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This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules, has been issued in connection with the application for admission to trading of the entire issued and to be issued ordinary share capital of the Company to trading on AIM. This document contains no offer to the public within the meaning of Section 102B of FSMA, the Act or otherwise. Accordingly, this document does not comprise a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by or filed with the Financial Services Authority or any other competent authority.

Application will be made for the Placing Shares and the Existing Ordinary Shares to be admitted to trading on AIM, a market operated by the London Stock Exchange (“AIM”). No application has or will be made for the Incentive Shares to be admitted to trading or to be listed on any stock exchange. 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. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Directors, whose names appear on page 7 of this document, and the Company accept individual and collective responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The whole of this document should be read. Enteq Upstream plc is a newly-incorporated company with no existing business record and investment in Enteq Upstream plc is speculative. The attention of prospective investors is drawn in particular to the risk factors set out in Part 2 of this document.

ENTEQ UPSTREAM PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 7590845)

Placing of 15,000,000 Ordinary Shares at 100p per share

and

Admission to trading on AIM

Nominated adviser and broker

Investec Bank plc

SHARE CAPITAL

(immediately following the Placing)

<i>Issued and fully paid</i>	£	<i>Number</i>
Ordinary Shares of 1 penny each	15,050,200	15,050,200
Incentive Shares of £1 each	50,000	50,000

The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission. It is expected that Admission will take place and that trading in the Ordinary Shares will commence on 01 July 2011.

This document does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document is not for distribution in or into the United States of America, Canada, Japan, the Republic of Ireland, the Republic of South Africa or Australia. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in or into or from the United States of America, Canada, Japan, the Republic of Ireland, the Republic of South Africa or Australia. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended).

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Investec, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser and broker to the Company in connection with the proposed Placing and Admission and will not be acting for any other person or otherwise be responsible to any person for providing the protections afforded to customers of Investec or for advising any other person in respect of the proposed Placing and Admission. Investec's responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of such person's decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Investec as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Nabarro LLP, Lacon House, 84 Theobald's Road, London WC1X 8RW from the date of this document until the date which is one month from the date of Admission. A copy of this document will also be available from the Company's website – www.enteq.com.

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FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Company’s future prospects, developments and business strategies.

These forward-looking statements can be identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will” or the negative of those variations, or comparable expressions, including references to assumptions. These statements are primarily contained in Parts 1 and 2 of this document.

The forward-looking statements in this document, including statements concerning projections of the Company’s future results, operations, profits and earnings, are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks to and uncertainties for the Company are specifically described in Part 2 of this document headed “Risk Factors”. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company’s actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Prospective investors should therefore specifically consider the risk factors contained in Part 2 of this document that could cause actual results to differ before making an investment decision. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

MARKET AND FINANCIAL INFORMATION

The data, statistics and information and other statements in this document regarding the markets in which the Company operates, or the Company’s position therein, are based on the Company’s records or are taken or derived from statistical data and information derived from the sources described in this document.

In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Acquired Business”	a company or business which the Company acquires pursuant to its strategy as described in Part 1 of this document
“Acquisition”	the acquisition of an Acquired Business
“Admission”	the admission of the Existing Ordinary Shares and the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Board” or “Directors”	the directors of the Company, whose names are set out on page 7 of this document
“City Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Company” or “Enteq Upstream”	Enteq Upstream plc
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations)
“Disclosure and Transparency Rules”	the Disclosure and Transparency Rules made by the Financial Services Authority pursuant to section 73A of the FSMA
“Directors Subscription Shares”	the Placing Shares to be subscribed for by the Directors
“EBITDA”	earnings before interest, taxation, depreciation and amortisation
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England and Wales
“Enlarged Issued Ordinary Share Capital”	together, the Existing Ordinary Shares and the Placing Shares
“Executive Directors”	each of Martin Gordon Perry and Raymond Garcia
“Existing Ordinary Shares”	the 50,200 existing issued Ordinary Shares as at the date of publication of this document
“Financial Services Authority”	the Financial Services Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“GE”	General Electric Company
“Historical Financial Information”	the historical financial information of the Company set out in Part 3A of this document

“HMRC”	Her Majesty’s Revenue and Customs
“Incentive Shares”	the incentive shares of £1 each in the capital of the Company
“Investec”	Investec Bank plc
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“Long-Term Incentive Plan” or “LTIP”	the proposed Long-Term Incentive Plan, further details of which are set out in paragraph 8 of Part 4 of this document
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	the ordinary shares of one penny each in the capital of the Company
“Placing”	the conditional placing of the Placing Shares by Investec, as agent for and on behalf of the Company, at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 24 June 2011 between (1) the Company; (2) Investec; and (3) the Directors relating to the Placing, further details of which are set out in paragraph 10 of Part 4 of this document
“Placing Price”	100 pence per Placing Share
“Placing Shares”	the 15,000,000 new Ordinary Shares which are the subject of the Placing
“Prospectus Rules”	the prospectus rules made by the Financial Services Authority pursuant to section 73A of the FSMA
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended) and such other regulations made under Section 207 of the Companies Act 1989 as are applicable to Euroclear and/or the Euroclear Service and from time to time in force
“Shareholder”	a holder of Ordinary Shares
“Statutes”	means the Act, the Regulations and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company
“Sondex”	Sondex plc
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of section 72 of the FSMA
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the Regulations, may be transferred by means of CREST
“US”, “USA” or “United States”	the United States of America, each state thereof, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction
“VAT”	UK value added tax

PLACING STATISTICS

Placing Price	100 pence
Number of Existing Ordinary Shares in issue	50,200
Number of Placing Shares	15,000,000
Net proceeds of the Placing	£14 million
Number of Ordinary Shares in issue following the Placing and Admission	15,050,200
Proportion of Enlarged Issued Ordinary Share Capital being placed	100 per cent.
Market capitalisation at the Placing Price	£15,050,200
ISIN number	GB00B41Q8Q68
SEDOL number	B41Q8Q6

EXPECTED TIMETABLE OF PRINCIPAL EVENTS¹

Publication of this document	24 June 2011
Admission effective and dealings commence on AIM	01 July 2011
CREST accounts credited by	01 July 2011
Despatch of definitive share certificates by	08 July 2011

Notes:

1. Each of the above dates is subject to change at the absolute discretion of the Company and Investec

DIRECTORS, SECRETARY AND ADVISERS

Directors Martin Gordon Perry (*Chief Executive Officer*)
Raymond Garcia (*Chief Operating Officer*)
Neil William Warner (*Non-Executive Chairman*)
Robin Hunter Pinchbeck (*Non-Executive Director*)
Iain Stayton Paterson (*Non-Executive Director*)

Company Secretary Iain Stayton Paterson

All of whose business address is at the Company's registered and head office

Registered office The Courtyard
High Street
Ascot
SL5 7HP

Nominated adviser and broker Investec Bank plc
2 Gresham Street
London EC2V 7QP

Auditors and reporting accountants Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Legal advisers to the Company Nabarro LLP
Lacon House
84 Theobald's Road
London WC1X 8RW

Legal advisers to Investec Dorsey & Whitney (Europe) LLP
21 Wilson Street
London EC2M 2TD

Registrar Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS13 8AE

PART 1

INFORMATION ON THE COMPANY

1. Introduction

Enteq Upstream is a newly-incorporated company, focused on acquiring and consolidating companies providing specialist reach and recovery products and technologies to the upstream oil and gas services market. The Company has been founded by part of the leadership team behind Sondex. Prior to its sale to GE in 2007, Sondex was a leading oil and gas products and technology provider.

2. The Enteq Upstream opportunity

The global oilfield services market is divided between a small number of very large global service providers such as Schlumberger, Baker Hughes, Halliburton and Weatherford and smaller, regional service companies, often without access to the same range of products or technologies.

Enteq Upstream intends to create a compelling product offering for these regional service companies, renting or selling them products and technologies to allow them to compete more effectively in their local markets.

Enteq Upstream will use the experience and industry knowledge of the management team to identify, acquire and combine specialist reach and recovery products and technologies in the upstream oil and gas sector. The Directors believe Enteq Upstream can create a leading specialist oilfield service company by converting acquired products and technologies into an integrated portfolio to be sold internationally to regional and global oilfield service companies.

3. The reach and recovery market

The reach and recovery market is a sub-sector of the global hydrocarbon extraction industry. Continued demand for oil, gas and products derived from these and other hydrocarbons has led to an increased focus by exploration and production companies on optimising the efficiency of extraction from established reservoirs. In addition, technological developments have enabled the development of products which facilitate incremental production from known reserves which may previously have been un-economic.

Enteq Upstream will focus on reach and recovery products used for these purposes by upstream oil and gas service providers. Products in this market as defined by management range from exploration technologies used for geological and seismic surveying, to down-hole instruments used to assist with drilling, production optimisation and monitoring of the reservoir in order to maximise production.

The global oilfield equipment and services market is estimated to be in excess of \$270 billion in 2011*, an estimated growth rate of 5 per cent. over the previous year.

Within this market, Enteq Upstream intends to focus on the following attractive market sub-sectors:

- Geophysical equipment and services (market size estimated in excess of \$12 billion in 2011);*
- Wireline logging (market size estimated in excess of \$10 billion in 2011);*
- Down-hole drilling tools (market size estimated at approximately \$2.5 billion in 2011);* and
- Other down-hole tools (market size estimated in excess of \$2.5 billion in 2011)*.

4. Sondex

The Company has been founded by part of the leadership team behind Sondex. Prior to its sale to GE in 2007, Sondex was a leading oil and gas products and technology provider. Sondex was listed on the Official List of the London Stock Exchange in June 2003 at 100 pence per ordinary share, valuing Sondex at

* Sourced from the Oilfield Market Report 1999-2011 – Spears Associates Inc

£38.8 million. In September 2007, Sondex was acquired by GE for 460 pence per ordinary share, valuing Sondex at £288 million. The enterprise value of Sondex at the time of its acquisition by GE was approximately £320 million. This enterprise value represents a multiple of 4.7x Sondex's sales and 16.2x EBITDA for the year ended 28 February 2007 (based on Sondex's audited financial results) and a multiple of 3.9x Sondex's sales and 13.5x EBITDA for the year ended 28 February 2008 (based on a report issued on 27 June 2007 by Investec Securities).

Sondex designed, manufactured and supplied down-hole products and technologies to the upstream oil and gas industry. Sondex products were used to maximise hydrocarbon recovery, extend the production life of established oil and gas reservoirs and to increase the cost efficiency of the extraction process. Sondex's product range comprised instruments that measure the scientific properties of reservoir fluids and determine the production profile, corrosion, wear or deformation of down-hole tubing or casing as well as products that assist directional drilling companies to position wells accurately.

Sondex products were sold to global oilfield service companies such as Schlumberger, Halliburton, Expro and Wood Group as well as national oil companies such as Saudi Aramco and Vietsovpetro. Sondex products were also sold to smaller regional service companies and used by international hydrocarbon exploration and production companies such as Shell, BP and ExxonMobil.

Sondex reported sales of £14.5 million in the year ended February 2003. Subsequently, from the time of its listing in June 2003 to its sale in September 2007 Sondex:

- Increased sales from £17.5 million for the year ended February 2004 to £68.5 million for the year ended 28 February 2007;
- Completed 5 acquisitions:
 - Computer Sonics Systems for £1.4 million in 2003 (based in Canada);
 - Geolink International for £29.5 million in 2004 (based in Scotland);
 - Applied Electronic Systems for £7.4 million in 2005 (based in USA);
 - Bluestar Tools for £11.0 million in 2006 (based in Canada); and
 - Ultima Labs for £4.9 million in 2006 (based in USA).
- Expanded and upgraded its product range, through an annual investment in research and development of approximately 10 per cent. of sales.

Martin Perry joined Sondex as Managing Director in 1997. In 1998 he participated in a management buy-out of the business which valued Sondex at approximately £10 million. In 2002 he participated in a secondary buy-out. Sondex was listed on the Official List of the London Stock Exchange in June 2003 at 100 pence per ordinary share, which valued the business at £38.8 million. Martin led the executive team through the 2003 IPO and subsequent 2007 sale to GE. Raymond Garcia joined Sondex in 2002 where he managed the Western Hemisphere operations through to and after its sale in 2007.

5. Acquisitions

The Directors believe that by applying their expertise, experience and relationships in the reach and recovery products market to make strategic Acquisitions, significant shareholder value can be created. The Directors have already identified a number of appropriate potential acquisition opportunities for Enteq Upstream.

There will be no minimum or maximum number of Acquisitions, businesses or assets, and nor will there be any limit on the size of Acquisitions. Given the international nature of the oilfield services market, the Company will not be limited as to the geographical location of Acquisitions.

It is intended that potential acquisition opportunities will be primarily sourced from the Company's own existing relationships and market research and will be principally funded from the Company's own resources and the issue of further equity. The Directors may in the future use debt financing, but they expect it will be used in a manner which does not unduly restrict the flexibility of the Company.

It is the intention of the Board that, in due course, Enteq Upstream will be of a sufficient size and have the trading record necessary to be admitted to trading on the Official List.

Prior Shareholder approval will be sought for any Acquisition which constitutes a reverse takeover under the AIM Rules.

Should no Acquisition be made within 24 months following Admission, the Board will convene a meeting of Shareholders to consider whether to continue exploring Acquisition opportunities or whether to wind up the Company and distribute any surplus cash to Shareholders.

6. Competition

In seeking to acquire products and technologies in its chosen market, Enteq Upstream faces competition from a number of other sector participants, including both financial investors such as Limerock, Energy Ventures and SCF Partners, as well as other oilfield service providers such as Schlumberger, Halliburton and Weatherford. Other oilfield service providers may also expand their product offering through acquisition.

The Directors believe their combined experience and knowledge of the market will allow them to identify attractive product and technology providers who may not be known to other potential acquirors. Furthermore, the Directors believe they can present an attractive proposition to their target acquisitions, who may prefer to transact with Enteq Upstream rather than specialist financial investors or global oilfield service providers.

7. Current trading, operational trends and prospects

The Company is newly-incorporated and therefore it is not possible to evaluate the Company's prospects at this stage as these will depend on, amongst other things, the availability of suitable companies and businesses, the ability to successfully make Acquisitions, and the subsequent performance of the Acquired Businesses.

The Directors anticipate that operational expenses (including executive and board costs, travel and other expenses) will not exceed £650,000 for the 6 months following Admission. The Directors anticipate that the Company will make its first Acquisition within or shortly after 6 months following Admission and estimate that due diligence and other expenses related to completion of an initial Acquisition would be in the region of £500,000, though this depends on the exact nature and size of the Acquisition.

8. Board of Directors

The Board of Enteq Upstream comprises:

- **Neil William Warner** (58 years old) (*Non-Executive Chairman*), currently Senior Independent Non-Executive Director of Dechra Pharmaceuticals plc and Non-Executive Director of Vectura Group plc. Formerly Finance Director at Chloride Group plc, a position he held for 14 years until its acquisition by Emerson Electric. Prior to this, Neil spent six years at Exel plc (formerly Ocean Group plc and acquired by Deutsche Post in December 2005) where he held a number of senior posts in financial planning, treasury and control. He has also held senior positions in Balfour Beatty plc (formerly BICC Group plc), Alcoa and PricewaterhouseCoopers.
- **Martin Gordon Perry** (49 years old) (*Chief Executive Officer*), formerly CEO of Sondex. Martin entered the oil industry in 1984, initially as a field engineer after gaining an engineering degree at Exeter University. Subsequently, he worked in the IT and Data Communications industry, before participating in a management buy out of Sondex. Following the acquisition of Sondex by GE in 2007, Martin was appointed CEO of GE's Oilfield Technologies Division and subsequently as Non-Executive Chairman of 3 private equity funded businesses.
- **Raymond Garcia** (55 years old) (*Chief Operating Officer*), formerly Senior VP of Sondex, Non-Executive Director of Tendeka and most recently VP of Tucker Energy; an Americas-based multi-million dollar oilfield service company. At Sondex, Raymond played a strategic role in acquisitions and business development. Raymond has a BSc, MSc & MBA from Houston Baptist University. His early career was in oilfield services with what is now Baker Hughes with experience as country manager of several major territories including Nigeria and Venezuela.

- **Robin Hunter Pinchbeck** (58 years old) (*Non-Executive Director*), currently Chairman of Sparrows Offshore Limited and an advisor to Petrofac Limited, previously having served as Chief Executive of the Operations Services Division and Group Strategy Director. Prior to this, Robin spent 23 years with BP in technical and general management roles in UK, Australia, USA and Middle East before moving to the oil services sector as Managing Director of Aberdeen-based Atlantic Power and Gas, a business ultimately purchased by Petrofac in 2002. A graduate of Imperial College, London and Stanford Business School, California, Robin held Non-Executive Directorships with Sondex from 2002 to 2007, SLR Consulting Limited from 2008 to 2010 and EnQuest plc from 2010 to 2011, following its de-merger from Petrofac.
- **Iain Stayton Paterson** (64 years old) (*Non-Executive Director*), formerly Chairman of Sondex, Non-Executive Director of Hunting plc, Paladin Resources plc and ArmorGroup plc, Iain has over 40 years experience in the oil industry, has held senior management positions at BP and was a main Board director of Enterprise Oil plc. Iain is currently Chairman of ITE Group plc, Non-Executive Director of MOL NyRt and a member of the Advisory Board of the Oman Oil Company.

9. Executive Director and senior management incentive arrangements

Enteq Upstream has in place incentive arrangements which reward participants if Shareholder value is created, thereby aligning the interests of the Executive Directors with those of Shareholders.

The Executive Directors have subscribed an aggregate of £50,000 for Incentive Shares. Their holdings of Incentive Shares and Ordinary Shares as at Admission are set out in paragraph 12 below.

Half of the Incentive Shares will ordinarily become convertible into Ordinary Shares on each of 30 June 2014 and 30 June 2015.

Broadly, the Incentive Shares carry the right to 12.5 per cent. of any real increase in the value of the Company up to 30 June 2015 over a hurdle of £2 million in excess of the aggregate of the amounts subscribed for Ordinary Shares in the Company prior to that date. Full details of the rights of the Incentive Shares are set out in paragraph 4 of Part 4 of this document.

The conversion of Incentive Shares will be subject to the restrictions on share dealings imposed by the Company's share dealing code.

The Company also intends to adopt the LTIP in due course after Admission. In light of their holdings of Incentive Shares, the Executive Directors will be excluded from participating in the LTIP (which will also not extend to the Non-Executive Directors). Further details of the proposed LTIP are set out in paragraph 8 of Part 4 of this document.

10. Non-Executive Director incentive arrangements

The Non-Executive Directors have been granted options to subscribe for an aggregate of 310,000 Ordinary Shares conditional on Admission. Further details of these options are set out in paragraph 8 of Part 4 of this document.

11. Reasons for the Placing and use of proceeds

The purpose of the Placing is to raise funds to be used by the Company to implement its strategy. Pending the identification of a suitable initial Acquisition, the net proceeds will be placed on deposit and used to fund the working capital requirements of the Company.

The Directors believe that the quotation on AIM will give the Company a higher profile and better access to capital than if it were an unquoted company. In particular, the Directors intend to use new Ordinary Shares as part or total consideration for making certain Acquisitions and believe that the liquidity of the Ordinary Shares that will result from the quotation on AIM will enhance the acceptability of the Ordinary Shares as consideration.

12. Interests of the Directors and lock-in agreements

Immediately following the Placing and Admission the interests of the Directors in the share capital of the Company will be as follows:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Issued Ordinary Share Capital</i>	<i>Number of Incentive Shares</i>	<i>Number of Ordinary Shares under Option</i>	<i>Percentage of Total Voting Shares under Option</i>
Martin Gordon Perry	630,200	4.2	30,000	Nil	Nil
Raymond Garcia	420,000	2.8	20,000	Nil	Nil
Iain Stayton Paterson	50,000	0.3	Nil	80,000	0.5
Robin Hunter Pinchbeck	75,000	0.5	Nil	80,000	0.5
Neil William Warner	75,000	0.5	Nil	150,000	1.0
Total	1,250,200	8.3	50,000	310,000	2.0

The Directors have paid an amount equal to the Placing Price for each Ordinary Share and each Incentive Share held by them.

Those Directors holding shares in the Company have also undertaken, subject to certain exceptions, not to dispose of their Ordinary Shares (or any interest therein) for a period of one year from the date of Admission. Further details of these lock-in arrangements are set out in paragraph 10 of Part 4 of this document.

13. Dividend policy

Until the completion of a significant Acquisition, the Directors do not intend to pay a dividend. The Board will regularly review the appropriateness of its dividend policy.

14. Corporate governance

The Directors recognise the value and importance of high standards of corporate governance and intend to observe the requirements of the UK Code of Corporate Governance to the extent they consider appropriate in light of the Company's size, stage of development and resources. The Company also proposes to follow the recommendations on corporate governance of the Quoted Companies Alliance for companies with shares traded on AIM.

After Admission, the Directors intend to establish an audit committee and a remuneration committee with formally delegated duties and responsibilities. The audit committee will determine the terms of engagement of the Company's auditors and will determine, in consultation with the Company's auditors, the scope of the audit. It will receive and review reports from the Company's management and the Company's auditors relating to the interim and annual accounts and the accounting and internal control systems in use by the Company. The audit committee will have unrestricted access to the Company's auditors.

The remuneration committee will review the scale and structure of the Executive Directors' future remuneration and the terms of their service agreements with due regard to the interests of Shareholders. No Director will be permitted to participate in discussions or decisions concerning his own remuneration.

The Directors intend to comply, and procure compliance with, Rule 21 of the AIM Rules relating to dealings by directors and other applicable employees in the Company's securities and, to this end, the Company has adopted an appropriate share dealing code.

15. Taxation

The Company will not be a qualifying company for the purposes of the Enterprise Investment Scheme ("EIS"). Accordingly, EIS relief will not be available to investors.

It is anticipated that the Company may be eligible for an exemption from corporation tax on any chargeable gains arising on disposals of substantial shareholdings in target companies. However, the availability of this exemption will depend, *inter alia*, on the length of ownership of the shareholdings, on the activities of the target companies and on the Company being a member of a trading group for the relevant period.

Further information on United Kingdom taxation with regard to the Placing is set out in paragraph 9 of Part 4 of this document. All information in relation to taxation in this document is intended only as a general guide to the current United Kingdom tax position. If you are in any doubt as to your own tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent professional adviser immediately.

16. The Placing

The Placing Shares have been conditionally placed with institutional and other investors pursuant to the Placing Agreement. The Placing is conditional, *inter alia*, on Admission becoming effective no later than 1 July 2011 or such later date as Investec and the Company may agree but in any event no later than 22 July 2011. The Placing (other than in respect of the Directors' Subscription Shares) has been fully underwritten by Investec and Investec has also agreed to subscribe for 378,000 Ordinary Shares under the Placing. The Placing Shares represent approximately 100 per cent. of the Enlarged Issued Ordinary Share Capital.

The Placing Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

After the expenses of the Placing and Admission, estimated in total at £1 million (including VAT), the Placing is intended to raise approximately £14 million.

Further details of the Placing Agreement are set out in paragraph 10 of Part 4 of this document.

17. Settlement and dealings

Application has been made to the London Stock Exchange for the Existing Ordinary Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will take place, and that dealings on AIM in the Ordinary Shares will commence on 01 July 2011.

Application will be made for all the issued and to be issued Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place through CREST.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

18. Additional information

The Company intends to have its first financial year close with the eleven-month and 25 day period ending 31 March 2012, with an interim period covering the five-month and 25 days to 30 September 2011. Your attention is drawn to the risk factors, the Company's Historical Financial Information for the period from incorporation to 25 May 2011, the accountants' report on the Historical Financial Information and the additional information sections in Parts 2, 3.A, 3.B and 4 respectively of this document.

PART 2

RISK FACTORS

In addition to all of the other information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a personal adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial conditions, results or future operations could be materially adversely affected. In such cases, the market price of the Company could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial may also have an adverse effect upon the Company.

RISKS RELATING TO THE COMPANY'S STRATEGY

Market opportunities

There can be no guarantee that the Company will successfully identify any companies or businesses meeting the objectives outlined in this document and may be unable to effect an Acquisition where there is an identified opportunity and, as a result, resources may be expended on investigative work and due diligence without the acquisition being completed.

Acceptability of Ordinary Shares as consideration

Although it is the Company's intention, where appropriate, to use Ordinary Shares to satisfy all or part of any consideration payable for Acquisitions, vendors may not be prepared to accept these shares.

Potential loss on investments

The Company's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of an Acquired Business will occur or that the objectives of the Company will be achieved. For example (i) Acquired Businesses may experience trading difficulties after acquisition by the Company; or (ii) the Company may not be able to conduct a full investigation of the target prior to Acquisition and previously undisclosed underperformance or other adverse matters may only come to light after Acquisition.

Spread of investments

There will be no limit on the size, number or business sector of Acquisitions and therefore no certainty that there will be a spread of Acquired Businesses as would mitigate risk.

Further issue of Ordinary Shares

It may be desirable for the Company to raise additional capital by way of the further issue of Ordinary Shares to enable the Company to progress through further stages of development. Any additional equity financing may be dilutive to Shareholders. There can be no assurance that such funding, if required, will be available to the Company.

Gearing

The performance of investments may be affected by the overall performance of stock markets in general. Whilst gearing will enhance growth in the portfolio value in a rising market, its effect in falling stock markets or valuations will be to accentuate the fall in portfolio value.

Level of disclosure

Certain Acquisitions may involve companies or businesses with highly sensitive contractual or other arrangements with governmental, regulatory and other supervisory bodies which are subject to onerous confidentiality or statutory non-disclosure restrictions. While the Directors are mindful of their obligations pursuant to the AIM Rules, there may be circumstances where the Company is prevented by law from providing certain specific or detailed information to Shareholders and the market generally about, for example, the identity, nature of products/services or other proprietary information about a potential Acquired Business. In such circumstances, the Company will seek to engage with the AIM Regulation Team of the London Stock Exchange in relation to the level of disclosure required in order to discharge the Company's obligations under the AIM Rules.

INDUSTRY SPECIFIC RISKS

Fluctuations in oil and gas prices

Fluctuations in oil and gas prices may lead to uncertainty in the oil and gas industry which can lead to a lack of investment in equipment. In addition, a longer term fall in oil and gas prices could reduce levels of cash flow in the industry which could in turn lead to the reduction or deferral of expenditure in the reach and recovery market.

Fluctuations in foreign currency

The Company is expected to derive a large proportion of its revenues from outside the UK and hence have an exposure to foreign currency fluctuations. Whilst the Company will consider hedging a proportion of this risk through borrowing in relevant currencies, adverse movements in foreign currencies could lead to material adverse movements in reported earnings.

Competition

Products are available which compete directly or indirectly with the products that the Company intends to sell. New technology, changing commercial circumstances and new entrants to the markets in which the Company intends to operate may adversely affect the Company's business. Many of the companies operating in the reach and recovery market will be significantly larger and have significantly greater financial resources than the Company. The service companies which are potentially the Company's customers may develop their own equipment and therefore no longer need to purchase equipment from the Company. This could lead to an adverse effect on the Company's revenues and earnings.

War in territories where the Company's products are used

War in territories where the Company's products are used creates uncertainty and discourages investment. The Company's products used by service companies may be deployed elsewhere, which could have the effect of reducing the market size for such products.

COMPANY SPECIFIC RISKS

Dependence on key personnel

The future success of the Company is substantially dependent on the continued services and continuing contributions of its Directors. The loss of the services of any of its Directors or other key employees could have a material adverse effect on the Company.

Dependence on key clients

The Company may be dependent on a relatively small number of key clients. The loss of one or more of these key clients either to a competitor or through that customer developing its own equipment could have a material adverse effect on the Company's revenues.

Fluctuations of revenues, expenses and operating results

The revenues, expenses and operating results of the Company could vary significantly from period to period as a result of a variety of factors, some of which are outside of its control. These factors include general economic conditions, adverse movements in interest rates, conditions specific to the oil and gas services market, seasonal trends in revenues, capital expenditure and other costs and the introduction of new products or services by the Company or by its competitors. In response to a changing competitive environment, the Company may elect from time to time to make certain pricing, service or marketing decisions or acquisitions that could have a material adverse effect on the Company's revenues, results of operations and financial condition.

RISK FACTORS RELATING TO ACQUISITIONS

Difficulties integrating Acquisitions

The success of an Acquisition will depend upon the ability of the Directors to integrate the Acquisition in a timely and cost-effective manner. Any difficulties in the integration process may result in increased expense, loss of sales and a decline in profitability. The process of integration may require a disproportionate amount of time and attention of the Company's management, which may distract management's attention from its day-to-day responsibilities. In addition, any interruption or deterioration in service resulting from an Acquisition may result in a customer's decision to stop dealing with the Company or an Acquired Business. For these reasons the Company may not realise the anticipated benefits of an Acquisition, either at all or in a timely manner. If that happens and the Company incurs significant costs, it could have a material adverse impact on the profits and the business of the Company.

Contract terms

The Company intends to sell products to the oil and gas industry. As such, its responsibility for damage occurring at the rig site is expected to be limited to that which might be caused by product failure. It is usual in the industry for mutual hold-harmless arrangements to exist between contractors, oil companies and product suppliers, but nevertheless, the Company intends to carry appropriate product liability insurance. In the unlikely event of a catastrophic failure which causes the destruction of an oil well or rig being directly attributed to the failure of the Company's equipment, the insurance cover could prove to be inadequate which could therefore result in the Company's earnings and its financial viability being significantly and adversely affected.

Infringement upon intellectual property rights

The intellectual property of an Acquisition may infringe upon intellectual rights owned by third parties who may challenge the Company's rights to the same. Patents owned by the Company may be challenged by third parties and may not be enforceable in certain parts of the world. In addition, agreements concerning intellectual property rights entered into by the Company could be terminated and may have an adverse effect upon the Company's business.

Market growth and industry data

Information or other statements presented in this document regarding market growth, market size, development of the market and other industry data pertaining to the oil and gas services market and the Company's strategy consist of estimates based on data and reports compiled by industry professionals, organisations, analysts or the Company's knowledge of the industry. Without prejudice to the responsibility statement in Part 4, paragraph 1 the Directors take responsibility for compiling and extracting (but have not independently verified) market data provided by third parties or industry or general publications, although they consider such data and publications to be reliable.

RISKS RELATING TO THE ORDINARY SHARES

Investment in unlisted securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Suitability

An investment in the Ordinary Shares may not be suitable for all recipients of this document. Investors are accordingly advised to consult an appropriate person authorised under the FSMA before making their decision.

Share price volatility and liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

PART 3

A. HISTORICAL FINANCIAL INFORMATION OF ENTEQ UPSTREAM PLC FOR THE PERIOD FROM INCORPORATION TO 25 MAY 2011

Enteq Upstream plc (the "Company")

Statement of Financial Position as at 25 May 2011

		<i>£'000</i>
Current assets		
Cash and cash equivalents	(Note 3a)	50
Total net assets		<u>50</u>
Shareholders' equity		
Called up share capital	(Note 4)	1
Share premium account	(Note 4)	49
Total equity		<u>50</u>

Statement of Changes in Equity for the period 5 April 2011 to 25 May 2011

		<i>Share Capital £'000</i>	<i>Share Premium £'000</i>	<i>Total Equity £'000</i>
Issue of shares	(Note 4)	1	49	50
At 25 May 2011		<u>1</u>	<u>49</u>	<u>50</u>

Statement of Cash Flows for the period 5 April 2011 to 25 May 2011

		<i>£'000</i>
Cash flows from financing activities		
Proceeds from issue of shares	(Note 4)	50
Net increase in cash and cash equivalents		50
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period		<u>50</u>

The Company has not traded since its incorporation and therefore no Statement of Comprehensive Income has been presented. In addition, there are no other items of other comprehensive income.

1. General information

The Company was incorporated as Enteq Upstream Limited and registered in England and Wales on 5 April 2011 as a private company, limited by shares. On 27 May 2011, the Company re-registered as a public limited company and changed its name to Enteq Upstream plc.

The registered number of the Company is 7590845 and the Company's registered office is The Courtyard, High Street, Ascot, SL5 7HP, United Kingdom.

2. Basis of preparation

This Historical Financial Information of the Company has been prepared for the sole purpose of publication within this document. It has been prepared in accordance with the requirements of the AIM Rules and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of the Act.

The Historical Financial Information has been prepared under the historical cost convention.

3. Accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid instruments, such as bank deposits, certificates of deposit, time deposits, treasury notes and other money market instruments, which generally have maturities of less than three months.

(b) Use of Accounting Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires the use of accounting estimates and exercise of judgement by management while applying the Company's accounting policies. These estimates are based on management's best knowledge of the events that existed at the balance sheet date, however the actual results may differ from these estimates.

(c) Share capital and share premium

Shares are classified as equity where there is no obligation to transfer cash and other assets. The Company's capital is represented by ordinary shares of £0.01 par value and share premium. Each Ordinary Share carries one vote and is entitled to dividends when declared. The relevant movements on capital will be shown in the statement of changes in equity.

4. Called up share capital and share premium account

On incorporation the Company issued two Ordinary Shares of £1 par value. The two Ordinary Shares were issued to a Director and are fully paid.

On 24 May 2011, the Company subdivided these two Ordinary Shares into 200 Ordinary Shares of £0.01 each. On the same day it issued a further 50,000 Ordinary Shares of £0.01 par value at a premium of 99 pence each. The 50,000 Ordinary Shares were issued to Directors and are fully paid.

As at 25 May 2011, the Company had issued 50,200 Ordinary Shares of £0.01 each, all of which are fully paid up. Each Ordinary Share carries one vote and is entitled to dividends when declared.

5. Subsequent events

The following transactions occurred subsequent to 25 May 2011 but before 24 June 2011, being the date of this document.

Share Capital

Incentive Shares

On 27 May 2011, the Company re-registered as a public limited company having adopted new articles of association. The new articles of association gave rise to a new and additional class of share capital – Incentive Shares of £1 each. A summary of the rights attaching to the Incentive Shares follows:

- (i) Voting rights: the Incentive Shares do not carry any voting rights (other than at a class meeting of the holders of Incentive Shares).
- (ii) Dividends: the Incentive Shares do not confer a right to be paid a dividend.
- (iii) Conversion: the Incentive Shares will entitle the holders of those shares to 12.5 per cent. of any real increase in the value of the Company up to 30 June 2015 over a hurdle of two million pounds in excess of the aggregate of the amounts subscribed for Ordinary Shares in the Company prior to that date, with this value realised through conversion into Ordinary Shares. Ordinarily, half of the Incentive Shares held by a holder will vest on 30 June 2014 and the other half will vest on 30 June 2015. The holder of the Incentive Shares may convert such shares at any time in the 90 days after vesting. If any Incentive Shares have not been converted at the end of that 90 day period they shall automatically convert into Ordinary Shares. All Incentive Shares will, however, vest early in the event of a takeover or winding up of the Company.

On 1 June 2011, the Company issued 50,000 Incentive Shares of £1 each at par. The 50,000 Incentive Shares were issued to Directors and are fully paid.

Non-Executive Director Share Options

On 23 June 2011, the Board resolved to grant, conditional on Admission, options to acquire an aggregate of 310,000 Ordinary Shares to the Non-Executive Directors, exercisable at the Placing Price, as follows:

<i>Name of Non-Executive Director</i>	<i>Number of Ordinary Shares under option (as at the date of this document)</i>
Iain Stayton Paterson	80,000
Robin Hunter Pinchbeck	80,000
Neil William Warner	150,000

These options vest in two equal tranches, on 30 June 2014 and 30 June 2015, subject to there having been real growth in the share price during the relevant vesting period, but may be exercised before those times in the event that there is a change of control of the Company and in certain circumstances (at the discretion of the Board) in which the Non-Executive Directors cease to hold office as such before those times.

B. ACCOUNTANTS' REPORTS ON THE HISTORICAL FINANCIAL INFORMATION OF ENTEQ UPSTREAM PLC FOR THE PERIOD FROM INCORPORATION TO 25 MAY 2011

Enteq Upstream plc
The Courtyard
High Street
Ascot
Berkshire
SL5 7HP

24 June 2011

Dear Sirs

Enteq Upstream plc (“the Company”)

We report on the historical financial information set out in Part 3.A of this admission document (the “Historical Financial Information”). The Historical Financial Information has been prepared for inclusion in the admission document dated 24 June 2011 of Enteq Upstream plc (“the Admission Document”) on the basis of the accounting policies set out in note 3 to the Historical Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

Responsibilities

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report, consenting to its inclusion in the Admission Document.

The Directors of Enteq Upstream plc are responsible for preparing the Historical Financial Information on the basis of preparation set out in note 2 to the Historical Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Historical Financial Information as to whether the Historical Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Enteq Upstream plc as at the dates stated and of its cash flows and recognised gains and losses and changes in equity for the periods then ended in accordance with the

basis of preparation set out in note 2 and in accordance with International Financial Reporting Standards adopted by the European Union.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

GRANT THORNTON UK LLP

PART 4

ADDITIONAL INFORMATION

1. Responsibility Statement

The Company and the Directors accept responsibility for the information contained in this document including, individual and collective responsibilities, for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

2. The Company

- 2.1 The Company was incorporated and registered as a private limited company in England and Wales under the Act on 5 April 2011 with the name Enteq Upstream Limited and with registered number 7590845 and accordingly, the liability of its members is limited.
- 2.2 The Company was re-registered as a public limited company on 27 May 2011. The Company and its activities and operations are principally regulated by the Act and regulations made thereunder.
- 2.3 The head and registered office of the Company is The Courtyard, High Street, Ascot SL5 7HP. The telephone number of the Company is +44 (0)1344 893030.

3. Share capital and loan capital

- 3.1 As at 5 April 2011, the issued share capital of the Company, of which all of the issued shares were fully paid up, was as follows:

<i>Class of share</i>	<i>Issued Number</i>	<i>Nominal Amount</i>
Ordinary shares of £1.00 each	2	£2

- 3.2 On 24 May 2011, pursuant to a special resolution of the Company, the two issued ordinary shares of £1 each in the capital of the Company were subdivided into 200 Ordinary Shares.

- 3.3 The issued share capital of the Company, all of which is fully paid up, as at the date of publication of this document is as follows:

<i>Class of share</i>	<i>Issued Number</i>	<i>Nominal Amount</i>
Ordinary Shares	50,200	£502
Incentive Shares	50,000	£50,000

- 3.4 The issued share capital of the Company, all of which will be fully paid up on or before Admission, as it is expected to be immediately following Admission is as follows:

<i>Class of share</i>	<i>Issued Number</i>	<i>Nominal Amount</i>
Ordinary Shares	15,050,200	£150,502
Incentive Shares	50,000	£50,000

- 3.5 Pursuant to the Act, with effect from 1 October 2009, the concept of authorised share capital was abolished and, accordingly, there is no limit on the maximum amount of shares that may be allotted by the Company.

- 3.6 Pursuant to an ordinary resolution of the Company dated 26 May 2011, the Directors are generally and unconditionally authorised pursuant to section 551 of the Act to allot shares and grant rights to subscribe for or to convert any security into shares (such shares and rights to subscribe for or to convert any security into shares being “relevant securities”) up to an aggregate nominal amount of £5,000,000 such authority to expire upon the earlier of the conclusion of the next annual general meeting of the Company and 31 December 2012, except that the Directors can during the period make offers or arrangements which could or might require the allotment of relevant securities after the expiry of such period.
- 3.7 Pursuant to a special resolution of the Company dated 26 May 2011, the Directors are empowered pursuant to section 571 of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by paragraph 3.6 above and/or by way of a sale of treasury shares by virtue of section 573 of the Act, as if the provisions of section 561 of the Act did not apply to such allotment, provided that this power is limited to:
- (a) the allotment of equity securities up to an aggregate nominal amount of £200,000 in connection with the Placing;
 - (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to a maximum nominal value of £70,000 in connection with a rights issue or other pro rata offer in favour of holders of ordinary shares in the capital of the Company where the equity securities respectively attributable to the interests of all the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of equity securities held by them subject in each case to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body;
 - (c) the allotment of equity securities (including Incentive Shares) in connection with Directors, officers and employee share schemes or options or incentive arrangements up to an aggregate nominal amount of £100,000; and
 - (d) the allotment (otherwise than pursuant to paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £20,000;

such authority to expire upon the earlier of the conclusion of the next annual general meeting of the Company and the date which is 31 December 2012, except that the Directors can during the period make offers or arrangements which could or might require the allotment of equity securities after the expiry of such period.

- 3.8 The provisions of section 561 of the Act (to the extent not disapplied pursuant to section 570 of the Act) confer on the Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the Act) which are, or are to be, paid up in cash and apply to the future issues of equity share capital of the Company. These provisions have been disapplied to the extent referred to in paragraph 3.7 above.
- 3.9 Save as mentioned in this paragraph 3 and paragraph 5 of this Part 4:
- (a) no unissued share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option;
 - (b) there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
 - (c) there are no outstanding convertible securities issued by the Company; and
 - (d) no share capital or loan capital of the Company is in issue and no such issue is proposed.
- 3.10 None of the Ordinary Shares have been sold or made available to the public in conjunction with the application for Admission.

- 3.11 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.
- 3.12 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Ordinary Shares in certificated form by 08 July 2011. The International Securities Identification Number (ISIN) for the Ordinary Shares is GB00B41Q8Q68.
- 3.13 The Placing Price of 100 pence per Ordinary Share represents a premium of 99 pence over the nominal value of one penny per Ordinary Share and is payable in full on Admission under the terms of the Placing.

4. Summary of the Articles

The Articles, which were adopted by a special resolution of the Company passed on 26 May 2011, contain, *inter alia*, provisions to the following effect:

(a) **Objects**

Section 31 of the Act provides that the objects of a company are unrestricted unless any restrictions are set out in the Articles. There are no such restrictions in the Articles and the objects of the Company are therefore unrestricted.

(b) **Rights attaching to Ordinary Shares**

(i) *Voting rights*

Subject to the provisions of the Act and to any rights or restrictions as to voting attached to any class of shares, on a vote on a resolution on a show of hands, where a proxy is appointed by more than one member (provided that, where those members by whom the proxy is appointed instruct the proxy to vote in a particular way, those members all instruct such proxy to vote in the same way on a resolution (either "for" or "against")) such proxy shall be entitled to cast a second vote the other way in relation to any discretionary vote(s) given to him by other members by whom such proxy is appointed.

(ii) *Dividends*

Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends, but no such dividends shall exceed the amount recommended by the Board. Interim dividends may be paid provided that they appear to the Board to be justified by the profits available for distribution and the financial position of the Company.

Except as otherwise provided by the Articles or by the rights attached to shares, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid.

Unless otherwise provided by the rights attached to any share, no dividends payable by the Company shall bear interest as against the Company.

The Board may, with the prior authority of an ordinary resolution of the Company and provided the Company has sufficient undistributed profits or reserves to give effect to it, offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid in whole or part instead of cash in respect of the whole or some part of any dividend specified in the resolution.

Any dividend unclaimed after a period of 12 years from the date on which the dividend became due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

(iii) *Return of Capital*

On a winding-up of the Company, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which, at the commencement of the winding up, is paid up on their respective shares or the liquidator may, with the sanction of a special resolution of the Company (and any other sanction required by law), divide amongst the members in specie the whole or any part of the assets of the Company in such manner as shall be determined by the liquidator.

(c) **Rights attaching to Incentive Shares**

(i) *Voting rights*

The Incentive Shares do not carry any voting rights (other than at a class meeting of the holders of Incentive Shares).

(ii) *Dividends*

The Incentive Shares do not confer a right to be paid a dividend.

(iii) *Transfer*

Incentive Shares may be transferred to the spouse, civil partner, child, grandchild (including step or adopted or illegitimate children and their issue), brother or sister of the holder of such shares. Incentive Shares may also be transferred to the trustee of certain trusts established for the benefit of the holder of such shares and their family ("Permitted Transfer"). Incentive Shares are not otherwise capable of being transferred other than as described in paragraph (iv) below.

(iv) *Impact of cessation of employment with the Company*

If the holder (or former holder having made a Permitted Transfer) of Incentive Shares ceases to be employed by the Company for any reason other than:

- (a) death;
- (b) injury, ill-health or disability evidenced to the satisfaction of the Board;
- (c) redundancy within the meaning of the Employment Rights Act 1996;
- (d) his office or employment being with either a company which ceases to be a Group Company or relating to a business or part of a business which is transferred to a person who is not a Group Company; or
- (e) retirement with the agreement of the Board

he and any other holder of Incentive Shares who has acquired Incentive Shares from him under a Permitted Transfer must transfer all of the Incentive Shares held by him on the date of such cessation to an employee benefit trust established by the Company, or such other third party as the Company may direct, for the lower of their issue price and their then market value.

(v) *Conversion of Incentive Shares into Ordinary Shares*

The Incentive Shares will broadly entitle the holders of those shares to 12.5 per cent. of any real increase in the value of the Company up to 30 June 2015 over a hurdle of two million pounds in excess of the aggregate of the amounts subscribed for Ordinary Shares in the Company prior to that date.

The holders of the Incentive Shares can realise value from those shares either by converting them into Ordinary Shares or by the Company, at its election, responding to a request to so convert Incentive Shares by choosing to redeem them.

Ordinarily, half of the Incentive Shares will vest (i.e. will become capable of conversion into Ordinary Shares) on 30 June 2014 and the other half will vest on 30 June 2015. The holder of Incentive Shares may convert such shares at any time in the 90 days after vesting. If, however, any Incentive Shares have not been converted at the end of that 90 day period they shall then on the expiry of that period automatically convert into Ordinary Shares (or be redeemed, if the

Company so chooses) (the date of conversion being referred to as the “Relevant Date”). All Incentive Shares will, however, vest early in the event of a takeover or winding up of the Company.

The number of Ordinary Shares into which Incentive Shares shall convert will depend upon the value of an Incentive Share. The value of an Incentive Share on any Relevant Date shall be determined in accordance with the following “Valuation Formula”:

$$MVIS = 12.5\% \times \left(\frac{(MV \times OS) - IC - BC}{IS} \right)$$

where:

- MVIS = the value of an Incentive Share;
- MV = an amount equal to the average of the middle-market quotations of an Ordinary Share (as derived from the London Stock Exchange Daily Official List) over the 30 dealing days ending with the dealing day immediately preceding the Relevant Date;
- OS = the number of Ordinary Shares in issue on the Relevant Date;
- IC = the sum of the Indexed Capital minus the Indexed Distributions;
- BC = two million pounds (£2,000,000), subject to the relevant Index Adjustment;
- IS = the total number of Incentive Shares which have been issued (including any which have subsequently been converted or redeemed);

and, for the avoidance of doubt, if MVIS shall be a negative figure it shall be deemed to be zero.

The number of Ordinary Shares into which Incentive Shares shall convert shall then be calculated in accordance with the following formula:

$$COS = \frac{MVIS \times NIS}{MV}$$

where:

- COS = the number of Ordinary Shares into which the relevant number of Incentive Shares shall convert;
- MVIS = the value of an Incentive Share on the Actual Conversion Date as determined in accordance with the Valuation Formula;
- NIS = the number of Incentive Shares which the holder has requested to convert, or which are to automatically convert (as applicable), into Ordinary Shares; and
- MV = an amount equal to the average of the middle-market quotations of an Ordinary Share (as derived from the London Stock Exchange Daily Official List) over the 30 dealing days ending with the dealing day immediately preceding the relevant Actual Conversion Date.

For the purposes of the above:

“Actual Conversion Date” means the date on which either:

- (a) a request to convert Incentive Shares into Ordinary Shares is made; or
- (b) Incentive Shares automatically convert into Ordinary Shares (as applicable);

“Capital Investment” means:

- (a) the paying up of any amount (in pounds sterling) at any time after 1 May 2011 (as to nominal value and any premium) on any allotment of Ordinary Shares (excluding the amount paid up on any Ordinary Shares allotted credited as fully paid, or the paying up of any unpaid capital on any Ordinary Shares, in each case by way of capitalisation of profits or reserves), provided that if any part of such amount paid up on any Ordinary

Share is paid up otherwise than in cash then the amount paid up on that Ordinary Share shall be deemed to be the amount certified by such financial advisory firm as the Board may determine; and

- (b) in respect of any valuation occurring on or after the First Conversion Date, the conversion of any Incentive Shares on or within 90 days of the First Conversion Date, with the level of such investment being the amount produced by taking the number of Ordinary Shares arising from such conversion multiplied by the market value of an Ordinary Share (as determined in accordance with the Valuation Formula) relating to that conversion;

“Distribution” means any declaration or distribution of any dividend on the Ordinary Shares, in cash or otherwise, or any other payment out of the distributable profits or reserves of the Company (including, without limitation, any issue of fully or partly paid bonus shares or the redemption or purchase of any of the Company’s Ordinary Shares or Incentive Shares) or the reduction of any other reserve of the Company (whether by extinguishing or reducing the liability of any of the members on any of the Company’s shares in respect of share capital not paid up or by repaying paid-up share capital), in each case, made on or after 1 May 2011;

“First Conversion Date” means 30 June 2014;

“Index Adjustment” means:

$$\frac{\text{RPI2}}{\text{RPI1}}$$

where RPI1 is the RPI for the calendar month immediately prior to the calendar month in which:

- (a) an amount constituting a Capital Investment is paid up on any allotment of Ordinary Shares;
- (b) a conversion of Incentive Shares giving rise to a Capital Investment occurs; or
- (c) the relevant Distribution is made; or

with the relevant RPI figure being rounded to one decimal place in all cases; and

RPI2 is the RPI for the calendar month immediately preceding the calendar month in which the relevant Actual Conversion Date occurs (or, if that figure has not been published by 5.00 p.m. on that date, the RPI for the latest month for which the RPI has been published) (rounded to one decimal place);

“Indexed Capital” means the aggregate sum produced by adding together each Capital Investment as multiplied by the relevant Index Adjustment;

“Indexed Distributions” means the aggregate sum produced by adding together each Distribution multiplied by the relevant Index Adjustment;

“RPI” means the general index of UK retail prices (for all items) published by the Office of National Statistics or any successor thereto or, if that index is not published for the month in question, any substituted index or index figures published by that office; and

If the Board decides to redeem Incentive Shares (rather than allowing them to convert into Ordinary Shares) those Incentive Shares shall, subject to the Act, be redeemed by the Company in return for a payment being made to the relevant holder of Incentive Shares calculated in accordance with the following formula:

$$\text{RP} = \text{MVIS} \times \text{NIS}$$

where:

- RP = the amount of the cash payment to be made to the holder of Incentive Shares by the Company in order to redeem the relevant number of Incentive Shares;
- MVIS = the value of an Incentive Share on the Actual Conversion Date as determined in accordance with the Valuation Formula; and
- NIS = the number of Incentive Shares which the holder of Incentive Shares has requested to convert, or would otherwise have automatically converted, into Ordinary Shares.

(d) **Transfer of shares**

Subject to the provisions of the Articles, any member may transfer all or any of his certificated shares by instrument of transfer in any usual form or in such other form as the Board may approve and the instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of Members in respect of it.

Subject to the following paragraph, the Board may refuse to register a transfer of a certificated share unless it is:

- (i) in respect of only one class of shares;
- (ii) in favour of not more than four joint transferees;
- (iii) duly stamped (if required);
- (iv) is not in favour of a minor, infant, bankrupt or person with mental disorder; and
- (v) delivered for registration to the registered office of the Company from time to time or such other place as the Board may decide accompanied by the certificate for the shares to be transferred (save in the case of a transfer by a recognised person to whom no certificate was issued) and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so. The Board may impose restrictions on the transfer of a certificated share which is not fully paid, provided that the restrictions are not such as to prevent dealings in the shares from taking place on an open and proper basis.

The Board may, in exceptional circumstances approved by the UK Listing Authority, disapprove the transfer of a certificated share, provided that exercise of such powers does not disturb the market in the shares.

Subject to the Uncertificated Securities Regulations 2001, the Board may permit shares of any class to be held in uncertificated form and to be transferred by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

The Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the UK Listing Authority, the London Stock Exchange, the Uncertificated Securities Regulation 2001 and the rules and practices of the operator of the relevant system.

Where a section 793 notice is served on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any default shares to give the Company the information required within 14 days from the date of service of the section 793 notice and such shares represent at least 0.25 per cent in nominal value of the issued shares of their class, then, unless the Board otherwise decides, no transfer of any of the default shares shall be registered unless the transfer is an "excepted transfer" (as defined in the Articles) or the member is not himself in default in supplying the information required and the member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer or the transfer is required by the Uncertificated Securities Regulations 2001.

Other than as set out above, the Articles contain no restrictions as to the free transferability of fully paid shares.

(e) **Disclosure of interests in shares**

The provisions of rule 5 of the Disclosure and Transparency Rules govern the circumstances in which a person may be required to disclose his interests in the share capital of the Company. *Inter alia*, this requires a person who is interested in 3 per cent. or more of the voting rights in respect of the Company's issued ordinary share capital to notify his interest to the Company (and above that level, any change in such interest equal to 1 per cent. or more). In addition, the City Code contains further

provisions pursuant to which a person may be required to disclose his interests in the share capital of the Company.

Pursuant to the Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed period from the date of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may, at least 14 days after service of the notice, serve on the holder of such default shares a notice ("disenfranchisement notice") pursuant to which the following sanctions shall apply:

- (i) the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (ii) where the default shares represent at least 0.25 per cent. in nominal value of their class:
 - (A) any dividend or other money payable in respect of the shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and
 - (B) subject, in the case of uncertificated shares to the CREST Regulations, no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:
 - the member is not himself in default as regards supplying the information required; and
 - the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

The above sanctions shall also apply to any shares in the Company issued in respect of the default shares (whether on capitalisation, a rights issue or otherwise) unless a separate notice is issued in respect of such further shares.

(f) ***Alterations to share capital***

Subject to the Statutes, the Company may by ordinary resolution:

- (i) consolidate and divide all or any of its authorised share capital into shares of a larger amount than its existing shares; and
- (ii) sub-divide all or any of its shares into shares of a smaller amount and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

(g) ***Variation of rights***

Subject to the Statutes, any of the rights attached to any share of class of share in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied, modified or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of at least three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and then only subject to s.633 of the Act.

The quorum for such separate general meeting of the holders of the shares of the class shall be at least two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question.

(h) **General meetings**

Subject to the provisions of the Act, annual general meetings shall be held in each year at such time and place as the Board may determine. The Board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of members in accordance with the Act. Pursuant to the Act, 21 clear days' notice of every annual general meeting and 14 clear days' notice of every other general meeting is required to be given.

The accidental omission to send notice of any general meeting or, in cases where it is sent out with the notice, an invitation to appoint a proxy, to, or the failure to send either due to circumstances beyond the Company's control to, or the non-receipt of either by, any person entitled to receive notice does not invalidate any resolution passed or proceedings held at that meeting.

No business shall be transacted at any general meeting unless a requisite quorum is present when the meeting proceeds to business but the absence of a quorum shall not prevent the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member shall be a quorum.

With the consent of any general meeting at which a quorum is present the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as he shall determine. The chairman may, without consent of the meeting, interrupt or adjourn any general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly dealt with.

Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 14 days or more, in which case at least 7 clear days' notice is required. No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

(i) **Directors' interests in contracts**

Provided as permitted by any relevant legislation and provided that he has disclosed to the Board the nature and extent of any interest of his in accordance with the Articles, a Director, notwithstanding his office:

- (i) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (ii) may hold any other office or position of profit under the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company;
- (iii) may be a member or, a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested; and
- (iv) unless otherwise agreed is not liable to account to the Company for any profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, payment or benefit.

Unless and until otherwise determined by the Company by ordinary resolution the number of Directors is not subject to a maximum but must not be fewer than two. The Directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the Directors. A Director so appointed shall hold office only until the dissolution of the annual general meeting following next after his appointment, unless he is reappointed during the meeting. A Director so retiring shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Each Director shall retire from office at the third annual general meeting after the annual general meeting at which he was last elected.

The remuneration of a Director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money or in whole or in part by participation in profits or otherwise as the Directors may determine and may be in addition to or instead of a fee payable to him for his services as Director pursuant to the Articles. The Directors are entitled to be repaid all reasonable traveling, hotel and other expenses properly incurred by them in the performance of their duties as Directors, including their expenses of traveling to and from meetings of the Directors or committees of the Directors or general meetings or separate meetings of the holders of a class of shares and any expenses incurred by them in obtaining independent professional advice.

The Directors may establish, maintain, participate in or contribute to or procure the establishment or maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of or who have at any time been directors of the Company or of any company which is or was a member of the group or any of their predecessors in business (and for any member of his family, including a spouse or former spouse or a person who is or was dependent on him). Any Director or former Director shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments. The Directors may arrange for this to be done by the Company either alone or in conjunction with any other person.

Without prejudice to the requirements of the Statutes, a Director who is in any way, directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Directors at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration, if he knows his interest then exists, or, in any other case, at the next meeting of the Directors after he knows that he is or has become interested.

Except as provided in the Articles, a Director may not vote in respect of any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is, to his knowledge, materially interested, directly or indirectly otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. This prohibition does not apply to any resolution concerning any of the following matters namely:

- (i) the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility, in whole or in part, under a guarantee or indemnity or by the giving of security;
- (iii) a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (iv) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise (relevant company) if he is not directly or indirectly the holder of or beneficially interested in one per cent or more of a class of equity share capital of the relevant company (excluding any shares held as treasury shares) or of the voting rights available to members of the relevant company or able to cause one per cent or more of those voting rights to be cast at his direction (and for the purposes of this Article, shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, shares comprised in a trust and in which the Director's interest is in reversion or is in remainder, if and so long as another person is entitled to receive the income from the trust, and shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder are disregarded);
- (v) a contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability

benefits scheme or personal pension plan or employees' share scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes or which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the scheme or fund relates;

- (vi) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiary undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom it relates; or
- (vii) a contract, arrangement, transaction or proposal concerning the maintenance or purchase of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

(j) **Directors' conflicts of interest**

Subject to and in accordance with the Act and the provisions of the Articles, the Board may authorise any matter or situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. Any such authorisation is effective only if:

- (i) any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested Director; and
- (ii) the matter was agreed to without counting the votes of the conflicted Director and without counting the votes of any other interested Director.

(k) **Directors**

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £500,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (save where any Director has held office for less than the whole of the relevant period in respect of which the fees are paid). Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of his duties as Director. If by arrangement with the Board any Director performs any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

(l) **Directors' indemnification**

Subject to the provisions of the Companies Act, the Company may:

- (i) indemnify any person who is or was a Director, or a director of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
- (ii) indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by him in connection with the Company's activities as trustee of an occupational pension scheme; and/or
- (iii) purchase and maintain insurance for any person who is or was a Director, or a director of any associated company, against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

(m) **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money. The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control

exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) remaining undischarged of all moneys borrowed by the group does not at any time without the previous sanction of an ordinary resolution exceed a sum equal to the higher of twenty five million pounds or four times the aggregate of:

- (a) the amount paid up on the allotted or issued share capital of the Company; and
- (b) the amount standing to the credit of the consolidated capital and revenue reserves of the group (including any share premium account and capital redemption reserve) plus or minus the credit or debit balance, as the case may be, of the consolidated profit and loss account all as shown in the then latest audited consolidated balance sheet of the group, adjusted as specified in the Articles.

5. Directors and employees

5.1 The Directors and each of their respective functions are set out in Part 1 of this document.

5.2 The business address of the Directors is The Courtyard, High Street, Ascot SL5 7HP.

5.3 Details of the length of service of each of the Directors to date in their current office are set out below:

<i>Name</i>	<i>Age</i>	<i>Commencement date in office</i>
Neil William Warner	58	26 May 2011
Martin Gordon Perry	49	5 April 2011
Raymond Garcia	55	24 May 2011
Robin Hunter Pinchbeck	58	26 May 2011
Iain Stayton Paterson	64	24 May 2011 as Company Secretary 26 May 2011 as a Director

Neil Warner, Robin Pinchbeck and Iain Paterson have agreed to serve as Non-Executive Directors with effect from Admission.

5.4 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member in addition to their directorships of the Company are set out below:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Neil William Warner	Dechra Pharmaceuticals plc Vectura Group plc	Chloride Group plc Chloride Electronics Limited Chloride Holdings Limited Chloride Holdings UK Limited Continuous Power International Limited Bardic Emergency Systems Stocksave Limited Masterpower Electronics Limited
Martin Gordon Perry	Guralp Holdings Limited Semafone Limited The Vine Director Services Limited Tendeka B.V.	Sondex Wireline Limited Sondex Group Sondex Limited Sondex Overseas Limited Geolink (UK) Limited Geolink International Unidril Energy Sensornet Limited Drilling and Wireline Solutions Limited Guralp Finance Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Raymond Garcia	None	Tendeka B.V.
Robin Hunter Pinchbeck	Sparrows Offshore Group Limited Arranco 2 Limited Arranco 3 Limited Arranco 4 Limited Energy Cranes International Limited Albola Investments Limited Co2deepstore Limited The New Energy Industries Limited TNEI Services Limited Co2deepstore (Aspen) Limited MJVI Sendirian Berhad	SLR Management Limited Sondex Limited EnQuest plc
Iain Stayton Paterson	iStudios Limited Hanrose Ventures Limited AnTech Limited Plebble Loyalty Limited ITE Group plc MOL NyRt	Hunting plc ArmorGroup plc Sondex Limited Paladin Resources plc

5.5 Save as set out in paragraph 5.6 below, at the date of this document none of the Directors named in this document:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been declared bankrupt or has entered into an individual voluntary arrangement;
- (c) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- (d) was a partner in a partnership at the time of or within the 12 months preceding a compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (e) has had his assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or
- (f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

5.6 Iain Paterson is a non-executive director of MOL Magyar Olaj és Gazipari NyRt ("MOL"). In December 2010, MOL made a general offer to acquire the share capital of Industrija Nafta, d.d. ("INA") a company traded on the Croatian Stock Exchange. The Croatian Financial Services Agency ("HANFA") has made a number of criticisms of MOL's conduct in relation to the offer. However, MOL deems these accusations of HANFA both exaggerated and without any grounds.

5.7 There were no employees of the Company for the period covered by the financial information set out in Part 3.

6. Directors' and other interests

- 6.1 The voting rights held (within the meaning of rule 5 of the Disclosure and Transparency Rules), directly or indirectly, by the Directors in the issued share capital of the Company as at the date of this document and as they are expected to be prior to and immediately following Admission are/will be as follows:

Ordinary Shares:

<i>Director</i>	<i>Number of issued Ordinary Shares (as at the date of this document)</i>	<i>Percentage of issued Ordinary Shares (as at the date of this document)</i>	<i>Number of issued Ordinary Shares (as at the date of Admission)</i>	<i>Percentage of issued Ordinary Shares (as at the date of Admission)</i>	<i>Number of Ordinary Shares under Option</i>
Martin Gordon Perry	30,200	60.2	630,200	4.2	Nil
Raymond Garcia	20,000	39.8	420,000	2.8	Nil
Iain Stayton Paterson	Nil	Nil	50,000	0.3	80,000
Robin Hunter Pinchbeck	Nil	Nil	75,000	0.5	80,000
Neil William Warner	Nil	Nil	75,000	0.5	150,000

Incentive Shares:

<i>Director</i>	<i>Number of issued Incentive Shares (as at the date of this document)</i>	<i>Percentage of issued Incentive Shares (as at the date of this document)</i>	<i>Number of issued Incentive Shares (as at the date of Admission)</i>	<i>Percentage of issued Incentive Shares (as at the date of Admission)</i>
Martin Gordon Perry	30,000	60.0	30,000	60.0
Raymond Garcia	20,000	40.0	20,000	40.0

- 6.2 Save as disclosed above, none of the Directors nor any member of his immediate family or any person connected with him (within the meaning of section 252 of the Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company.
- 6.3 In addition to the interests of the Directors set out in paragraphs 6.1 and 6.2 above, as at 23 June 2011 (being the latest practicable date prior to the publication of this document), insofar as is known to the Company, the following persons were, or will at Admission be holding voting rights (within the meaning of rule 5 of the Disclosure and Transparency Rules) in three per cent. or more of the issued share capital of the Company.

<i>Shareholder</i>	<i>Number of issued Ordinary Shares (as at the date of this document)</i>	<i>Percentage of issued Ordinary Shares (as at the date of this document)</i>	<i>Number of issued Ordinary Shares (as at the date of Admission)</i>	<i>Percentage of issued Ordinary Shares (as at the date of Admission)</i>
Octopus Asset Management	Nil	Nil	2,100,000	14.0
Old Mutual Asset Management	Nil	Nil	1,500,000	10.0
SFM UK Management LLP	Nil	Nil	1,400,000	9.3
Hargreave Hale – London	Nil	Nil	1,400,000	9.3
F&C Asset Management	Nil	Nil	931,000	6.2
Artemis Investment Management	Nil	Nil	900,000	6.0
Hermes Pensions Management	Nil	Nil	900,000	6.0
M&G Fund Managers	Nil	Nil	800,000	5.3
Aviva Investors Global Services Limited	Nil	Nil	700,000	4.7
Threadneedle Investment Management	Nil	Nil	650,000	4.3
Jupiter Asset Management	Nil	Nil	500,000	3.3
Legal and General Investments	Nil	Nil	450,000	3.0

- 6.4 Save as disclosed above, there are no persons, so far as the Company is aware, who are or will be immediately following Admission holding voting rights (within the meaning of rule 5 of the Disclosure and Transparency Rules) in three per cent. or more of the Company's issued share capital, nor, so far as the Company is aware, are there any persons who at the date of this document or immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 6.5 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.
- 6.6 The Company's share capital consists of Ordinary Shares with equal voting rights (subject to the Articles) and Incentive Shares which carry no voting rights. No major Shareholder of the Company has any different voting rights from the other Shareholders.
- 6.7 Save as disclosed in this document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company since 5 April 2011, being the date on which the Company was incorporated.
- 6.8 There are no outstanding loans or guarantees provided by the Company to or for the benefit of any of the Directors.
- 6.9 Save as disclosed in this document, there have been no related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No 1606/2002 that the Company has entered into since 5 April 2011, being the date on which the Company was incorporated.
- 6.10 No Director nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) has a Related Financial Product (as defined in the AIM Rules) referenced to Ordinary Shares.

7. Directors' remuneration and service agreements

- 7.1 Martin Gordon Perry and Raymond Garcia are employed as the Chief Executive Officer and Chief Operating Officer respectively by the Company pursuant to the terms of their service agreements dated 24 June 2011 (the "Service Agreements"). The Service Agreements are terminable by either party on not less than twelve months' written notice. No benefits are payable by the Company on termination of employment. The individual salaries of Martin Gordon Perry and Raymond Garcia are set out in the table below and are subject to annual review by the Remuneration Committee. Each of

Martin Gordon Perry and Raymond Garcia are entitled to a discretionary bonus which is subject to the rules of the bonus scheme as the Company may in its absolute discretion decide from time to time. The Service Agreements contain certain non-competition and non-solicitation covenants for a period of nine months following termination of employment. The agreements are governed by English law.

<i>Martin Gordon Perry</i>	<i>Raymond Garcia</i>
£175,000	USD\$275,000

- 7.2 Pursuant to the terms of a letter of engagement with the Company dated 24 June 2011, Iain Stayton Paterson, Robin Hunter Pinchbeck and Neil William Warner have agreed to serve as Non-Executive Directors with effect from Admission for the annual fees set out in the table below. Each of their appointment is terminable by either party giving to the other not less than three months' notice in writing, but terminate immediately if, amongst other reasons, they are unable to perform their duties to the reasonable satisfaction of the Board, they are removed from office or are not re-elected to office by the Shareholders.

<i>Iain Stayton Paterson</i>	<i>Robin Hunter Pinchbeck</i>	<i>Neil William Warner</i>
£40,000	£40,000	£75,000

- 7.3 Save as disclosed in this document, there are no service agreements or agreements for the provision of services existing or proposed between the Directors and the Company.
- 7.4 In respect of the period covered by the Historical Financial Information, the aggregate remuneration paid, including pension contributions and benefits in kind granted to the Directors, was nil.
- 7.5 On the basis of the arrangements in force at the date of this document it is estimated that the aggregate remuneration payable (including pension contributions and benefits in kind granted to the Directors) for the year ending 31 March 2012 (being the current financial year of the Company) will be £390,000.

8. The share schemes

8.1 Long-Term Incentive Plan

The Company intends to adopt the Long-Term Incentive Plan in due course after Admission, to provide long-term equity-related incentivisation to senior management (but excluding the Executive Directors). Such arrangements will be structured with a view to being as tax efficient as reasonable possible in the jurisdictions concerned (and, in particular, will be structured as Enterprise Management Incentive (EMI) arrangements in the United Kingdom to the extent possible). The Executive Directors will not participate in the LTIP, which will also not extend to Non-Executive Directors. The LTIP will be limited so that the maximum number of Ordinary Shares issued or issuable (or transferred or transferable out of treasury) pursuant to rights granted under it (taken together with rights granted under any other employee share plan adopted by the Company) after Admission shall not at any time exceed 10 per cent of the issued ordinary share capital of the Company. (For the avoidance of doubt, the Incentive Shares referred to in paragraph 8.2 below and the options granted to Non-Executive Directors referred to in paragraph 8.3 below will not be counted in applying this limit.)

8.2 Incentive Shares

A summary of the terms of the Incentive Shares, the operation of which is detailed in the Articles, is set out at paragraph 4(c) above.

8.3 **Non-Executive Director incentive arrangements**

On 24 June 2011, the Company granted, conditional on Admission, options to acquire an aggregate of 310,000 Ordinary Shares to the Non-Executive Directors, exercisable at the Placing Price, as follows:

<i>Name of Non-Executive Director</i>	<i>Number of Ordinary Shares under option (as at the date of this document)</i>
Iain Stayton Paterson	80,000
Robin Hunter Pinchbeck	80,000
Neil William Warner	150,000

These options vest in two equal tranches, on 30 June 2014 and 30 June 2015, subject to there having been real growth in the share price during the relevant vesting period, but may be exercised before those times in the event that there is a change of control of the Company and in certain circumstances (at the discretion of the Board) in which the Non-Executive Directors cease to hold office as such before those times.

9. **UK Taxation**

9.1 **Introduction**

The following comments are intended only as a general guide current as at 23 June 2011 (being the latest practicable date prior to publication of this document) to United Kingdom tax legislation and to the current practice of HMRC and do not constitute tax advice. Levels and bases of taxation, along with current UK tax legislation and current HMRC practice are subject to change, possibly with retrospective or retroactive effect. Notably the Finance Act 2011 which will be enacted later in 2011 (upon receipt of Royal Assent which is expected around July-August 2011) may include provisions which ultimately impact the treatment set out in this section.

The following comments are intended to be general assistance only in regards to Ordinary Shareholders who are resident (and, in the case of individuals, ordinarily resident and domiciled) for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK tax residents), who hold their Ordinary Shares as an investment and who are the absolute beneficial owner of both the Ordinary Shares and any dividends paid on them. Please note that the following may be subject to special rules depending upon the specific circumstances. Persons who acquired (or were deemed to have acquired) their Ordinary Shares in connection with an office or employment, dealers in securities, insurance companies and collective investment schemes or those who hold 10 per cent. or more of the Ordinary Shares may be subject to special rules.

Any person who is in any doubt as to his tax position or who is resident for tax purposes outside the United Kingdom should consult an appropriate professional adviser.

9.2 **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

Save in relation to non-EU depository receipt arrangements or clearance services, where special rules apply, no charge to stamp duty or stamp duty reserve tax ("SDRT") should arise on the issue of new Ordinary Shares pursuant to the Placing or on their registration in the names of applicants.

A subsequent transfer on the sale of Ordinary Shares held in certificated form will ordinarily be subject to stamp duty on the instrument of transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration rounded up to the nearest £5.

Paperless transfers of shares within CREST will be liable to SDRT rather than stamp duty (generally at a rate of 0.5 per cent.) and SDRT on the relevant transactions settled in CREST or reported through CREST for regulatory purposes will generally be settled by CREST.

It should be noted that certain categories of person may not be liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT. Special rules, including certain exemptions, may apply to approved market intermediaries, and professional advice should be sought in such circumstances.

9.3 **Dividends**

All Shareholders

Under current UK tax law, the Company will not be required to withhold at source any amount in respect of UK tax from any dividend paid by the Company.

UK Tax Resident Shareholders

A UK tax resident individual Shareholder is entitled to a tax credit in respect of the dividend received and will be subject to UK income tax on the aggregate of the dividend received and the related tax credit (the "gross dividend"), which will be treated as the top slice of the individual's income.

The value of the tax credit is currently an amount equal to one ninth of the dividend received (or 10 per cent. of the gross dividend). A basic rate taxpayer will be subject to tax on the gross dividend at the rate of 10 per cent., so that the tax credit will satisfy in full such Shareholders' liability to income tax on the dividend, and such Shareholder will have no further income tax to pay in respect of the dividend. A higher rate taxpayer will be subject to income tax on the gross dividend at the rate of 32.5 per cent. but will be able to set the tax credit against this liability. Such Shareholders will have to account for additional tax equal to 25 per cent. of the cash dividend received to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for higher rate income tax. UK tax resident individual Shareholders who have taxable income over £150,000 will be subject to income tax on their gross dividends at the additional rate of 42.5 per cent. but will be able to set the tax credit against this liability. Such Shareholder would have to account for additional tax equal to 36 and one ninth per cent. of the cash dividend received, to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the £150,000 threshold for additional rate income tax.

A UK tax resident Shareholder who holds Ordinary Shares in a personal equity plan ("PEP") or individual savings account ("ISA") will be exempt from income tax on dividends in respect of such shares.

UK tax resident Shareholders whose income tax liability is less than the tax credit are not entitled to claim a repayment of any part of the tax credit associated with dividends paid by the Company.

UK tax resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit.

Subject to anti-avoidance rules, UK tax resident Shareholders who are within the charge to corporation tax are likely to be exempt from taxation on dividends paid by the Company. However, such Shareholders should seek separate advice on this point from their professional advisers. Such Shareholders will not be able to reclaim repayment of tax credits attaching to dividends.

Non-UK Tax Resident Shareholders

A non-UK tax resident Shareholder is not generally entitled to a tax credit in respect of the dividend received. However, such a Shareholder may be entitled to a payment from HMRC of a proportion of the tax credit under a double tax convention or agreement between the UK and the country in which he is a tax resident.

A non-UK tax resident Shareholder may be subject to foreign tax on the dividend received. Such a Shareholder should consult his own tax adviser on the incidence of taxation in the country in which he is resident, whether he is entitled to the benefit of any tax credit and the procedure for claiming any repayment.

9.4 **Chargeable gains**

Disposal of Ordinary Shares

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident or, in the case of an individual, ordinarily resident in the UK for tax purposes may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax (where the Shareholder is an individual) or UK

corporation tax on chargeable gains (where the Shareholder is within the charge to UK corporation tax), depending on their circumstances and subject to any available reliefs.

In the case of a Shareholder within the charge to UK corporation tax, indexation allowance may be available for the purpose of reducing any chargeable gain.

As regards an individual Shareholder, the principal factors that will determine the extent to which a gain will be subject to UK capital gains tax are the extent to which he or she realises any other capital gains in the tax year of assessment in which the gain arises, the extent to which he or she has incurred capital losses in that or any earlier tax year of assessment, the level of the annual allowance of tax-free gains in the tax year of assessment in which the disposal takes place (the "annual exemption") and the applicable tax rate(s) (capital gains tax is broadly chargeable at the rate of 18 per cent. (for basic rate taxpayers) and 28 per cent. (for higher and additional rate taxpayers)).

Indexation allowance is not available for individual Shareholders.

Temporary non-UK tax resident Shareholders

An individual Shareholder who ceases to be tax resident or ordinarily resident in the UK for a period of less than five years of assessment and who disposes of Ordinary Shares during that period of temporary non-residence may be liable to UK capital gains tax in the tax year of assuming UK residency (subject to available exemptions or reliefs).

Non-UK tax resident Shareholders

A Shareholder who is not resident and, in the case of an individual, not ordinarily resident for tax purposes in the UK (and is not temporarily non-UK tax resident as described above) will not generally be liable for UK tax on chargeable gains realised on the sale or other disposal of his or her Ordinary Shares unless such Ordinary Shares are used, held or acquired in connection with a trade, profession or vocation carried on in the UK through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment. Such Shareholders may be subject to foreign taxation on any gain under local law subject to the terms of any applicable double tax treaty.

Persons who are not tax resident in the United Kingdom should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed in the jurisdiction in which they are tax resident.

These comments are intended only as a general guide to the current tax position in the United Kingdom as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of a financial trade and that any dividends paid are not foreign income dividends. If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

10. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company (i) within the period of two years immediately preceding the date of this document and which are, or may be, material or (ii) which contain any provision under which the Company has an obligation or entitlement to the Company as at the date of this document.

- (a) A placing agreement dated 24 June 2011 and made between (1) the Company (2) the Directors and (3) Investec pursuant to which Investec has agreed, subject to certain conditions, to act as agent for the Company and to use its reasonable endeavours to procure placees to subscribe for the Placing Shares at the Placing Price, or failing which to subscribe itself, as principal, for the Placing Shares at the Placing Price.

The Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 1 July 2011 (or such later date as the Company and Investec may agree, being not later than 22 July 2011). The Placing Agreement contains warranties from the Company and the Directors in

favour of Investec in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Company. In addition, the Company has agreed to indemnify Investec in respect of certain liabilities it may incur in respect of the Placing. Investec has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties.

Under the Placing Agreement and subject to it becoming unconditional and not being terminated in accordance with its terms, the Company has agreed to pay Investec:

- (i) a commission of 5 per cent. of the aggregate value, at the Placing Price of the Placing Shares (other than the Directors' Subscription Shares) up to and including £10,000,000, together with any applicable VAT; plus
- (ii) a commission of 4 per cent. of the aggregate value, at the Placing Price of the Placing Shares (other than the Directors' Subscription Shares) over £10,000,000, but less than £15,000,000, together with any applicable VAT; plus
- (iii) a commission of 3 per cent. of the aggregate value, at the Placing Price of the Placing Shares (other than the Directors' Subscription Shares) over the value of £15,000,000, together with any applicable VAT.

Additionally, the Company has agreed to pay all of Investec's costs and expenses (including any applicable VAT) of the Placing whether or not the subscription for the Placing Shares is consummated and whether or not the Placing Agreement has become unconditional or is terminated. The Placing (other than in respect of the Directors' Subscription Shares) has been fully underwritten by Investec and Investec has also agreed to subscribe for 378,000 Ordinary Shares under the Placing.

- (b) A lock-in and orderly market agreement dated 24 June 2011 and made between (1) the Company (2) the Directors and (3) Investec pursuant to which each of the Directors has undertaken to the Company and Investec (subject to certain limited exceptions including disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company), not to and to use all reasonable endeavours to procure that any person connected with him shall not dispose of the Ordinary Shares held by each of them following Admission or any other securities in exchange for or convertible into, or substantially similar to, Ordinary Shares (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission (the "Lock-in Period") and not to dispose of their Ordinary Shares prior to the expiry of the second anniversary of Admission (whether during or prior to the expiry of the Lock-in period) otherwise than through Investec.

Furthermore, each of the Directors has also undertaken to the Company and Investec not to dispose of their Ordinary Shares following the expiry of the Lock-in Period otherwise than through Investec for such time as it shall remain broker to the Company.

- (c) A nominated adviser and broker agreement dated 24 June 2011 and made between (1) the Company and (2) Investec (the "NOMAD and Broker Agreement") pursuant to which the Company has appointed Investec to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Investec a fee of £50,000 plus VAT for its services as nominated adviser and broker under the NOMAD and Broker Agreement in respect of the twelve months period following Admission and £75,000 for each year thereafter. The NOMAD and Broker Agreement contains certain undertakings, warranties and indemnities given by the Company to Investec. The agreement is terminable upon not less than one month's prior written notice by either the Company or Investec given at any time after the first anniversary of Admission.

11. Working capital

In the opinion of the Directors having made due and careful enquiry, taking into account the net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

12. Litigation

The Company is or has not been involved in any governmental, legal or arbitration proceedings which may have or have had during the last 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Company and so far as the Company is aware, there are no such proceedings pending or threatened.

13. Consents

13.1 Investec of 2 Gresham Street, London EV2V 7QP is authorised and regulated in the United Kingdom by the Financial Services Authority. Investec has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.

13.2 Grant Thornton UK LLP, Chartered Accountants and registered auditors of 30 Finsbury Square London EC2P 2YU has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and its accountants' report in Part 3.B of this document in the form and context in which it is included.

Grant Thornton UK LLP's responsibility for its accountants' report appearing at Part 3.B of this document is as set out in that accountants' report.

14. Expenses and Net Proceeds

14.1 The net proceeds of the Placing are expected to be approximately £14 million net of expenses of the Placing which are estimated at £1 million, excluding VAT, and are payable by the Company.

14.2 IPO expenses are expected to be £1 million, including a contingency of £75,000, up to £25,000 of which will be used to repay the out of pocket and travel expenses of Martin Perry and Raymond Garcia incurred prior to Admission. Whilst it is expected that the total amounts payable to each of Martin Perry and Raymond Garcia by way of reimbursement of expenses will individually exceed £10,000, as mentioned above, in any event the aggregate amount payable to them will not exceed £25,000.

14.3 The Directors anticipate that operational expenses (including executive and board costs, travel and other expenses) will not exceed £650,000 for the 6 months following Admission.

14.4 The Directors anticipate that the Company will make its first Acquisition within or shortly after 6 months following Admission. The Directors estimate that due diligence and other expenses related to completion of an initial Acquisition would amount to approximately £500,000, though this depends on the exact nature and size of the Acquisition.

15. General

15.1 Save as disclosed in this document, no significant change in the financial or trading position of the Company has occurred since 25 May 2011, being the date to which the Historical Financial Information has been prepared.

15.2 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

- (a) fees totalling £10,000 or more;
- (b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.

15.3 Information in this document which has been sourced from third parties has been accurately reproduced and, so far as the Company is able to ascertain from information published by that third

party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

- 15.4 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 15.5 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 15.6 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 15.7 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.
- 15.8 Save as disclosed in this document, the Directors believe that the Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 15.9 The Company will be subject to the provisions of the City Code, including the rules regarding mandatory takeover offers set out in the City Code. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him (as defined in the City Code), carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights in the company, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him or any person acting in concert with him for shares in the company within the preceding 12 months, for all of the remaining equity share capital of the company.
- 15.10 The Ordinary Shares will also be subject to the compulsory acquisition procedures set out in sections 979 to 991 of the Act. Under section 979 of the Act, where an offeror makes a takeover offer and has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. of the shares to which the offer relates and, in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares, that offeror is entitled to compulsorily acquire the shares of any holder who has not acquired the offer on the terms of the offer.
- 15.11 Since the date of incorporation of the Company, there has been no takeover offer (within the meaning of Part 28 of the Act) for any Ordinary Shares.
- 15.12 The Company intends to have its first financial year close with the eleven-month and 25 day period ending 31 March 2012, with an interim period covering the five-month and 25 days to 30 September 2011.
- 15.13 The Historical Financial Information does not constitute statutory accounts within the meaning of section 434 of the Act.

16. Availability of this document

Copies of this document are available free of charge from the Company's registered office and at the offices of Nabarro LLP, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and will remain available for at least one month after Admission.

Dated 24 June 2011

