENTURES PLC

(Registered in England and Wales with Registered Number 5127684)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of Clerkenwell Ventures plc (the "Company") will be held at The Real Greek, 142 St John Street, London EC1V 4UA at 10.00 am on Monday 2 February 2009, for the purpose of considering and, if thought fit, passing the resolutions set out below which will be proposed as ordinary resolutions in the case of resolutions 1 to 3 (inclusive) below and special resolutions in the case of resolutions 4 to 6 (inclusive) below:

ORDINARY RESOLUTIONS

1. **TO** receive and adopt the report of the directors, the financial statements and the report of the auditors for the period ended 30 September 2008.
2. **THAT** the directors of the Company and the Company be and are hereby approved to continue the previously approved investing strategy of the Company namely to seek to acquire businesses within the leisure sector with the potential for rapid growth and/or above average cash flow, strong operational management and a proven business model offering attractive returns on invested capital.
3. **THAT** subject to and conditional on the passing of resolutions 4, 5 and 6 below the return of capital to shareholders as contemplated by paragraph 4.4 of resolution 4 and paragraph 5.2 of resolution 5 below (being deemed as a disposal resulting in a fundamental change in the Company's business) is hereby approved for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange plc.

SPECIAL RESOLUTIONS

4. **THAT** subject to and conditional on the passing of resolution 3 above and resolutions 5 and 6 below:
 - 4.1 the authorised share capital of the Company be and is hereby increased from £6,663,250 to £29,360,896.29 by the creation of 22,697,646,288 "B" Shares of 0.1 pence each in the capital of the Company ("B" Shares") with the following rights:
 - 4.1.1 **Income**

the holders of "B" Shares shall have no right to any participation in the profits of the Company;
 - 4.1.2 **Capital**

the holders of "B" Shares shall have the right on a winding up or other return of capital to the repayment of the nominal capital paid up or credited as paid up on the "B" Shares held by them and shall not be entitled to any further rights of participation in the assets of the Company. If on a winding up or other return of capital the amounts available for payment are insufficient to cover in full the amounts payable on the "B" Shares, the holders of such shares will share pro rata in the distribution of assets (if any) in proportion to the full amounts to which they would otherwise be entitled;
 - 4.1.3 **Voting**

the holders of "B" Shares will not be entitled, in respect of their holdings of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such general meeting;
 - 4.1.4 **Class Rights**

the Company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority to the "B" Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the "B" Shares) will be treated as being in accordance with the rights attaching to the "B" Shares and will not involve a variation of such rights for any purpose or require the consent of the holders of "B" Shares;

a reduction by the Company of the capital paid up or credited as paid up on the "B" Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the "B" Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of "B" Shares to reduce its capital in accordance with the Companies Act 2006; and

4.1.5 Form and Transfer

the "B" Shares are non renounceable. No "B" Shares shall be transferred and any purported transfer of a "B" Share shall be deemed invalid. No share certificates will be issued in respect of "B" Shares.

- 4.2 the Directors be and they are hereby authorised to capitalise an amount standing to the credit of the Company's share premium account not exceeding £22,697,646.29 and to apply such sum in paying up in full up to 22,697,646,288 "B" Shares and are hereby authorised pursuant to section 80 of the Companies Act 1985 (as amended) to allot and issue up to 22,697,646,288 "B" Shares each credited as fully paid up to the holders of ordinary shares of 5 pence each in the capital of the Company ("Ordinary Shares") on the register of members of the Company at 5.00 pm on the Record Date (as such term is defined in the Company's circular to shareholders dated 9 January 2009 (the "Circular")) (or such other time and/or date as the Directors may determine) on the basis of 272 "B" Shares for each Ordinary Share held, provided that the authority hereby conferred shall expire on the date falling 6 weeks following such Record Date and so that such authority shall be in addition to and without prejudice to the unexercised portion of the authority conferred upon the Directors pursuant to any resolution passed prior to this General Meeting;
- 4.3 following the issue of "B" Shares pursuant to paragraph 4.2 above, the share capital of the Company be reduced by cancelling all the "B" Shares in the issued share capital of the Company; and
- 4.4 the capital paid up on the "B" Shares cancelled pursuant to paragraph 4.3 above be returned to the holders of such shares.
5. **THAT** subject to and conditional on the passing of resolutions 3 and 4 above and resolution 6 below:
- 5.1 the ordinary share capital of the Company be reduced by cancelling and extinguishing 4.9 pence of the amount paid up on or credited to each issued ordinary share of 5 pence in the capital of the Company and reducing the nominal value of each issued and authorised but unissued ordinary share in the capital of the Company to 0.1 pence; and
- 5.2 the capital paid up on the ordinary shares of the Company cancelled pursuant to paragraph 5.1 above be returned to the holders of such shares.
6. **THAT** subject to and conditional on the passing of resolutions 3, 4 and 5 above and subject to and conditional upon the admission of the New Ordinary Shares (as defined below) to trading on AIM, a market operated by London Stock Exchange plc becoming effective, the authorised share capital of the Company be consolidated such that the ordinary Shares of 0.1 pence each, whether issued or unissued, are consolidated on the basis that on and from the business day following the date that the Reduction of Capital (as such term is defined in the Circular) becomes effective:-
- 6.1 every 10 ordinary shares of 0.1 pence each shall be consolidated into 1 ordinary share of 1 pence each (a "New Ordinary Share");
- 6.2 if Shareholders would otherwise be entitled to a fraction of a New Ordinary Share on such consolidation, then the Company shall be entitled to arrange for the aggregate and sale of such fractional entitlement and to retain the net proceeds of sale for the benefit of the Company and no Shareholder shall himself have any entitlement to a fraction of a New Ordinary Share;
- 6.3 the Board is authorised to authorise any person to transfer New Ordinary Shares representing entitlements to the purchaser thereof.

By Order of the Board

Nicholas Wong
Secretary

Dated: 9 January 2009

Registered Office:

1 Park Row
Leeds
LS1 5AB

Notes:

1. Shareholders will only be entitled to attend and vote at the meeting if they are registered as the holders of ordinary shares not less than 48 hours before the time fixed for the meeting. This record time is being set by the Company for voting at the meeting pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 because the procedures for updating the register of members in respect of shares held in uncertificated form require a record time to be set for the purpose of determining entitlements to attend and vote at shareholder meetings. The ordinary shares are included for trading in uncertificated (electronic) form in CREST.
2. A member entitled to attend and vote at the Meeting is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and voting in person at the Meeting.
3. To be effective, the instrument appointing a proxy and any power of attorney or other authority under which it is executed (or a notarially certified copy of such power or authority) must be deposited by hand or by post with the Company's registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol, BS99 3FA not less than 48 hours before the time fixed for the meeting. A form of proxy is enclosed with this notice.
4. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names of the holders stand in the register of members in respect of the joint holding.
5. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.
6. Persons who are not shareholders in the Company will not be admitted to the Meeting unless prior arrangements are made with the Company.
7. Except as provided above, members who have general queries about the Meeting should contact the Company Secretary at the Company's registered office (no other methods of communication will be accepted). You may not use any electronic address to communicate with the Company for any purposes other than those expressly stated (i) in this notice of general meeting; or (ii) in any related documents (including the proxy form).