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If you have sold or transferred all of your Existing Ordinary Shares, please send this document, but not the accompanying personalised 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. If you have sold or transferred part only of your holding of Existing Ordinary Shares, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document has been drawn up in accordance with the AIM Rules for Companies. This document contains no offer to the public within the meaning of FSMA, the 2006 Act or otherwise. Accordingly, this document is not an approved prospectus for the purposes of, and as defined in, section 85 of FSMA and has not been prepared in accordance with the Prospectus Rules. This document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom ("FSA"), the London Stock Exchange plc or any other authority or regulatory body which could be a competent authority for the purposes of the Prospectus Rules. The Company and the Directors, whose names appear on page 8 of this document, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Company are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading.

THE PARKMEAD GROUP PLC

(incorporated and registered in England and Wales with company number 3914068)

Acquisition of Aupec Limited

Waiver from provisions of Rule 9 of the Takeover Code

Capital Reorganisation

and

Notice of General Meeting

AIM is a market designed primarily for emerging or smaller companies, to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent professional financial adviser. The rules of AIM are less demanding than those of the Official List. Neither the Existing Ordinary Shares nor the New Ordinary Shares will be dealt on any other recognised investment exchange and no other such application is being made. An investment in the Company involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this document.

The whole of this document should be read. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document.

A notice convening a General Meeting of The Parkmead Group Plc to be held on 2 November 2009 at 9:30 a.m. at the offices of Kemp Little LLP, Cheapside House, 138 Cheapside, London EC2V 6BJ is set out at the end of this document. The Form of Proxy should be completed and returned by post or (during normal business hours only) by hand to the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and, to be valid, must arrive not less than 48 hours before the time fixed for the General Meeting. Return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Charles Stanley, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and no one else in connection with Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Charles Stanley nor for providing advice in relation to the Company or any other matter referred to in this document.

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1. DEFINITIONS

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

“2006 Act”	the Companies Act 2006 (as amended)
“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Aupec pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement dated 9 October 2009 and made between (1) the Company and (2) the Vendors relating to the Acquisition, details of which are set out in paragraph 2 of Part 5 of this document
“Acquisition Shares”	the 235,294,118 New Ordinary Shares in the Company to be allotted and issued as part consideration for the Acquisition pursuant to the Acquisition Agreement
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules” or “AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Aupec”	Aupec Limited, a company registered in Scotland with company number SC177095, whose registered address is Davidson House, Campus 1, Aberdeen Science & Technology Park, Bridge of Don, Aberdeen AB22 8GT
“Aupec Directors”	the directors of Aupec, whose names appear on page 29 of this document
“Capita Registrars”	a trading name of Capita Registrars Limited
“Capital Reorganisation”	the sub-division and re-designation of each issued Existing Ordinary Share into one New Ordinary Share and one Deferred Share, the sub-division of the 81,658,220 authorised but unissued Existing Ordinary Shares into 4,082,911,000 New Ordinary Shares and the amendments to the Articles, each as proposed in Resolution 3 in the Notice
“Charles Stanley”	Charles Stanley Securities, a trading division of Charles Stanley & Co. Ltd, the Company’s nominated adviser and broker, a member of the London Stock Exchange and authorised and regulated by the FSA
“Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Company”	The Parkmead Group Plc, a company registered in England with company number 3914068, whose registered address is 2nd Floor, Vigo House, 1-4 Vigo Street, London W1S 3HT
“Completion”	completion of the Acquisition in accordance with the terms of the Acquisition Agreement

“Concert Party”	Linda Cross, Thomas Cross, David Rose, Alexander Kemp, Donald MacKay and David Reading (each of them being a “member of the Concert Party”), all of whom are regarded for the purposes of the Code as acting in concert (as defined in the Code) in relation to the Company and its share capital
“Deferred Shares”	the deferred shares of 4.9 pence each in the capital of the Company resulting from the Capital Reorganisation
“Directors”	the directors of the Company, whose names appear on page 8 of this document
“Enlarged Group”	the Group, as enlarged following Completion
“Enlarged Ordinary Share Capital”	the 603,635,898 New Ordinary Shares in issue immediately following Completion (being the sum of the New Ordinary Shares that result from the Capital Reorganisation of the issued Existing Ordinary Shares plus the Acquisition Shares) assuming that no options or other rights to subscribe for shares of the Company are exercised between the date of this document and Completion
“Existing Ordinary Shares”	the Ordinary Shares of 5 pence each in the capital of the Company
“Existing Share Capital”	the 368,341,780 Existing Ordinary Shares of the Company in issue at the date of this document
“Form of Proxy”	the form of proxy to be used by Shareholders in connection with the General Meeting
“FSA”	the UK Financial Services Authority
“FSMA”	the UK Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company convened for 9:30 a.m. on 2 November 2009, notice of which is set out at the end of this document or any adjournment of such meeting
“Group”	the Company and its subsidiary undertakings (within the meaning of section 1162 of the 2006 Act) at the date of this document and “Group Company” should be interpreted accordingly
“Independent Directors”	each of the Directors other than Thomas Cross
“Independent Shareholders”	the Shareholders who are entitled to vote on Resolution 1, being the Shareholders holding issued Existing Ordinary Shares other than any member of the Concert Party
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the new Ordinary Shares of 0.1 pence each in the capital of the Company resulting from the Capital Reorganisation
“Notice”	the notice of the General Meeting set out at Part 6 of this document
“Overseas Shareholders”	Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom
“Panel”	the Panel on Takeovers and Mergers

“Proposals”	the proposals set out in this document, including the Acquisition, the Capital Reorganisation and the Resolutions
“Prospectus Rules”	the prospectus rules made by the FSA
“Record Date”	6:00 p.m. on 2 November 2009 (or such other date as the Directors shall determine), being the date by reference to which the Capital Reorganisation is calculated
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice
“Shareholder”	a holder of shares in the capital of the Company from time to time
“Rule 9”	Rule 9 of the Code
“UKLA”	the UK Listing Authority
“Vendors”	the shareholders of Aupec being Linda Cross, Thomas Cross, David Rose, Alexander Kemp, Donald MacKay and David Reading
“Whitewash”	waiver of obligations under Rule 9
“Whitewash Resolution”	the ordinary resolution of the Independent Shareholders concerning the Whitewash to be proposed on a poll at the General Meeting and set out in the Notice as Resolution 1

2. EXPECTED TIMETABLE OF EVENTS

Publication of this document, including the Notice	12 October 2009
Latest time and date for receipt of Forms of Proxy for the General Meeting	9:30 a.m. on 31 October 2009
General Meeting	9:30 a.m. on 2 November 2009
Record Date for the Capital Reorganisation	6:00 p.m. on 2 November 2009
Dealings in New Ordinary Shares commence on AIM	8 a.m. on 3 November 2009
Dealings of Acquisition Shares commence on AIM	8 a.m. on 3 November 2009
Completion of the Acquisition	3 November 2009
New Ordinary Share certificates dispatched to Vendors by	13 November 2009

Note:

If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a Regulatory Information Service. All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions contained in the Notice at the General Meeting

References to time in this document are to London time.

FINANCIAL INFORMATION

Unless otherwise indicated, the financial information in this document relating to the Company stated in the annual report for the year ended 30 June 2008 (including financial information stated therein for the year ended 30 June 2007) and stated in the interim results for the six months to 31 December 2008 has been prepared in accordance with IFRS. Financial information in this document relating to the Company stated in the annual reports for the years ended 30 June 2006 and 30 June 2007 has been prepared in accordance with UK GAAP. The financial information in this document relating to Aupec has been prepared in accordance with UK GAAP.

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

FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current views with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to announce or release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

DOCUMENT AVAILABILITY

A copy of the documents listed in paragraph 15 of Part 5 will be made available for inspection at the offices of the Company at 2nd Floor, Vigo House, 1-4 Vigo Street, London W1S 3HT during usual working hours on any weekday (Saturdays and public holidays excepted) from the date of this letter up to the date of the General Meeting and at the place of meeting for 15 minutes prior to the meeting and for the duration of the meeting.

PART 1

LETTER FROM THE CHAIRMAN

The Parkmead Group Plc (the “Company”)

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3914068)

Directors:

Colin Goodall *(Non-executive Chairman)*
Niall Doran *(Chief Executive Officer)*
Gordon Ashworth *(Chief Financial Officer)*
Thomas Cross *(Non-executive Director)*
John Leggate *(Non-executive Director)*
Brian Wilson *(Non-executive Director)*
Faysal Hamza *(Non-executive Director)*

Registered Office
2nd Floor
Vigo House
1 - 4 Vigo Street
London W1S 3HT

12 October 2009

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

Dear Shareholder,

Acquisition of Aupec Limited

Waiver from Provisions of Rule 9 of the Takeover Code

Capital Reorganisation

and

Notice of General Meeting

1. Introduction

On behalf of the Directors of the Company, I am writing to inform you that, as announced today, the Company has conditionally agreed to acquire the entire issued share capital of Aupec through the issue of 235,294,118 New Ordinary Shares and the payment of £1,000,000 in cash. Aupec is an energy consulting business, further details of which are set out below.

In addition to the Acquisition, the Company wishes to carry out the Capital Reorganisation and the other Proposals set out below.

The purpose of this document is to provide you with information about the background to and the reasons for the Acquisition, the Capital Reorganisation and the other Proposals, to explain why the Directors consider the Acquisition, the Capital Reorganisation and the other Proposals to be in the best interests of the Company, its Independent Shareholders and the Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. Background to and reasons for the Acquisition

At the end of June 2009, the Company approached Aupec regarding a possible combination of the two businesses. Prior to the Company's approach, the Company had been considering possible participation in a transaction relating to some exciting exploration assets. Unfortunately, however, although the transaction was well advanced, it did not reach conclusion. Whilst the team is actively evaluating and pursuing opportunities on the principal asset side, the Directors believe that the Acquisition will expedite the Company's stated strategy to be a leading small cap oil and gas investment and advisory house. Further, the Acquisition represents an opportunity for the Company to:

- acquire a reputable energy advisory and consulting business at a time when demand for such businesses has increased;

- diversify and grow the Company's revenue and income base;
- complement the Company's existing team with Aupec's leading experts in oil and gas econometrics, valuation and benchmarking;
- increase the Company's network of high level financial, government, major energy company and technical relationships in the oil and gas industry, to support the Company's current and future activities, many of which are in emerging markets;
- harness the Company's existing relationship network to cross-sell Aupec's services; and
- realise synergies with the principal investing arm of the business through accessing Aupec's technical and economic consultancy expertise.

Aupec is a private company which was established in 1986 to commercialise the accumulated skills of members of the University of Aberdeen's Department of Economics. Aupec has since grown into a respected global authority in energy sector economics, valuation and benchmarking and has been providing economic consultancy services to the oil and gas sector for over 20 years. Aupec has built a reputation for delivery of high quality decision support tools and independent consulting advice across the oil, financial and public sectors.

Aupec's clients include major, independent and national oil companies, oil service companies, government ministries and agencies, as well as financial institutions. Aupec's clients have included the following organisations:

- Government ministries and departments of the following countries and territories:
Angola, Australia, Azerbaijan, Canada, Denmark, Egypt, Falkland Islands, Faroe Islands, Greenland, Kazakhstan, Mozambique, Nepal, New Zealand, Norway, Poland, Russian Federation, Sao Tome & Principe, Tanzania, Thailand, Trinidad & Tobago, United Kingdom, United States, Uzbekistan.
- The World Bank and The European Commission.
- The following International Oil Companies (IOCs):
BP, Shell, ExxonMobil, Chevron, ConocoPhillips, Total, PetroCanada, Encana, Nexen, Hess Corporation, Devon Energy, Maersk Oil, Marathon, Talisman, Woodside Energy, TNK BP, El Paso, Norsk Hydro, Statoil, Repsol YPF, Rosneft, Anadarko, BHP Billiton, Cepsa, ENI, Halliburton, PSN, Stewart and Stevenson, Suncor, Sunoco, Syncrude, TransAlta.
- The following National Oil Companies (NOCs):
SaudiAramco, Bahrain Petroleum Company (Bapco), Kuwait National Petroleum Co, Kuwait Oil Co, Petronas, Ecopetrol.

Further information on Aupec can be found in Parts 2 and 3 of this document.

The Directors believe that the Enlarged Group will be better positioned to deliver shareholder value in the medium and long term.

In the Report and Accounts for the twelve months ended 31 December 2008, turnover and net profit in Aupec amounted to £2.711 million and £0.639 million, respectively. For the six months ended 31 December 2008, turnover in the Company amounted to £0.099 million. As at 31 December 2008 Aupec reported net assets of £1.337 million including £3.058 million of cash and no debt. As at 31 December 2008 the Company had £7.244 million of net assets including £3.846 million of cash and no debt. The Directors expect the Enlarged Group's trading prospects and balance sheet to be strengthened through the Acquisition.

The Directors and the Concert Party intend that Aupec will continue to be run as an independent entity within the Enlarged Group (see paragraph 6.7 of Part 5, below, for more information on the Concert Party's intentions).

The Directors of the Company are of the belief that the combination with Aupec will expedite the Company's development by allowing the Company to offer a wider array of services to customers and thereby to win larger contracts.

3. Terms of the Acquisition

Pursuant to the terms of the Acquisition Agreement, the Company has conditionally agreed to acquire from the Vendors (two of whom are Thomas Cross, a non-executive director of the Company and his wife Linda Cross) the entire issued share capital of Aupec through the payment of £1,000,000 in cash and the issue to the Vendors of 235,294,118 New Ordinary Shares which will represent 38.98 per cent. of the Enlarged Ordinary Share Capital. The Acquisition Agreement is conditional on, amongst other things, the Resolutions being passed at the General Meeting. Further information on the Acquisition Agreement can be found at paragraph 2 of Part 5 of this document.

In determining the number of Acquisition Shares to be issued and therefore the relative valuation of Aupec and the Company, the Independent Directors have taken into consideration the current trading and prospects of both the Company and Aupec, the expected relative financial contributions of the two companies and the benefits that Aupec will bring to the overall operations of the Enlarged Group.

Application will be made to the London Stock Exchange for the Acquisition Shares to be admitted to trading to AIM. It is expected that such admission will occur on 3 November 2009. The Acquisition Shares will, when issued, rank equally in all respects with the other New Ordinary Shares in issue including the right to receive dividends and other distributions declared.

4. Current trading and future prospects

As reported within the Company's interim results for the period ending 31 December 2008, as announced on 31 March 2009, the unprecedented turmoil in global financial, equity and commodity markets, has had a marked effect on the Company's investments. For the year ended 30 June 2009, the Company's management accounts report significantly higher operating expenses as a result of the Company incurring one-off corporate transaction related expenses (see paragraph 8.2 of Part 5 for further information) and impairment of the Company's investments resulting from the turbulence in equity markets during the year. However, the Directors are particularly encouraged by the recent share price appreciation of Faroe Petroleum plc, in which the Company holds 2,918,724 ordinary shares.

The Directors believe that there are significant synergies that the Enlarged Group can exploit. Aupec's economic and technical expertise will be used in the Company's investment appraisal process. Additionally, the Company will look to on-sell Aupec services across its wider networks. Finally, the Directors believe that there may be limited cost-saving synergies available to the Enlarged Group, and they will consider these where appropriate. In particular, they will consider whether savings can be derived from the consolidation of the back office and head office of the Enlarged Group.

5. Dividends

It is the intention of the Directors to retain cash generated through the operations of the Enlarged Group to finance expansion and investment opportunities. Accordingly, the Directors do not believe that the Company will pay dividends for the foreseeable future.

6. Lock in arrangements

The Acquisition Agreement contains lock in undertakings given by Thomas Cross, Linda Cross, David Rose and Alexander Kemp (each of whom will hold three per cent. or more of the Enlarged Ordinary Share Capital following Completion). Under these lock in provisions, each of Thomas Cross, Linda Cross, David Rose and Alexander Kemp undertakes (subject to certain limited exceptions, including transfers to family members or to trustees for their benefit, disposals with the prior consent of the Directors and disposals by way of acceptance of a takeover offer for the entire issued share capital of the Company) not to dispose of any shares in the Company (or any interest in them or in respect of them) held by him or her following admission of the New Ordinary Shares to trading on AIM at any

time prior to the first anniversary of such admission. In addition, Niall Doran (the only Independent Director who will hold three per cent. or more of the Enlarged Ordinary Share Capital following Completion) will give a lock in undertaking on similar terms to those given by Thomas Cross, Linda Cross, David Rose and Alexander Kemp.

7. Rule 9 of the Takeover Code

The Code governs, amongst other things, transactions which may result in a change of control of a public company to which the Code applies. Under Rule 9, where any person acquires an interest (as such term is defined in the Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, such person or group is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person together with persons acting in concert with him is interested in shares which, in the aggregate, carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be in cash and at the highest price paid during the preceding 12 months for any interest in shares of the Company by the person required to make the offer or any person acting in concert with him.

Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for the Company.

For the purposes of the Code, all of the Vendors are deemed to be acting in concert, and their interests are to be aggregated. Further information about the Vendors is set out in paragraph 4.5 of Part 5.

Assuming that the Resolutions are duly passed and the Acquisition Shares are issued under the terms of the Acquisition Agreement (and assuming also that no options or other rights to subscribe for shares of the Company are exercised between the date of this document and Completion), the Concert Party will hold, in aggregate, 249,294,118 New Ordinary Shares, representing approximately 41.29 per cent. of the Company's issued ordinary share capital, of which Thomas Cross will hold in his private capacity (and including Linda Cross's shareholding) 169,761,525 New Ordinary Shares representing approximately 28.12 per cent. of the Company's issued ordinary share capital. The relevant holdings of each Concert Party member, assuming that the Resolutions are duly passed and the Acquisition Shares issued, are stated at paragraph 6.6 of Part 5.

Following completion of the Proposals, the members of the Concert Party will between them be interested in shares carrying 30 per cent. or more of the Company's voting share capital but will not hold shares carrying more than 50 per cent. of such voting rights and (for so long as they continue to be treated as acting in concert) any further increase in that aggregate interest in shares will be subject to the provisions of Rule 9.

In the absence of a waiver granted by the Panel, Rule 9 would require the Concert Party to make a general offer for the balance of the New Ordinary Shares in issue immediately following the Acquisition. The Panel has been consulted and has agreed, subject to the passing on a poll by the Independent Shareholders of the Whitewash Resolution, to waive the obligation on the Concert Party that would otherwise arise under Rule 9, as a result of the issue of the Acquisition Shares pursuant to the Acquisition, for a general offer to be made by the Concert Party for the balance of the issued New Ordinary Shares not already held by the Concert Party.

8. Capital Reorganisation

Background

The Existing Ordinary Shares have a nominal value of 5 pence each. The closing mid market price of the Existing Ordinary Shares on the last day of trading prior to posting this document was 1.475 pence per share which is less than the nominal value of such shares. The 2006 Act provides that a company may not lawfully issue a share for a subscription price which is less than its nominal value.

Accordingly, the Company has found itself in a position where it is unable to use its Existing Ordinary Shares to pursue acquisitions or raise further equity for expansion. This is reflected in the terms of the Acquisition, where one of the conditions to Completion is that the share capital of the Company is re-organised, as described below.

In these circumstances, the Directors have determined that it is in the best interest of Shareholders as a whole to remove this barrier to acquisition led growth and the raising of further equity for expansion.

Capital Re-organisation

In order to lower the nominal value of the Company's shares without changing Shareholders' economic or voting rights, the Company proposes that each issued Existing Ordinary Share be sub-divided and re-designated as one New Ordinary Share (having a nominal value of 0.1 pence) and one Deferred Share (having a nominal value of 4.9 pence). It is proposed that each authorised but unissued Existing Ordinary Share be sub-divided and re-designated as fifty New Ordinary Shares.

The proposed Capital Reorganisation will not affect the rights attaching to the Existing Ordinary Shares, other than to alter their nominal value. The issued New Ordinary Shares will trade on AIM and, without taking account of the Acquisition Shares, will be identical in number to the issued Existing Ordinary Shares.

Deferred Shares

The Deferred Shares will have no practical economic value, will not be transferrable, will not be admitted to AIM or any other market, will be non-voting, will carry no right to a dividend or other distribution or to participate in any way in the income or profits of the Company, will carry no right to receive notice or attend, speak or vote at any general meeting of the Company. The Deferred Shares will have no right to participate in the assets of the Company save that on the return of assets in a winding up, the holders of such Deferred Shares would be entitled only to the repayment of the amount that is paid up on such shares after (i) repayment of the capital paid up on the ordinary share capital and (ii) the payment of £1,000,000 on each such ordinary share in the capital of the Company. The Deferred Shares will be subject to eventual transfer or cancellation by or at the direction of the Company for no payment.

It is proposed that the rights and restrictions attaching to the Deferred Shares will be inserted into the Articles by amendments to the Articles. These amendments and the other mechanics required to give effect to the Capital Reorganisation are proposed as a special resolution of the Shareholders and are set out in Resolution 3 in the Notice. The Capital Reorganisation is not conditional upon the Whitewash or the Acquisition, generally.

Effect of the Capital Reorganisation

On the passing of Resolution 3, a holder of one Existing Ordinary Share would as a result hold one New Ordinary Share and one Deferred Share. The Company does not propose to issue new share certificates in respect of the New Ordinary Shares, as the number of Ordinary Shares held will be identical. Existing share certificates will continue to be valid. New share certificates will, however, be sent out in relation to trades or transfers of certificated New Ordinary Shares effected on or after the close of business on 2 November 2009.

Certificates will not be issued to the Shareholders for the Deferred Shares.

9. Related party transaction

Thomas Cross, a non-executive director of the Company is the current holder of 12,000,000 Existing Ordinary Shares, representing 3.26 per cent. of the Existing Share Capital. Thomas Cross's current family holding for the purpose of the AIM Rules is 14,000,000 Existing Ordinary Shares, or 3.80 per cent. of the Existing Share Capital. Thomas Cross is considered to be a related party as defined under the AIM Rules.

Pursuant to the terms of the Acquisition Agreement, immediately following Completion Thomas Cross would hold 85,414,701 New Ordinary Shares representing approximately 14.15 per cent. of the Enlarged Share Capital and of the voting rights attaching to such capital and his wife, Linda Cross, would hold 84,346,824 New Ordinary Shares representing approximately 13.97 per cent. of the Enlarged Share Capital and of the voting rights attaching to such capital. In aggregate, Thomas Cross and Linda Cross would be issued 155,761,525 New Ordinary Shares representing approximately 25.80 per cent. of the Enlarged Share Capital and of the voting rights attaching to such capital. This means that in aggregate, following Completion, they would hold 169,761,525 New Ordinary Shares representing approximately 28.12 per cent. of the Enlarged Share Capital and of the voting rights attaching to such capital. The Acquisition is considered to be a related party transaction for the purposes of AIM Rule 13, and the Independent Directors, having consulted with Charles Stanley, the Company's nominated adviser, consider the terms of the Acquisition to be fair and reasonable insofar as the Company's Shareholders, including the Independent Shareholders, are concerned.

10. Substantial property transaction

Under section 190(1) of the 2006 Act, a company may not enter into an arrangement under which the company acquires or is to acquire a substantial non-cash asset (directly or indirectly) from a director of the company, or a person connected with such a director, unless the arrangement has been approved by a resolution of the members of the company or is conditional on such approval being obtained.

As stated above, Completion of the Acquisition would result in the Company acquiring 66.2 per cent. of the share capital of Aupec from Thomas Cross and his wife, Linda Cross. The Directors are of the opinion that the shares in Aupec to be transferred by Thomas and Linda Cross would be a substantial non-cash asset for the purposes of section 190(1). Accordingly, the Acquisition Agreement is conditional upon Shareholder consent to the substantial property transaction being obtained (see Resolution 2 in the Notice set out below).

11. General Meeting

Set out at the end of this document is the Notice convening the General Meeting to be held at the offices of Kemp Little LLP, Cheapside House, 138 Cheapside, London EC2V 6BJ on 2 November 2009 at 9:30 a.m. at which the Resolutions described below will be proposed for the purposes of, amongst other things, implementing the Acquisition and the Capital Reorganisation as follows:

Resolution 1

Resolution 1 is the Whitewash Resolution, pursuant to which the Independent Shareholders are being asked to approve the Panel's waiver of the Concert Party's obligation to make a general offer under Rule 9. This resolution requires approval by the Independent Shareholders on a poll (voting in person and by proxy at the General Meeting) representing a majority of the Existing Ordinary Shares held by them. As a result, no member of the Concert Party will be able to vote on this resolution at the General Meeting.

This resolution is a condition to Completion under the terms of the Acquisition Agreement. A summary of all of the conditions to Completion and the other terms of the Acquisition Agreement can be found in paragraph 2 of Part 5 of this document.

Resolution 2

As the Acquisition involves a substantial property transaction with Thomas Cross, one of the Directors, and his wife, Linda Cross, the Acquisition cannot be completed until Resolution 2 has been approved. Accordingly, Resolution 2, which is proposed as an ordinary resolution, seeks the approval of the Shareholders for the Acquisition for such purposes conditional on the passing of Resolution 1.

Resolution 3

Resolution 3, which is proposed as a special resolution, implements the Capital Reorganisation by:

- (a) sub-dividing and re-designating each of the issued Existing Ordinary Shares into one New Ordinary Share and one Deferred Share;
- (b) sub-dividing and re-designating each of the authorised but unissued Existing Ordinary Shares into fifty New Ordinary Shares; and
- (c) amending the Articles to set out the rights attaching to the Deferred Shares and otherwise as appropriate to reflect the Capital Reorganisation.

Resolution 4

Resolution 4, which is proposed as an ordinary resolution, authorises the Directors to allot New Ordinary Shares and otherwise to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £380,514.97. This authority would be sufficient for the allotment and issue of:

- (a) 235,294,118 New Ordinary Shares (the Acquisition Shares) plus
- (b) 54,675,472 New Ordinary Shares, being the total number of shares in the capital of the Company in respect of which there are, as at 9 October 2009, options outstanding plus a further
- (c) 90,545,385 New Ordinary Shares, being the number of shares which equals 15.00 per cent. of the nominal amount of the issued voting share capital of the Company (i.e., the New Ordinary Shares) as it is expected to be immediately following the Capital Reorganisation and Completion, assuming that no options or other rights to subscribe for shares of the Company are exercised between the date of this document and Completion.

The authority in Resolution 4 would expire at the conclusion of the second annual general meeting of the Company following the date on which Resolution 4 is passed. At the date of this document, the Company's authorised but unissued share capital was £4,082,911.00, and so there is no need to increase the Company's authorised share capital to grant this authority.

Resolution 5

Resolution 4 would, on its terms, have the effect of revoking the disapplication of pre-emption rights passed at the Company's last annual general meeting in 2008. This disapplication related to the issue of equity securities (as defined in section 560(1) of the 2006 Act) up to an aggregate nominal value of £2,250,000 (representing 10.00 per cent. of the Company's authorised share capital at the time of giving notice of that annual general meeting). It would not be necessary for the Company to disapply pre-emption rights in respect of the issue of the Acquisition Shares at Completion, as they are being issued for non-cash consideration (and so fall outside of the requirement to offer shares first on a pre-emptive basis pursuant to section 561(1) of the 2006 Act). However, any allotment which is not carved out by the 2006 Act would have to be made on a pre-emptive basis. For this reason, the Directors propose Resolution 5, which is a special resolution to disapply pre-emption rights in connection with a rights issue, or in any case up to an aggregate nominal amount of £145,220.86, in each case for a period expiring at the conclusion of the second annual general meeting of the Company following the date on which Resolution 5 is passed. This is equivalent to the amount of the nominal value of all of the shares in the capital of the Company in respect of which there are, as at 9 October 2009, options outstanding plus 15.00 per cent. of the nominal amount of the issued voting share capital of the Company (i.e., the New Ordinary Shares) as it is expected to be immediately following the Capital Reorganisation and Completion, assuming that no options or other rights to subscribe for shares of the Company are exercised between the date of this document and Completion. Resolution 5 is conditional on the passing of Resolution 4.

12. Irrevocable undertakings

Irrevocable undertakings from the Independent Shareholders

The Company has received irrevocable undertakings (“**Independent Undertakings**”) from the Independent Shareholders listed below (including each of the Independent Directors who holds Shares), holding in aggregate 141,938,244 Existing Ordinary Shares, representing approximately 38.54 per cent. of the Existing Share Capital. Pursuant to the Independent Undertakings, each such Independent Shareholder confirms that he is the absolute beneficial owner of the Existing Ordinary Shares set out in the table below, or else that he has the authority to direct the voting rights in respect of such Existing Ordinary Shares. In addition, each Independent Shareholder has undertaken: (a) to vote in favour of the Resolutions, provided that the Resolutions are substantially in the form set out in the Notice and the description of the consideration for the Acquisition is, in all material respects, as set out in the Circular; (b) not to sell, transfer or otherwise dispose of any of the Existing Ordinary Shares which he holds at the date of signing the relevant Independent Undertaking, or any interest in such Existing Ordinary Shares prior to such time as the vote upon each of the Resolutions has been taken or the proposal to put the Resolutions has been abandoned; and (c) not to base any behaviour in relation to the securities of the Company or any qualifying investments or relevant products (as defined in the Financial Services and Markets Act 2000 (“**FSMA**”) and in the Code of Market Conduct made pursuant to FSMA), which would amount to market abuse for the purposes of FSMA, on such information. In addition, pursuant to the Independent Undertakings, each Independent Shareholder consents to the statement in this document that he has given the relevant Independent Undertaking.

Each Independent Undertaking will cease to be binding on the date which is three months from the date of such undertaking. The expiry date of each Independent Undertaking is set out in the table below.

<i>Identity of person from whom the Independent Undertaking has been procured</i>	<i>Company in respect of which Independent Undertaking is given</i>	<i>Number and class of securities to which the Independent Undertaking relates</i>	<i>Percentage of Existing Share Capital (%)</i>	<i>Date of Independent Undertaking</i>	<i>Expiry date of Independent Undertaking</i>
David Mills	The Parkmead Group plc	63,146,567 Existing Ordinary Shares	17.14	23.09.09	23.12.09
Trustees on behalf of a trust in which Colin Goodall has an interest	The Parkmead Group plc	12,000,000 Existing Ordinary Shares	3.26	16.09.09	16.12.09
Niall Doran	The Parkmead Group plc	35,491,677 Existing Ordinary Shares	9.64	10.09.09	10.12.09
Gordon Ashworth	The Parkmead Group plc	200,000 Existing Ordinary Shares	0.05	10.09.09	10.12.09
John Leggate	The Parkmead Group plc	800,000 Existing Ordinary Shares	0.22	23.09.09	23.12.09
Nightwish Investments Limited	The Parkmead Group plc	30,300,000 Existing Ordinary Shares	8.23	10.09.09	10.12.09
TOTAL		141,938,244 Existing Ordinary Shares	38.53		

Accordingly, the Company has received irrevocable undertakings to vote in favour of the Resolutions (including the Whitewash Resolution) in respect of, in aggregate, 141,938,244 Existing Ordinary Shares representing approximately 38.54 per cent. of the Existing Share Capital.

Irrevocable undertakings from Thomas Cross and Linda Cross

The Company has also received irrevocable undertakings (“**Additional Undertakings**”) from Thomas Cross and Linda Cross, holding in aggregate 14,000,000 Existing Ordinary Shares, representing approximately 3.80 per cent. of the Existing Share Capital. Pursuant to the Additional Undertakings, each of Thomas Cross and Linda Cross confirms that he or she is the absolute beneficial owner of the Existing Ordinary Shares set out in the table below, or else that he or she has the authority to direct the voting rights in respect of such Existing Ordinary Shares. In addition, each of Thomas Cross and Linda Cross has undertaken: (a) to vote in favour of the Resolutions other than the Whitewash Resolution, provided that such Resolutions are substantially in the form set out in the Notice and the description of the consideration for the Acquisition is, in all material respects, as set out in the Circular; (b) not to sell, transfer or otherwise dispose of any of the Existing Ordinary Shares which he or she holds at the date of signing the relevant Independent Undertaking, or any interest in such Existing Ordinary Shares prior to such time as the vote upon each of the Resolutions has been taken or the proposal to put the Resolutions has been abandoned; and (c) not to base any behaviour in relation to the securities of the Company or any qualifying investments or relevant products (as defined in the Financial Services and Markets Act 2000 (“**FSMA**”) and in the Code of Market Conduct made pursuant to FSMA), which would amount to market abuse for the purposes of FSMA, on such information. In addition, pursuant to the Additional Undertakings, each of Thomas Cross and Linda Cross consents to the statement in this document that he or she has given the relevant Additional Undertaking.

Each Additional Undertaking will cease to be binding on the date which is three months from the date of such undertaking. The expiry date of each Additional Undertaking is set out in the table below.

<i>Identity of person from whom the Additional Undertakings has been procured</i>	<i>Company in respect of which Additional Undertakings is given</i>	<i>Number and class of securities to which the Additional Undertakings relates</i>	<i>Percentage of Existing Share Capital (%)</i>	<i>Date of Additional Undertakings</i>	<i>Expiry date of Additional Undertakings</i>
Thomas Cross	The Parkmead Group plc	12,000,000 Existing Ordinary Shares	3.26	10.09.09	10.12.09
Linda Cross	The Parkmead Group plc	2,000,000 Existing Ordinary Shares	0.54	10.09.09	10.12.09
TOTAL		14,000,000 Existing Ordinary Shares	3.80		

Accordingly, the Company has received irrevocable undertakings from Shareholders to vote in favour of the Resolutions, other than the Whitewash Resolution, in respect of, in aggregate, 155,938,244 Existing Ordinary Shares representing approximately 42.34 per cent. of the Existing Share Capital.

A summary of the number of shares in respect of which the Company holds irrevocable undertakings to vote in favour of the Whitewash Resolution and the Resolutions other than the Whitewash Resolution is set out in paragraph 5 of Part 5 of this document.

13. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company’s registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 9:30 a.m. on 31 October 2009. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she so wish.

You should also note that pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Notice specifies that only those Shareholders registered in the relevant register of securities of 6 p.m. on Saturday, 31 October 2009 or, in the event that the General Meeting is adjourned, in the the relevant register of securities 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote in respect of the number of Existing Ordinary Shares registered in their name at the relevant time.

Changes to entries in the relevant register of securities after 6:00 p.m. on Saturday, 31 October 2009 or, in the event that the General Meeting is adjourned, less than 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 General Meeting. Completion of the form of proxy will not preclude you from attending the meeting and voting in person if you so choose.

14. Further information

A significant proportion of Aupec's revenues are denominated in US dollars and as such are subject to the risk of currency exchange fluctuations. In addition, around 75 per cent. of Aupec's revenue is derived from a three year contract with a developing world government ministry. The contract, which is governed by the local law of the Aupec counterparty, expires on 24 March 2011, and may be terminated by the counterparty in a number of instances, including in the case of an unremedied breach, the occurrence of serious mistakes, negligence or omissions imputable to Aupec or any force majeure event which has continued for six months. In the event that this contract is terminated (or not renewed), Aupec's revenue stream and profitability could be materially impaired.

15. Recommendation

The Independent Directors, who have been so advised by Charles Stanley, consider that the Proposals are fair and reasonable and in the best interests of the Company, the Independent Shareholders and Shareholders as a whole. In providing advice to the Independent Directors, Charles Stanley has taken into account the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that the Shareholders vote in favour of the Resolutions, as those Independent Directors holding Existing Ordinary Shares have irrevocably undertaken to do in respect of their beneficial holdings amounting, in aggregate, to 48,491,677 Existing Ordinary Shares, representing approximately 13.16 per cent. of the Existing Share Capital.

Voting on the Whitewash Resolution will be by means of a poll of Independent Shareholders and the Concert Party will not vote on the Whitewash Resolution at the General Meeting.

Yours faithfully

Colin Goodall
Chairman

PART 2

INFORMATION ON AUPEC LIMITED

1. Overview

Aupec is a private company which was established in 1986 to commercialise on the accumulated skills of members of the University of Aberdeen's Department of Economics. Aupec has since grown into a reputable global authority in energy sector economics, valuation and benchmarking and has been providing impartial economic consultancy services to the oil and gas sector for over 20 years. Aupec has built a reputation for delivery of high quality decision support tools and consulting advice across the oil, financial and public sectors.

2. History

1986

Aupec (originally known as Aberdeen University Petroleum and Economic Consultants) was established in 1986 as an operating division of Aberdeen University Research and Industrial Services Limited (AURIS), the commercial arm of the University of Aberdeen, with the purpose of commercialising the accumulated skills of members of the University of Aberdeen's Department of Economics. Research that examined the economic aspects of oil and gas taxation had been ongoing since the mid-1970s under the leadership of Professor Alexander Kemp.

The core competencies of Aupec related to the economic and financial analysis of investments in exploration and production activity in the petroleum industry. Aupec's services made use of computerised modelling techniques to examine risk and reward sharing between governments and petroleum companies. Early consultancy services were delivered to government ministries and agencies requiring policy and technical economic advice. Oil and gas companies and service sector companies also utilised Aupec's knowledge of petroleum sector activity and modelling skills to forecast and predict future market trends.

The earliest Aupec assignments involved delivery of services in newly prospective areas such as Denmark and the Falkland Islands, and in mature petroleum provinces such as Alaska. International diversification continued in the 1990s with major assignments in many parts of the world including Australia, Azerbaijan, Kazakhstan, Russia, Uzbekistan, Venezuela and the Faroe Islands.

1990

In 1990 Aupec launched benchmarking services for the oil industry. Aupec's increasing international profile as an independent and objective advisor earned the company new opportunities in 1990 when North Sea oil companies invited Aupec to provide comparative IT benchmarking services for upstream subsidiaries. Further diversification occurred in 1994 with the launch of a global downstream IT benchmarking service for refining, supply and marketing companies.

1997

Aupec was established as a limited company in 1997, and Thomas Cross was appointed as chairman.

1999

Aupec continued to grow and moved to new premises on Aberdeen Science and Technology Park.

2000

A successful management buy-out was completed in 2000 with the management team, comprising Thomas Cross, Professor Alex Kemp and David Rose, buying the majority of the University's shares in Aupec.

2001

Aupec began working in Angola under the auspices of the World Bank in 2001. David Reading was appointed a director and Donald MacKay joined as managing director.

2002

Aupec continued to grow and undertook a successful equity raising exercise to provide growth funds.

2006

Linda Cross joined Aupec as a shareholder and a director.

2008

Members of the management team – Thomas Cross, Donald MacKay and David Reading – bought the University's remaining shares and Aupec became fully independent.

3. Directors

3.1 Directors' biographies

Thomas Cross, Chairman

Thomas Cross is chairman of Aupec and a founder and the chief executive officer of Dana Petroleum plc, an independent FTSE 250 international oil company. Mr Cross, a Chartered Director, is a petroleum engineer and economist by profession. Earlier in his career he held senior positions with Conoco, Thomson North Sea and Louisiana Land and Exploration. Before founding Dana Petroleum plc, he was Director of Engineering at the UK's Petroleum Science and Technology Institute. Mr Cross is a former chairman of the Society of Petroleum Engineers, a former advisor to BBC Radio on oil affairs and is currently chairman of BRINDEX (The Association of British Independent Oil Companies).

Donald MacKay, Managing Director

Donald MacKay is the managing director of Aupec. He has formerly held various senior international finance and operational positions with Unocal Corporation (now part of Chevron). A chartered accountant, he is a corporate finance and project finance specialist with over 25 years' experience in the oil industry. He has extensive international work experience, having worked in the Middle East, South East Asia and Africa as well as in the US and the UK. He is a non-executive director of MG ALBA, a public sector body responsible for funding and broadcasting Gaelic language television.

Professor Alex Kemp OBE, Non-executive Director

Alexander G. Kemp is a director and founder of Aupec. He is also currently Professor of Economics at the University of Aberdeen. He previously worked for Shell, the University of Strathclyde and the University of Nairobi. For many years he has specialised in research in petroleum economics with special reference to licensing and petroleum taxation issues. He has published over 200 books and papers in this field, including *Petroleum Rent Collection around the World* (Institute for Research on Public Policy, Nova Scotia: 1987). He was awarded the OBE for services to the oil and gas industry in 2006.

David Rose, Director

David Rose is a director and co-founder of Aupec. He worked with Professor Kemp during the 1980s on the University of Aberdeen oil and gas economics research programme. He was instrumental in developing Aupec's economic modelling and forecasting expertise through the creation of a suite of computerised economic cash flow models. He became Aupec's first executive director in 1986. From 2000 until 2008 he directed Aupec's benchmarking services, which have grown to be a significant aspect of Aupec's business. Today he is developing Aupec's valuation unit, providing services to the oil exploration and production and financial communities.

David Reading, Director

David Reading is director of economics at Aupec. He began his career in government as an economic statistician, later becoming involved in the University of Aberdeen's oil and gas economics research. With Professor Kemp he published papers on energy taxation issues in the North Sea and worldwide. As a consultant with Aupec he has undertaken commercial assignments for oil and gas companies and governments around the world and leads Aupec's economics team,

including Angolan operations. He is a frequent instructor on Aupec led training courses and currently contributes to the University of Aberdeen's Oil and Gas Enterprise Management M.Sc. program.

Linda Cross, Non-executive Director

Linda Cross is a non-executive director of Aupec. She has extensive experience of the energy sector, having worked initially for Conoco (now ConocoPhillips) and then spending over 11 years with Chevron, as a petroleum engineer and economist with a particular expertise in project decision risk analysis. Latterly she has concentrated on strategic business planning and financial management. Mrs Cross has a wide range of business activities, serving on the boards of a number of companies including a business strategy advisor in the energy sector, two food production companies and three companies involved in commercial property development.

3.2 Information on the members of the Concert Party

Details of the names of companies and partnerships (excluding directorships of the Company or of its subsidiaries) of which each Concert Party member who will be the holder of at least 5.0 per cent. of the Enlarged Ordinary Share Capital is or has been a member of the administrative, management or supervisory bodies or a partner at any time in the five years preceding the date of this document:

<i>Name</i>	<i>Current directorship/partnerships</i>	<i>Past directorships/partnerships</i>
Linda Cross	Aupec Limited Energy Management Associates Limited Trawlpac Seafoods Limited Tilestamp Limited Anglo Nordic Seafoods Limited Scottish Fish Merchants Federation Limited Obsidian Resources Limited Octagon Property Development Limited	—
Thomas Cross	Aupec Limited Dana Petroleum plc Dana Petroleum (E&P) Limited Energy Management Associates Limited Tilestamp Limited Bow Valley Petroleum (UK) Limited	Dana Petroleum (Russia) Ltd (resigned 02.02.00) Aberness Limited (resigned 31.05.02)
David Rose	Aupec Limited	—
Alexander Kemp	Aupec Limited	—

No member of the Concert Party who will be the holder of at least 5.0 per cent. of the Enlarged Ordinary Share Capital, for at least the previous five years:

- 3.2.1 has had any convictions in relation to fraudulent offences; or
- 3.2.2 has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such member of the Concert Party; or
- 3.2.3 has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or

- 3.2.4 has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- 3.2.5 has had any public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- 3.2.6 has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

4. Current trading and prospects

Aupec has traded profitably since 2006 and has established benchmarking and economics divisions that have produced consistent income for a number of years. The company has proven itself able to attract contracts from a variety of sources including government departments, the oil and gas majors, national oil companies and the independent oil and gas sector.

Aupec's main contract is with a developing world government ministry and is a three year contract that makes up around 75 per cent. of Aupec's revenue. There is significant potential to develop further contracts of a similar size, in particular by exploiting the relationships brought to the Enlarged Group by the Company.

Trading for Aupec since 31 December 2008, the date of Aupec's interim results have been below management's expectations solely as a result of a foreign exchange loss. Aupec's management accounts for the six month period ended 30 June 2009 report a turnover of £1,540,000 (2008: £1,160,000) and a loss of £140,000 (2008: profit £190,000). Despite an increase in the gross profit margin in comparison to the prior year from 20 per cent. to 27 per cent., a loss has arisen due to a foreign exchange loss of £310,000 occurring in the current year. The foreign exchange loss was a result of the retranslation of cash held in a US dollar dominated bank account into British pounds for the purposes of financial reporting. Please refer to Part 3 for the profit attributable to Aupec for the year ended 31 December 2008.

PART 3

FINANCIAL INFORMATION ON AUPEC LIMITED

1. Profit and loss account for the years ended 31 December 2008, 31 December 2007 and 31 December 2006

	2008 £	2007 £	2006 £
Turnover	2,711,096	2,762,649	2,288,268
Cost of sales	<u>1,952,717</u>	<u>1,765,236</u>	<u>1,523,806</u>
Gross profit	758,379	997,413	764,462
Administrative expenses	469,071	513,276	592,838
Exchange (gain)/loss	<u>(485,552)</u>	<u>7,668</u>	<u>—</u>
Operating profit	774,860	476,469	171,624
Interest receivable	(46,036)	(48,673)	(22,448)
Interest payable	<u>1,688</u>	<u>2,685</u>	<u>3,440</u>
Profit on ordinary activities before taxation	819,208	522,457	190,632
Taxation	<u>180,485</u>	<u>185,826</u>	<u>4,000</u>
Profit for the financial year	<u><u>638,723</u></u>	<u><u>336,631</u></u>	<u><u>186,632</u></u>

2. Balance Sheet – the years ended 31 December 2008, 31 December 2007 and 31 December 2006

	2008 £	2007 £	2006 £
Fixed Assets			
Intangible assets	10,517	22,425	37,080
Tangible assets	23,631	26,829	27,469
Investments	<u>—</u>	<u>566</u>	<u>566</u>
	<u>34,148</u>	<u>49,820</u>	<u>65,115</u>
Current Assets			
Stocks	22,033	4,800	15,200
Debtors	657,008	257,321	113,787
Cash at bank and in hand	<u>3,057,529</u>	<u>1,301,976</u>	<u>932,621</u>
	<u>3,736,570</u>	<u>1,564,097</u>	<u>1,061,608</u>
Creditors: amounts falling due within one year	<u>2,434,003</u>	<u>915,247</u>	<u>760,322</u>
Net Current Assets	<u>1,302,567</u>	<u>648,850</u>	<u>301,286</u>
Total Assets Less Current Liabilities	1,336,715	698,670	366,401
Creditors: amounts falling due after more than one year	<u>—</u>	<u>678</u>	<u>5,040</u>
	<u>1,336,715</u>	<u>697,992</u>	<u>361,361</u>
Capital and Reserves			
Called up share capital	7,692	7,692	7,692
Share premium	335,808	335,808	335,808
Profit and loss account	<u>993,215</u>	<u>354,492</u>	<u>17,861</u>
Shareholders Funds	<u><u>1,336,715</u></u>	<u><u>697,992</u></u>	<u><u>361,361</u></u>

3. Significant accounting policies

Work in progress

Work in progress costs comprise direct materials, direct labour in relation to work in progress and an element of overhead recovery of direct overheads. Revenue is recognised to the extent that Aupec has obtained the right to consideration through its performance.

Long term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of the work carried out at the year end, by recording turnover and related costs (as defined in work in progress above) as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for the contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

4. Inflation adjustment

Information in relation to paragraphs 1 and 2 above has not been published in an inflation adjusted form.

PART 4

FINANCIAL INFORMATION ON THE PARKMEAD GROUP PLC

Incorporation of relevant information by reference

The information listed below relating to the Company is hereby incorporated by reference into this document.

<i>No</i>	<i>Information</i>	<i>Source of information</i>
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for the Company for the three years ended 30 June 2008	<p>The Parkmead Group Plc Annual Report & Accounts 2008 (prepared in accordance with IFRS), Consolidated Income Statement on page 12, Note 24, Taxation on ordinary activities on page 35 and Note 5 Loss per share on page 20.</p> <p>The Parkmead Group Plc Annual Report & Accounts 2007 (prepared in accordance with UK GAAP), Consolidated Income Statement (this was called Consolidated Profit and Loss Account under UK GAAP) on page 11, Note 9, Taxation on ordinary activities on pages 23-24 and Note 11 Loss per share on page 25.</p> <p>The Parkmead Group Plc Annual Report & Accounts 2006 (prepared in accordance with UK GAAP), Consolidated Income Statement (this was called Consolidated Profit and Loss Account under UK GAAP) on page 13, Note 10, Taxation on ordinary activities on pages 25-26 and Note 12 Loss per share on page 27.</p> <p>If you are reading this document in hard copy, please enter in your web browser the relevant web address stated below to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>The Parkmead Group Plc Annual Report & Accounts 2008: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/ParkmeadAR2008FINAL.pdf</p> <p>The Parkmead Group Plc Annual Report & Accounts 2007: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/AnnualReportandAccounts07.pdf</p> <p>The Parkmead Group Plc Annual Report & Accounts 2006: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/Parkmead_AR20062.pdf</p>
2.	Details relating to the items referred to in 1 above in respect of the interim statement for the Company for the six months ending 31 December 2008	<p>The Parkmead Group Plc Interim Report 2008 (prepared in accordance with IFRS), Condensed Consolidated Income Statement on page 4 and Loss per share on page 4.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>Interim Results for the 6 months ended 31 December 2008: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/1InterimResults_310309.pdf</p>

<i>No</i>	<i>Information</i>	<i>Source of information</i>
3.	A statement of the assets and liabilities shown in the audited accounts for the Company for the year ended 30 June 2008	<p>The Parkmead Group Plc Annual Report & Accounts 2008 (prepared in accordance with IFRS), Consolidated Balance Sheet on page 11.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>The Parkmead Group Plc Annual Report & Accounts 2008: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/ParkmeadAR2008FINAL.pdf</p>
4.	A cash flow statement as provided in the audited accounts for the Company for the year ended 30 June 2008	<p>The Parkmead Group Plc Annual Report & Accounts 2008 (prepared in accordance with IFRS), Consolidated Cash Flow Statement on page 13.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>The Parkmead Group Plc Annual Report & Accounts 2008: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/ParkmeadAR2008FINAL.pdf</p>
5.	Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures	<p>The Parkmead Group Plc Annual Report & Accounts 2008 (prepared in accordance with IFRS), the Statement of Accounting Policies on pages 14 to 19 and the Notes to the Accounts on pages 14 to 44.</p> <p>The Parkmead Group Plc Annual Report & Accounts 2007 (prepared in accordance with UK GAAP), the Statement of Accounting Policies on pages 16 to 18 and the Notes to the Accounts on pages 16 to 41.</p> <p>The Parkmead Group Plc Annual Report & Accounts 2006 (prepared in accordance with UK GAAP), the Statement of Accounting Policies on pages 18 to 21 and the Notes to the Accounts on pages 18 to 43.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>The Parkmead Group Plc Annual Report & Accounts 2008: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/ParkmeadAR2008FINAL.pdf</p> <p>The Parkmead Group Plc Annual Report & Accounts 2007: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/AnnualReportandAccounts07.pdf</p> <p>The Parkmead Group Plc Annual Report & Accounts 2006: http://www.parkmeadgroup.com/parkmeadgroup/uploads/reports/Parkmead_AR20062.pdf</p>

6. Changes in the Company's accounting policies

The Company's accounting policies changed during the three year period for which financial information is given in this Part 4. The financial information relating to the Company in respect of the annual report for the year ended 30 June 2008 and in respect of the interim results for the six months to 31 December 2008 has been prepared in accordance with IFRS. The financial information stated for the year ended 30 June 2007 in the annual report for the year ended 30 June 2008 has also been prepared in accordance with IFRS. Financial information in this document relating to the Company in respect of the years ended 30 June 2006 and 30 June 2007 has been prepared in accordance with UK GAAP. However, despite the change in the Company's accounting policy, figures are comparable to a material extent.

7. Inflation adjustment

Information in relation to 1, 2, 3 and 4 above has not been published in an inflation adjusted form.

8. General

The results for the Company for the three years ended 30 June 2006, 30 June 2007 and 30 June 2008 and for the six months ended 31 December 2008 are available free of charge and can be printed from the Company's website (<http://www.parkmeadgroup.com>). The Company will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such document should be directed to: The Company Secretary, The Parkmead Group Plc, 2nd Floor, Vigo House, 1-4 Vigo Street, London, W1S 3HT.

PART 5

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Directors, whose names appear below in paragraph 3.1, accept responsibility both individually and collectively for the information contained in this document save for the information for which the Concert Party accepts responsibility as set out in paragraph 1.2 below. 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 for which they are responsible contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The members of the Concert Party, whose names are set out in paragraph 4.3 below, accept responsibility both individually and collectively for the information contained in this document relating to Aupec and the information relating to the Concert Party. To the best of the knowledge and belief of each member of the Concert Party, who has taken all reasonable care to ensure that such is the case, the information relating to Aupec contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Details of the Acquisition

2.1 *Acquisition of shares in Aupec*

Subject to the conditions described in paragraph 2.3 below, on Completion, the Company will acquire the entire issued share capital of Aupec from the Vendors (listed in paragraph 4.5 below) in exchange for the payment to the Vendors of the cash consideration and the issue to the Vendors of the Acquisition Shares, each as described in sub-paragraph 2.2 below.

2.2 *Consideration*

The consideration payable for the Acquisition is to be satisfied through the issue to the Vendors of 235,294,118 New Ordinary Shares and the payment of £1,000,000 in cash. Each member of the Concert Party will receive the number of Acquisition Shares set out opposite his or her name in column (4) of paragraph 6.6 of this Part 5. The cash payment to be made by the Company will be financed entirely from the Company's own cash reserves, and no facility will be entered into or increased for the purpose of financing the Acquisition. Further, the Enlarged Group does not have any financing arrangements in place where repayment, payment of interest on, or security is dependent on the business of Aupec.

The Acquisition Shares will, when issued and fully paid, rank *pari passu* in all respects with the existing New Ordinary Shares of the Company, will be issued with the rights and subject to the restrictions set out in the memorandum and articles of association of the Company and will be entitled to participate in any dividend declared on or after the date of their issue.

Based upon the current Company share price of 1.475 pence per share on the last day of trading prior to posting this document the Directors value the total consideration payable for Aupec at approximately £4.47 million. The cash component of the Acquisition will be funded from the Company's cash reserves.

Application will be made to the London Stock Exchange to admit the Acquisition Shares to trading on AIM at least three business days prior to Completion. It is expected that Admission will become effective on AIM and that dealings will commence on AIM at 8.00 a.m. on 3 November 2009.

2.3 *Conditions and Termination Rights*

Pursuant to the Acquisition Agreement, Completion is conditional upon, amongst other things, (i) the Resolutions being passed and (ii) the Acquisition Shares being allotted and admitted to trading on AIM.

The Company has the right to terminate the Acquisition Agreement if prior to Completion:

- any of the Vendors is in material breach of the warranties it has given in the Acquisition Agreement as described further below (and a material breach is (i) a breach of any of the 'key' warranties given, which include title to the Aupec shares or (ii) a breach of other warranties where, amongst other things, the aggregate liability of the Vendors exceeds £100,000 (in aggregate));
- there is a material breach of any of the undertakings of the Vendors (as described in paragraph 2.7 below) as to the conduct of the Aupec business between signing of the Acquisition Agreement and Completion;
- the material contract (as described in paragraph 9 of this Part 5) is terminated by either party thereto.

The Vendors also have a right to terminate the Acquisition Agreement if prior to Completion:

- proceedings are brought against the Company or one of its subsidiaries, or the Company or one of its subsidiaries is involved in a dispute resolution process, having a value of at least £500,000 between posting of this document and Completion;
- the Company is in material breach of the warranties it has given in the Acquisition Agreement (as described in paragraph 2.6 below).

The Vendors are not a party to any other agreements or arrangements pursuant to which they could invoke or seek to invoke any conditions to the Acquisition.

2.4 Vendor warranties

The Acquisition Agreement contains certain warranties which are in a customary form for such a transaction. The Vendors are also entering into a tax covenant. Warranties were given as at 9 October 2009 (the date of signing the Acquisition Agreement).

2.5 Limitations on Vendor warranties

Liability for certain key warranties in the Acquisition Agreement (including as to title to the Aupec shares) is limited to £4,470,588 and these warranties are subject to any applicable statutory periods of limitation as to time. No claims may be brought by the Company under the tax covenant or under the tax warranties after the second anniversary of Completion. The period for bringing claims under any of the remaining warranties is limited in duration to the earlier of the approval by the Company's auditors of the audited accounts of the Enlarged Group and the first anniversary of Completion. The aggregate liability of the Vendors in respect of the remaining warranties and the tax covenant in the Acquisition Agreement will not exceed £500,000, and the Vendors shall not have any liability for any claim(s) brought by the Company in respect of such warranties unless each individual claim is for at least £15,000 and the aggregate amount of the claims brought is at least £100,000. The Vendors will be severally (and not jointly) liable under the Acquisition Agreement on the basis that no Vendor will be liable for a greater proportion of any claim against the Vendors than his proportion of the shares in Aupec being sold.

2.6 Company warranties

The Acquisition Agreement contains warranties from the Company in respect of the share capital of the Company (including as to any outstanding options).

2.7 Other protections

The Acquisition Agreement includes undertakings from the Vendors in relation to the conduct of Aupec's business between 9 October 2009 and Completion. Each of the Vendors has also given certain restrictive covenants, including, for a period of eighteen months following Completion, not directly to compete with the business of Aupec.

2.8 *Governing law*

The Acquisition Agreement is governed by English law, and the English courts have exclusive jurisdiction in respect of any claim brought under the agreement.

2.9 *The effect of the Acquisition on the Company*

Profit attributable to Aupec in the year ended 31 December 2008 amounted to £0.639 million (after tax). As at that date Aupec had net assets of £1,336,715. Consideration payable by the Company for Aupec amounts to £4.47 million (calculated with reference to the closing mid market price for the Existing Ordinary Shares as at 9 October 2009, being the last business day preceding the date of this document). This consideration will be satisfied by way of the payment of £1,000,000 in cash with the balance being satisfied by the allotment of 235,294,118 New Ordinary Shares. The effect on the Company will be to increase the strength of the Company's balance sheet by way of an increase in cash and net assets, and also to increase the Company's turnover significantly (see statements of the cash, net assets and turnover for each of Aupec (Part 3) and The Parkmead Group Plc (in its Interim Report 2008 posted at <http://www.parkmeadgroup.com>)).

2.10 *The effect of the Acquisition on Aupec*

There is significant potential to further expand Aupec's petroleum economics consultancy business in developing economies by exploiting the relationships brought to the Enlarged Group by the Company.

3. **Information on the Company**

3.1 *Directors of the Company*

<i>Name</i>	<i>Position</i>
Colin Goodall	<i>Non-executive Chairman</i>
Niall Doran	<i>Chief Executive Officer</i>
Gordon Ashworth	<i>Chief Financial Officer</i>
Thomas Cross	<i>Non-executive Director</i>
Faysal Hamza	<i>Non-executive Director</i>
John Leggate	<i>Non-executive Director</i>
Brian Wilson	<i>Non-executive Director</i>

The business address of each of the Directors is 2nd Floor, Vigo House, 1-4 Vigo Street, London W1S 3HT.

3.2 *Principal activities of the Company*

The principal activity of the Company is the provision of corporate advisory services and investing activities focused on the energy sector.

3.3 *Share capital of the Company*

The authorised and issued share capital of the Company (i) as at the date of this document and (ii) as it is expected to be immediately following Completion and the issue of the Acquisition Shares (assuming that no options or other rights to subscribe for shares of the Company are exercised between the date of this document and Completion) is set out below:

	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>£</i>	<i>Number</i>	<i>£</i>	<i>Number</i>
(i) Current				
Ordinary Shares £0.05	22,500,000.000	450,000,000	18,417,089.000	368,341,780
(ii) Post Capital Reorganisation				
Ordinary Shares £0.001	4,451,252.780	4,451,252,780	368,341.780	368,341,780
Deferred Shares £0.049	18,048,747.220	368,341,780	18,048,747.220	368,341,780
(iii) On issue of the Acquisition Shares				
Ordinary Shares £0.001	4,451,252.780	4,451,252,780	603,635.898	603,635,898
Deferred Shares £0.049	18,048,747.220	368,341,780	18,048,747.220	368,341,780

4. Information on Aupec

4.1 *Place and date of incorporation*

Incorporated in Scotland on 9 July 1997.

4.2 *Registered Office*

Davidson House, Campus 1, Aberdeen Science & Technology Park, Bridge of Don, Aberdeen AB22 8GT.

4.3 *Aupec Directors*

<i>Name</i>	<i>Position</i>
Donald MacKay	<i>Managing Director</i>
David Reading	<i>Director</i>
David Rose	<i>Director</i>
Linda Cross	<i>Non-executive Director</i>
Thomas Cross	<i>Non-executive Director</i>
Alexander Kemp	<i>Non-executive Director</i>

The business address of each of the Aupec directors is Davidson House, Campus 1, Aberdeen Science & Technology Park, Bridge of Don, Aberdeen AB22 8GT.

4.4 *Principal activities of Aupec*

The principal activity of Aupec is consulting on energy sector economics, valuation and benchmarking.

4.5 *Share capital and shareholders*

Aupec has an authorised share capital of 10,000 ordinary shares of £1 each. Aupec has an allotted, called up and fully paid up share capital of 7,692 ordinary £1 shares. The shareholders of Aupec (referred to in this document as the “Vendors” and the “Concert Party”) are:

<i>Name of Aupec shareholder</i>	<i>Holding of Aupec ordinary shares of £1 each</i>	<i>Percentage of Aupec shares held (%)</i>
Linda Cross	2,692	35.00
Thomas Cross	2,400	31.20
David Rose	1,500	19.50
Alexander Kemp	1,000	13.00
Donald MacKay	50	0.65
David Reading	50	0.65
TOTAL	7,692	100.00

5. Irrevocable undertakings

5.1 The Company has received irrevocable undertakings to vote in favour of the Whitewash Resolution from the following parties in respect of the Existing Ordinary Shares set out opposite his name:

<i>Name of Party</i>	<i>Existing Ordinary Shares held by party</i>	<i>Percentage of Existing Share Capital (%)</i>
Trustees on behalf of a trust in which Colin Goodall has an interest	12,000,000	3.26
Niall Doran	35,491,677	9.64
Gordon Ashworth	200,000	0.05
John Leggate	800,000	0.22
David Mills	63,146,567	17.14
Nightwish Investments Limited	30,300,000	8.23
TOTAL	141,938,244	38.53

5.2 The Company has received irrevocable undertakings to vote in favour of each of the Resolutions other than the Whitewash Resolution from the following parties in respect of the Existing Ordinary Shares set out opposite his or her name:

<i>Name of Party</i>	<i>Existing Ordinary Shares held by party</i>	<i>Percentage of Existing Share Capital (%)</i>
Trustees on behalf of a trust in which Colin Goodall has an interest	12,000,000	3.26
Niall Doran	35,491,677	9.64
Gordon Ashworth	200,000	0.05
Thomas Cross	12,000,000	3.26
Linda Cross	2,000,000	0.54
John Leggate	800,000	0.22
David Mills	63,146,567	17.14
Nightwish Investments Limited	30,300,000	8.23
TOTAL	<u>155,938,244</u>	<u>42.34</u>

6. Interests and dealings

6.1 For the purposes of this paragraph 6:

“acting in concert” has the meaning attributed to it in the Code;

“arrangement” includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

“associate” of any company includes:

- (a) its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies (for this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of “associated company” status);
- (b) its connected advisers and persons controlling, controlled by or under the same control as such connected advisers;
- (c) its directors and the directors of any company covered in (a) above (together in each case with their close relatives and related trusts); and
- (d) its pension funds or the pension funds of a company covered in (a) above;
- (e) any investment company, unit trust or other person whose investments an associate manages on a discretionary basis, in respect of the relevant investment accounts;
- (f) its employee benefit trusts, or the employee benefit trust of a company covered in (a) above; and
- (g) a company having a material trading arrangement with the company;

“connected adviser” has the meaning attributed to it in the Code;

“connected person” has the meaning attributed to it in section 252 of the 2006 Act;

“control” means an interest, or interests in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a General Meeting, irrespective of whether such interest or interests give de facto control;

“dealing” or “dealt” includes the following:

- (a) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to securities or of general control of securities;

- (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
- (c) subscribing or agreeing to subscribe for securities;
- (d) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
- (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities; or
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;

“derivative” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

“disclosure date” means 9 October 2009, being the latest practicable date prior to the posting of this document;

“disclosure period” means the period commencing on 12 October 2008, being the date 12 months prior to the date of the posting of this document and ending on the disclosure date;

“exempt fund manager” and “exempt principal trader” have the meanings attributed to them in the Code;

being “interested” in securities (or having an “interest” in such securities) includes where a person:

- (a) owns them;
- (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (d) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

“paragraph 1 associate” means, in relation to a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies (for this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of “associated company” status);

“relevant Aupec securities” means shares in Aupec which carry voting rights (or derivatives referenced thereby and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof);

“relevant securities” means shares in the Company which carry voting rights (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and

“short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

6.2 *Directors' interests (excluding options)*

As at the close of business on the disclosure date and as they are expected to be immediately after Completion, the interests in the issued share capital of the Company (excluding options over shares) of the Directors and their immediate families, related trusts and persons connected with them were as follows:

<i>Name of Director & connected persons</i>	<i>Existing Ordinary Shares currently owned by the Director & his connected persons</i>	<i>Percentage of Existing Share Capital owned by the Director & his connected persons (%)</i>	<i>Number of New Ordinary Shares Director & his connected persons are expected to hold following Completion</i>	<i>Percentage of issued New Ordinary Shares following Completion (%)</i>
Colin Goodall (through a related trust)	12,000,000	3.26	12,000,000	1.99
Niall Doran	35,491,677	9.64	35,491,677	5.88
Gordon Ashworth	200,000	0.05	200,000	0.03
Thomas Cross & Linda Cross	14,000,000	3.80	169,761,525	28.12
John Leggate	800,000	0.22	800,000	0.13
Brian Wilson	0	0.00	0	0.00
Faysal Hamza	0	0.00	0	0.00
Total	<u>62,491,677</u>	<u>16.97</u>	<u>218,253,202</u>	<u>36.16</u>

As at the close of business on the disclosure date, the Existing Ordinary Shares set out opposite the name of each relevant Director above were legally and beneficially owned by such Director save to the extent specifically provided. Subject to the Capital Reorganisation occurring, each such Existing Ordinary Share will be subdivided into one New Ordinary Share and one Deferred Share.

In addition to the 14,000,000 Existing Ordinary Shares owned by Thomas Cross and Linda Cross, Thomas Cross and Linda Cross have an interest in 73,414,701 and 82,346,824 Acquisition Shares, respectively, pursuant to the terms of the Acquisition Agreement. The issue of the Acquisition Shares to Thomas Cross and Linda Cross is conditional upon Completion occurring.

6.3 *Directors' options*

As at the close of business on the disclosure date, each of the following Directors had an interest, by way of option contract, in the number Existing Ordinary Shares set out opposite his name:

<i>Director</i>	<i>Number of Existing Ordinary Shares in respect of which option has been granted</i>	<i>Exercise price (for each Existing Ordinary Share)</i>	<i>Conditions</i>
Niall Doran	33,485,616	8 pence	Half of the options vest upon the Company's share price reaching 18 pence. The balance vest upon the share price reaching 27 pence
Gordon Ashworth	600,000	8 pence	Vest equally over 3 years from 2006

Neither Director will exercise his option prior to Completion (assuming the Resolutions are passed), and the number of shares under option (and the exercise price for each such share) following the Capital Reorganisation will remain the same.

6.4 *Interests of 3 per cent. or more (excluding Directors)*

Other than the Directors' interests set out above, the Directors are aware of the following interests that are or will be held directly or indirectly in 3 per cent. or more of the issued ordinary share capital of the Company as at the close of business on the disclosure date and as they are expected to be immediately after Completion:

<i>Name of Shareholder</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Share Capital (%)</i>	<i>Number of New Ordinary Shares Shareholder expected to hold following Completion</i>	<i>Percentage of issued New Ordinary Shares following Completion (%)</i>
David Mills	63,146,567	17.14	63,146,567	10.46
Schroder Investment Management	59,717,220	16.21	59,717,220	9.89
Ken Olisa	35,610,076	9.67	35,610,076	5.90
Nightwish Investment Limited	30,300,000	8.23	30,300,000	5.02
Liontrust Asset Management	12,266,003	3.33	12,266,003	2.03

6.5 *Dealings by Directors*

Existing Ordinary Shares were acquired by Directors on 19 June 2009 as set out below:

<i>Director</i>	<i>Number of Existing Ordinary Shares acquired</i>	<i>Price</i>
Thomas Cross	10,000,000	£0.01
Colin Goodall (through a related trust)	10,000,000	£0.01
Niall Doran	2,006,061	£0.01

Other than as set out immediately above, no member of the Concert Party or Director dealt in Existing Ordinary Shares during the disclosure period.

6.6 *Concert Party interests*

As at the close of business on the disclosure date and as they are expected to be immediately after Completion, the interests in the share capital of the Company of the members of the Concert Party and their immediate families, related trusts and persons connected with them were as set out below. Although each of Linda Cross and Thomas Cross are connected persons in relation to the other, the numbers below for each of Linda Cross and Thomas Cross do not include the other's holdings.

(1) <i>Concert Party member and address</i>	(2) <i>Existing Ordinary Shares owned by the Concert Party member & connected persons</i>	(3) <i>Percentage of issued Existing Share Capital owned by Concert Party member & connected persons (%)</i>	(4) <i>Acquisition Shares to be issued on Completion</i>	(5) <i>Number of New Ordinary Shares Concert Party & connected persons are expected to hold following Completion</i>	(6) <i>Percentage of issued New Ordinary Shares following Completion (%)</i>
Linda Cross Charnwood House Milltimber Aberdeen AB13 0AL	2,000,000	0.54	82,346,824	84,346,824	13.97
Thomas Cross Charnwood House Milltimber Aberdeen AB13 0AL	12,000,000	3.26	73,414,701	85,414,701	14.15
David Rose 56 Woodstock Road Aberdeen Aberdeenshire AB15 5JF	0	0	45,884,188	45,884,188	7.60
Alexander Kemp 7 Orchard Road Aberdeen Aberdeenshire AB2 3DP	0	0	30,589,459	30,589,459	5.07
Donald MacKay 534 King Street Aberdeen Aberdeenshire AB24 5SS	0	0	1,529,473	1,529,473	0.25
David Reading Sparhillock Cottage Panmure Gardens Potterton Aberdeenshire AB23 8UG	0	0	1,529,473	1,529,473	0.25
Total	<u>14,000,000</u>	<u>3.80</u>	<u>235,294,118</u>	<u>249,294,118</u>	<u>41.29</u>

As at the close of business on the disclosure date, one member of the Concert Party, namely Linda Cross, held 2,000,000 Existing Ordinary Shares and one member of the Concert Party, namely Thomas Cross, held 12,000,000 Existing Ordinary Shares, representing approximately 3.8 per cent. of the Existing Share Capital. The remaining members of the Concert Party held no such shares at that date.

Pursuant to the terms of the Acquisition Agreement, each member of the Concert Party has an interest in the number of Acquisition Shares set out opposite his name in column (4) above. The issue of Acquisition Shares pursuant to the Acquisition Agreement is conditional upon Completion occurring. It is anticipated that immediately after Completion the Concert Party will

hold 249,294,118 New Ordinary Shares, representing approximately 41.29 per cent. of the Company's issued ordinary share capital (assuming no options or other rights to subscribe for the Company's shares are exercised between the date of this document and Completion).

6.7 *Intentions of Concert Party*

The Concert Party is not intending to seek any changes to the board of directors of the Company and has confirmed its intention that the business of the Company will be allowed to continue in the same manner as at present with no intention to relocate the business, or to re-deploy any of the Company's fixed assets. However, were overhead cost savings or other such efficiencies to arise out of the creation of the Enlarged Group, then these would be implemented. The Concert Party is also not intending to prejudice the existing employment or employment rights, including pension rights, of any of the employees or management of the Group nor to procure any material change in the conditions of employment of any such employees or management.

It is the Concert Party's intention that the businesses of the Enlarged Group will continue in their current form. In particular, the Company will continue to be an investor in and provide advisory services to the energy sector. The Concert Party intends to build on the success of Aupec by leveraging off the relationships that the Company has built in the oil and gas sector. In particular, the Company has built strategic relationships in the Middle East and North Africa and the Concert Party considers that there are significant commercial opportunities to be pursued there.

6.8 *Interests held by Charles Stanley & Co. Limited*

At the close of business on 9 October 2009 (being the latest practicable date prior to the publication of this document), Charles Stanley & Co. Limited held no Existing Ordinary Shares on behalf of discretionary clients.

There have been no dealings in Existing Ordinary Shares by discretionary clients of Charles Stanley & Co. Limited during the disclosure period.

There have been no dealings in Existing Ordinary Shares by Charles Stanley & Co. Limited as principal during the disclosure period.

6.9 *Confirmatory statements with respect to Rule 9*

As at the close of business on the disclosure date, save as disclosed in this Part 5:

6.9.1 neither Aupec, nor any of Aupec's directors, nor any member of the Concert Party (nor any members of their respective immediate families, related trusts or connected persons), nor any person acting in concert with any of them, had any interest in or right to subscribe for, or had any short position in relation to, any relevant securities;

6.9.2 neither Aupec, nor any of Aupec's directors, nor any member of the Concert Party, nor any person acting in concert with any of them, has dealt in any relevant securities in the disclosure period;

6.9.3 no member of the Concert Party has borrowed or lent any relevant securities or relevant Aupec securities, save for any borrowed shares which have either been on-lent or sold;

6.9.4 neither the Company nor any of the Directors (nor any members of their respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to, or during the disclosure period dealt in any relevant securities or relevant Aupec securities;

6.9.5 no paragraph 1 associate of the Company had any interest in or right to subscribe for, or had any short position in relation to, or during the disclosure period dealt in any relevant securities or relevant Aupec securities;

- 6.9.6 no pension fund of the Company or of a paragraph 1 associate of the Company had any interest in or right to subscribe for, or had any short position in relation to, or during the disclosure period dealt in any relevant securities or relevant Aupec securities;
- 6.9.7 no employee benefit trust of the Company or of a paragraph 1 associate of the Company had an interest in or right to subscribe for, or had any short position in relation to, or during the disclosure period dealt in any relevant securities or relevant Aupec securities;
- 6.9.8 no connected adviser to the Company or to a paragraph 1 associate of the Company or to a person acting in concert with the Company, nor any person controlling, controlled by or under the same control as any such connected adviser (except for an exempt principal trader or exempt fund manager) had any interest in or right to subscribe for, or had any short position in relation to, or during the disclosure period dealt in any relevant securities or relevant Aupec securities;
- 6.9.9 no member of the Company nor any person acting in concert with the Company has borrowed or lent any relevant securities;
- 6.9.10 neither Aupec, nor any director of Aupec, nor any member of their immediate families, related trusts (so far as the directors are aware), connected persons, nor any persons acting in concert with any of them, had an interest or right to subscribe for relevant securities or any relevant Aupec securities or any short position in relation to, or during the disclosure period dealt in any relevant securities or any relevant Aupec securities;
- 6.9.11 neither the Company, nor any of the Directors, nor any member of their immediate families, related trusts (so far as the Directors are aware), connected persons, nor any persons acting in concert with any of them, had an interest or right to subscribe for relevant securities or any relevant Aupec securities or any short position in relation to, or during the disclosure period dealt in any relevant securities or any relevant Aupec securities;
- 6.9.12 no person who has an arrangement with the Company or any person who is an associate of the Company (by virtue of paragraphs (1), (2), (3) or (4) of the definition of associate in the Code) had an interest in or right to subscribe for any relevant securities or any relevant Aupec securities or any short position in relation to, or during the disclosure period dealt in any relevant securities or any relevant Aupec securities;
- 6.9.13 neither the Company nor any person acting in concert with the Company has borrowed or lent any relevant securities or any relevant Aupec securities, save for any borrowed shares which have either been on-lent or sold;
- 6.9.14 Aupec has not redeemed or purchased any relevant Aupec securities during the disclosure period; and
- 6.9.15 the Company has not redeemed or purchased any relevant securities during the disclosure period.

6.10 ***Relationships, arrangements and understandings***

Relationships with Directors

Thomas Cross, a non-executive director of the Company and a Shareholder, is also a director and shareholder of Aupec. Thomas Cross has a financial relationship with each of the Company and Aupec as he receives payment pursuant to service agreements with each.

Thomas Cross and Colin Goodall, a non-executive director of the Company, are also directors of Dana Petroleum plc (of which Colin Goodall is the chairman).

Relationships with Shareholders

As Thomas Cross and Colin Goodall are each both Directors and Shareholders, the disclosures above relating to relationships with Directors apply in each person's capacity as a Shareholder as well.

Relationships with Rule 3 adviser

There is a commercial relationship between Charles Stanley and Thomas Cross, but only to the extent that Thomas Cross is a non-executive director of the Company, a corporate client of Charles Stanley. Save for this commercial relationship, there is no relationship (personal, financial or commercial), arrangement or understanding between any of the Vendors and Charles Stanley (or any person who is, or is presumed to be, acting in concert with Charles Stanley).

7. Directors' remuneration and service agreements

The Company has entered into service contracts or letters of appointment with the Directors on the terms set out below:

<i>Name</i>	<i>Date of Agreement</i>	<i>Notice Period</i>	<i>Salary/fees p.a. as at the date of this document (£)</i>	<i>Value of benefits in kind</i>	<i>Compensation payable on termination of Agreement</i>
Colin Goodall	26 January 2006	3 months	£50,000	£Nil	£12,500
Faysal Hamza	15 August 2008	3 months	£20,000	£Nil	£5,000
John Leggate		3 months	£15,000	£Nil	£3,750
Brian Wilson	26 January 2006	3 months	£15,000	£Nil	£3,750
Thomas Cross	1 January 2007	3 months	£35,000	£Nil	£8,750
Niall Doran	8 June 2006	12 months*	£200,000	£173,320	£200,000
Gordon Ashworth	8 June 2006	12 months*	£110,000	£7,528	£110,000

The notice periods for each of Mr Gordon Ashworth and Mr Niall Doran were increased to twelve months from six months in December 2008.

None of the Directors has entered into service contracts with any other member of the Group, and save as disclosed above, none of the Directors' service contracts has been entered into or amended within six months of the date of this document.

Copies of the Directors' service contracts with the Company are available for inspection (see paragraph 15 of Part 5).

8. Material contracts – the Company

Save as set out below, no member of the Group has not entered into any material contract (not being a contract entered in the ordinary course of business) within the previous two years nor has any other contract been entered into which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group:

8.1 *Sale of Quayside Corporate Services Limited (“Quayside”)*

On 8 November 2007, the Company sold all of the issued shares in Quayside to David Mills in consideration of an initial payment to the Company by David Mills of £630,550.45 at completion and a deferred consideration of up to £1,969,449.55 on the occurrence of certain events specified in the sale and purchase agreement entered into between the parties. As at the date of this document, none of the deferred consideration, which is dependent upon the disposal of up to 25,267,779 Existing Ordinary Shares by David Mills at a price between 5p and 8p before 8 November 2012, had become payable. In connection with Quayside transaction, the Company gave warranties as to title and authority to sell.

8.2 *Professional fees in connection with an aborted reverse takeover*

During the year ended 30 June 2009 the Company pursued a transaction whereby it would have assumed control of a portfolio of producing and exploration assets. The transaction was aborted and in connection with the transaction, the Company incurred the following significant exceptional costs:

Charles Stanley	£84,000
PricewaterhouseCoopers LLP (due diligence review)	£50,170
PricewaterhouseCoopers LLP (tax advice)	£12,000
Herbert Smith LLP	£259,830

Engagement letter with Charles Stanley & Co. Limited

The Company entered into an engagement letter with Charles Stanley on 7 January 2009, pursuant to which Charles Stanley agreed to act as the Company's exclusive financial adviser and corporate broker in connection with the above transaction. The engagement letter, incorporating Charles Stanley's standard terms and conditions, provides that professional fees will be calculated on the achievement of specified milestones, as well as an initial fee and a fee for each month worked. The terms of the engagement letter exclude all liability to the Company save to the extent that the same arises from Charles Stanley's negligence, wilful default or fraud. In addition, the Company grants Charles Stanley a broad indemnity, including for any loss arising from any disclosure, failure to disclose, omission or breach from or by the Company. The engagement letter also provides that, where the Company has agreed to any exclusion or limitation of liability with any other person, where the amount that Charles Stanley is able to claim contribution from such other person (in connection with any claim by the Company against Charles Stanley) is reduced, the liability of Charles Stanley to the Company will be reduced correspondingly, and the Company indemnifies Charles Stanley for the amount of any increased liability of Charles Stanley to any third party resulting from any liability limitation agreement between the Company and any third party. The Company paid professional fees of £84,000 to Charles Stanley in connection with the transaction.

Engagement letter with PricewaterhouseCoopers LLP

The Company entered into an engagement letter with PricewaterhouseCoopers LLP ("**PwC**") on 11 November 2008 in connection with the above transaction. Pursuant to the engagement letter, PwC undertook to conduct a limited scope due diligence review of the business and financial affairs of the target. The engagement letter also provides that PwC may separately advise the Company in respect of the tax structuring of the transaction. The engagement letter, incorporating PwC's standard terms of business, provides that professional fees incurred within the agreed scope of work will be capped at £50,000 (excluding VAT). PwC's liability to the Company will be limited to £1,000,000 (and any claims must be commenced within three years of the date of the relevant report). Where more than one person is responsible for the Company's loss, PwC's liability will be limited to their proportionate share of the responsibility for the loss. The Company paid professional fees of £50,170 to PwC in connection with PwC's review.

Engagement letter with Herbert Smith LLP

The Company entered into an engagement letter with Herbert Smith LLP ("**Herbert Smith**") on 11 November 2008 in connection with the above transaction. The engagement letter, incorporating Herbert Smith's standard terms and conditions, provides that professional fees will be calculated by reference to time spent on the matter. The terms also provide that Herbert Smith's liability to the Company will not be increased as the result of the Company agreeing to limit the liability of any other adviser. The Company paid professional fees of £259,830 to Herbert Smith in connection with the transaction.

The Acquisition Agreement

See the summary of the terms of the Acquisition Agreement set out at paragraph 2 of Part 5.

9. Material contracts – Aupec

Aupec's main contract, which was entered into in the ordinary course of its business on 24 June 2008, is with a developing world government ministry and makes up around 75 per cent. of Aupec's revenues. The contract, which is not governed by English or Scottish law, expires on 24 March 2011, and may be terminated by the counterparty in the case of an unremedied breach, the occurrence of serious mistakes, negligence or omissions imputable to Aupec or any force majeure event which has continued for six months. In the event that this contract is terminated (or not renewed), Aupec's revenue stream and profitability could be materially impaired. Also, if payments under this contract are not paid for a significant period of time after their due and payable date, Aupec's revenue stream and working capital could be materially impacted. In addition to the risk of termination, payments pursuant to this contract are to be made in US dollars, and so there is a currency exchange risk.

There is significant potential to develop further contracts of a similar size, in particular by exploiting the relationship brought to the Enlarged Group by the Company.

Save for the contract described above, Aupec has not entered into any material contract (not being a contract entered in the ordinary course of business) within the previous two years nor has any other contract been entered into which contains any provision under which Aupec or any subsidiary of it has any obligation or entitlement which is material to the group.

10. Material changes

10.1 *Material changes to the Company*

The Group had significantly lower revenues from corporate finance advisory services in the year ended 30 June 2009, as a result of reduced transactional activity which is consistent with its strategy to refocus the advisory team on internal projects. Revenues were £161,000 for the year ended 30 June 2009 (2008: £1,283,000).

Operating expenses were significantly higher in the year ended 30 June 2009 as a result of the following:

- in the year ended 30 June 2009, the Group entered into negotiations for a corporate acquisition which failed to complete, incurring transaction-related costs of £419,000 (including the professional fees referred to in paragraph 8.2 of this Part 5); and
- two of the Group's unlisted investments (pre-impairment value of £2,215,000) and one of the Group's listed investments (pre-impairment value £1,333,000) are considered by the Directors to be impaired. The unlisted investments are considered to be fully impaired by £2,215,000. The listed investment is considered to be impaired by £1,244,000. As announced on 31 March 2009, within its interim results statement the Company charged £2,707,537 to impairment of investment for the period. These impairments have been charged to the Group's profit and loss account, subject to a full impairment review.

As announced on 31 March 2009, within its interim results statement the Group incurred a significant charge to the Income Statement due to the decrease in the value of warrants and right to convert in relation to a CA\$1,250,000 (£620,500) loan made to a listed investee company. Under IFRS this conversion right and warrants had been valued at £679,000 and were written down to £1,000 in the year ended 30 June 2009.

The Group is owed deferred consideration in respect of a divested unlisted investment. The deferred consideration is payable from the sale of 25,267,779 Existing Ordinary Shares, and is therefore dependent upon the market value of the Company's shares. A loss of £641,990 has arisen as a result of the revaluing of this deferred consideration with reference to the Company's share price as at 30 September 2009.

10.2 *Material changes to Aupec*

The Aupec management accounts for the 6 month period ended 30 June 2009 report turnover of £1,500,000 and a loss of £135,772. Gross margins have improved. However, performance has been held back by foreign exchange losses.

There have been no significant changes in Aupec's operations during the period.

Turnover

The turnover of £1,500,000 relates principally to the material contract referred to at paragraph 9 of this Part 5 (the "Material Contract"), which amounts to £1,100,000.

A Super Major IT Benchmarking (SMITB) contract has recently been won by Aupec. This has already commenced and is due to be completed in April 2010. The contract involves 6 participators – Shell, BP, Chevron, Conoco Philips, TOTAL and Exxonmobil. The total contract value is \$762,000 (\$127,000 per participator) and is payable in 4 instalments in September and November 2009 and February and April/May 2010 when the project is due to be completed.

Overheads

The overheads are broadly in line with the budget and the prior year.

Balance sheet

Debtors of £1,500,000 include the June 2009 sales invoice for £1,196,136 relating to the Material Contract. Creditors due within one year of £2,300,000 relates primarily to deferred income of £2,100,000 on the Material Contract to recognise a gross profit margin of 32 per cent. Cash as at 30 June 2009 amounted to £1,996,977.

11. **Working capital**

The Directors, having considered the trading prospects and cash flow forecasts of the Enlarged Group, are of the opinion that the Enlarged Group has sufficient resources for its present requirements and to continue trading for at least the 12 months following the publication of this document.

12. **Middle market quotation**

Shares in Aupec

The Aupec shares are not publicly traded and as such there is no middle market quotation for the Aupec shares.

Shares in the Company

Set out below are the closing middle-market quotations for the Existing Ordinary Shares, as derived from the AIM Appendix of the Daily Official List of the London Stock Exchange, for the first dealing day of each of the six months immediately preceding the date of this document and for 9 October 2009 (being the last practicable date prior to the publication of this document).

<i>Date</i>	<i>Price per Existing Ordinary Share (pence)</i>
9 October 2009	1.475 pence
1 October 2009	1.275 pence
1 September 2009	1.35 pence
3 August 2009	1.20 pence
1 July 2009	1.55 pence
1 June 2009	1.25 pence
1 May 2009	2.25 pence

For an analysis of the consideration payable for the Acquisition determined on the basis of the price of the Company's Existing Ordinary Shares on the last day of trading prior to posting this document, please see paragraph 2.2 of this Part 5.

13. General

- 13.1 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Concert Party or any person acting in concert with any such member and any Director or recent director of the Company, Shareholder or recent shareholder of the Company, or any person interested or recently interested in Existing Ordinary Shares or New Ordinary Shares, having any connection with or dependence upon the Acquisition.
- 13.2 No agreement, arrangement or understanding exists whereby the Acquisition Shares will be transferred to any person.

14. Consents

Charles Stanley is authorised and regulated in the United Kingdom by the Financial Services Authority. Charles Stanley has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.

15. Documents available for inspection

Copies of the following documents will be made available for inspection at the offices of the Company at 2nd Floor, Vigo House, 1-4 Vigo Street, London W1S 3HT during usual working hours on any weekday (Saturdays and public holidays excepted) from the date of this document up to the date of the General Meeting and at the place of meeting for 15 minutes prior to the meeting and for the duration of the meeting:

- (a) the Memorandum and Articles of Association of The Parkmead Group Plc;
- (b) the Memorandum and Articles of Association of Aupec;
- (c) the audited consolidated accounts of the Company for the years to 30 June 2007 and 30 June 2008;
- (d) the unaudited interim accounts of the Company for the six months to 31 December 2008;
- (e) the audited consolidated accounts of Aupec for the two years to 31 December 2008;
- (f) the material contracts referred to in paragraph 8 of this Part 5;
- (g) the consent letter from Charles Stanley Securities referred to in paragraphs 9 and 15 of Part 1 above;
- (h) the Directors' service contracts referred to in paragraph 7 of this Part 5;
- (i) the irrevocable undertakings referred to in paragraph 12 of Part 1 above;
- (j) the list of dealings in Existing Ordinary Shares referred to in paragraph 6.5 of this Part 5; and
- (k) this document.

PART 6

NOTICE OF GENERAL MEETING

THE PARKMEAD GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 3914068)

NOTICE IS HERBY GIVEN that a general meeting (“**General Meeting**”) of The Parkmead Group plc (the “**Company**”) will be held at the offices of Kemp Little LLP, Cheapside House, 138 Cheapside, London EC2V 6BJ at 9:30 a.m. on 2 November 2009 for the purposes of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as an ordinary resolution on a poll of the Independent Shareholders of the Company (as defined in the circular sent to shareholders of the Company dated 12 October 2009, the “**Circular**”), resolutions 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 grant of the waiver by the Panel on Takeovers and Mergers described in the Circular of any obligation which would otherwise arise under Rule 9 of the City Code on Takeovers and Mergers for Linda Cross, Thomas Cross, David Rose, Alexander Kemp, Donald MacKay and David Reading (“**the Concert Party**”) or any of them to make a general offer to shareholders of the Company as a result of the allotment and issue of the Acquisition Shares (as defined in the Circular) giving the Concert Party a maximum interest in the Company of 249,294,118 New Ordinary Shares, being approximately 41.29 per cent. of the Company’s issued ordinary share capital following Completion (as defined in the Circular) be and is hereby approved.
2. **THAT**, conditional upon Resolution 1 being passed, the acquisition by the Company of 5,092 Ordinary Shares in Aupec Limited from Thomas Cross (a director of the Company) and his wife, Linda Cross, in accordance with the terms of the Acquisition Agreement (as defined in the Circular) is in the best interests of the Company and the entering into (and implementation) of the Acquisition Agreement by the Company be and is hereby approved for the purposes of section 190(1) of the Companies Act 2006 (substantial property transactions).

SPECIAL RESOLUTION

3. **THAT:**
 - 3.1 each of the 368,341,780 issued Ordinary Shares of 5 pence in the capital of the Company (“**Existing Ordinary Shares**”) be and hereby is sub-divided and re-designated into one new ordinary share of 0.1 pence in the capital of the Company (“**New Ordinary Share**”) and one deferred share of 4.9 pence in the capital of the Company (“**Deferred Share**”), the New Ordinary Shares having attached to them the same rights as the Existing Ordinary Shares (as set forth in the articles of association of the Company) and the Deferred Shares having attached to them the rights and restrictions set out below;
 - 3.2 each of the 81,658,220 authorised and unissued Ordinary Shares of 5 pence in the capital of the Company be, and hereby is, re-designated and subdivided into 50 New Ordinary Shares;
 - 3.3 the articles of association of the Company be altered as follows:
 - 3.3.1 by inserting the following definitions in Article 2(a) in the appropriate alphabetical order:

“ Deferred Shares ”	has the meaning given in Article 3;’
“ New Ordinary Shares ”	has the meaning given in Article 3;’

“**ordinary shares**” New Ordinary Shares or such other ordinary shares in the capital of the Company as may be allotted from time to time (and “ordinary shareholder” shall be construed accordingly);’

3.3.2 by deleting the present Article 3 thereof and substituting it with a new Article 3 in the following form:

“3. The authorised share capital of the Company is £22,500,000 divided into 4,451,252,780 Ordinary Shares of 0.1 pence each (“**New Ordinary Shares**”) and 368,341,780 deferred shares of 4.9 pence each (“**Deferred Shares**”), each having the rights set out in these Articles.”

3.3.3 by the insertion of the following articles 3A and 3B after article 3:

“3A. The New Ordinary Shares shall have such rights and shall be subject to such restrictions as are expressed to attach to the shares and the ordinary shares in these Articles.

3B. Notwithstanding any other provisions of these Articles, the Deferred Shares shall have the following rights and be subject to the following restrictions:

3B.1 the holders of the Deferred Shares shall have no right to receive notice of, or attend, speak at or vote at, any general meeting of the Company;

3B.2 the holders of the Deferred Shares shall have no right to receive any dividend or other distribution;

3B.3 the holders of the Deferred Shares shall have no right to receive certificates in respect of their holdings of the Deferred Shares;

3B.4 the holders of the Deferred Shares shall, on a return of capital or on a winding up or otherwise, be entitled only to the repayment of the amounts paid up on such shares after the repayment of the capital paid up on the ordinary shares and the payment of £1,000,000 on each such ordinary share but the holders of the Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company;

3B.5 the rights attaching to the Deferred Shares shall not be modified, abrogated or varied by the issue of any shares ranking in priority thereto, by the redemption of any shares other than the Deferred Shares or by the cancellation of the Deferred Shares without any payment to the holders thereof;

3B.6 the creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of all the holders of the Deferred Shares a transfer thereof and/or agreement to transfer the same, without making any payment or obtaining the consent or sanction of the holders thereof, to the Company or such other person or persons as the Company may determine and to cancel the same in accordance with the Act or the Companies Act 2006 (as appropriate) without making any payment to or obtaining the sanction of the holders thereof and pending such transfer, to retain the certificates (if any) for such shares; and

3B.7 save as provided in Article 3B.6, the Deferred Shares are not transferable without the written consent of the Company.”

3.3.4 by the insertion of the words “and subject to Article 3B.3” after the words “Subject to the Statutes” in Article 12.1.

ORDINARY RESOLUTION

4. **THAT**, in substitution for all existing authorities, to the extent unused, and pursuant to section 551 of the Companies Act 2006 (the “**2006 Act**”), the directors of the Company be and they are hereby authorised generally and unconditionally to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £380,514.97 provided that this authority, unless renewed, shall expire at the conclusion of the second annual general meeting of the Company following the date on which this resolution is passed, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

5. **THAT**, subject to the passing of Resolution 4, the directors of the Company be and they are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (within the meaning of section 560(1) of the 2006 Act) for cash pursuant to the authority conferred by the previous resolution as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
- (a) in connection with or the subject of an offer or invitation, open for acceptance for a period fixed by the Directors, to holders of Ordinary Shares and such other equity securities of the Company as the directors may determine on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto (including equity securities which, in connection with such offer or invitation, are the subject of such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or otherwise howsoever); and
 - (b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £145,220.86,

and shall expire on the conclusion of the second annual general meeting of the Company after the passing of this resolution save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allocated after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred hereby has expired.

BY ORDER OF THE BOARD

Gordon Ashworth
Company Secretary

Dated: 12 October 2009

Registered Office:
1-4 Vigo House
Vigo Street
London W1S 3HT

NOTES TO THE NOTICE OF GENERAL MEETING

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the relevant register of securities by 6.00 p.m. on Saturday, 31 October 2009 or, in the event that the General Meeting is adjourned, in the relevant register of securities 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote in respect of the number of Ordinary Shares registered in their name at the relevant time. Changes to entries in the relevant register of securities after 6:00 p.m. on Saturday, 31 October 2009 or, in the event that the General Meeting is adjourned, less than 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 General Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. To appoint a proxy using the proxy form, the form must be completed and signed and returned to the Company's registrars, Capita Registrars, at Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received not later than 48 hours before the time appointed for holding the General Meeting.
4. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.
9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. In order to facilitate voting by corporate representatives at the General Meeting, arrangements will be put in place at the General Meeting so that:
 - 11.1 If a corporate shareholder has appointed the chairman of the General Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the General Meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for a sample form of appointment letter if the chairman is being appointed as described above.
 - 11.2 Where a corporate shareholder has appointed one or more corporate representatives (other than the chairman of the General Meeting) then:
 - 11.2.1 on a vote on a resolution on a show of hands, each such corporate representative has the same voting rights as the corporation would be entitled to; but
 - 11.2.2 in respect of any purported exercise of power other than on a vote on a resolution on a show of hands, where more than one corporate representative purports to exercise such power in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way but if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.

