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If you sell or have sold or otherwise transferred all of your ordinary shares in BowLeven Plc ("BowLeven" or the "Company") please send this document, together with the accompanying form of proxy, immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Directors of the Company (the "Directors"), whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (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.

Noble & Company Limited, which is the Nominated Adviser and Broker to the Company and which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for the Company and no other person in connection with the proposed placing and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Noble nor for advising any other person on the contents of this document or any matter referred to herein.

BowLeven



BowLeven Plc

(Incorporated in Scotland under the Companies Act 1985 with Registered No SC225242)

NOTICE OF EXTRAORDINARY GENERAL MEETING

-concerning-

a proposed placing of 8,500,000 new Ordinary Shares of 10 pence by Noble & Company Limited at 650 pence per new Ordinary Share

-and-

amendment to the BowLeven Plc Employee Share Option Scheme

-and-

amendment to the Articles of Association

A letter from the Executive Chairman of the Company explaining the background to and the reasons for the proposed Placing and other proposals is set out on pages 4 to 8 of this document.

A notice convening an extraordinary general meeting of the Company to be held at The George Hotel, 19-21 George Street, Edinburgh EH2 2PB at 2pm on 12 October 2005 is set out at the end of this document. A form of proxy for use at the meeting is enclosed with this document and should be completed, signed and returned in accordance with the instructions thereon as soon as possible but in any event so as to be received by the Company's registrars, Park Circus Registrars Limited, James Sellars House, 144-146 West George Street, Glasgow G2 2HG by not later than 2pm on 10 October 2005. The completion and return of a form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting should you wish to do so.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of forms of proxy	2pm on 10 October 2005
Extraordinary General Meeting	2pm on 12 October 2005
Admission and dealings in the Placing Shares expected to commence on AIM	8am on 18 October 2005

PLACING STATISTICS

Number of Placing Shares being placed on behalf of the Company	8,500,000
Placing Price per Placing Share	650 pence
Number of new Ordinary Shares being placed as a percentage of the enlarged issued share capital	28.7 %
Number of Ordinary Shares in issue immediately following completion of the Placing	29,606,925
Market capitalisation following completion of the Placing at the Placing Price	£192.45 million
Gross proceeds of the Placing	£55.25 million
Estimated net proceeds of the Placing receivable by the Company	£53.09 million

Letter from the Chairman

BowLeven Plc

(Incorporated in Scotland under the Companies Act 1985 with Registered No SC225242)

Directors:

Terry Heneaghan (Executive Chairman)
Philip Rhind (Chief Executive Officer)
Chief Ndieb-Nso Tabetando (Executive Director)*
John Brown (Finance Director)
Peter Wilson (Commercial Director)
Don Vandergrift (Operations Director)
Dr. A. Easton Wren (Non-Executive Director)

* *Chairman of EurOil Limited*

Registered Office:

68-70 George Street
Edinburgh
EH2 2LT

19 September 2005

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

Dear Shareholder,

Placing of 8,500,000 new Ordinary Shares of 10p each at a price of 650p per Ordinary Share to raise £55.25 million (before expenses)

Amendment of the BowLeven Plc Employee Share Option Scheme

Amendment of the Articles of Association

Introduction

The Company has today announced proposals for a capital raising to provide the Group with additional funds to further enhance the development of its business and to fund its ongoing work programme for its exploration assets in Cameroon.

The Company is seeking to raise £55.25 million before expenses as set out herein. This is to be effected by means of the Placing of 8,500,000 new Ordinary Shares in the capital of the Company at an issue price of 650p per new Ordinary Share which have been conditionally placed by Noble with certain new and existing investors.

Due to the size of the Placing relative to the Company's existing authorised share capital and authorities to allot shares, the Placing is conditional (amongst other things) upon the passing of certain resolutions by the Company's shareholders at an extraordinary general meeting of the Company. A summary of these resolutions is set out on page 8 of this document. The Directors have convened the EGM at which shareholders will be asked to consider and, if thought fit, pass the resolutions set out in the Notice of EGM. The Placing is also conditional on Admission of the Placing Shares to trading on AIM, a market operated by the London Stock Exchange Plc (and which is the market on which the Company's existing issued Ordinary Shares are trading), occurring by 18 October 2005 (or such later date as Noble and the Company shall agree provided that this is no later than 1 November 2005).

The Placing Shares are equivalent to 28.7 per cent. of the Company's enlarged issued share capital following Admission and the Placing Price represents a discount of approximately 14.2 per cent. to the closing mid-market price of an existing issued Ordinary Share on 16 September 2005, the latest practicable date prior to the production of this document.

The Company is also proposing to amend the Share Option Scheme to permit, in certain circumstances, the grant of options at below the market value subsisting on the date of grant of the option. Such amendments are subject to the passing of resolution 4 set out in the Notice of EGM.

Finally, the Company is proposing to amend its Articles of Association so as to extend the circumstances in which a director of the Company can be indemnified by the Company. This proposal, set out in resolution 5 of the Notice of EGM, follows changes to a director's indemnity provisions introduced by changes to the Companies Act 1985 effective from 6 April 2005.

The purpose of this document is to provide you with information about the proposed Placing, the amendment to the Share Option Scheme and the amendment to the Articles of Association and to explain why the Directors consider these proposals to be in the best interests of the Company.

Application will be made to the London Stock Exchange Plc for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the new Ordinary Shares will commence on or around 18 October 2005. The Placing Shares will rank, *pari passu*, with the existing Ordinary Shares in the Company.

Notice of the EGM, which is to be held at 2pm on 12 October 2005 at The George Hotel, 19-21 George Street, Edinburgh EH2 2PB, at which, *inter alia*, the Placing Resolutions will be proposed, is set out at the end of this document.

Announcement of Results

The Company is currently completing its formal audit and the financial results for the 12 months to 30 June 2005 are expected to be released on or around 20 October 2005.

Trading Since Admission

The Company raised a total of approximately £30m (after expenses) in November and December 2004. These funds were raised to:

- fund the acquisition of 3D seismic over the Etinde Permit;
- fund the drilling of up to three wells in Block 7;
- assess the exploration potential of prospects, leads and plays across the Etinde Permit;
- provide working capital for operations for at least 12 months; and
- repay existing liabilities

all as set out in more detail in the Company's Admission Document of 1 December 2004.

Since the Company's shares were admitted to trading on AIM on 7 December 2004, the Company has:

- acquired 3D seismic data over Block 7 and parts of Blocks 5 and 6 of the Etinde Permit;
- completed fast track interpretation of both the newly acquired 3D seismic data and existing seismic and drilling data and is continuing with the ongoing process of interpretation of that data;
- commenced negotiations with the relevant Cameroon authorities in respect of fiscal and economic terms for the Etinde Permit which it intends to conclude as soon as possible; and
- selected two exploration prospects for the 2005 drilling programme which is expected to commence in early October. The GlobalSantaFe rig 'Adriatic IX' will be on contract to the Group at the end of September 2005 and an operations base has been set up in Douala to support the drilling programme.

The 2005 drilling programme comprises two exploration wells. If successful, the results of these two wells will have a major impact on reserve estimates and hence the commercial prospects of Block 7. Previously, nine wells have been drilled in the Block. Of the eight wells drilled by previous operators, seven encountered hydrocarbons on the flanks of the channel systems in the Block. One well was a dry hole. In March 2004, the Group drilled a commitment well, Manyu-1, which also encountered hydrocarbons. The combination of these wells and the newly-acquired 3D seismic has provided a clear understanding of the reservoir characteristics of the channel systems. The two wells in the 2005 programme will provide new data to assist in the interpretation of the 3D seismic covering previously undrilled prospects in this Block. This data, when evaluated in conjunction with data on the previously drilled wells, will provide the basis for planning the 2006/07 exploration and appraisal programme on Block 7.

On Admission the Group intended to negotiate a gas supply contract for a proposed GTE power plant project. The Group has since appointed Energy Contract Company, in Twickenham, Middlesex, to begin negotiations with regards to a GTE contract.

Farm-in Strategy

The Company announced in its Admission Document that it intended to develop partnerships with other oil and gas companies in order to further develop its strategy. It has since developed a farm-in strategy which will enable the Group to retain operator status and achieve the following objectives:

- reduce risk;
- provide additional technical capability;
- provide funds for the development phase; and
- reduce future cash requirements from shareholders.

Work Programme for 2006/07

The programme is focussed on completing the interpretation of the 3D seismic data over Block 7 and the acquisition, processing and interpretation of seismic data over Blocks 5 and 6.

Subject to the results of its 2005 drilling programme the Company will consider several appraisal and development drilling options for 2006/07 including:

- Isongo South appraisal wells (gas/condensate);
- Biafra South appraisal well (oil);
- Manyu-2 appraisal well (oil);
- Isongo D and E appraisal wells (gas/condensate);
- Isongo C appraisal well (gas/condensate); and
- Sanaga Sud: one gas appraisal well and a development well (if the award of this licence area to EurOil Limited is confirmed by the Government of Cameroon).

Exploration targets identified to date by the Company include:

- additional Biafra sands oil prospects/plays in Block 7;
- additional Isongo gas/condensate prospects/plays in Block 7; and
- oil and gas exploration in Blocks 5 and 6 (subject to the acquisition and interpretation of 3D seismic data).

Reasons for the Placing and Use of Proceeds

The Directors believe that there is currently an opportunity to raise funds from a small number of institutional and other investors. Your Board has therefore decided to effect the fundraising by way of the Placing following a limited and targeted marketing exercise, rather than by offering all shareholders the opportunity to acquire further shares. The Directors believe that the additional cost and delay incurred in the production of a prospectus (which would have to comply with detailed contents requirements and require review by the UK Listing Authority) in connection with any such offer, would not have been in the best interests of the Company.

The net proceeds of the Placing are estimated at £53.09 million. The funds will be used to:

- secure drilling rigs for a 2006/07 drilling programme;
- drill up to six wells on the Etinde Permit area;
- acquire 3D seismic over Blocks 5 and 6 of the Etinde Permit;
- process and interpret the seismic data acquired;
- fund further GTE planning; and
- fund further working capital.

Terms of the Placing

On 16 September 2005, the Company and the Directors entered into a placing agreement with Noble pursuant to which Noble was appointed the Company's agent to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

The Placing Agreement contains certain indemnities from the Company and certain warranties from the Company and the Directors, breach of which will entitle Noble to terminate its placing obligations.

The Placing is conditional, inter alia, on:

- the passing of the Placing Resolutions;
- there having been no material breach of the warranties or indemnities given to Noble by the Company and/or the Directors in the Placing Agreement; and
- Admission taking place on 18 October 2005 or such later date as Noble and the Company shall agree, but in any event not later than 1 November 2005.

Amendment of the Share Option Scheme

The current rules of the Share Option Scheme provide that the price at which Ordinary Shares subject to an option (both for any Approved Option and any Unapproved Option) may be acquired on exercise of the option, shall not be manifestly less than the market value of the shares at the date on which the option is granted. For shares which are quoted on AIM, the market value is taken as the average mid-market closing price of the shares so quoted on the day prior to the date of grant of the option.

In the current business environment, companies are often required, when seeking to recruit key employees and directors, to set out their intentions to such employees and directors regarding proposed grants of share options, including details of the number of shares under option and their exercise price, based on the market value of the shares at the date on which an offer of employment is made. In the event that the market value of the Ordinary Shares rises between the date of such offer and the actual date of appointment/grant of the option, the Directors believe that it is in the best interests of the Company that they should have the discretion to grant options at the exercise price initially offered to the prospective employee/director even if this is lower than the subsequent prevailing market value. The proposed amendment to the Share Option Scheme as it applies to Unapproved Options, as set out in resolution 4 of the Notice of EGM, will give the Directors this flexibility.

It should be emphasised that the exercise price for Approved Options under the Share Option Scheme remains unchanged, and the exercise price for Approved Options cannot be less than the market value on the date of grant of the Approved Option.

Appointment of new Director

John Morrow (aged 51) joined the Company on 7 September 2005. It is intended that he will be appointed as a director of the Company following the announcement of the annual results to 30 June 2005 which is expected on or around 20 October 2005. He will be appointed as the Company's Technical Director. Mr Morrow has 25 years experience in the oil and gas industry. Immediately prior to joining the Company, he was BG Group Plc's Project Director for the Middle East and was responsible for developing the BG Group LNG (Liquified Natural Gas) Project in Iran. Mr Morrow was previously responsible for BG Group's technical effort for the Mediterranean Basin and African assets. He was also the Venture Director for the Karachaganak Project in Kazakhstan. He is a former employee of Royal Dutch Shell, having worked there for 15 years in a variety of operational and commercial roles in the UK, Malaysia and the Netherlands.

The terms of John Morrow's employment with the Company provide for a basic salary of £175,000 per annum. He will also be entitled to participate in the Company's discretionary performance bonus scheme. His employment can be terminated upon 12 months notice.

Following his appointment, it is intended that Mr Morrow will be issued with options over 275,000 Ordinary Shares in the Company. Approved Options up to a value of £30,000 will be issued at the market price ruling on the date of grant of such options with the balance of the share options being Unapproved Options granted at a price of 530p per Ordinary Share, being the average of the Company's share price over the period of 20 days prior to 22 July 2005, (being the date Mr Morrow agreed to join the Company).

Indemnities for directors and officers

An amendment to the Act, which came into force on 6 April 2005, has widened the permitted scope of an indemnity which can be granted by a company to its directors and officers. In particular, the new legislation (section 19 of the Companies (Audit, Investigations and Community Enterprise) Act 2004) now allows a company to indemnify directors for liabilities to third parties even where that director is unsuccessful in defending the claim against him and to pay certain directors' defence costs as they are incurred in civil or criminal cases. The prohibition contained in the previous legislation has been amended so that it applies only to auditors and the new legislation allows companies to indemnify the company secretary and other officers, as well as directors. Indemnities cannot extend to liability incurred by the indemnified person to the company or any associated company of which he is a director or officer, to fines in criminal proceedings or penalties imposed by regulatory authorities, to costs incurred in criminal proceedings where the director is convicted, or to costs incurred in civil proceedings brought by the company or an associated company where judgment is given against the individual concerned.

Article 143 of the Company's Articles of Association currently provides an indemnity by the Company in favour of the directors, the company secretary and the Company's other officers and its auditors and managers in the limited circumstances permitted under the previous legislation.

The Board believes that it is in the Company's best interests to take advantage of the change in the law. Resolution 5 is a special resolution to replace the existing Article 143 with a new Article 143 which will take advantage of the changes to the Act. To ensure that the Board is able to exercise its powers under the new article, notwithstanding directors' personal interests in the provision of the indemnities, the proposed new Article 143 allows each of the directors to vote and be counted in the quorum at any meeting of the Board or a committee of the Board considering a proposal for an indemnity unless he is to receive a privilege or benefit not generally available or awarded to any other director.

Subject to the passing of resolution 5, the Board intends to enter into deeds of indemnity with each director to reflect the provisions of the amended Act and the proposed new Article 143. Any such indemnities would not apply to any claim arising out of the indemnified person's fraud, wilful default, gross negligence or breach of fiduciary duty.

Extraordinary General Meeting

On pages 10 to 12 of this document is a notice convening the EGM of the Company to be held at The George Hotel, 19-21 George Street, Edinburgh EH2 2PB at 2pm on 12 October 2005, at which the resolutions set out in such notice will be proposed.

The Placing Resolutions, which are resolutions 1 to 3, propose:

- (a) to increase the Company's authorised share capital from £3,000,000 to £5,000,000;
- (b) to grant the Directors a general authority pursuant to section 80 of the Companies Act 1985 to allot the Placing Shares (as defined on page 10 of this document) and to allot the remaining authorised but as yet unissued share capital of the Company; and
- (c) to disapply statutory pre-emption rights in respect of the Placing Shares and in addition, further securities not exceeding 15 per cent. of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Resolution 4 proposes the amendment to the Share Option Scheme summarised above on page 6 of this document.

Resolution 5 proposes the amendment to the Company's Articles of Association summarised on page 7 of this document.

Action to be taken

A form of proxy for use at the EGM is enclosed. The form of proxy should be completed and signed in accordance with the instructions on it and returned to the Company's registrars, Park Circus Registrars Limited, James Sellars House, 144-146 West George Street, Glasgow G2 2HG as soon as possible, but in any event so as to be received not later than 2pm on 10 October 2005. The completion and return of a form of proxy will not preclude you from attending the EGM and voting in person should you so wish.

Recommendation

The Directors consider the Placing; the proposed amendment to the Share Option Scheme; and the proposed amendment to the Articles of Association of the Company to be in the best interests of the Company and its shareholders as a whole and unanimously recommend you vote in favour of the resolutions as set out in the Notice of EGM, as your Directors intend to do or procure to be done in respect of their beneficial holdings of Ordinary Shares, which amount, in aggregate, to 2,886,303 Ordinary Shares, representing approximately 13.7 per cent. of the current issued share capital of the Company.

Yours faithfully



Terry Heneaghan
Executive Chairman

DEFINITIONS AND GLOSSARY OF TERMS

“the Act”	the Companies Act 1985, as amended;
“Admission”	admission of the Placing Shares to trading on AIM on 7 December 2004 becoming effective as provided in Rule 6 of the AIM Rules;
“AIM”	the market of that name operated by the London Stock Exchange Plc;
“AIM Rules”	the rules applying to companies whose shares are admitted to trading on AIM as published by the London Stock Exchange Plc;
“Approved CSOP Scheme”	the approved Company Share Option Plan;
“Approved Options”	share options granted under Part A of the Share Option Scheme;
“Area of Association”	the area of 2,314km ² which includes Blocks 5-7, all within the Rio del Ray and Douala Basins;
“Board” or “Directors”	the directors of the Company;
“Block MLHP-5” or “Block 5”	the most southerly of the three blocks contained within the Etinde Permit;
“Block MLHP-6” or “Block 6”	the middle of the three blocks contained within the Etinde Permit;
“Block MLHP-7” or “Block 7”	the most northerly of the three blocks contained within the Etinde Permit;
“the Company” or “BowLeven”	BowLeven Plc, registered number SC225242 and having its registered office at 68-70 George Street, Edinburgh, EH2 3LT;
“Etinde Permit”	the permit granted by the Government of Cameroon which covers the Area of Association;
“Extraordinary Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 2pm on 12 October 2005 at The Balmoral Hotel, 1 Princes Street, Edinburgh EH2 2EQ;
“the Group”	BowLeven, BowLeven Resources Limited and EurOil Limited together with any of their subsidiaries and associated companies;
“GTE”	gas-to-electricity;
“Noble”	Noble & Company Limited, which is authorised and regulated by the Financial Services Authority and has its registered address at 76 George Street, Edinburgh EH2 3BU;
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company;
“Placing”	the Placing of the Placing Shares at the Placing Price, details of which are set out in this document;
“Placing Agreement”	the conditional agreement dated 16 September 2005 between the Company, the Directors and Noble, details of which are provided on page 6 of this document;
“Placing Price”	650 pence per Ordinary Share;
“Placing Shares”	the new Ordinary shares to be issued pursuant to the Placing;
“Placing Resolutions”	resolutions 1-3 as set out in the Notice of EGM;
”Share Option Scheme”	the BowLeven Plc Approved CSOP Scheme, the rules of which provide for the grant of options over Ordinary Shares which comply with the provisions of Schedule 4 Income Tax (Earnings and Pensions) Act 2003 pursuant to Part A (Approved) of such scheme and for options which do not comply with such legislation under Part B (unapproved) of such scheme;
“Unapproved Options”	share options granted under Part B of the Share Option Scheme; and
“USA”	United States of America.

BowLeven Plc

(Incorporated in Scotland under the Companies Act 1985 with Registered No SC225242)

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at The George Hotel, 19-21 George Street, Edinburgh EH2 2PB at 2pm on 12 October 2005 to consider and, if thought fit, pass the following resolutions of which resolutions 1, 2 and 4 will be proposed as ordinary resolutions and resolutions 3 and 5 will be proposed as special resolutions:

ORDINARY RESOLUTIONS

1. That the authorised share capital of the Company be increased from £3,000,000 to £5,000,000 by the creation of an additional 20,000,000 ordinary shares of 10p each ("Ordinary Shares"), such shares ranking *pari passu* in all respects with the existing Ordinary Shares and all such shares to have the rights and be subject to the restrictions set out in the Articles of Association of the Company.
2. That, subject to the passing of resolution 1 above, in substitution for all existing authorities under that section, the Directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot, grant options over or otherwise deal with or dispose of any relevant securities (within the meaning of section 80(2) of the Act) up to the authorised but as yet unissued ordinary share capital of the Company as increased by resolution 1 above provided that this authority shall (unless previously renewed, varied or revoked by the Company in general meeting) expire on the date occurring 5 years after the passing of this resolution, and provided that such authority shall allow the Company to make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Directors may allot relevant securities in pursuance of that offer or agreement.

SPECIAL RESOLUTION

3. That, subject to the passing of resolution 2 above, in substitution for all existing authorities under that section, the Directors be generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) pursuant to the authority conferred by resolution 2 as if section 89(1) of the Act did not apply to the allotment provided that this power:
 - 3.1 shall expire on the date occurring 5 years after the date of this resolution but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this authority and the Directors may allot equity securities in pursuance of that offer or agreement; and
 - 3.2 shall be limited to:
 - (a) the allotment of up to 8,500,000 Ordinary Shares in connection with the Placing (as defined in the circular to shareholders of the Company of which this Notice forms a part) ("the Placing Shares");
 - (b) allotments of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of Ordinary Shares in the capital of the Company in proportion (as nearly as may be) to their existing holdings of Ordinary Shares but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offer as they deem necessary or expedient to deal with equity securities representing fractional entitlements and to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
 - (c) the allotment of equity securities in connection with (a) the exercise of any outstanding share options in the capital of the Company as at the date of this resolution; and (b) the exercise of any options granted pursuant to the BowLeven Plc approved Company share option plan, the rules of which provide for the grant of options over Ordinary Shares which comply with the provisions of Schedule 4 Income Tax (Earnings and Pensions) Act 2003 pursuant to Part A (Approved) of such scheme and for options which do not comply with such legislation under Part B (Unapproved) of such scheme ("BowLeven Plc Approved CSOP Scheme (with Unapproved Schedule)"); and
 - (d) allotments of equity securities for cash (otherwise than pursuant to paragraphs (a), (b) and (c) above) up to a maximum aggregate nominal amount equal to 15 per cent. of the issued ordinary share capital of the Company as enlarged by the issue of the Placing Shares.

ORDINARY RESOLUTION

4. That the Rules of the BowLeven Plc Approved CSOP Scheme (with Unapproved Schedule) adopted by the Company on 10 December 2004 (“the Scheme”) be and are hereby amended by the addition of the following definitions in Part B (Unapproved Schedule) of the Scheme:

“Exercise Price”

means the price at which each Ordinary Share, subject to an Unapproved Option, may be acquired on the exercise of that Unapproved Option, being (subject to Rule 11 of Part A) not manifestly less than the Market Value of the Ordinary Shares of the same class of shares at the date of grant, save in circumstances where the Directors have agreed to grant to a person who will become an eligible employee, as defined under the Scheme, an Unapproved Option at an exercise price equivalent to Market Value as at the date of an offer of employment or commencement of employment, and such Market Value is less than the Market Value on the actual date of grant of the Unapproved Option (“**Lower Market Value**”), in which case the exercise price shall, at the discretion of the Directors, be the Lower Market Value; and

“Market Value”

has the same meaning as it has for the purposes of Part 8 TCGA and means on any day:-

- (a) in relation to Shares which are not listed on the LSE, the market value as determined by the Directors using, if the Shares are quoted on AIM, the same basis of valuation as used by Inland Revenue Shares Valuation; or
- (b) in relation to Shares which are listed on the LSE, the middle market quotation of a Share as derived from the Official List on the day prior to the Date of Grant.

SPECIAL RESOLUTION

5. That the Articles of Association of the Company be amended by the deletion of the existing Article 143 and the insertion of a new Article 143 as follows:

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

- (a) indemnify any person who is or was a director, company secretary or other Relevant Officer directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and / or
- (b) purchase and maintain insurance for any person who is or was a director, company secretary or other Relevant Officer against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

5.2 A director shall be entitled to vote and be counted in the quorum at any meeting of the board or a committee of the board at which any indemnity, arrangement or proposal falling within any of the provisions of Article 143 is to be considered and, for the purposes of Article 100.3, any interest which any director may have in such indemnity, arrangement or proposal shall not be a material interest unless the terms of such indemnity, arrangement or proposal confer upon such director a privilege or benefit not generally available to, or awarded to, any other director. The decision of the chairman of the meeting as to whether the indemnity, arrangement or proposal to be considered at the meeting falls within the provisions of Article 143 or as to the materiality of any director’s interest therein for the purposes of this article and Article 100 shall be final and conclusive.

5.3 For the purposes of this article:

- (a) “associated company” has the same meaning as in Section 309A of the Act; and
- (b) a “Relevant Officer” is any officer of the Company or an associated company (other than in either case any person engaged by the Company or an associated company as auditor”).

For and on behalf of the Board



Peter G Wilson
Company Secretary

19 September 2005

Registered Office:
68-70 George Street
Edinburgh
EH2 2LT

Explanatory Notes

1. Voting

All shareholders who wish to attend and vote at the meeting must be entered on the Company's register of members no later than 2pm on 10 October 2005 (being 48 hours prior to the time fixed for the meeting) or, in the case of an adjournment, as at 48 hours prior to the time of the adjourned meeting. Changes to entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

2. Proxy

Shareholders entitled to attend and vote at the meeting may appoint a proxy or proxies to attend on their behalf. A proxy need not be a member of the Company. Investors who hold their shares through a nominee may wish to attend the meeting as a proxy, or to arrange for someone else to do so for them, in which case they should discuss this with their nominee or stockbroker. Whilst proxies may vote on a poll on any resolution, they are not entitled to vote on a show of hands. Proxies may ask questions at the meeting if, in his discretion, the Chairman of the meeting allows it. Shareholders are invited to complete and return the enclosed Proxy Form. Completion of the Proxy Form will not prevent a shareholder from attending and voting at the meeting if subsequently he/she finds they are able to do so. To be valid, completed Proxy Forms must be received at the offices of the Company's registrars, Park Circus Registrars Limited, James Sellars House, 144-146 West George Street, Glasgow G2 2HG by not later than 2pm on 10 October 2005 (being 48 hours prior to the time fixed for the meeting) or, in the case of an adjournment, as at 48 hours prior to the time of the adjourned meeting.

3. Corporate shareholders

Representatives of shareholders which are corporations attending the meeting should produce evidence of their appointment by an instrument executed in accordance with Section 36A of the Companies Act 1985 or signed on behalf of the corporation by a duly authorised officer or agent.

4. CREST

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those holders of ordinary shares registered in the register of members of the Company at 2pm on 10 October 2005 (being 48 hours prior to the time fixed for the meeting) shall be entitled to attend and vote at the Extraordinary General Meeting in respect of such number of shares registered in their name at that time. Changes to entries in the register of members after 2pm on 10 October 2005 shall be disregarded in determining the rights of any person to attend or vote at the meeting.