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If you have sold or otherwise transferred all of your holding of Existing Ordinary Shares in Healthcare Enterprise Group plc, you should send this document, but not the accompanying personalised form of proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for onward delivery to the purchaser or transferee except that this document should not be forwarded or transmitted into any jurisdiction in which such act would constitute a violation of the relevant laws or regulations of such jurisdiction. If you have transferred or sold only part of your holding of Existing Ordinary Shares you should retain these documents. This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities.

The New Ordinary Shares will, on Admission, rank in full for all dividends or other distributions declared, made or paid in respect of the Existing Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the Existing Ordinary Shares. Accordingly, subject to certain exceptions, the New Ordinary Shares may not, directly or indirectly, be offered, sold or taken up, delivered or transferred in or into the United States, Canada, Australia, New Zealand, South Africa or Japan. The New Ordinary Shares and the Existing Ordinary Shares are not dealt in or on any investment or exchange other than AIM and no application has been made for them to be admitted to any other investment exchange. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is anticipated that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at approximately 10 a.m. on 15 July 2009.

HEALTHCARE ENTERPRISE GROUP PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 3627383)

Proposed reorganisation of existing share capital
Proposed capitalisation of existing indebtedness
Proposed dis-application of statutory pre-emption rights
Proposed adoption of new articles of association

and

Notice of Annual General Meeting

Your attention is drawn to the letter from the Chairman of the Company (set out on pages 6 to 15 of this document) which explains why the Directors believe you should vote in favour of the Resolutions which are to be proposed at the Annual General Meeting of the Company.

This document does not constitute an offer of securities and accordingly this document is not an approved prospectus for the purposes of, and as defined in, section 5 of the Financial Services and Markets Act 2000 (as amended) and has not been prepared in accordance with the Prospectus Rules, or approved by the Financial Services Authority or by any other authority which could be a competent authority for the purposes of the Prospectus Rules. Nor does this document constitute an admission document drawn up in accordance with the AIM Rules.

The Annual General Meeting of the Company is to be held at the Company's registered offices at Healthcare Enterprise House, 17 Chesford Grange, Woolston, Warrington WA1 4RQ on 15 July 2009 at 10 a.m. A form of proxy for use at the Annual General Meeting, at which, *inter alia*, the Shareholder Resolutions will be considered, accompanies this document. To be valid, forms of proxy should be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible, but in any event not later than 48 hours before the Annual General Meeting. Completion and posting of a form of proxy will not prevent a Shareholder from attending and voting in person at the Annual General Meeting.

The New Ordinary Shares have not been, nor will 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 any distribution under any of the relevant securities laws of Canada, Australia, New Zealand, South Africa or Japan. 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 legal advice before taking any action.

Copies of this document are available from the office of the Company's Nominated Adviser, Daniel Stewart & Company plc, Becket House, 36 Old Jewry, London EC2R 8DD during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date of the Annual General Meeting.

Pursuant to the AIM Rules a copy of this document is available to download from the Company's website at www.hcegroup.com.

CONTENTS

TIMETABLE 3

CAPITALISATION STATISTICS 3

DEFINITIONS 4

LETTER FROM THE CHAIRMAN 6

APPENDIX 16

NOTICE OF ANNUAL GENERAL MEETING 19

TIMETABLE

Latest time and date for receipt of form of proxy to be valid at the Annual General Meeting	10 a.m. on 13 July 2009
Date of the Annual General Meeting	10 a.m. on 15 July 2009
Record date for the Share Consolidation	5 p.m. on 15 July 2009
Date on which the Capitalisation Shares are expected to be admitted to trading on AIM	8 a.m. on 21 July 2009
New Ordinary Shares credited to CREST accounts	21 July 2009
Share certificates despatched for New Ordinary Shares	28 July 2009

The Capitalisation Shares will only be admitted to trading on AIM if the Capitalisation Resolutions are passed.

CAPITALISATION STATISTICS

Number of Existing Ordinary Shares in issue	439,099,622
Number of New Ordinary Shares in issue following the Share Consolidation	1,756,398
Capitalisation value for each New Ordinary Share	37.5p
Number of Capitalisation Shares	2,635,728
Number of New Ordinary Shares in issue following Admission	4,392,126
Capitalisation Shares as a percentage of enlarged issued ordinary share capital	60%

DEFINITIONS

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

"2006 Act"	the Companies Act 2006;
"Admission"	admission of the Enlarged Issued Share Capital to trading on AIM;
"AGM" or **"Annual General Meeting"**	the annual general meeting of the Company to be held at 10 a.m. on 15 July 2009 and any adjournment thereof, to be convened pursuant to the Notice;
"AIM"	the market of that name operated by London Stock Exchange plc;
"Board" or **"Directors"**	the board of directors of the Company;
"Capita Registrars"	a trading name of Capita Registrars Limited;
"Capitalisation"	the capitalisation of certain existing indebtedness of the Company, further details of which are set out in paragraph 4 of the Chairman's Letter;
"Capitalisation Agreement"	the conditional capitalisation and subscription agreement entered into on or about the date of this document between (1) the Non-Convertible Lenders (as defined therein) (2) the Convertible Lenders (as defined therein) and (3) the Company;
"Capitalisation Resolutions"	Resolutions 8 to 13 set out in the Notice;
"Capitalisation Shares"	the 2,635,728 New Ordinary Shares to be issued and allotted pursuant to the Capitalisation;
"Chairman's Letter"	the letter from the Non-Executive Chairman of the Company set out in this document;
"Company"	Healthcare Enterprise Group plc (incorporated in England and Wales with registered number 3627383);
"Consolidation Resolution"	Resolution 6 set out in the Notice, being a resolution to approve the Share Consolidation;
"CULS"	the February Notes and the November Notes;
"Daniel Stewart"	Daniel Stewart & Company plc (incorporated in England and Wales with registered number 2354159), the Company's Nominated Adviser for the purposes of the AIM Rules;
"December Notes"	the £500,000 Fixed Rate Secured Notes 2008 issued by the Company pursuant to an instrument dated 12 December 2007;
"Ebiox"	Ebiox Limited (incorporated in England and Wales with registered number 3527034);
"Ebiox Shares"	ordinary shares of £0.25 each in Ebiox held by the Company;
"Enlarged Issued Share Capital"	the issued share capital of the Company, as enlarged by the issue and allotment of the Capitalisation Shares;
"Existing Articles"	the articles of association of the Company as at the date of this document;
"Existing Ordinary Shares"	the existing ordinary shares of 0.1 pence each in the capital of the Company;
"FAH"	First Aid Holdings Limited (incorporated in England and Wales with registered number 06484761);
"FAH Shares"	ordinary shares of £1 each in FAH held by the Company;
"February Notes"	the £250,000 convertible unsecured 8 per cent. Fixed Rate Notes 2012 issued by the Company pursuant to an instrument dated 1 February 2008;
"Group"	the Company and its subsidiary undertakings from time to time;
"Independent Director"	John Honey, a non-executive director of the Company;

"New Articles"	the new articles of association of the Company proposed to be adopted pursuant to Resolution 14 set out in the Notice and described in more detail at paragraph 13 of the Chairman's Letter;
"New Ordinary Shares"	the new ordinary shares of 25 pence each in the capital of the Company to be created on the passing of the Consolidation Resolution;
"Notice"	the notice of the AGM set out at pages 19 to 22 of this document;
"November Notes"	the £1,500,000 convertible unsecured 8 per cent. Fixed Rate Notes 2012 issued by the Company pursuant to an instrument dated 5 November 2007;
"Overseas Shareholders"	Shareholders resident in, or citizens of, jurisdictions outside the UK;
"Proposals"	the proposals set out in this document including the proposed Capitalisation, Share Consolidation and the adoption of the New Articles;
"Resolutions"	the resolutions set out in the Notice;
"RSL"	Reproductive Sciences Limited (incorporated in England and Wales with registered number 5604676);
"RSL Shares"	ordinary shares of £1 each in RSL held by the Company;
"Share Consolidation"	the consolidation of every 250 Existing Ordinary Shares into one New Ordinary Share;
"Shareholders"	the holders of the Existing Ordinary Shares;
"UK"	the United Kingdom of England, Wales, Scotland and Northern Ireland; and
"US", "USA" or **"United States"**	the United States of America, each state thereof (including the District of Columbia) its territories, possessions and all areas subject to its jurisdiction.

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

LETTER FROM THE CHAIRMAN

Healthcare Enterprise Group PLC

(incorporated and registered in England and Wales with registered number 3627383)

Directors:	*Registered office:*
John Humphrey Gunn (Non-Executive Chairman)	Healthcare Enterprise House
Lyndon James Gaborit (Executive Deputy Chairman)	17 Chesford Grange
Gron Ffoulkes-Davies (Finance Director)	Woolston
John Honey (Non-Executive Director)	Warrington
	WA1 4RQ

22 June 2009

To the Shareholders and, for information only, to holders of options under the Company's share option scheme(s)

Dear Shareholder

Proposals to reorganise existing share capital, capitalise existing indebtedness, dis-apply statutory pre-emption rights, amend the Company's articles of association and certain other matters

1. Introduction

On 7 April 2009 and 27 April 2009, the Company announced that it had reached agreement in principle with certain of its creditors to cancel £2,550,000 (plus accrued interest thereon) of the Company's existing aggregate indebtedness in consideration of (i) the issue to those creditors of the Capitalisation Shares (being 1,042,813 New Ordinary Shares) and (ii) the transfer to them (in aggregate) of 738,360 Ebiox Shares, 16,240 RSL Shares and 303,688 FAH Shares.

Before the Company can issue the Capitalisation Shares to the relevant creditors, the Company requires the approval of Shareholders to, amongst other things, increase its authorised share capital (to ensure it has sufficient authorised shares available to issue) and provide the Company with the authority to issue further shares, if it so requires.

The Company also requires the approval of Shareholders to transfer the above-mentioned Ebiox Shares, RSL Shares and FAH Shares to the relevant creditors as, for the purposes of section 190 of the 2006 Act, the transfer of Ebiox Shares, RSL Shares and FAH Shares by the Company to certain of those creditors constitutes substantial property transactions. Without approval from Shareholders, such substantial property transactions would otherwise be voidable at the instance of the Company.

The Directors believe that approval of the Proposals is necessary to ensure the future survival of the Company. Shareholders should be aware that, if the Resolutions to approve the Capitalisation are not passed at the AGM, the Directors believe that the Company will have insufficient financial resources to continue to trade in its current form and may not be able to continue as a going concern. If the Company were to cease to be a going concern, the value attributable to Shareholders would be severely reduced.

As the proposed Capitalisation will result in a very large number of Existing Ordinary Shares being in issue, the Company is proposing to consolidate its existing authorised share capital into a smaller number of shares on the basis that every 250 Existing Ordinary Shares with a nominal value of 0.1 pence be consolidated into one New Ordinary Share with a nominal value of 25 pence.

If all of the Proposals are approved, the resultant number of New Ordinary Shares in issue will be 4,392,126.

John Gunn, Lyndon Gaborit and Gron Ffoulkes-Davies who are all Directors will, if the Capitalisation Resolutions are passed at the AGM, have issued to them (as fully paid shares) some New Ordinary Shares and, in the case of John Gunn only, some of the Ebiox Shares, RSL Shares and FAH Shares forming part of the Capitalisation. Further details of the relevant Directors' participation in the Capitalisation are set out in paragraph 8. Each such Director is a Related Party for the purposes of Rule 13 of the AIM Rules and each of them has agreed not to vote upon the Capitalisation Resolutions at the AGM. Daniel Stewart has advised John

Honey (being the Independent Director), that the Proposals are fair and reasonable so far as the Shareholders as a whole are concerned. In providing their advice to the Independent Director, Daniel Stewart has taken into account the commercial assessments of the Independent Director.

Pursuant to Rule 15 of the AIM Rules approval of the Proposals would result in a fundamental change to the business of the Company. The reason for this is that the Company would be divesting of substantially all of its trading businesses and activities and, following completion of the Proposals, will be categorised (under the AIM Rules) as an investing company. Details of the Company's proposed investing policy for the next 12 months ("Investing Policy") are set out in paragraph 2 below. The adoption of the Investing Policy and the proposed fundamental change to the Company's business are both conditional on approval by Shareholders.

In common with other quoted companies, the Company is also proposing to adopt new articles of association, primarily to take account of changes in English company law brought about by the implementation of the 2006 Act.

The purpose of this document is therefore to provide Shareholders with details of, and the reasons for, the Proposals including:

(a) the proposed cancellation of £2,550,000 (plus accrued interest thereon) of the Company's existing aggregate indebtedness in consideration of (i) the issue of 1,042,813 New Ordinary Shares to certain holders of CULS and providers of informal loans to the Company; (ii) the issue of 1,592,915 New Ordinary Shares to certain creditors of the Company; and (iii) the transfer (in aggregate) of 738,360 Ebiox Shares, 16,240 RSL Shares and 303,688 FAH Shares;

(b) the proposed transfer by the Company (in aggregate) of 738,360 Ebiox Shares, 16,240 RSL Shares and 303,688 FAH Shares to certain of the Directors and other persons connected with the Directors;

(c) the proposed dis-application of statutory pre-emption rights in connection with the Capitalisation;

(d) the proposed Share Consolidation;

(e) the proposed fundamental change to the business of the Company and adoption of the Investing Policy; and

(f) the proposed adoption of the New Articles by the Company.

If the Proposals are approved:

(a) the holders of the Capitalisation Shares will, in aggregate, hold approximately 60.0 per cent. of the Company's Enlarged Issued Share Capital;

(b) the Company's proportionate shareholding in Ebiox will reduce from 100 per cent. to 24.3 per cent.;

(c) the Company's proportionate shareholding in RSL will reduce from 100 per cent. to 44.6 per cent.; and

(d) the Company's proportionate shareholding in FAH will reduce from 34.2 per cent. to 9.4 per cent.

A copy of the Company's report and accounts for the 16 months ended 30 June 2008 is enclosed with this document and is also available on the Company's website at www.hcegroup.com.

2. Current trading and future strategy

Since 30 June 2008, the Group's trading has been materially constrained by the limited capital funding available to it. Consequently, the Group's activities have had to be funded primarily by loans from certain supportive Shareholders. The Group has also had to restructure a number of its businesses including the partial divestment of some of its investments, most notably those in FAH.

The Directors focus over the past financial period has been to maintain the two businesses in the portfolio which showed the greatest upside benefit, Ebiox and RSL, and reduce its financial exposure to others. The sale of Crest Medical Limited, which completed on 4 April 2008, was a key element in the Board's strategy to restructure the Group and to stem operating losses, particularly as, with the agreement of FAH management, the Group then divested some of its

holding in FAH for cash in order to assist in the funding of its own restructure. While it was disappointing for the Board to accept the losses incurred on the sale of that business, it was essential to secure the future of the remainder of the Group.

(a) Trading update for Ebiox

In September 2008, the Company announced that Ebiox had secured the services of Mr. John Honey, former senior VP with Reckitt Benckiser plc as Executive Chairman. The Company subsequently announced that it had sold 5% of its equity in Ebiox to partly repay secured loan stock holders.

On 4 June 2009, the Company announced that Ebiox had witnessed a surge in demand following the outbreak of swine flu, and that the Ebiox management team, headed by John Honey, was keen to take advantage of the flow of new orders. Accordingly, the Ebiox board determined that the best way for Ebiox to raise new funds (whilst the Company was still finalising its own restructuring) was to undertake a fundraising exercise directly. Subscriptions for £700,000 representing 36.8% of the enlarged share capital of Ebiox were received, of which £100,000 was repaid to the Company in the form of management fees. The Ebiox board believes that the balance of funds available to it should leave Ebiox adequately funded for the short and medium term.

It is hoped that, with the injection of new funds (as mentioned above), and the introduction of Mr. Nigel Wray to its board of directors, Ebiox will be able to achieve additional sales such as those which have now been contracted to Great Ormond Street Hospital under the Ebiox brand and generate further revenue by distributing additional complimentary non-proprietary products.

(b) Trading update for RSL

RSL is currently focussed on Fertiligent's "Evie" product, a high quality, low cost intra-uterine sperm pump to help assist infertile couples conceive. For a marginal price increase, Fertiligent offers infertile couples a dramatically enhanced IUI success rate and the chance of avoiding invasive and costly artificial reproductive techniques such as *in vitro* fertilisation.

RSL owns 29% of the issued capital in Israeli Fertiligent Limited, with options to increase that holding to 65% of the fully diluted capital. RSL also owns the exclusive, worldwide sale & marketing rights to the Israeli Fertiligent company's products.

A two-centre clinical study already conducted in Germany and Israel demonstrated that the Fertiligent "Evie" product increases the IUI success rate by a factor of 2.7, from 6% to 16%. A further clinical trial (supervised by Professor Martha Dirnfeld an acknowledged world leader in the field) is currently being conducted at the Carmel Medical Centre, Israel. Professor Dirnfeld is also a medical consultant to the London Bridge Clinic where, subject to funding, a clinical trial (also under her supervision) is scheduled to commence in London shortly. Data from these trials will be used to support market entry in Europe, the US and in selected Asian and Latin American countries.

The Fertiligent "Evie" product is the first and only CE-approved slow release IUI device. The company received CE Mark clearance in Q2 2007 and has submitted an application to the US FDA in Q3 2008. FDA approval is expected later this year.

Once the product has received acceptable results in the second, two-centre clinical trial (defined as not less than bolus IUI pregnancy rates), RSL and Fertiligent will initiate a global commercialisation plan, including contract manufacture in the US, with the aim of commencing sales late in 2009 or early 2010.

As announced on 27 April 2009, RSL raised an additional US$100,000 (approximately £70,000) by the sale of a 25% equity stake to persons associated with Nigel Wray. Those funds were necessary to meet RSL's working capital requirements and to fund Fertiligent's FDA application.

In order to achieve its commercial objectives, RSL will be required to raise additional capital, and the Company is currently involved in discussions with various potential new investors.

The Capitalisation will help reduce the Group's current indebtedness to a level that the Directors consider to be more manageable. The Capitalisation will also reduce the Group's funding obligations in respect of and the Group's interests in, RSL and Ebiox, although the Group will remain materially interested in the future performance of these companies.

(c) The Company's Investing Policy

The Directors anticipate that, if the Proposals are approved, for its immediate future the Group will operate as a holding company for its investments with substantially reduced overheads. Any ongoing capital requirement of the Group will be funded through further fundraisings or further partial or full realisations of the Group's existing investments. AIM Rule 15 states that where the effect of a proposed disposal is to divest an AIM company of all, or substantially all, of its trading business activities that company will be treated as an 'investing company' and must therefore provide its shareholders with details of its investing policy. Further details of the Company's Investing Policy are set out below. To be implemented, the Investing Policy requires the approval of Shareholders at the AGM.

The Company's Investing Policy, following implementation of the Proposals, will be to seek complimentary acquisitions in the healthcare market. The Company intends to focus on the healthcare and wellness markets and act as a consolidator of smaller quoted and unquoted companies in that sector. With its established shareholder base, access to institutional and private funding and its experienced team, the Directors believe that the Company is well placed to expand by acquiring smaller businesses which have good products or services but which lack the critical mass to gain significant market entry. The creation of a larger listed entity will allow entrepreneurs and business managers the opportunity to combine with a larger entity to provide both diversification of risk and economies of scale.

The Company's experience in restructuring troubled businesses has placed it in good stead to offer such assistance to other businesses. This coupled with the fact that the Company has around £10m of usable tax losses, means that acquisitions can be attractively priced as far as return on capital is concerned. This should provide the Company with a competitive advantage in making suitable acquisitions.

The Directors consider that the Company will be an active investor, taking majority and minority equity positions in investee companies, as well as outright acquisition of operating businesses which generate operating profits and cash flow to fund its operations generally.

The Directors believe that approval of the Proposals is necessary to ensure the future survival of the Company. Shareholders should be aware that, if the Resolutions to approve the Capitalisation are not passed at the AGM, the Directors believe that the Company will have insufficient financial resources to continue to trade in its current form and may not be able to continue as a going concern. If the Company were to cease to be a going concern, the value attributable to Shareholders would be severely reduced.

Notwithstanding the current economic climate and the existing financial constraints upon the Group, the Directors remain convinced that the Company has a number of valuable investments in exciting niches of the healthcare market.

Shareholders should note that the Capitalisation represents a discount of 58 per cent. to the middle market quotation of the Company's share price as at 22 December 2008, being the date on which the shares in the Company were suspended and a discount of 58 per cent. to the average middle market quotation of the Company's share price over the five business days immediately preceding 22 December 2008, being the date on which the shares in the Company were suspended. The Independent Director considers that the level of discount at which the Capitalisation is proposed to take place is appropriate and in the best interests of Shareholders as a whole.

3. Background to and reasons for the Share Consolidation

As mentioned earlier, as part of the Proposals the Company is proposing to consolidate its existing authorised share capital on the basis that every 250 Existing Ordinary Shares with a nominal value of 0.1 pence be consolidated into one New Ordinary Share with a nominal value of 25 pence.

The Share Consolidation is proposed to ensure the nominal and market values of the Existing Ordinary Shares do not become fractions of a penny which could cause administrative difficulties for the Company, its Shareholders (for example, when dealing with small numbers of shares) and the Company's registrars. The Share Consolidation should not materially affect any individual Shareholder's interests in the Company as (before taking account of the Capitalisation Shares) each Shareholder's proportionate interest in the share capital of the Company will be substantially the same.

Shareholders who hold less than 250 Existing Ordinary Shares should note that no New Ordinary Shares will be issued and allotted to them. In addition, no fractional entitlements shall be issued and allotted where any holdings of Existing Ordinary Shares are not evenly divisible by 250, but such fractional entitlements shall instead be aggregated and sold for the benefit of the Company. The Directors estimate that the number of Existing Ordinary Shares which are represented in this category total approximately 0.01 per cent. of the issued share capital of the Company as at 19 June 2009, being the latest practicable date prior to the date of this document.

Following the Share Consolidation, Existing share certificates will become invalid and new share certificates (for those Shareholders who hold Existing Ordinary Shares in certificated form (a "Non-CREST Holder")) are expected to be despatched by post during the week commencing 27 July 2009. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of New Ordinary Shares by Non-CREST Holders will be certified against the register. All documents sent by or to a Non-CREST Holder (or his agent as appropriate) will be sent through the post and will be sent at the risk of the Non-CREST Holder. Shareholders who hold Existing Ordinary Shares through CREST should note that they will not be sent any confirmation of the credit of the New Ordinary Shares to their CREST stock account nor any other written communication by the Company in respect of the Share Consolidation.

4. Background to and reasons for the Capitalisation

As mentioned earlier in this letter, on 7 April 2009 and 27 April 2009 your Company announced that it had reached agreement in principle with a number of persons to whom it is currently indebted for those persons to capitalise and waive part of the Company's indebtedness to them. The consideration for such Capitalisation (set out in more detail below) is to be the issue to the relevant creditors of the Capitalisation Shares (as fully paid) and the transfer to them of part of the Company's interests in certain members of the Group.

The Company has now agreed, subject to Shareholder approval, that, in aggregate, £3,268,110 of indebtedness owed by the Company will be deemed to have been satisfied as follows:

(a) in respect of £300,000 of CULS (plus interest accrued thereon) owed to Derwent Limited, by the issue and allotment of 842,813 New Ordinary Shares at a subscription price of 37.5p per New Ordinary Share to Derwent Limited;

(b) in respect of a loan of £100,000 (plus interest accrued thereon) made to the Company by Nigel Wray, the issue and allotment of 133,333 New Ordinary Shares at a subscription price of 75p per New Ordinary Share to Nigel Wray;

(c) in respect of a premium payable to John Gunn and Nigel Wray in consideration of their agreeing to convert a sum of £300,000 (plus interest accrued thereon) owed to them by the Company into Ebiox Shares, the issue and allotment of 200,000 New Ordinary Shares at a subscription price of 37.5p per New Ordinary Share;

(d) in respect of the aggregate of £547,343 of debts due to certain of the Directors and certain other creditors, the issue and allotment of 1,459,582 New Ordinary Shares at a price of 37.5p per New Ordinary Share to such creditors;

(e) in respect of £150,000 (plus interest accrued thereon) of December Notes held by Nigel Wray, by the transfer of 59,160 Ebiox Shares by the Company at a price of £2.75 per Ebiox Share to Nigel Wray;

(f) in respect of a loan of £300,000 (plus interest accrued thereon) by the transfer by the Company of 192,000 Ebiox Shares at a price of £1.71875 per Ebiox Share to John Gunn and Nigel Wray;

(g) in respect of a total of £1,001,274 of CULS (plus interest accrued thereon), by the transfer by the Company of 487,200 Ebiox Shares at a price of £2.17 per Ebiox Share to Nigel Wray, John Gunn and Nicholas Brigstocke;

(h) in respect of £448,726 of CULS (plus interest accrued thereon) by the transfer by the Company of 16,240 RSL Shares at a price of £29.20 per RSL Share to Nigel Wray, John Gunn and Nicholas Brigstocke; and

(i) in respect of £350,000 December Notes (plus interest accrued thereon), by the transfer by the Company of 303,688 FAH Shares at a price of £1.25 per FAH Share to WB Nominees Limited, Peter Diamond and Anthony Wigram.

In relation to the proposed transactions referred to above, Shareholders should note the following:

- the Board has taken the decision to capitalise certain of the Company's indebtedness by transferring part of its holding of Ebiox Shares, RSL Shares and FAH Shares rather than through the issue and allotment of further New Ordinary Shares in the Company on the basis that, the Company does not currently have the capital resources available to it to adequately fund the future growth and development of such companies. Having a more diverse shareholder base may assist any fundraising exercise undertaken by such companies; and
- the loan of £100,000 owed to Nigel Wray will be capitalised in exchange for New Ordinary Shares to be issued at a price of 75p per New Ordinary Share rather than 37.5p per New Ordinary Share which is the value attributed to the other New Ordinary Shares to be issued pursuant to the Capitalisation. This value was agreed with Nigel Wray as part of the proposed equity placing which was announced on 18 September 2008.

The Directors consider the reduction in the Company's indebtedness from approximately £2.55m (plus accrued interest thereon) to £nil (other than trade creditors in the ordinary course of business) will improve profitability of the Company as a result of servicing lower levels of debt and will provide the Company with greater flexibility and enable it to be better placed to pursue opportunities in the future.

The Capitalisation Shares will be issued and are expected to be admitted to trading on AIM on or about 8 a.m. on 21 July 2009, provided that the Capitalisation Agreement is not terminated prior to that date and that the Company's Shareholders pass the Capitalisation Resolutions, which will give the Directors authority to allot the Capitalisation Shares.

Following negotiations, the Company has agreed, subject to Shareholder approval, to issue the Capitalisation Shares at 37.5 pence per share, which is at a discount of 58 per cent. to the closing market price (as adjusted to take account of the Consolidation) of 90 pence per share on 21 December 2008 (the last trading day prior to the date on which trading in the Existing Ordinary Shares was suspended). The Company is also seeking the approval of Shareholders (as set out in Resolution 12) to effect the required allotments at this discount, which was the lowest level of discount that the Company was able to secure.

The cost of servicing the Company's current indebtedness of £2.55m (plus accrued interest thereon) is approximately £216,000 per annum. Following the Capitalisation, this outstanding indebtedness will be reduced to £nil with the cost of servicing that indebtedness also reduced to £nil. The elimination of such indebtedness and associated servicing costs should assist the Company's aims of returning to profit.

5. Consequences of the Capitalisation for Shareholders

Under the terms of the Capitalisation Agreement, the issue price for the New Ordinary Shares will be 37.5 pence per New Ordinary Share, which is at a discount of 58 percent to the closing market price (as adjusted to take account of the Consolidation) of 90 pence per share on 21 December 2008 (the last trading day prior to the date on which trading in the Company's Shares was suspended).

Completion of the Capitalisation Agreement is conditional upon the Capitalisation Resolutions being passed by the Company and the New Ordinary Shares to be issued pursuant to that agreement being admitted to trading on AIM.

If the Capitalisation Resolutions are passed and the Capitalisation Shares are admitted to trading on AIM, the following persons shall be interested in the Company's ordinary share capital as follows:

Party	Debt to be capitalised	New Ordinary Shares acquired	Total interest in the Company's issued ordinary share capital following Capitalisation
Derwent Limited	£300,000 CULS (plus accrued interest)	842,813	19.19%
Nigel Wray	£100,000 unsecured loan (plus accrued interest)	133,333	(aggregated below)
	Premium payable for conversion of a £200,000 loan into Ebiox Shares	133,333	8.06% (aggregated holding)
John Gunn	Premium payable for conversion of a £34,286 loan into Ebiox Shares	22,858	7.03% (aggregated holdings)
Ludgate Investments Limited	Premium payable for conversion of a £65,714 loan into Ebiox Shares	43,809	(aggregated with John Gunn's holdings above)
Directors	Unpaid emoluments	769,578	17.52%
Trade Creditors	Unpaid trade debts	690,004	15.71%

Each of the above party's interests in the capital of the Company has been calculated on the basis that the Capitalisation Shares will be issued on Admission.

6. Directors' Interests

The interests of the Directors (and their immediate families and persons connected with them) in the issued share capital of the Company as at the date of this document and on completion of the Capitalisation are as follows:

Director	Number of Existing Ordinary Shares	% of Existing Ordinary Shares in issue	Number of New Ordinary Shares held following implementation of the Proposals	% of Enlarged Share Capital
John Gunn	41,140,581	9.37%	308,729	7.03%
Lyndon Gaborit	1,303,351	0.30%	595,958	13.57%
Gron Ffoulkes-Davies	1,250,000	0.28%	106,333	2.42%
John Honey	33,333,333	7.59%	133,333	3.04%

7. Substantial Shareholders

If the Capitalisation Resolutions are passed and the Capitalisation Shares are admitted to trading on AIM, the following persons shall (in addition to the Directors listed at paragraph 6 above) be interested in 3% or more of the Company's ordinary share capital:

Name	Number of Existing Ordinary Shares	% of Existing Ordinary Shares in issue	Number of New Ordinary Shares held following implementation of the Proposals	% of Enlarged Share Capital
Aviva	57,858,279	13.18%	231,433	5.27%
Nigel Wray	21,795,177	4.96%	353,847	8.06%
Derwent Limited	Nil	Nil	842,813	19.19%
Numis Nominees Limited	17,450,910	3.97%	255,055	5.81%
Norton Rose LLP	Nil	Nil	363,698	8.28%

8. Related Party Transactions

8.1 The following Directors, each being deemed a Related Party under the AIM Rules for the purpose of considering the Proposals, will be issued and allotted New Ordinary Shares pursuant to the Capitalisation as follows:

Director	Number of Existing Ordinary Shares	% of Existing Ordinary Shares in issue	Number of New Ordinary Shares held following implementation of the Proposals	% of Enlarged Share Capital
John Gunn	41,140,581	9.37%	308,729	7.03%
Lyndon Gaborit	1,303,351	0.30%	595,958	13.57%
Gron Ffoulkes-Davies	1,250,000	0.28%	106,333	2.42%

8.2 John Gunn, who is one of the Related Parties under the AIM Rules for the purpose of considering the Proposals, will also have 240,628 Ebiox Shares and 5,887 RSL Shares transferred to him or parties connected to him pursuant to the Capitalisation.

The above-mentioned Directors will be prohibited from voting in respect of the Capitalisation Resolutions to be proposed at the AGM. In addition, none of the above listed Directors has participated in the recommendation set out in this document that Shareholders vote in favour of the Capitalisation Resolutions. Daniel Stewart has advised the Independent Director that the Proposals are fair and reasonable so far as the Shareholders as a whole are concerned. In providing their advice to the Independent Director, Daniel Stewart has taken into account the commercial assessments of the Independent Director.

9. Dis-application of Pre-Emption Rights

Under section 89(1) of the Companies Act 1985, if the Directors wish to allot any of the unissued shares for cash (other than in connection with an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings (a pre-emptive offer), unless shareholders have otherwise agreed such a pre-emptive offer is not required. The Directors are seeking a general authority from Shareholders to dis-apply such pre-emption rights in respect of up to 50 per cent. of the number of equity shares issued by the Company, such general authority providing the Company with flexibility to finance business opportunities by the issue of New Ordinary Shares for cash without a pre-emption offer to existing Shareholders.

The Directors propose that this authority will be renewed at the next annual general meeting of the Company.

Save in respect of issue of New Ordinary Shares as part of the Capitalisation, to satisfy any existing or future grants or awards under employee share schemes or any share dividend alternatives, the Directors have no current plans to utilise this authority, although they consider that the renewal of the authority to issue shares outside of pre-emption appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise.

10. Substantial Property Transactions

As referred to earlier, as part of the Capitalisation the Company is proposing to transfer to John Gunn and various persons and entities connected to him 240,628 Ebiox Shares (for an aggregate amount equal to £437,530), 5,887 RSL Shares (for an aggregate amount equal to £162,469) and 242,950 FAH Shares (for an aggregate amount equal to £280,000).

The transfer of such interests by the Company to a Director and his connected persons constitutes substantial property transactions for the purposes of section 190 of the 2006 Act. Authority is therefore required from Shareholders at the AGM to undertake such transfers as part of the Proposals.

11. Appointment and Resignation of Directors

As announced by the Company on 18 December 2008 and 2 February 2009, Henry John Mark Tompkins and Nicholas Owen Brigstocke respectively resigned their positions as directors of the Company.

The Board would like to thank the outgoing directors for their past service to the Company and wish them well in their future endeavours.

John Charles Honey and Gron Philip Ffoulkes-Davies were subsequently appointed as directors of the Company on 19 June 2009.

The new directors bring a broad range of skills and experience to the Company. In addition, by bringing the total number of Directors to four, this will enable a better balance to be brought to the Board and improve corporate governance.

John Charles Honey (54), Executive Chairman of Ebiox, brings a wealth of experience in the disinfectant and decontamination industry as well as senior management roles in marketing and general management. John previously served as Senior Vice President of Reckitt Benckiser plc, responsible at various times during his 29 year tenure as executive responsible for Reckitt's global cleaning and disinfectant businesses, including Dettol, Lysol and Cilit Bang brands and its worldwide over the counter business which included Boots Healthcare International (which was acquired for £1.9bn). He retired from Reckitt's in 2007 to pursue private interests. John is currently a director of Ely Capital Plc.

Goronwy Philip Ffoulkes-Davies (44), Chief Financial Officer & Company Secretary, qualified as a Chartered Accountant with Arthur Andersen & Co. Following qualification, he was Group Financial Controller of Limelight Group plc during the time of its main market listing on the London Stock Exchange. Previously he was Group Finance Director of AIM quoted Tepnel Life Sciences plc, during a period of substantial growth and international expansion through acquisition.

12. Appointment of auditors to the Company

Shareholders may recall that, at the last annual general meeting of the Company, approval was sought from Shareholders for the appointment of HLB Vantis Audit plc as auditors to the Company.

Since then, the Company has been able to negotiate more favourable terms with BDO Stoy Hayward LLP and the Board therefore resolved that BDO Stoy Hayward LLP be appointed as auditors of the Company until the next annual general meeting of the Company.

In accordance with best practice, Shareholders are being asked, at the Annual General Meeting, to approve the appointment of BDO Stoy Hayward LLP as auditors of the Company and to authorise the Directors to fix their remuneration.

13. Changes to Articles of Association

Resolution 14 proposes that the Company adopts the New Articles in substitution for, and to the exclusion of, the Existing Articles. The New Articles reflect changes in English company law brought about by the 2006 Act. Certain further changes have also been made to bring the Company's articles in line with market practice.

As Shareholders may already be aware, the 2006 Act is being implemented in stages: some of its provisions are already in force with the remaining provisions are proposed to be implemented on 1 October 2009. The New Articles are intended to reflect provisions of the 2006 Act that are currently in force.

Although a substantially new form of articles of association are proposed to be adopted, the key principal changes to the Existing Articles are summarised in the Appendix to this document. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the 2006 Act have not been noted in the Appendix.

The New Articles are available for inspection, as noted on page 22 of the accompanying Notice of AGM. The proposed new articles of association will shortly be available at the Company's website: www.hcegroup.com.

14. Action to be taken

You will find enclosed a proxy form for use in respect of the Annual General Meeting. As a member you are entitled to appoint one or more persons as proxies to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy in relation to the Annual

General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you do not intend to attend the Annual General Meeting in person, please complete and return this form indicating how you wish your votes to be cast on each of the Resolutions. You will still be able to attend and vote at the Annual General Meeting should you wish to do so.

To be effective, the proxy form must be completed in accordance with the instructions printed on it and returned as soon as possible but, in any event, so as to reach the Company's registrar, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 10 a.m. on 13 July (or, in the event that the meeting is adjourned, no later than 48 hours excluding any part of a day that is not a working day).

15. Recommendation

John Honey, being the only Independent Director, considers that the Proposals are in the best interests of the Company and the Shareholders as a whole and, accordingly recommends that Shareholders vote in favour of them, as he intends to do in respect of his own beneficial shareholding of 33,333,333 Existing Ordinary Shares (representing approximately 7.59% of the Company's issued share capital on 19 June 2009, being the latest practicable date prior to the issue of this document). Daniel Stewart has advised the Independent Director that the Proposals are fair and reasonable so far as the Shareholders as a whole are concerned. In providing their advice to the Independent Director, Daniel Stewart has taken into account the commercial assessments of the Independent Director.

Lyndon Gaborit and Gron Ffoulkes-Davies, being the two remaining Directors of the Company other than the Independent Director and John Gunn, consider that the Proposals (other than the Capitalisation in respect of which Lyndon Gaborit and Gron Ffoulkes-Davies have an interest and are therefore prohibited from voting in respect of their own beneficial holdings of Existing Ordinary Shares) are in the best interests of the Company and the Shareholders as a whole and, accordingly recommend that Shareholders vote in favour of them as they intend to do in respect of their own aggregate beneficial shareholdings of 2,553,351 Existing Ordinary Shares (representing approximately 0.58% of the Company's issued share capital on 19 June 2009, being the latest practicable date prior to the issue of this document).

As mentioned earlier, John Gunn and persons connected to him are materially interested in all of the Capitalisation Resolutions. John Gunn has therefore not participated in the recommendation set out in this document that Shareholders vote in favour of the Proposals. John Gunn and his connected persons will also be prohibited from voting in respect of their own beneficial holdings of Existing Ordinary Shares in respect of the Capitalisation Resolutions.

Yours faithfully,

John Gunn
Non-Executive Chairman

APPENDIX

MATERIAL DIFFERENCES BETWEEN THE EXISTING ARTICLES AND THE NEW ARTICLES

The material differences between the Existing Articles and the New Articles are summarised below. Changes of a minor, conforming or purely technical nature have not been mentioned specifically.

1. Articles which duplicate statutory provisions

Provisions in the Existing Articles which replicate provisions contained in the 2006 Act are in the main not replicated in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to the form of resolutions, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings.

2. Form of resolution

The Existing Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is not being reproduced in the New Articles as the concept of extraordinary resolutions has not been retained under the 2006 Act. Further, the remainder of the provision is reflected in full in the 2006 Act.

3. Variation of class rights

The Existing Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the 2006 Act. The relevant provisions have therefore been incorporated into the New Articles.

4. Fractions

The Existing Articles contain a provision providing that if a consolidation or subdivision of shares results in members being entitled to fractions of shares, the Board can deal with such fractions as it thinks fit, including selling the fractions and distributing the proceeds in proportion among the members. For clarity, this provision has been drafted in the New Articles to provide where any member's entitlement to a portion of the proceeds of sale of the fractions amounts to less than £3.00, the Board can distribute that member's proceeds to charity.

5. Convening general meetings

The provisions in the Existing Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being removed in the New Articles because the relevant matters are provided for in the 2006 Act. In particular a general meeting (other than an annual general meeting) to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required. In addition, the chairman of a general meeting no longer has a casting vote.

6. Votes of members

Under the 2006 Act proxies are entitled to vote on a show of hands whereas under the Existing Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the 2006 Act so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. The New Articles give the Directors discretion, when calculating the time limits, to exclude weekends and bank holidays. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect all of these provisions.

Under section 323(1) of the 2006 Act, a corporate shareholder can now appoint more than one corporate representative. The Company is aware of concerns that have been raised about the effect of section 323(4) of the 2006 Act, which provides that where multiple corporate representatives of the same corporate shareholder vote differently, the power to vote is treated as not having been exercised. As the New Articles generally avoid duplicating provisions of the 2006 Act, the New Articles do not incorporate or explicitly reflect the terms of section 323(4) of the 2006 Act. The Company intends to take account of best practice to allow, as far as possible, multiple corporate representatives to attend general meetings of the Company and ensure their votes are counted.

7. Notice of Board meetings

Under the Existing Articles, when a Director is abroad he can request that notice of Directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a Director who is abroad. It has been replaced with a more general provision that a Director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

8. Records to be kept

The provision in the Existing Articles requiring the Board to keep accounting records has been removed as this requirement is contained in the 2006 Act.

9. Electronic and web communications

Provisions of the 2006 Act which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and how a member can request a hard copy version of the document or information.

10. Directors' indemnities

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify Directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a Director against liability incurred in connection with the company's activities as trustee of the scheme. This is reflected in the New Articles. The opportunity is also being taken to clarify that, subject to the 2006 Act, the Company may grant indemnities to Directors of associated companies.

The New Articles also contain a provision allowing a Director to vote and be counted in the quorum at a Board meeting in respect of any resolution concerning indemnification (including loans) by the Company in relation to the performance of his or her duties. This clarifies the ability of the Board to adopt indemnities in favour of Directors in accordance with the 2006 Act.

11. Powers of Chairman at General Meeting

In accordance with usual practice, the New Articles contain certain provisions which give the Chairman of a general meeting of the Company the power to make such arrangements as he thinks appropriate to ensure the security and orderly conduct of the general meeting. The New Articles also give the Board and the Chairman the power to refuse entry to, or eject, a person who refuses to comply with these arrangements or who disrupts the proper and orderly conduct of the meeting.

12. Retirement of Directors by Rotation

In accordance with best practice, the New Articles contain an express provision that one-third of the Directors of the Company who are subject to retirement by rotation shall retire from office, but so that if there are less than three Directors who are subject to retirement by rotation, one shall retire from office. Any Director who so retires shall be eligible to be re-appointed by the shareholders of the Company at general meeting.

13. Conflicts of interest

The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. Under the 2006 Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation.

Section 175(5)(b) of the 2006 Act allows directors of public companies to authorise conflicts and potential conflicts where the articles of association contain a provision to this effect. The 2006 Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest so that the relevant company's directors may avoid breaching their duties. The New Articles give the Directors authority to approve conflicts and potential conflicts of interest and include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. First, only independent Directors (i.e. those who have no interest in the matter being considered) will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors as set out above.

14. General

Several statutory references have been amended in the New Articles to take account of the implementation of provisions in the 2006 Act and repeal of corresponding sections of the Companies Act 1985. Some definitions have also been changed and additional definitions added to bring them in line with relevant provisions of the 2006 Act. In addition, other miscellaneous non-material changes have been made to reflect current law and practice.

HEALTHCARE ENTERPRISE GROUP PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of Healthcare Enterprise Group PLC ("**Company**") will be held at the company's registered offices at Healthcare Enterprise House, 17 Chesford Grange, Woolston, Warrington WA1 4RQ on 15 July 2009 at 10 a.m. for the following purposes:

RESOLUTIONS

To consider and, if thought fit, pass the following resolutions. Resolutions 1 to 5 (inclusive) and 7 to 12 (inclusive) will be proposed as ordinary resolutions and Resolution 6, 13 and 14 inclusive will be proposed as special resolutions.

1. To receive and adopt the annual accounts of the Company for the 16 month period ended 30 June 2008, together with the Directors' Report, the Auditors' Report and the Remuneration Committee's Report.
2. To re-appoint John Gunn, who is retiring by rotation in accordance with the articles of association of the Company, as a Director of the Company.
3. To re-appoint John Honey who, having been appointed since the previous annual general meeting, retires in accordance with the articles of association of the Company, as a Director of the Company.
4. To re-appoint Gron Ffoulkes-Davies who, having been appointed since the previous annual general meeting, retires in accordance with the articles of association of the Company, as a Director of the Company.
5. To re-appoint BDO Stoy Hayward LLP as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid at a remuneration to be determined by the Directors.
6. That the existing authorised ordinary shares of 0.1 pence each in the capital of the Company ("**Existing Ordinary Shares**") be consolidated into new ordinary shares with a nominal value of 25 pence each ("**New Ordinary Shares**") on the basis that every 250 Existing Ordinary Shares will be consolidated into one New Ordinary Share, with each New Ordinary Share to have the rights and obligations attaching to ordinary shares as set out in the articles of association to be adopted pursuant to Resolution 14 below, provided that:

   6.1 where such consolidation results in any member being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share to which other members of the Company are entitled into as many whole New Ordinary Shares as possible ("**Fractional Entitlement Shares**"); and

   6.2 the directors of the Company shall be and are hereby authorised to sell (or appoint any other person to sell) to any person all Fractional Entitlement Shares at the best price reasonably obtainable and to retain the proceeds for its own use, and that any director of the Company (or any person appointed by the directors of the Company) shall be and is hereby authorised on behalf of all the relevant members to execute an instrument of transfer in respect of such Fractional Entitlement Shares and to do all acts and things the directors consider necessary or expedient to effect the transfer of such Fractional Entitlement Shares to, or in accordance with the directions of, any buyer of any such shares.
7. That, subject to and conditional upon the passing of Resolution 6 above, the authorised share capital of the Company be and is hereby increased from £9,170,967.69 to £10,000,000, by the creation of 3,316,129 New Ordinary Shares of 25 pence each ranking *pari passu* with the New Ordinary Shares created pursuant to Resolution 6 above in the capital of the Company.
8. That the sale by the Company of:

   8.1 17,670 Ebiox Shares for an aggregate amount equal to £26,668 to John Gunn who is a director of the company;

   8.2 223 RSL shares for an aggregate amount equal to £6,189 to John Gunn;

8.3 17,670 Ebiox Shares for an aggregate amount equal to £26,668 to Renate Gunn, a person connected with John Gunn;

8.4 223 RSL shares for an aggregate amount equal to £6,189 to Renate Gunn;

8.5 20,097 Ebiox Shares for an aggregate amount equal to £41,432 to the trustees of the Wengen Pension Plan, a pension scheme connected with John Gunn;

8.6 670 RSL shares for an aggregate amount equal to £18,568 to the trustees of the Wengen Pension Plan;

8.7 33,495 Ebiox Shares for an aggregate amount equal to £69,053 to the trustees of the Gunn Trust a trust connected with John Gunn;

8.8 1,116 RSL shares for an aggregate amount equal to £30,947 to the trustees of the Gunn Trust;

8.9 84,709 Ebiox Shares for an aggregate amount equal to £135,602 to Ludgate Investments Limited an entity connected with John Gunn;

8.10 1,422 RSL Shares for an aggregate amount equal to £38,683 to Ludgate Investments Limited;

8.11 66,987 Ebiox Shares for an aggregate amount equal to £138,107 to Ludgate 181 Jersey Limited, an entity connected to John Gunn;

8.12 2,233 RSL Shares for an aggregate amount equal to £61,893 to Ludgate 181 Jersey Limited

8.13 242,950 FAH Shares for an aggregate amount equal to £280,000 to various entities connected to John Gunn who is a director of the Company.

be and is hereby approved for all purposes for which such approval is required.

9. That, subject to and conditional upon the passing of resolutions 6, 7 and 8 above, the disposal by the Company of, in aggregate 738,360 Ebiox Shares, 303,688 FAH Shares and 16,240 RSL Shares, constituting a fundamental change to the business of the Company, be and is hereby approved.

10. That the investing policy details of which are set out in paragraph 2 to the circular to shareholders of the Company posted on 22 June 2009, be and is hereby adopted as the investment strategy of the Company.

11. That, subject to and conditional upon the passing of resolutions 6 and 7 above, pursuant to section 80 of the Companies Act 1985 ("**Act**") and in substitution for all existing authorities under that section, the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of:

11.1 £658,932 to satisfy the allotment of New Ordinary Shares as capitalisation of certain of the Company's indebtedness, the terms and details of which are summarised in the circular to shareholders of the Company dated June 2009 ("**Circular**") ("**Capitalisation**");

11.2 £153,724 to satisfy the future obligation of the Company to allot shares under the terms of its existing warrant and option agreements should those warrants and options be exercised in full; and

11.3 (otherwise than pursuant to sub-paragraphs 11.1 to 11.2 above) up to an aggregate nominal amount of £549,016 (representing approximately 50 per cent. of the issued share capital of the Company following the Capitalisation),

being a total of £1,316,672, provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 15 October 2010 (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.

12. That the directors of the Company be and are hereby empowered to allot shares pursuant to the Capitalisation at an issue price of 37.5 pence per New Ordinary Share, which is at a discount of 58 per cent. to the closing market price (as adjusted to take account of the Consolidation) of 90 pence per share on 21 December 2008 (the last trading day prior to the date on which trading in Existing Ordinary Shares was suspended).

13. That, subject to the passing of Resolution 11, the directors be and are hereby empowered pursuant to section 95 of the Act and in substitution for all existing authorities under that section, to allot equity securities (within the meaning of sections 94(2) of the Act) for cash pursuant to the authority conferred by Resolution 11 as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    13.1 the allotment of equity securities in connection with an offer (whether by way of a rights issue, open offer or otherwise) to holders of New Ordinary Shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of New Ordinary Shares held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange;

    13.2 the allotment of equity securities for cash (otherwise than pursuant to paragraph 13.1 above) up to an aggregate nominal amount of £549,016,

    and (unless previously revoked, varied or renewed) shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 15 October 2010 (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted for cash after such expiry and the directors may allot equity securities for cash pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

14. That the Articles of Association of the Company produced to the general meeting and initialled by the Chairman of the Meeting for the purpose of identification be adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, the existing articles of association.

By order of the Board

....

G.P. Ffoulkes-Davies
Secretary

22 June 2009

Registered office:
17 Chesford Grange
Woolston
Warrington
WA1 4RQ

NOTES

1 *Only those members registered in the register of members of the Company as at 6.00pm on 13 July 2009 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6.00pm on 13 July 2009 or, in the event that the meeting is adjourned, after 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.*

2 *A member is entitled to appoint one or more persons as proxies to exercise all or any of his rights to attend, speak and vote at the meeting. Information on how to appoint proxies is provided at the notes to the form of proxy appended to this notice. The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.*

3 *As at 19 June 2009 (being the latest business day prior to the publication of this notice), the Company's issued share capital consists of* 439,099,622 *ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 19 June 2009 are* 439,099,622.

4 *A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, so as to arrive no later than 10.00am on 13 July 2009 (or, in the event that the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).*

5 *CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.*

*In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (formerly CRESTCo's) specifications and must contain the information required for such instructions, as described in the CREST Manual. The*

message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Registrars (ID RA10) by no later than 10.00am on 13 July 2009. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6 *Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under section 146 of the Companies Act 2006 ("**nominee**"):*

(a) the nominee may have a right under an agreement between the nominee and the member by whom he was appointed, to be appointed, or to have someone else appointed, as a proxy for the meeting; or

(b) if the nominee does not have any such right or does not wish to exercise such right, the nominee may have a right under any such agreement to give instructions to the member as to the exercise of voting rights.

7 *The following information is available for inspection during normal business hours at the registered office of the Company (excluding weekends and public holidays). It will also be available for inspection at the place of the general meeting from 10.00 am on the day of the meeting until the conclusion of the meeting:*

(a) New Articles of Association; and

(b) Annual Report of the Company for the 16 months ended 30 June 2008.

8 *Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so using the following means:*

(a) calling the company on 01925 898 201; or

(b) by email at london@hcegroup.com.

No other methods of communication will be accepted. Any electronic communication sent by a member to the Company or Capita Registrars which is found to contain a virus will not be accepted by the Company but every effort will be made by the Company to inform you of the rejected communication.

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