

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed “Risk Factors” in Part II of this document.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Provexis plc in certificated form before the date the Company’s shares were traded “ex-entitlement”, please immediately forward this document, together with any accompanying Application Form to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. However, this document and any accompanying documents should not be sent or transmitted in or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, the United States, Canada, Japan, Australia or the Republic of South Africa.

The Directors, whose names and functions appear on page 7 of this document, and the Company accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge 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.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom (“FSA”), pursuant to sections 85 and 87 of FSMA, London Stock Exchange plc or any other authority or regulatory body. This document is not an Admission Document but has been drawn up in accordance with the AIM Rules.

Provexis plc

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 05102907)*

Open Offer of up to 85,211,664 Ordinary Shares at 2.5 pence per share
on the basis of 1 Offer Share for every 12 Existing Ordinary Shares
with an Excess Application Facility

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Provexis plc which is set out in Part I of this document and to the Risk Factors in Part II of this document.

The Offer Shares 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 Existing Ordinary Shares after Admission.

The Open Offer closes at 11.00 a.m. on 21 December 2009. If you are a Qualifying Shareholder and wish to apply for Offer Shares under the Open Offer you should follow the procedure set out in Part III of this document and, where relevant, complete and return the accompanying Application Form.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to London Stock Exchange plc for the Offer Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM Securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document. It is expected that admission to AIM and dealings in the Offer Shares will commence on 22 December 2009.

This document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Offer Shares in any jurisdiction where such an offer or solicitation is unlawful and, subject to certain exceptions is not for distribution in or into the United States, Canada, Japan, Australia or the Republic of South Africa. The Offer Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the Offer Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

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OPEN OFFER STATISTICS

Market price per Ordinary Share ¹	7.9 pence
Number of Ordinary Shares in issue at the date of this document	1,022,539,965
Offer Price	2.5 pence
Number of Offer Shares to be offered for subscription by the Company	85,211,664
Estimated maximum gross proceeds of the Open Offer ²	£2.1 million
Number of Ordinary Shares in issue at Admission ²	1,107,751,629
Percentage of the Enlarged Issued Share Capital represented by the Offer Shares ²	7.7%

1 based on the closing mid-market price per Ordinary Shares on 1 December 2009, being the last practicable date prior to the announcement of the Open Offer.

2 assuming maximum take up under the Open Offer

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2009

Open Offer Record Date and time	5.00 p.m. on 1 December
Announcement of the Open Offer	3 December
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	3 December
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Holders	3 December
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 15 December
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 16 December
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 17 December
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 21 December
Date of Admission and commencement of dealings of the Offer Shares	22 December
Offer Shares credited to CREST stock accounts	22 December
Date of despatch of definitive share certificates for Offer Shares	29 December

Notes:

- (1) References to times in this document are to London time (unless otherwise stated).
- (2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (3) The timing of the events in the above timetable and in the rest of this document are indicative only.
- (4) **In order to subscribe for Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this document and, non CREST Shareholders complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to receive another Application Form they should contact Equiniti, Aspect House, Spencer road, Lancing, West Sussex BN99 6DA on 0871 384 2050 or, if calling from outside the UK on +44 121 415 0259, quoting, where relevant, the serial number of their Application Forms. Calls to the Equiniti 0871 384 2050 number are charged at eight pence per minute from a BT landline. Other service provider's costs may vary. Calls to the Equiniti +44 121 415 0259 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Equiniti will not give Qualifying Shareholders any other advice in connection with the Open Offer.**

DEFINITIONS

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

“1985 Act”	the Companies Act 1985 (as amended)
“2006 Act”	the Companies Act 2006
“Admission”	admission of the Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for Companies published by the London Stock Exchange from time to time
“Application Form”	the application form to be used by Qualifying non-CREST Shareholders in connection with the Open Offer
“Basic Entitlement”	the basic <i>pro rata</i> Open Offer Entitlement of a Qualifying Shareholder
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“certificated form” or “in certificated form”	an ordinary share recorded on a company’s share register as being held in certificated form (namely, not in CREST)
“Company” or “Provexis”	Provexis plc
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euro clear UK & Ireland Limited is the operator (as defined in those regulations)
“Directors” or “Board”	the directors of the Company or any duly authorised committee thereof
“Enlarged Issued Share Capital”	the 1,107,751,629 Ordinary Shares in issue on Admission, assuming full subscription under the Open Offer of all the Offer Shares
“Equiniti” or “Receiving Agent”	Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
“Excess Application Facility”	the facility to enable Qualifying Shareholders to apply for Offer Shares in excess of their basic <i>pro rata</i> Open Offer Entitlements
“Excess CREST Open Offer Entitlements”	the Open Offer Entitlements to be credited to the stock accounts of Qualifying CREST Shareholders which are in excess of their basic <i>pro rata</i> Open Offer Entitlements
“Existing Ordinary Shares”	any or all of the 1,022,539,965 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
“Excess Shares”	Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlement and are offered to Qualifying Shareholders under the Excess Application Facility
“Group”	the Company, its existing subsidiaries and subsidiary undertakings
“London Stock Exchange”	London Stock Exchange plc

“Offer Price”	2.5 pence per Offer Share
“Offer Shares”	the 85,211,664 Ordinary Shares which are to be made available for subscription by Qualifying Shareholders under the Open Offer
“Open Offer”	the conditional offer to Qualifying Shareholders to subscribe for the Offer Shares at the Offer Price, as described in this document
“Open Offer Entitlements”	entitlements to subscribe for Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part III of this document
“Open Offer Record Date”	5.00 p.m. on 1 December 2009
“Ordinary Shares”	ordinary shares of 0.1 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom
“Prospectus Rules”	the Prospectus Rules published by the Financial Services Authority
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are on the register of members of the Company on the Open Offer Record Date and are held in uncertificated form
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares are on the register of members of the Company on the Open Offer Record Date and are held in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares at the Open Offer Record Date
“Shareholders”	holders of Ordinary Shares
“Subscription”	the placing of 200,000,000 Ordinary Shares in the Company at 2.5p, as announced by the Company on 25 September 2009
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST

PART I

LETTER FROM THE CHAIRMAN

Provexis plc

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 05102907)*

Directors:

Charles Dawson Buck (*Non-executive Chairman*)
Stephen Nigel Moon (*Chief Executive*)
Ian Ford (*Finance Director*)
Steve Neil Morrison (*Chief Operating Officer*)
Dr. Neville Clifford Bain (*Non-executive director*)
Krijn Rietveld (*Non-executive director*)

Registered Office:

Thames Court
1 Victoria St
Berkshire
Windsor
SL4 1YB

3 December 2009

To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares

Dear Shareholder,

**Open Offer of up to 85,211,664 new Ordinary Shares at 2.5 pence per share
on the basis of 1 Offer Share for every 12 Existing Shares with Excess Application Facility**

1. Introduction

The Board of Provexis today announced that it proposes to raise up to approximately £2.1 million (before expenses) by way of an Open Offer. The Open Offer follows the completion of the Subscription by the Company, as announced on 25 September 2009.

The Company is able to undertake the Open Offer within the authorities that were approved by Shareholders at the annual general meeting of the Company held on 15 October 2009. There is no requirement for Shareholders to vote on the Open Offer, however Qualifying Shareholders need to follow the procedure set out in Part III of this document and non-CREST shareholders will be required to complete the accompanying Application Form should they wish to take up their entitlements under the Open Offer. Qualifying Shareholders may also subscribe for Offer Shares above their basic *pro rata* Open Offer Entitlements if they so wish under the Excess Application Facility. Further particulars of the Open Offer and the Excess Application Facility are described in Part III of this document.

The purpose of this document is to provide Shareholders with information about the Company and the rationale for the Open Offer. In addition, the Company also encloses its unaudited interim results for the period ended 30 September 2009.

2. The Company

The Company's strategy is to discover, develop and license functional foods, medical foods and dietary supplements. Functional foods are foods and dietary components which provide specific health benefits beyond basic nutrition. Medical foods are foods which are formulated to be consumed or administered enterally under the supervision of a physician and which are intended for specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognised scientific principles, are established by medical evaluation.

The Company's lead technology, Fruitflow[®], is a patented natural extract from tomato which has been shown in human trials to reduce the propensity for aberrant blood clotting, typically associated with cardiovascular disease, which can lead to heart attack and stroke.

3. Reasons for the Open Offer

The Company announced on 25 September 2009 a subscription by new and existing shareholders of 200,000,000 new Ordinary Shares at a price of 2.5p per share to raise £5 million before commission and expenses. The subscription price represented a discount of approximately 72.2 per cent. to the closing mid-market price of 9 pence per Ordinary Share on 24 September 2009, being the last dealing day prior to the announcement of the Subscription.

While the Directors believed the Subscription to be in the best interests of the Company and Shareholders as a whole, they considered it appropriate that all Shareholders should be offered the opportunity to participate at the same price per share as those subscribing for the Subscription. At the time of the Subscription an offer to existing Shareholders by way of a rights or other pre-emptive issue was not practicable or feasible due to the delays that would be incurred.

Following the completion of the Subscription, the Directors are now able to proceed with an open offer, as described in this document, to allow Shareholders to invest in the Company at the same price per share as those subscribing in the Subscription.

4. Details of the Open Offer

Qualifying Shareholders are invited to apply for Offer Shares under the Open Offer at a price of 2.5 pence per Offer Share, payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

1 Offer Share for every 12 Existing Ordinary Shares

held at the Open Offer Record Date. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued. The Open Offer is subject to Admission becoming effective by 8.00 a.m. 22 December 2009 (or such later date being not later than 8.00 a.m. on 30 December 2009, as the Company may decide).

The Offer Shares will, when issued and fully paid, 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 after the date of Admission.

The Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be either no Open Offer Shares or few than 85,211,664 Offer Shares issued pursuant to the Open Offer.

The Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Ordinary Shares at the Offer Price *pro rata* to their existing holdings. Qualifying Shareholders may, in addition, make applications in excess of their basic *pro rata* Open Offer Entitlements. Once subscriptions under the basic *pro rata* Open Offer Entitlements have been satisfied, the Company shall scale back any excess applications on a *pro rata* basis in proportion to the total number of Excess Shares applied for under the Excess Application Facility. To the extent that Offer Shares are not subscribed by Qualifying Shareholders, Open Offer entitlements will lapse.

Subject to availability, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in excess of their Basic Entitlement. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Non-CREST Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to a maximum number of Excess Shares equal to ninety times the number of Existing Shares registered in their name as at the Record Date. If however Qualifying CREST Shareholders wish to apply for more than ninety times the number of Existing Shares registered in their name as at the Record Date, up to the maximum number of shares available under the Open Offer the Qualifying CREST Shareholder should refer to paragraph 3(ii)(c) of Part III. Excess applications may be allocated in such manner as the Directors

determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

PLEASE NOTE: Qualifying Shareholders can apply for as few or as many Offer Shares as they wish but will only be guaranteed to receive their basic *pro rata* Open Offer Entitlement. Excess applications may be fulfilled entirely or may be scaled back depending on Qualifying Shareholder demand.

Settlement and dealings

Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence on 22 December 2009. Further information in respect of settlement and dealings in the Offer Shares is set out in paragraph 7 of Part III of this document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part III of this document.

5. Current trading

The Company announced its unaudited interim results for the six months ended 30 September 2009 on 3 December 2009, a copy of which is included in Part IV of this document.

6. Action to be taken in respect of the Open Offer

Shareholders (non-CREST)

If you are a Qualifying non-CREST Shareholder you will find an Application Form accompanying this document which gives details of your basic Open Offer Entitlements (as shown by the number of basic *pro rata* Open Offer Entitlements allocated to you). If you wish to apply for Offer Shares under the Open Offer (including additional Excess Shares under the Excess Application Facility), you should complete the enclosed Application Form in accordance with the procedure set out at paragraph 3(i) of Part III of this document and on the Application Form itself and post it in the accompanying prepaid envelope, together with payment in full in respect of the number of Offer Shares applied for to Equiniti, so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 21 December 2009, having first read carefully Part III of this document and the contents of the Application Form.

Qualifying CREST Shareholders

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your basic Open Offer Entitlements and also in respect of your Excess CREST Open Offer Entitlements, except (subject to certain exceptions) if you are in the United States, or have a registered address in, or are resident in United States, Canada, Japan, Australia or the Republic of South Africa. If as a Qualifying CREST Shareholder you wish to apply for more than your Excess CREST Open Offer Entitlement you should refer to the procedure for application set out in paragraph 3(ii)(c) of Part III of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3 (ii) of Part III of this document by **no later than 11.00 a.m. on 21 December 2009.**

Qualifying Shareholders can apply for as few or as many Offer Shares as they wish but will only be guaranteed to receive up to their basic *pro rata* Open Offer Entitlement. Excess applications may be fulfilled entirely or may be scaled back depending on Qualifying Shareholder demand. In the event Excess Applications are scaled back any excess monies will be returned to non-CREST Shareholders by cheque and to CREST Shareholders through CREST.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

7. Further information

You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the “Risk Factors” set out in Part II of this document.

8. Intentions of the Directors in relation to the Open Offer

A number of the Directors are Qualifying Shareholders and have committed themselves to apply to acquire Offer Shares pursuant to the Open Offer Entitlements attributable to their Existing Ordinary Shares.

Details of the Directors’ interests in the Existing Ordinary Shares and the number of Offer Shares they intend to subscribe for is set out in the table below:

<i>Name of Director</i>	<i>Number of Existing Ordinary Shares held</i>	<i>Number of Offer Shares subscribed for</i>	<i>Number of Ordinary Shares held following Admission</i>	<i>% of Enlarged Issued Share Capital</i>
Mr. Dawson Buck*	10,404,332	867,027	11,271,359	1.0%
Dr. Neville Bain	5,177,000	431,416	5,608,416	0.5%
Mr. Stephen Moon	7,540,000	0	7,540,000	0.7%
Mr. Steven Morrison	1,540,000	128,333	1,668,333	0.2%
Mr. Ian Ford	1,540,000	128,333	1,668,333	0.2%

* Of the 10,404,332 Ordinary Shares that Mr Dawson Buck is interested in 3,581,666 are held by a pension scheme of which Mr Dawson Buck is the beneficiary and 1,540,000 are held by a pension scheme of which a member of the family of Mr Dawson Buck is the beneficiary. The remaining 5,282,666 Ordinary Shares are held directly by Mr Dawson Buck.

9. Recommendation

The Directors consider the Open Offer to be in the best interests of the Company and its Shareholders as a whole.

Yours sincerely

Dawson Buck
Chairman

PART II

RISK FACTORS

An investment in the Offer Shares involves a degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in the Offer Shares. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not purport to comprise all those risks associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In this event, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

There are various risk and other factors associated with an investment of the type described in this document. In particular:

Specific risks relating to the Group

The Company may require additional funding

To the extent that the current cash resources of the Company and the funds received from the Open Offer are insufficient to cover the Group's liabilities in the longer term it may be necessary to seek additional funds through future equity or debt financings and there is no certainty that such funds would be available. Any such further financings, if available at all, may be on terms that are not favourable to the Company. Further, if adequate capital cannot be obtained, the Company's operating results and financial condition could be adversely affected.

Provexis has a high degree of technological concentration

Provexis is a development stage functional food company. While the Company has a portfolio of new food and supplement based technologies, its most advanced, and therefore, core technology is related to Fruitflow®. The success or failure of the Company to commercialise Fruitflow® is likely to have a significant impact on the Company's share price. Shareholders and prospective investors should therefore be aware that any investment in the Company involves a high degree of risk and should be made only by those investors with the necessary expertise to appraise the investment.

The Group's success is highly dependent on licensing partners

The Group's strategy is based on securing licensing partners for its food and supplement technology. Such licences are expected to provide important funding to the Group through milestone and royalty payments. The Group may be unable to establish licensing arrangements on favourable terms, or at all, and any such arrangement or agreement may not prove successful. If the Group is unable to enter into licence agreements on favourable terms, or at all, the Company's operating results and financial condition could be adversely affected.

There can be no assurance that the Group's products will receive and maintain regulatory approval. The complexity and multijurisdictional nature of the applicable regulatory processes could result in delays in achieving such regulatory approval

The Company develops new or emerging technologies in functional foods, medical foods and dietary supplements and in many cases these are subject to existing and new regulatory legislation governing their use or health claims pertaining to their use. For instance Fruitflow, the Company's most commercially advanced technology, the regulatory considerations currently include European Commission health claims under Regulation (EC) No 1924/2006 on nutrition and health claims. The Company has submitted a proposed claim under this Regulation and this claim may or may not be approved.

The Company is also considering regulatory clearance for a variant of under the Novel Foods Regulation (Regulation (EC) No 258/97) and if entered into, the outcome of the process may or may not be positive. The Company is further considering its regulatory strategy for the US market and may or may not seek clearances in areas including, but not limited to, Generally Recognized As Safe and Qualified Health Claims, both governed by the U.S Food and Drug Administration.

No assurance can be given that any of the Group's technologies will be granted regulatory approval within the timescale envisaged by the Directors or that regulatory approval will be granted at all.

The Group cannot guarantee that its licensing partners will devote sufficient resources to licences with the Group or that the Group's technology can be developed and commercialised without these licensing partners

The Group's success is dependent on its licensing partners and the ability of the Group to attract new licensing partners in the future. The Group's licensing partners have, and in the future are likely to have, substantial responsibility for some of the development and commercialisation of the Group's functional food and supplement technology. Certain of the Group's future licensing partners are likely to have, significant discretion over the resources they devote to developing and promoting this technology. The Group's success, therefore, will depend on the ability and efforts of these outside parties in performing their responsibilities.

The Group's business will rely significantly on existing relationships with functional food and ingredient companies. If the relationship with any one of these companies is adversely affected, the future results of the Group's operations may be adversely impacted.

As the Group is unable to provide for all of its research, development, manufacturing, marketing or sales needs to commercialise its technology, the Group is also dependent on third party contractors and their services and upon their effort and skill in providing those services.

If the Company fails to maintain existing research collaborations, or sign future research collaborations, it will reduce its research activities appropriately

The costs of maintaining an in-house research capability are substantial. To off-set/mitigate these costs the Company undertakes the majority of its research infrastructure through external collaborations. The Company will seek to size its research activities based upon the number of active collaborations so as to maintain its affordability to the Group. Accordingly, if the Company fails to sign future research collaborations, or maintain existing research collaborations, it will reduce the size of its research activities appropriately.

The Board of the Company plans to source a pipeline of future functional food and supplement technology from both internal investment in research and through in-licensing or acquisition of early stage technologies. Any reduction in the size of the Company's research activities may reduce the Company's ability to add new early stage technology to its pipeline.

The Group has a history of operating losses and negative cash flow and may never become profitable

The Group is currently loss making. No assurance can be given that the operations of the Group will become profitable. These losses have arisen mainly from the costs incurred in research and development of its

products and general administrative costs. The Group is likely to incur expenses considerably in excess of revenue in the near future.

The Company does not expect to pay dividends in the near future

The Company has not paid dividends in the past and does not expect that dividends will be paid in the foreseeable future. The declaration and payment of any dividends in the future and the amount of any future dividends will depend upon the results of operations, financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed by Directors to be relevant at the time.

Attraction and retention of key employees

The Company's success will depend on its current and future executive management team. In common with similar sized companies, the Group has a small management team and, accordingly, the loss of any one member of the executive management team could have a materially adverse effect upon the Company's business and future. Whilst the Company has entered into service agreements with key personnel and has introduced appropriate incentive schemes, the retention of their services cannot be guaranteed.

No assurance can be made that the Group will be able to bring the technology it is developing to market

The development of functional foods, medical foods and dietary supplements involves a lengthy and complex process. Any technology which the Group wishes to offer commercially must be put through extensive research, development and testing which will be costly to the Group. This development can take a number of years. In addition, the Group or its potential licensing partners will need to obtain regulatory approvals to make any claims about technology before they can be marketed.

The products that the Group brings to market may not be commercially successful

The Group's success depends on acceptance of the Group's products by consumers and consequently the Group's progress may be adversely affected if it is unable to achieve market acceptance of its products. Some factors that may affect the rate and level of market acceptance of any of the Group's products include:

- the existence or entry onto the market of superior competing products;
- the price of the Group's products compared to competing products;
- public perception regarding the benefits of the Group's products compared to competing products;
- the effectiveness of the sales and marketing efforts of the Group's marketing/licensing partners;
- regulatory developments related to the manufacturing or use of the Group's products;
- the willingness of consumers to adopt new functional food, medical foods and dietary supplement products; and
- publicity concerning the product type in general.

The Group may be unable to successfully establish and protect its intellectual property which is significant to the Group's competitive position

The Group's success depends in part on its ability to obtain and maintain protection for its inventions and proprietary information, so that it can stop others from making, using or selling its inventions or proprietary rights. The Group owns a portfolio of patents and patent applications. There is a significant delay between the time of filing of a patent application and the time its contents are made public, and others may have filed patent applications for subject matter covered by the Group's pending patent applications without the Group being aware of those applications. The Group's patent applications may not have priority over patent applications of others and its pending patent applications may not result in issued patents. Even if the Group obtains patents, they may not be valid or enforceable against others. Moreover, even if the Group receives patent protection for some or all of its technologies, those patents may not give the Group an advantage over competitors.

To develop and maintain its competitive position, the Group also relies on unpatented trade secrets and improvements, unpatented knowhow and continuing technological innovation, which it protects with security measures it considers to be reasonable, including confidentiality agreements with its licensees, consultants and employees. The Group may not have adequate remedies if these agreements are breached and the Group's competitors may independently develop any of this proprietary information.

If the Group fails to obtain adequate protection for its intellectual property, the Group's competitors may be able to take advantage of the Group's research and development efforts. The Group's success will depend, in large part, on its ability to obtain and maintain patent or other proprietary protection for its technologies in general and, in particular, its Fruitflow[®] technology. The Group may not be able to obtain patent protection for the composition of matter of discovered compounds, processes developed by its employees or medical uses of compounds discovered through its technology. Legal standards relating to patents in functional foods, medical foods and dietary supplements and the scope of claims made under these patents are still developing. There is no consistent policy regarding the breadth of claims allowed. The Group's patent position is therefore highly uncertain and involves complex legal and factual issues.

Investors should consider the Group's business and prospects in light of the heightened risks and unexpected expenses and problems the Group may face as a business in an early stage of development in a rapidly evolving industry

Proxavis' operating history makes it difficult for an investor to evaluate its business and prospects. The Group's technology pipeline may not result in any meaningful benefits to the Group. In addition, because the number of food and supplement technology candidates to which the Group can devote research and development and marketing efforts is limited by the availability of financial and scientific resources, the Group is exposed to the risk that the delay or failure to commercialise its technology will adversely affect its the financial performance.

General risks for investors

Suitability of Offer Shares as an investment

The Offer Shares may not be a suitable investment for all recipients of this document. Before making a decision, investors are advised to consult an appropriate independent investment adviser authorised through FSMA who specialises in advising on investments of this nature. The value of Ordinary Shares can go down as well as up and investors may get back less than their original investment.

Dilution of ownership of Existing Ordinary Shares upon allotment of the Offer Shares

If Qualifying Shareholders do not respond to the Open Offer by 11.00 a.m. on 21 December 2009, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their Existing Ordinary Shares represents of the Enlarged Issued Share Capital will be reduced accordingly.

Market information and nature of Ordinary Shares

Potential investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times. An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Company and he/she may lose all of his/her investment.

General

Whilst the Company is applying for Admission of the Offer Shares to trading on AIM, there can be no assurance that an active trading market for the Offer Shares will ensue, or that it will be maintained. AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List or other exchanges. The future success of AIM and liquidity in the market for the Offer

Shares cannot be guaranteed. In particular, the market for the Offer Shares may be, or may become, relatively illiquid and therefore the Offer Shares may be or may become difficult to sell.

Share Price Volatility and Liquidity

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Company or the industry in which the Company operates or in response to specific facts and events, including positive or negative variations in the Group's interim or full year operating results, regulatory updates, new licences and business developments of the Group and/or competitors. The market price of the Existing Ordinary Shares may not reflect the underlying value of the Group. Potential investors should be aware that the value of shares and the income from them can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share quoted on the Official List.

PART III

DETAILS OF THE OPEN OFFER

1. Introduction

The Open Offer has been structured so as to allow Qualifying Shareholders the right to subscribe for Offer Shares at the Offer Price *pro rata* to their existing holdings. Qualifying Shareholders may apply for less than their *pro rata* entitlement if they so wish. Qualifying Shareholders may in addition make applications for additional Offer Shares in excess of their basic *pro rata* entitlement under the Excess Application Facility. Once basic *pro rata* Open Offer Entitlements have been satisfied, the Company shall meet any excess applications in full or in part on a *pro rata* basis in proportion to the total number of additional Offer Shares applied for under the Excess Application Facility. To the extent that Offer Shares are not subscribed by existing Shareholders, Open Offer Entitlements will lapse. The Open Offer will proceed whether or not all the Offer Shares are subscribed for.

2. Open Offer

The Company hereby invites Qualifying Shareholders to apply, on and subject to the terms and conditions set out herein and in the Application Form, and subject to the Articles of Association of the Company, for Offer Shares at a price of 2.5 pence per share, free from all expenses, payable in cash in full on application. The mid-market price for an Ordinary Share, as derived from the London Stock Exchange for 1 December 2009 (being the last practicable date before the publication of this document) was 7.9 pence. Subject to fulfilment of the conditions set out below and in the Application Form for Qualifying non-CREST Shareholders, Qualifying Shareholders are being given the opportunity to subscribe for the Offer Shares at the Offer Price payable in full on application and free of all expenses, *pro rata* to their existing shareholdings, on the basis of:

1 Offer Share for every 12 Existing Ordinary Shares

held at the Open Offer Record Date. Open Offer Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued.

In the Application Form Qualifying Shareholders may make applications for Offer Shares in excess of their basic *pro rata* Open Offer Entitlement. The entitlements of Qualifying CREST Shareholders are equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST. In addition Qualifying CREST Shareholders may make application for Offer Shares in excess of their basic *pro rata* entitlement up to the number of Offer Shares standing to the credit of their stock account in CREST under the Excess Application Facility. Any monies paid in excess of the amount due in respect of an application by a Qualifying non CREST Shareholder will be returned to the applicant (at the applicant's risk and without interest) within 14 days of 22 December 2009 (or such later date, being no later than 30 December 2009, as the Company decide) by way of cheque. Any monies paid in excess of the amount due in respect of an application by a Qualifying CREST Shareholder will be returned to the applicant as soon as possible through CREST following the allocation of Offer Shares. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The Offer Shares issued pursuant to the Open Offer will, when issued and fully paid, rank *pari passu* in all respects with and will carry the same voting and dividend rights as, the Existing Ordinary Shares.

Shareholders can apply for as few or as many Offer Shares as they wish but will only be guaranteed to receive up to their basic *pro rata* Open Offer Entitlement. Excess applications under the Excess Application Facility may be fulfilled entirely or may be scaled back depending on Shareholder demand as described in this document.

The Open Offer is conditional upon Admission. It is expected that Admission will occur and dealings in the Offer Shares will commence on 22 December 2009. If such conditions are not fulfilled on or before 8.00 a.m. on 22 December 2009 (or such later date, being not later than 8.00 a.m. on 30 December 2009, as the Company may decide) application monies for certificated shareholders are expected to be returned without interest by crossed cheque in favour of the applicant(s) (at the applicant's risk) by post, within 14 days after that date and any Open Offer Entitlements admitted to CREST will be disabled. CREST holders will have their application monies returned through CREST, any interest earned on the application monies will be retained for the benefit of the Company. The Open Offer is not a rights issue. Qualifying Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

The Offer Shares will represent approximately 7.7 per cent. of the Enlarged Issued Share capital (assuming full take up of all Offer Shares). Further terms of the Open Offer are set out in this Part III and, where relevant, in the Application Form.

3. Procedure for Application

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement. CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service operated by the London Stock Exchange giving details of the revised dates.

Qualifying non-CREST Shareholders (Shareholders who hold share certificates)

(i) *If you have an Application Form in respect of your basic entitlement under the Open Offer*

(a) General

Subject to the provisions set out in this Part III in relation to the Overseas Shareholders, Qualifying non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Open Offer Record Date. It also shows the number of Offer Shares for which you are entitled to apply under the Open Offer, (on an initial *pro rata* basis) as shown by the total number of Offer Shares allocated to you. You may apply for less than your initial *pro rata* entitlement should you wish to do so. You may also apply for more than your initial *pro rata* entitlement under the Excess Application Facility. You may also hold such an Application Form by virtue of a legitimate market claim. The instructions and other terms set out in the Application Form constitute part of the terms of the Open Offer.

(b) Excess Application Facility

Subject to availability, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in excess of their Basic Entitlement registered in their name as at the Record Date. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Non-CREST Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph (ii)(c) of this Part III for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Excess applications may be allocated in such manner as the

Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

(c) Market Claims

Applications may only be made on the Application Form which is personal to the Qualifying Shareholders(s) named thereon and may not be assigned, transferred or split except in the circumstances described below. **The Application Form represents the right to apply for Offer Shares and is not a document of title and cannot be separately traded.** It is transferable only to satisfy legitimate market claims in relation to market purchases pursuant to the rules of the London Stock Exchange prior to the Existing Ordinary Shares being marked “ex” the entitlement to the Open Offer. Applications may be split or consolidated only to satisfy legitimate market claims up to 3.00 p.m. on 17 December 2009. Any Qualifying non-CREST Shareholder who has sold or transferred all or part of their holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer, should consult his stockbroker or other professional adviser as soon as possible since the invitation to acquire Offer Shares under the Open Offer may represent a benefit which can be claimed from him by the purchaser or transferee under the rules of the London Stock Exchange. Qualifying non-CREST Shareholders who have sold all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the purchaser or transferee or the bank, stockbroker or other agent through whom or by whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States of America, Australia, Canada, Japan or the Republic of South Africa.

(d) Application Procedures

Qualifying non-CREST Shareholders wishing to apply for Offer Shares should complete the Application Form in accordance with the instructions printed thereon and post it in the accompanying reply paid envelope or return it, together with payment in full for the number of Offer Shares applied for, to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive not later than 11.00 a.m. on 21 December 2009. After this time, applications will not be accepted. Should you need advice with regard to these procedures for acceptance, please contact Equiniti on 0871 384 2050 or, if calling from outside the UK on +44 121 415 0259. Calls to the Equiniti 0871 384 2050 number are charged at 8 pence per minute from a BT landline. Other service provider’s costs may vary. Calls to the Equiniti +44 121 415 0259 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If any Application Form is sent by first class post within the United Kingdom, Qualifying non-CREST Shareholders are recommended to allow at least four business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances received after 11.00 a.m. on 21 December 2009. The Company may also in its sole discretion elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged nor will receipts be issued for amounts paid on application. The Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 21 December 2009 from an authorised person (as defined in FSMA) specifying the number of Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

(e) Payments

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "Equiniti *re*: "Provexis plc Open Offer". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or Bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/bankers' draft to such effect. The account name should be the same as that shown on the application. Cheques or bankers' drafts will be presented for payment upon receipt. The Company reserves the right to instruct Equiniti to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques will be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid, acceptances in respect of which cheques are not so honoured. If cheques or bankers' drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If all the conditions of the Open Offer have not been fulfilled or (where appropriate) waived by 8.00 a.m. on 22 December 2009 (or such later date as the Company may, in its absolute discretion, elect, but in any event not later than 8.00 a.m. on 30 December 2009), the Open Offer will lapse and application monies will be returned by post to applicants (at the applicants' risk), without interest, by crossed cheque in favour of the applicant(s) within 14 days after that date.

(f) Effect of Application

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

- (i) agree that all applications, and contracts resulting there from, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (ii) confirm that in making the application you are not relying on any information or representation other than such as may be contained in this document and you accordingly agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation not contained in this document; and
- (iii) represent and warrant that if you have received some or all of your entitlements under the Open Offer from a person other than the Company, you are entitled to apply under the Open Offer in relation to such entitlements under the Open Offer by virtue of a legitimate market claim.

The instructions, notes and other terms set out in the Application Form, form part of the terms of the Open Offer.

If you do not wish to apply for any of the Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt whether or not you should apply for any of the Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying non-CREST Shareholders under the Open Offer should be addressed to Equiniti, Aspect House, Spener Road, Lancing, West Sussex BN99 6DA, telephone 0871 384 2050 or, if calling from outside the UK on +44 121 415 0259. Calls to the Equiniti 0871 384 2050 number are charged at 8 pence per minute from a BT

landline. Other service provider's costs may vary. Calls to the Equiniti +44 121 415 0259 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying CREST Shareholders (Shareholders who hold shares in CREST)

(ii) *If you have basic pro rata Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*

(a) General

The Directors have applied for the Offer Shares to be admitted to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Offer Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Persons subscribing for Offer Shares as part of the Open Offer may, however, elect to receive Ordinary Shares in uncertificated form if they are a "system member" (as defined in the Uncertificated Securities Regulations 2000). In general, the Ordinary Shares that are held in uncertificated form under CREST will be subject to the rules, regulations and procedures governing CREST and its system members as in effect from time to time. Ownership of an Ordinary Share held in uncertificated form under CREST may only be transferred in compliance with the procedures of CREST in effect from time to time. Subject to the provisions set out in the relevant paragraph dealing with Overseas Shareholders in this Part III, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Offer Shares for which he is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Open Offer Record Date by the Qualifying CREST Shareholder in respect of which the basic *pro rata* Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated. If for any reason the basic *pro rata* Open Offer Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited by close of business on 3 December 2009, or such later time as the Company may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the basic *pro rata* Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their basic *pro rata* Open Offer Entitlements and Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Equiniti on 0871 384 2050 or, if calling from outside the UK on +44 121 415 0259. Calls to the Equiniti 0871 384 2050 number are charged at 8 pence per minute from a BT landline. Other service provider's costs may vary. Calls to the Equiniti +44 121 415 0259 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Equiniti cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The basic *pro rata* Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although basic *pro rata* Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of basic *pro rata* Open Offer Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a legitimate market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the basic *pro rata* Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant basic *pro rata* Open Offer Entitlement(s) and Excess Open Offer Entitlements will thereafter be transferred accordingly.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to a maximum number of Excess Shares equal to ninety times the number of Existing Shares registered in their name as at the Record Date. If however Qualifying CREST Shareholders wish to apply for more than ninety times the number of Existing Shares registered in their names as at the Record Date, up to the maximum number of shares available under the Open Offer the Qualifying CREST Shareholder should contact Russell Shore or Mel May at Equiniti on 01903 698549 who will arrange for the additional Excess CREST Open Offer Entitlements to be credited to the relevant CREST account of the Qualifying CREST Shareholder.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. Applications under the Excess

Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to Equiniti on the shareholder helpline 0871 384 2050, or, if calling from overseas, +44 121 415 0259. Calls to this number are charged at eight pence per minute from a BT landline, other telephone provider costs may vary. Please note that Equiniti cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their entitlement or apply for Excess Shares.

(d) USE Instructions

CREST members who wish to apply for Offer Shares in respect of all or some of their basic *pro rata* Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event ("USE") instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Equiniti under the participant ID and member account ID specified below, with a number of basic *pro rata* Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Equiniti in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above.

(e) Content of USE Instructions in respect of basic *pro rata* Open Offer Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of basic *pro rata* Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Equiniti);
- (ii) the ISIN of the basic *pro rata* Open Offer Entitlement. This is GB00B4WZYJ71;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the basic *pro rata* Open Offer Entitlements are to be debited;
- (v) the participant ID of Equiniti, in its capacity as a CREST receiving agent. This is 2RA34;
- (vi) the member account ID of Equiniti, in its capacity as a CREST receiving agent. This is RA001501;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 21 December 2009; and

- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 21 December 2009.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 21 December 2009 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer does not become unconditional by 8.00 a.m. on 22 December 2009 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 30 December 2009), the Open Offer will lapse, the basic *pro rata* Open Offer Entitlements admitted to CREST will be disabled and Equiniti will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as possible thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) Content of USE Instructions in respect of Excess CREST Open Offer Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of excess Offer Shares for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to Equiniti);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00B4Y29Q86;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Equiniti, in its capacity as a CREST receiving agent. This is 2RA35;
- (vi) the member account ID of Equiniti, in its capacity as a CREST receiving agent. This is RA001502;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 21 December 2009; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 21 December 2009.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 21 December 2009 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlements security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 22 December 2009 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 30 December 2009), the Open Offer will lapse, the Excess Open Offer Entitlements admitted to CREST will be disabled and Equiniti will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as possible thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) Deposit of Open Offer Entitlements into and withdrawal from CREST

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a legitimate market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to so deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the Open Offer Entitlements prior to 11.00 a.m. on 21 December 2009.

In particular, having regard to normal processing times in CREST and on the part of Equiniti, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the Open Offer Entitlements under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 16 December 2009, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 15 December 2009, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 21 December 2009. Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Equiniti by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and Equiniti from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of the United States, Australia, Canada, Japan or the Republic

of South Africa and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a legitimate market claim.

(h) Validity of Application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 21 December 2009 will constitute a valid application under the Open Offer.

(i) CREST Procedures and Timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 21 December 2009. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) Incorrect or Incomplete Applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Equiniti reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(k) Effect of Valid Application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Equiniti's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Memorandum and Articles of Association of the Company;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;

- (iv) represent and warrant that he is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, Japan or Republic of South Africa and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, Japan or the Republic of South Africa except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
 - (v) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
 - (vi) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein; and
 - (vii) represent and warrant that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a legitimate market claim.
- (1) Company's discretion as to Rejection and Validity of Applications
- The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this section entitled "Procedure for Application";
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Equiniti receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Equiniti have received actual notice from Euroclear of any of the matters specified in Regulation 5(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be

exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Equiniti in connection with CREST.

4. Money Laundering Regulations

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of the Financial Services and Markets Act 2000 and the Proceeds of Crime Act 2002 (together with the provisions of the Money Laundering Sourcebook of the Financial Services Authority and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms) (together, the “Regulations”), that Equiniti may, in its absolute discretion, require verification of your identity to the extent that you have not already provided the same. Pending the provision to Equiniti of evidence of your identity, definitive certificates in respect of Offer Shares may be retained at its absolute discretion. If within a reasonable time after a request for verification of identity Equiniti has not received evidence satisfactory to it, the Company may, in its absolute discretion, terminate your Open Offer participation in which event the monies payable on acceptance of the Open Offer participation will, if paid, be returned without interest and net of bank charges by cheque to the applicant(s). To comply with the money laundering requirements, payment in respect of your Open Offer participation should be drawn from an account in your own name on a branch of a building society or bank in the United Kingdom and must bear the appropriate sort code in the top right hand corner.

Verification of identity will not usually be required if:

- (a) you are an organisation required to comply with the EU Money Laundering Directive (No. 91 308 EEC);
- (b) provided that you do not deliver your acceptance in person, if you make payment by way of a cheque drawn on an account in your name; or
- (c) the aggregate subscription price for the relevant Offer Shares is less than the sterling equivalent of €15,000.

If it is not practicable for you to draw from an account in your name and you use a cheque or banker’s draft drawn on a building society or bank then:

- (i) you should write your name and address on the back of the cheque and record your date of birth against your name; and
- (ii) request the building society or bank to print or write on the back of the cheque the full name and account number of the person whose building society or bank account is being debited and add their stamp.

Qualifying non-CREST Shareholders who are also requested or required to submit with the Application Form documentary evidence of identity and address, should provide one certified copy document from each of the following lists (as appropriate):

Personal identity documents (UK resident individuals)

- current signed passport;
- Northern Ireland Voter’s Card;
- current full UK driving licence;
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit; or
- HM Revenue & Customs tax notifications, e.g. tax assessment, statement of account or notice of coding.

Evidence of address (UK resident individuals)

- recent utility bill or utility statement (mobile telephone bills are not acceptable);
- local authority tax bill (current year);
- current UK driving licence (if not used for evidence of name);
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit (provided one or other has not been used as evidence of personal identity); or
- HM Revenue & Customs correspondence addressed to you at stated address (provided HM Revenue & customs notifications have not been used as evidence of personal identity).

If you are not a UK resident individual such proof of identity may include:

- a certified copy of an official identity card; or
- a certified copy of a driving licence; or
- a certified extract from a full passport (i.e. a copy of the front cover and pages showing photograph, personal details and signature, date and place of issue and serial number); and a certified copy of satisfactory evidence of an address (e.g. utility bill or bank statement).

If you are a corporation, please supply:

- a certified copy of your articles of association or statutes or published accounts or certificate of incorporation or trade register entry or certificate of trade; and
- the names and addresses of all directors and specimen signatures; and
- evidence of identity and address as stated above for each director.

All certified documents must be certified by a professional person such as a lawyer or attorney, notary or an official entity such as an embassy, consulate or high commission of the country of issue.

5. Taxation and Stamp Duty

If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

6. Overseas Shareholders

In respect of persons not resident in the United Kingdom or who are citizens of countries other than the United Kingdom the Open Offer may be affected by the laws or regulatory requirements of jurisdictions outside the United Kingdom. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection with the Open Offer. No person receiving a copy of this document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him/her nor should he/she in any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him/her or such Application Form could be lawfully be used without compliance with any registration or other legal or regulatory requirements other than any which may have been fulfilled.

In particular, the Offer Shares have not been registered under the United States Securities Act of 1933 (as amended) or the relevant Canadian or Australian securities legislation and therefore the Offer Shares may not be offered, sold, transferred or delivered directly or indirectly in the United States of America, Canada, Australia, Japan or South Africa or their respective territories and possessions. No application form will be accepted from, any Shareholder who is unable to give the warranty set out in the Application Form or who the Company or its agent has reason to believe is ineligible to apply.

It is the responsibility of any person receiving a copy of this document or an Application Form and wishing to make an application to subscribe for Offer Shares to satisfy himself/herself as to the full observance of the laws and regulatory requirements of any relevant territory, including the obtaining of all necessary governmental or other consents which may be required or observing any other formalities needing to be observed in such territory and the payment of any taxes due in such jurisdiction.

The Company and its agent reserves the right to treat as invalid any application, or purported application, to subscribe for Offer Shares pursuant to the Open Offer which appears to the Company or its agent to have been executed, effected or despatched in a manner which may involve a breach of the securities legislation of any jurisdiction or which does not include the warranties set out in the Application Form. Completion of an Application Form shall constitute a warranty that the Shareholder is eligible to apply.

7. Settlement and Dealings

Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that the Offer Shares will be admitted to trading on AIM and that dealings will commence 22 December 2009. None of the Ordinary Shares are being made available to the public except under the terms of the Open Offer. For Qualifying non-CREST Shareholders, definitive share certificates for the Offer Shares are expected to be dispatched by first class post by 29 December 2009. For Qualifying CREST Shareholders, it is expected that the relevant account will be credited on the day of Admission.

Notwithstanding any other provision of this document, the Company reserves the right to issue any Offer Shares in certificated form. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Company's registrars in connection with CREST. No temporary documents of title will be issued and pending despatch of the definitive share certificates, transfers of the Offer Shares will be certified against the register. All documents and remittances sent by or to an applicant (or his/her agent, as appropriate) will be sent through the post at the risk of the person entitled thereto.

8. Governing Law

The terms and conditions of the Open Offer as set out in this Part III and the Application Form shall be governed by, and construed in accordance with English Law. The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or connection with the Open Offer, this document and the Application Form.

By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the Court of England and Wales and waive any objection to proceedings in any such Court on the grounds of venue or on the ground that proceedings have been brought to an inconvenient forum.

PART IV

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

The following is taken from the text of the unaudited interim results of the Group for the six months ended 30 September 2009, as announced on 3 December 2009:

“Provexis plc (PXS.L), the life-science business that discovers, develops and licenses scientifically-proven functional food, medical food and dietary supplement technologies, announces its unaudited interim results for the six months ended 30 September 2009.

Key highlights

- Fruitflow[®] gains Article 13(5) adoption of scientific substantiation of health claim under European Food Safety Authority regulatory framework.
- Commercial discussions for Fruitflow[®] continue with potential global license and alliance partners.
- Clinical trial for Crohn’s Disease medical food started during the period, with first patients now recruited and treatment to commence in December.
- £5 million capital raised in two-part subscription in September and October 2009.
- Open offer announced today to raise up to £2.1 million.
- Company actively reviewing potential acquisitions of functional foods, medical foods and dietary supplements to complement existing technology portfolio.

Key financial results

- Reduced loss for the period of £642,000 (2008: loss of £766,000).
- Cash balance £2.280 million (2008: £2.223 million).
- Loss per share 0.08p (2008: 0.16p).

Stephen Moon, Chief Executive Officer of Provexis plc, commented:

“We have made very good progress in the first half of this year on a number of fronts, including a significant strengthening of the balance sheet and an industry first European health claim adoption for our lead Fruitflow[®] heart health technology. I expect that once we receive final consumer claim wording from the European Commission, this will accelerate our discussions with global food and ingredient partners and allow us to successfully commercialise Fruitflow[®]. We will also focus on extending the product pipeline through acceleration of current technologies and the potential acquisition of new technologies. The second half of the year promises to be exciting for Provexis.”

Chairman's statement

While the difficult economic climate has presented companies in the sector with some significant challenges, I am pleased to say that Provexis has made very good progress in the first half of the year and shareholder value has been substantially enhanced. We strengthened our balance sheet through a £5 million share subscription and today we have announced an open offer to raise up to a further £2.1 million by the end of the year.

The Board is also currently working together with the executive team to capitalise on the Company's balance sheet strength by accelerating development of the product pipeline and evaluating potential acquisition opportunities for new technologies. This work is being undertaken to provide medium and long-term shareholder value beyond the opportunities available to the Company from Fruitflow®.

We will continue to enhance our scientific capability through the recruitment of further scientific skills and intend to build a greater presence in the North West of England, focused on gastro-intestinal health. This will complement our already established cardiovascular health capability.

Even with many exciting developments underway at the Company, the Directors will continue to remain focused on overhead control and cash management.

The Directors believe that a current opportunity exists to grow Provexis into a leading company in the functional food, medical food and dietary supplement technology markets, through developing its portfolio of technologies and we will focus on this in the remainder of the financial year.

Dawson Buck

Chairman

Chief Executive's statement

Strategy

We continue to execute our strategy of discovery, development and licensing functional food, medical food and dietary supplements. The Company raised £5.0 million of capital by way of a share subscription and we have announced today an open offer to raise up to a further £2.1 million before the end of the financial year. The Directors believe that these cash resources are sufficient to commercialise the existing technologies of the Company.

Given the substantially strengthened balance sheet of the Company, while remaining focused on the commercialisation of our existing technology, the Directors intend to pursue new opportunities where available to increase shareholder value. These opportunities may include, but are not limited to, acquiring functional food, medical food and dietary supplement technologies that complement our current pipeline and/or acquiring companies with existing revenue generating products. The Directors believe that a current opportunity exists to grow Provexis into a leading company in the functional food, medical food and dietary supplement technology markets, through developing its portfolio of technologies. An extensive screening process of technologies and companies is underway and the Company will provide a further update in due course.

The Directors believe that difficult economic conditions and the uncertainty caused in the sector by the new European Commission health claims legislation resulted in some slowing or reprioritisation of innovation across the industry. However, the recent adoption by the European Food Safety Authority of an opinion on the scientific substantiation of a health claim for our lead Fruitflow[®] heart health technology has raised the profile of Provexis and we are well placed to capitalise as market conditions improve, given that once approved health claims will be more attractive to license partners. We continue to maintain dialogue with global brand owners and ingredients companies and expect these discussions to progress once the European Commission publishes the approved consumer wording for Fruitflow[®]. With the clinical trial for Crohn's Disease now underway, we intend to commence discussions with potential commercial partners in early 2010.

We continue to strengthen our scientific team and are currently expanding our operations in Liverpool, recruiting a research and development director and scientists to support our gastro-intestinal programme. Together with our already established cardiovascular team in Aberdeen, the Company will have highly capable research centres in two important areas of consumer health concern.

While we are committed to judiciously expanding our scientific team and extending our product pipeline, the focus will remain on overhead and cost management.

Fruitflow[®]

The Company announced on 28 May 2009, that Fruitflow[®] was the first technology to have an opinion adopted on the scientific substantiation of a health claim by the European Food Safety Authority under Article 13(5) of Regulation (EC) No 1924/2006 on nutrition and health claims made on foods. As previously announced, the European Commission has since been in an ongoing period of review, as it considers the health claim wording for Fruitflow[®] which may be used on end consumer products under the Regulation. The Company has been in regular contact with the European Commission throughout this period and confirms that it has been informed that the process is now in an advanced stage.

The Company continues to maintain dialogue with global brand owners and ingredients companies for the commercialisation of Fruitflow[®] and the Directors expect these discussions to advance significantly once the health claim wording is finalised.

A human trial comparing the Fruitflow[®] technology with aspirin, a recognised anti-thrombotic product, is underway in Aberdeen. Interim results were positive, with Fruitflow[®] showing up to 28 per cent. reduction from baseline platelet aggregation occurring through three different biological pathways, while aspirin showed up to 60 per cent. reduction in one of these pathways, but no effect on the other two. The broader

antiplatelet effect of Fruitflow® reflects the Company's aim to provide a daily dietary supplement with a significant effect on blood flow, but without suppressing platelet aggregation completely. The trial is due to be completed and results announced in January 2010.

The focus for the research and development programme currently and for 2010 is the development of our current Deep Vein Thrombosis claim area, as well as extending the range of product applications. In the longer term we will seek to develop the technology for use in the areas of metabolic syndrome and type-II diabetes.

NSP#3G plantain extract

The first patients have now been recruited for the two-centre Crohn's disease trial in the North West of England. This recruitment phase has seen a substantial number of responses and first patient treatments will take place by the end of December 2009. We expect this trial to conclude by the end of 2010. The commencement of the trial is an important milestone and it will help facilitate the start of discussions with potential commercial partners.

The research and development team has also further developed the application of NSP#3G for c.difficile, the so called hospital 'super bug' and a development programme for this application may commence in early 2010, subject to prioritisation within the broader pipeline.

Helicobacter pylori

Our option agreement with the University of Manchester and associated research work into an extract for the treatment of helicobacter pylori, a major cause of peptic ulcers, has been extended for a period, to further analyse the efficacy of the extract. The Northwest Regional Development Agency granted the Company £100,000 for this project which has directly funded a significant portion of the costs of the development programme.

Outlook

While the outlook for economic environment remains cautious, we expect to see commercial progress in 2010 and this will be further supported by our ground breaking European Commission health claim. We remain very focused on revenue development for our key Fruitflow® technology with positive discussions in place with global brand owners and ingredients companies. We also expect to accelerate commercial progress for our NSP#3G plantain product for the treatment of Crohn's Disease.

In addition to accelerating the development of our current pipeline, we expect to make progress in seeking acquisitions to extend the product portfolio, in order to diversify risk and create medium and long-term shareholder value.

Stephen Moon
Chief Executive

Finance Director's statement

Revenue and grant income

Revenue for the six months ended 30 September 2009 was £10,000 (2008: £NIL).

Grant income was £80,000 (2008: £NIL), being the final part of a £100,000 grant which was awarded to the Group in January 2009 by The Northwest Regional Development Agency (NWDA). The grant is in respect of the Group's helicobacter pylori project with the University of Manchester, for a new technology for the treatment and prevention of peptic ulcers.

Research and development costs

Research and development costs for the six months ended 30 September 2009 were £289,000 (2008: £315,000).

Administrative costs

Expenditure on administrative costs for the six months ended 30 September 2009 was reduced to £487,000, from £491,000 in the six months ended 30 September 2008. The Group's cost base and its resources have been and will continue to be tightly managed.

Taxation

A research and development tax credit of £24,000 (2008: £26,000) in respect of research and development expenditure incurred has been recognised in the financial statements for the period and has been included in other receivables at 30 September 2009. A £46,000 tax credit claim for the year ended 31 March 2008 was paid to the Group during the period.

Loss for the period

The overall loss after taxation for the six months ended 30 September 2009 was £642,000 (2008: £766,000) and the basic and diluted loss per share was reduced to 0.08p (2008: 0.16p).

Principal risks and uncertainties

The principal risks and uncertainties facing the Group remain those set out on pages 11 and 12 of the 2009 annual report and accounts, a copy of which is available on the Company's website www.provexis.com. The risks and uncertainties relate to patent protection and intellectual property rights, development risk, regulatory and competition risk, staff risk, collaboration and third party risk and financial risk. The Group's principal risks and uncertainties are expected to remain the same for the second half of the financial year.

Capital structure and funding

On 30 September 2009 the Company raised £1.024 million gross from the first tranche of a £5.0 million gross new share subscription to provide working capital and funding for pipeline development.

The net proceeds of the first tranche of the share subscription were £956,000 after share issue costs.

Cash and cash equivalents at 30 September 2009 were £2.280 million (30 September 2008: £2.223 million).

On 16 October 2009 the Company raised £3.976 million gross from the second tranche of the £5.0 million gross new share subscription. The net proceeds of the second tranche of the share subscription were £3.794 million after share issue costs.

The £5.0 million gross subscription involved the issue of 200,000,000 new ordinary shares at 2.5p per share. Full details of the subscription were provided in a circular to shareholders on 28 September 2009. The circular is available to download from the Company's website www.provexis.com.

On 3 December 2009 the Company announced that it proposed to raise up to a further £2.130 million gross from an Open Offer to shareholders, involving the issue of up to 85,211,664 new ordinary shares at 2.5p per share. Full details of the Open Offer were provided in a circular to shareholders on 3 December 2009. The circular is available to download from the Company's website www.provexis.com.

The Directors are of the opinion that at 3 December 2009, the Company's liquidity and capital resources are adequate to deliver the current strategic objectives and 2010 business plan and that the Group and Company remain a going concern.

Ian Ford

Finance Director

Consolidated statement of comprehensive income
Six months ended 30 September 2009

	<i>Unaudited</i> <i>six months</i> <i>ended</i> <i>30 September</i>	<i>Unaudited</i> <i>six months</i> <i>ended</i> <i>30 September</i>	<i>Audited</i> <i>year</i> <i>ended</i> <i>31 March</i>
<i>Notes</i>	<i>2009</i>	<i>2008</i>	<i>2009</i>
	£	£	£
Revenue	10,328	–	5,400
Grant income	80,000	–	20,000
Research and development costs	(288,871)	(307,975)	(634,611)
Administrative costs before impairment of goodwill	(486,581)	(491,162)	(967,111)
Impairment of goodwill	–	–	(3,099,328)
Total administrative costs	<u>(486,581)</u>	<u>(491,162)</u>	<u>(4,066,439)</u>
Loss from operations	(685,124)	(799,137)	(4,675,650)
Finance income	18,775	17,248	65,161
Finance costs	–	(10,016)	(10,017)
Loss before taxation	(666,349)	(791,905)	(4,620,506)
Taxation	24,000	25,945	50,000
Loss and total comprehensive expense for the period attributable to equity holders of the parent	<u>(642,349)</u>	<u>(765,960)</u>	<u>(4,570,506)</u>
Attributable to:			
Equity holders of the parent	(642,349)	(765,960)	(4,570,506)
Minority interest	–	–	–
	<u>(642,349)</u>	<u>(765,960)</u>	<u>(4,570,506)</u>
Loss per share to equity holders of the parent			
Basic and diluted – pence	2	<u>0.08</u>	<u>0.16</u>
		<u>0.16</u>	<u>0.71</u>

All amounts relate to continuing operations.

Consolidated statement of financial position
30 September 2009

	<i>Unaudited</i> 30 September 2009 £	<i>Unaudited</i> 30 September 2008 £	<i>Audited</i> 31 March 2009 £
Non-current assets			
Goodwill	3,802,685	6,902,013	3,802,685
Other intangible assets – development costs	37,541	27,610	37,287
Plant and equipment	57,573	64,619	66,941
Total non-current assets	<u>3,897,799</u>	<u>6,994,242</u>	<u>3,906,913</u>
Current assets			
Trade and other receivables	114,413	132,850	76,942
Income tax asset	81,436	79,596	103,651
Cash and cash equivalents	2,279,932	2,223,256	1,678,263
Total current assets	<u>2,475,781</u>	<u>2,435,702</u>	<u>1,858,856</u>
Current liabilities			
Trade and other payables	(339,907)	(311,508)	(233,973)
Total liabilities	<u>(339,907)</u>	<u>(311,508)</u>	<u>(233,973)</u>
Total net assets	<u>6,033,673</u>	<u>9,118,436</u>	<u>5,531,796</u>
Capital and reserves attributable to equity holders of the parent company			
Share capital	4,479,029	4,404,138	4,434,907
Share premium reserve	8,996,187	7,875,441	7,979,558
Merger reserve	6,273,909	6,273,909	6,273,909
Retained earnings	(13,715,452)	(9,435,052)	(13,156,578)
Equity attributable to equity holders of the parent	<u>6,033,673</u>	<u>9,118,436</u>	<u>5,531,796</u>
Minority interests	–	–	–
Total equity	<u>6,033,673</u>	<u>9,118,436</u>	<u>5,531,796</u>

Consolidated statement of cash flows
Six months ended 30 September 2009

	<i>Unaudited six months ended 30 September 2009 £</i>	<i>Unaudited six months ended 30 September 2008 £</i>	<i>Audited year ended 31 March 2009 £</i>
Cash flows from operating activities			
Loss after tax	(642,349)	(765,960)	(4,570,506)
Adjustments for:			
Depreciation	9,833	10,482	20,917
Impairment of goodwill	–	–	3,099,328
Net finance income	(18,775)	(7,232)	(55,144)
Taxation	(24,000)	(25,945)	(50,000)
Share-based payment charge	83,475	29,610	112,630
Operating cash outflow before changes in working capital	(591,816)	(759,045)	(1,442,775)
Changes in trade and other receivables	(37,471)	147,250	147,435
Changes in trade and other payables	37,854	(49,988)	(127,523)
Cash used in operations	(591,433)	(661,783)	(1,422,863)
Tax credits received	46,215	83,123	83,123
Net cash outflow from operating activities	(545,218)	(578,660)	(1,339,740)
Cash flows from investing activities			
Purchase of plant and equipment	(465)	(1,007)	(13,764)
Purchase of intangible assets	(254)	(7,013)	(16,690)
Interest received	18,775	17,248	61,770
Cash generated by investing activities	18,056	9,228	31,316
Cash flows from financing activities			
Proceeds from issue of share capital – share placing	1,024,235	2,514,813	2,714,812
Expenses paid on share issue	–	(244,690)	(250,689)
Proceeds from exercise of share options	104,596	–	–
Interest paid	–	(10,016)	(10,017)
Cash generated by financing activities	1,128,831	2,260,107	2,454,106
Net increase in cash and cash equivalents	601,669	1,690,675	1,145,682
Opening cash and cash equivalents	1,678,263	532,581	532,581
Closing cash and cash equivalents	2,279,932	2,223,256	1,678,263

Consolidated statement of changes in equity
30 September 2009

	<i>Share capital</i>	<i>Share premium</i>	<i>Merger reserve</i>	<i>Retained earnings</i>	<i>Total equity attributable to equity holders of the parent</i>	<i>Minority interests</i>	<i>Total equity</i>
	£	£	£	£	£	£	£
At 31 March 2008	4,017,244	5,992,212	6,273,909	(8,698,702)	7,584,663	–	7,584,663
Share-based charges	–	–	–	29,610	29,610	–	29,610
Issue of shares – placing 28 August 2008	386,894	1,883,229	–	–	2,270,123	–	2,270,123
Total comprehensive expense for the period	–	–	–	(765,960)	(765,960)	–	(765,960)
At 30 September 2008	<u>4,404,138</u>	<u>7,875,441</u>	<u>6,273,909</u>	<u>(9,435,052)</u>	<u>9,118,436</u>	<u>–</u>	<u>9,118,436</u>
Share-based charges	–	–	–	83,020	83,020	–	83,020
Issue of shares – placing 8 October 2008	30,769	163,231	–	–	194,000	–	194,000
Reduction of premium on share issue	–	(59,114)	–	–	(59,114)	–	(59,114)
Total comprehensive expense for the period	–	–	–	(3,804,546)	(3,804,546)	–	(3,804,546)
At 31 March 2009	<u>4,434,907</u>	<u>7,979,558</u>	<u>6,273,909</u>	<u>(13,156,578)</u>	<u>5,531,796</u>	<u>–</u>	<u>5,531,796</u>
Share-based charges	–	–	–	83,475	83,475	–	83,475
Issue of shares – exercise of share options	3,152	101,444	–	–	104,596	–	104,596
Issue of shares – subscription 30 September 2009	40,970	915,185	–	–	956,155	–	956,155
Total comprehensive expense for the period	–	–	–	(642,349)	(642,349)	–	(642,349)
At 30 September 2009	<u>4,479,029</u>	<u>8,996,187</u>	<u>6,273,909</u>	<u>(13,715,452)</u>	<u>6,033,673</u>	<u>–</u>	<u>6,033,673</u>

1. General information, basis of preparation and accounting policies

General information

Provexis plc is a public limited company incorporated and domiciled in Great Britain under the Companies Act 1985 (registration number 5102907). The address of the registered office is Thames Court, 1 Victoria Street, Windsor, Berkshire SL4 1YB, UK.

The main activities of the Group are those of discovering, developing and licensing scientifically-proven technologies for the global functional food, medical food and dietary supplement sectors.

Basis of preparation

The financial information presented in this document has been prepared in accordance with the Group's accounting policies as described below.

The interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and has neither been audited nor reviewed by the Company's auditors BDO LLP pursuant to guidance issued by the Auditing Practices Board.

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS). The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements. While the financial figures included in this half-yearly report have been computed in accordance with IFRS applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The results for the year ended 31 March 2009 are not statutory accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s237(2) or (3) Companies Act 1985.

Copies of the interim results for the six months ended 30 September 2009 are being sent to all shareholders. Details can also be found on the Company's website at www.provexis.com. Further copies of the interim results and copies of the 2009 annual report and accounts can be obtained by writing to the Company Secretary, Provexis plc, Thames Court, 1 Victoria Street, Windsor, Berkshire SL4 1YB, UK.

This announcement was approved by the Board of Provexis plc for release on 3 December 2009.

Going concern

The Directors are of the opinion that at 3 December 2009, the Group and Company's liquidity and capital resources are adequate to deliver the current strategic objectives and 2010 business plan and that the Group and Company remain a going concern.

Use of estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The estimates and assumptions used are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Directors believe the main accounting judgements relate to the capitalisation of development expenditure under IAS38, the share-based payments charge and the recoverable amount of goodwill. Fuller

information concerning the use of estimates and assumptions is provided in the 2009 annual report and accounts which can be found on the Company's website www.provexis.com.

Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2009, as described in those annual financial statements.

IAS 1 (Revised), 'Presentation of Financial Statements', has been adopted. The revised standard prohibits the presentation of items of income and expense in the statement of changes in equity, requiring non-shareholder changes in equity to be presented separately from shareholder changes in equity. All non-shareholder changes in equity are required to be presented in a performance statement. IAS 1 (Revised) permits a choice between presenting a single performance statement (being a Statement of Comprehensive Income) or two statements (being an Income Statement and a Statement of Comprehensive Income). The Group has elected to present a single statement.

IFRS 8, 'Operating Segments', has been adopted. This standard replaces IAS 14, 'Segment Reporting' and effectively requires segmental information reported to be based on that which the Group's Board, which is considered the Group's chief operating decision maker, uses internally for the purposes of evaluating the performance of the Group's operating segments.

Revenue, net assets and results are wholly attributable to the principal activity of the Group and arise solely within the United Kingdom, therefore no segmental analysis has been reported.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the year ending 31 March 2010. The new standards, amendments to standards and interpretations will be relevant to the Group but they have not been adopted early as the Directors do not expect these standards and interpretations to have a material effect on the financial statements:

- IFRS 3 (Revised) 'Business Combinations' effective 1 July 2009.
- IAS 27 (Amendment) 'Consolidated and Separate Financial Statements' effective 1 July 2009.
- 'Improvements to IFRSs (2010)' effective 1 July 2009 and 1 January 2010.

There are a number of standards, interpretations and amendments to published accounts not listed above which the Directors consider not to be relevant to the group.

2. Loss per share

	<i>Unaudited six months ended 30 September 2009</i>	<i>Unaudited six months ended 30 September 2008</i>	<i>Audited Year ended 31 March 2009</i>
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Basic and diluted loss per share amounts are calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

There are 62,801,948 share options in issue that are currently anti-dilutive and have therefore been excluded from the calculation of the diluted loss per share.

Loss for the period – £	642,349	765,960	4,570,506
Weighted average number of shares	819,782,706	471,492,178	644,794,819
Basic and diluted loss per share – pence	0.08	0.16	0.71

3. Post balance sheet events

On 15 October 2009 the Company's Remuneration Committee modified the Performance Period and Performance Target of share options over 42,000,000 ordinary shares of 0.1p each held by certain Directors of the Company, 4.1 per cent. of the Company's 1,022,539,965 existing issued ordinary shares.

Following the changes agreed to the Performance Period and Performance Target share options over 21,000,000 ordinary shares of 0.1p each held by certain Directors of the Company vested on 15 October 2009. Share options over 21,000,000 ordinary shares of 0.1p each held by certain Directors of the Company will vest on 1 April 2011.

On 16 October 2009 the Company raised £3.976 million gross from the second tranche of the £5.0 million gross new share subscription. The net proceeds of the second tranche of the share subscription were £3.794 million after share issue costs.

3 December 2009"

PART V

ADDITIONAL INFORMATION

1. Share Capital

The issued Ordinary Share capital of the Company: (i) as at the date of this document; and (ii) as it is expected to be after Admission (assuming maximum take up under the Open Offer) is set out below:

	£	Number
(i)	1,022,539.97	1,022,539,965
(ii)	1,107,751.63	1,107,751,629

The Company has at the date of this document and will have following the Open Offer 401,724,366 deferred shares of 0.9p each.

2. Directors' interests

The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and of persons connected with them (within the meaning of Section 252 of the 2006 Act) in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this document and as they are expected to be upon completion of the Open Offer are as follows:

<i>Name</i>	<i>(i) At the date of this document</i>		<i>(ii) On Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Issued Share Capital*</i>
C D Buck**	10,404,332	1.0%	11,271,359	1.0%
S N Moon	7,540,000	0.7%	7,540,000	0.7%
I Ford	1,540,000	0.2%	1,668,333	0.2%
S N Morrison	1,540,000	0.2%	1,668,333	0.2%
Dr. N C Bain	5,177,000	0.5%	5,608,416	0.5%
K Rietveld	–	–	–	–

* taking account of the relevant Directors' proposed subscription under the Open Offer.

** Of the 10,404,332 Ordinary Shares that Mr Dawson Buck is interested in 3,581,666 are held by a pension scheme of which Mr Dawson Buck is the beneficiary and 1,540,000 are held by a pension scheme of which a member of the family of Mr Dawson Buck is the beneficiary. The remaining 5,282,666 Ordinary Shares are held directly by Mr Dawson Buck.

Directors' Share Options

<i>Name</i>	<i>Number of EMI Option Shares</i>	<i>Number of Unapproved Option Shares</i>
C D Buck	–	–
S N Moon	13,793,100	7,324,520
I Ford	10,000,000	–
S N Morrison	12,000,000	–
Dr. N C Bain	–	330,300
K Rietveld	–	–

3. Litigation

The Group is not involved in any governmental, legal or arbitration proceedings which are having, may have or have had in the previous twelve months, a significant effect on the Group and/or the Group's financial

position and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Group.

4. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company and/or its subsidiaries in the two years immediately preceding the date of publication of this document and are or may be material to the the Group:

- 4.1 pursuant to a deed of warranty dated 31 July 2008, the Company gave certain warranties and indemnities in favour of DSM Venturing B.V. These warranties and indemnities related to the business and financial affairs and taxation of the Company and any liability of the Company under the deed is limited to a maximum of £1,500,000.
- 4.2 on 1 August 2008 the Company, DSM Venturing BV and Arbuthnot Securities Limited entered into an agreement by which DSM Venturing BV agreed to certain restrictions with regards to the disposal of Ordinary Shares in the Company it acquired as a result of a placing of shares in the Company which was announced by the Company on 1 August 2008 (“2008 Placing”). The restrictions expired on 28 August 2009.
- 4.3 in order to provide the Company with short term loan funding prior to the completion of the 2008 Placing the Company entered into loan notes on 4 August 2008 totalling £50,000 with Dawson Buck, Dr. Neville Bain and Rising Stars Growth Fund. The loan notes provided for the Company to pay interest on the principal sum for the period until it was repaid at 20 per cent. per annum and inducement fees totalling £10,000. The loan notes were repaid by the Company on 31 August 2008.
- 4.4 in connection with the 2008 Placing, the Company entered into a placing agreement with Arbuthnot Securities Limited pursuant to which Arbuthnot Securities Limited, as agent for the Company, agreed conditionally to use its reasonable endeavours to procure subscribers for Ordinary Shares. The placing agreement contains certain undertakings and warranties given by the Company in favour of Arbuthnot Securities Limited. The placing agreement also contains an indemnity given by the Company in favour of Arbuthnot Securities Limited.
- 4.5 in connection with the Subscription the Company entered into subscription agreements with new and existing shareholders. Pursuant to the agreements the Subscription was effected in two parts with firstly an aggregate total of 40,969,390 Ordinary Shares being subscribed for conditional, *inter alia*, on the admission of the shares to trading on AIM and secondly an aggregate total of 159,030,610 Ordinary Shares being subscribed for conditional, *inter alia*, on the passing of certain resolutions at the general meeting of the Company held on 15 October 2009 and the admission of those shares to trading on the AIM, in each case at 2.5 pence per share. The Company paid certain commissions pursuant to the agreements and certain warranties were provided to the Company by investors.

5. General

The total cost and expenses payable by the Group in connection with the Open Offer (including professional fees, the costs of printing and the fees payable to the Registrars) are estimated to amount to approximately £150,000 (excluding VAT).

6. Availability of documents

This document will be available for a period of 12 months from the date of this document on the Company’s website (www.provexis.com) free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

Dated: 3 December 2009

