

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 003029 of 2005

BEFORE THE HONOURABLE MR JUSTICE BLACKBURNE
MONDAY, THE 27TH DAY OF JUNE 2005

IN THE MATTER OF CASSIAN INVESTMENTS PLC
AND IN THE MATTER OF THE COMPANIES ACT 1985

DRAFT/ORDER

UPON THE PETITION OF CASSIAN INVESTMENTS PLC (hereinafter called "the Company") whose registered office is situated at 21 Knightsbridge, London SW1X 7LY presented to this Court on 14 June 2005

AND UPON HEARING Counsel for the Company

AND UPON READING the Petition and the evidence

THIS COURT ORDERS that the reduction of the capital of the Company from £5,000,000 divided into 500,000,000 Ordinary Shares of 1p each to £2,980,850 divided into 298,085,000 Ordinary Shares of 1p each by cancelling all 201,915,000 Partly Paid Ordinary Shares of 1p in issue resolved on and effected by a Special Resolution of the Company dated 10 June 2005 be and the same is hereby confirmed in accordance with the provisions of the above-mentioned Act.

THIS COURT HEREBY SANCTIONS the Scheme of Arrangement as set forth in the Schedule to the Petition and in the first Schedule hereto

AND THIS COURT APPROVES the Minute set forth in the second Schedule hereto

AND IT IS ORDERED that this Order be produced to the Registrar of Companies and that an office copy hereof be delivered to him together with a copy of the said Minute.



AND IT IS ORDERED that notice of the registration by the Registrar of Companies of this Order so far as it confirms the reduction of the capital of the Company and of the said Minute be published once in The Times newspaper within 21 days after such registration.

SCHEDULE 1

Scheme of Arrangement

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

No. 3029 of 2005

IN THE MATTER OF CASSIAN INVESTMENTS PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 1985

SCHEME OF ARRANGEMENT

(under section 425 of the Companies Act 1985)

BETWEEN

CASSIAN INVESTMENTS PLC

AND

ITS MEMBERS

PRELIMINARY

(A) In this Scheme of Arrangement, unless the context otherwise requires, the following words and phrases shall bear the meanings respectively set out against them:

“A Shares”	the new A ordinary shares of 2p each in the capital of the Company, to be created by the Resolutions and having the rights and obligations set out in the New Articles
“Act”	the Companies Act 1985, as amended from time to time
“Company” or “Cassian”	Cassian Investments PLC
“Court”	The High Court of Justice in England and Wales
“Court Hearing”	the hearing by the Court of the petition to sanction the Scheme under section 425 of the Act and to confirm the Reduction of Capital involved therein under Section

	137 of the Act
"Court Meetings"	the Partly Paid Shareholders meeting and the Fully Paid Shareholders Meeting
"Court Order"	the order of the Court sanctioning the Scheme under Section 425 of the Act and confirming the Reduction of Capital involved therein under Section 137 of the Act
"Circular"	the circular dated 17 May 2005 sent to the holders of 1p Shares (whether fully paid or partly paid) and, for information only, and to the extent they are not also holders of 1p Shares, to the holders of Warrants, the holders of Options, and the holders of Further Subscription Rights
"Deferred Shares"	deferred shares of 1p each in the capital of the Company having the rights and obligations set out in the New Articles
"Directors"	the directors of the Company whose names appear on page 9 of the Circular
"Effective Date"	the date on which the Scheme becomes effective in accordance with its terms
"Extraordinary Meeting" or "EGM"	General the extraordinary general meeting of the Company to be held on 10 June 2005 to approve the Extension to approve the Appointment, to approve and implement the Scheme, the Reduction of Capital, the Increase of Capital, notice of which is set out at the end of this document, including <i>any adjournment of it</i>
"Extension"	the extension to 31 December 2006 of the date by which the Company must put before Shareholders a proposed transaction
"Founders"	AIBWorthytrust Limited, Brewin Nominees

	Limited, Corporate Synergy plc and Pardeep Sandhu, the holders of all the 13,000,000 Fully Paid Shares in issue as at the date of the Circular
"Fully Paid Share(s)"	ordinary shares of 1p in the capital of the Company in issue and credited as fully paid
"Fully Paid Shareholders"	holders of Fully Paid Shares
"Fully Paid Shareholders Meeting"	the meeting of Fully Paid Shareholders, convened by the Court under Section 425 of the Act, notice of which is set out on page 33 of the Circular, including any adjournment of it
"Further Subscription Rights"	a right issued by the Company which entitles the holder to subscribe for one 1p Share at 2p per share at any time up to 31 October 2007 on the exercise of which it will be issued four Warrants
"Hearing Date"	the date of the Court Hearing
"holder"	includes any person entitled by transmission
"Initial Investors"	the persons who subscribed for an aggregate of 96,275,000 Partly Paid Shares in October 2000
"Initial Subscription"	the subscription, in October 2000 by the Initial Investors for 96,275,000 1p Shares at 2p payable as to 0.5p on allotment
"Investment Period"	the period, initially limited to 30 months from 30 December 2000 but extended to 25 December 2004 and then to the end of April 2005, during which the directors of the Company would seek to identify a transaction to be entered into by the Company and lay the proposals for such a transaction before the shareholders of the

	Company
“Meetings”	the EGM, the Partly Paid Shareholders Meeting and the Fully Paid Shareholders Meeting
“New Articles”	the new Articles of Association of the Company whose adoption forms part of the business to be proposed at the EGM
“Offer for Subscription”	the offer, contained in the Prospectus, under which the Company offered up to 200,000,000 1p shares at 2p per share partly paid as to 0.5p on allotment
“Options”	the options granted by the Company to Anton Bilton and Damian Aspinall giving each of them the right to subscribe for up to 5,000,000 1p Shares at 2p per share at any time up to 1 November 2007
“Overseas Shareholders	Scheme Shareholders whose registered address as at the Scheme Record Date is outside the United Kingdom
“Partly Paid Share(s)”	the ordinary shares of 1p in the capital of the Company in issue and credited as partly paid
“Partly Paid Shareholders”	holders of Partly Paid Shares
“Partly Paid Shareholders Meeting”	the meeting of Partly Paid Shareholders, convened by the Court under Section 425 of the Act, notice of which is set out on page 32 of the Circular, including any adjournment of it
“pounds”, “£”, “pence” or “p”	the lawful currency of the United Kingdom
“Prospectus”	the prospectus dated 29 November 2000 issued by the Company
“Reduction of Capital”	the reduction of the capital of the Company to be effected by cancelling the Scheme Shares proposed to be implemented as part

	of the Scheme
“Resolutions”	the resolutions to be proposed at the Meetings
“Scheme”	the proposed scheme of arrangement under section 425 of the Act between the Company and its Members as set out on pages 25 to 29 of the Circular, with, or subject to, any modification, addition or condition approved or imposed by the Court
“Scheme Completion”	the date that the Scheme becomes effective by the registration with the Registrar of Companies of the Court Order
“Scheme Record Date”	6.00 p.m. on the day immediately preceding the Hearing Date
“Scheme Shares”	the Partly Paid Shares of 1p in issue at the Scheme Record Date
“Scheme Shareholders”	holders of Scheme Shares
“Shareholders”	holders of 1p Shares
“1p Shares”	ordinary shares of 1p in the capital of the Company, whether fully paid or partly paid
“Shareholders”	holders of 1p Shares
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“Voting Record Time”	48 hours prior to the time of the Court Meetings convened by order of the Court to consider, and if thought fit, to approve, with or without modification, the Scheme or, if either or both Court Meetings are adjourned, 48 hours prior to the time of the adjourned meeting(s).
“Warrant”	a warrant issued by the Company which entitles the holder to subscribe for one 1p Share at 2p per share at any time up to 31 October 2007

- (B) The authorised share capital of the Company at the date of this Scheme is £5,000,000 divided into 500,000,000 ordinary shares of 1p each, of which as at the date of the Circular 13,000,000 were in issue and are fully paid, 201,915,000 are in issue and are partly paid as to 0.5p per share, and the remainder are unissued.
- (C) The purpose of this Scheme is to provide for the cancellation of the Scheme Shares, the release by the Company of the liability to it of the Scheme Shareholders under Section 101(4) of the Act and/or under Section 112 of the Act (as the case may be), the release of the Company from any liability to Scheme Shareholders arising from or in connection with the Initial Subscription and the Offer of Subscription, and the allotment to each Scheme Shareholder of one new A Share of 2p credited as partly paid to the extent of 0.5p for each Scheme Share held by him on the Scheme Record Date;

THE SCHEME

- 1 The share capital of the Company shall be reduced by cancelling and extinguishing altogether the Scheme Shares.
- 2 All and any liability or obligation on the part of the Company to Scheme Shareholders (whether present, future, prospective or contingent, fixed or undetermined, whether involving the payment of money or performance of an act and whether arising by statute (including but not limited to the Act), at common law, in equity in England and Wales or in any other jurisdiction or in any other manner whatsoever) arising from or in connection with the Initial Subscription or the Offer for Subscription or from the allotments made pursuant thereto shall be compromised, fully and finally discharged, satisfied and cancelled on the Effective Date automatically and without further documentation or action of the parties.
- 3 Forthwith and contingently upon the Reduction of Capital taking effect:
 - 3.1 the share capital of the Company shall be increased by the creation of such number of new A Shares as shall equal the number of Scheme Shares cancelled pursuant to Clause 1 of this Scheme; and
 - 3.2 the Company shall apply the credit arising in its books of account as a result of such reduction of capital in paying up, as to 0.5 p per share such number of new A Shares of 2p created to Clause 3.1 of this Scheme as shall equal in number the

number of Scheme Shares cancelled pursuant to Clause 1 of this Scheme.

- 4 In consideration of the cancellation of the Scheme Shares and the compromise, discharge, satisfaction and cancellation of the Company's liability as provided in Clause 2 of this Scheme, the Company shall:
 - 4.1 agree that the liability (if any) of Scheme Shareholders to the Company in respect of such Scheme Shares arising under Section 101(4) or under Section 112 of the Act be compromised, fully and finally discharged, satisfied and cancelled on the Effective Date automatically and without further documentation or action of the parties; and
 - 4.2 allot to each Scheme Shareholder one A Share (credited as partly paid as to 0.5p per share) for each Scheme Share held by him at the Scheme Record Date;
- 5 Subject to Clause 6 below, not later than 10 business days after the Effective Date, the Company shall allot and issue all of the A Shares which it is required to allot and issue pursuant to Clause 4.2 of this Scheme and shall deliver certificates for such A Shares to the persons entitled thereto.
- 6 The provisions of this Scheme shall take effect subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holder of Scheme Shares with a registered address outside the United Kingdom, the Company is advised that the allotment and issue of A Shares pursuant to Clause 4 would or may infringe the laws of any jurisdiction outside the United Kingdom or would or may require the Company to observe any governmental or other consent or any registration, filing or other formality then the Company may determine that no A Shares shall be allotted or issued to such holder, but shall instead be allotted to a nominee appointed by the Company on terms that the nominee shall, as soon as practicable following the Effective Date, sell the A Share(s) so allotted at the best price which can reasonably be obtained and shall account for the net proceeds of such sale (after the deduction of all expenses and commissions, including value added tax payable thereon) by sending a cheque to such Shareholder. None of the Company or the nominee shall have any liability for any loss arising as a result of the timing or terms of such sale. All cheques shall be made payable to the holder(s) of Scheme Shares concerned and the encashment of such cheque shall be a complete discharge to the Company for the money represented thereby
- 7 All deliveries of cheques or certificates required to be made pursuant to this

Scheme shall be made by sending the same through the post in prepaid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of the Company at the Scheme Record Date.

- 8 The Company shall not be responsible for any loss or delay in despatching of cheques or certificates sent in accordance with the provisions of this Scheme which shall be sent at the risk of the persons entitled thereto
- 9 As from the Effective Date all certificates representing Scheme Shares shall cease to be valid in respect of such shares and shall, at the request of the Company, be delivered for cancellation to the Company or to any person appointed by the Company to receive the same.
- 10 All mandates and other instructions to the Company in force at the close of business on the Effective Date relating to the payment of dividends on Scheme Shares and any instructions then in force as to notices and other communications shall, unless and until revoked or amended, be deemed as from the Effective Date to be valid and effective mandates and instructions to the Company in relation to the corresponding A Shares allotted and issued pursuant to this Scheme.
- 11 This Scheme is conditional upon and shall become effective immediately on satisfaction of the following conditions:
 - 11.1 the passing of Resolution 1 set out in the Notice of EGM contained at pages 30 and 31 of the Circular;
 - 11.2 the sanction of the Reduction of Capital and the confirmation of the Reduction of Capital by the Court, in either case with or without modification agreed to by the Company, and the delivery of an office copy of the court order sanctioning and confirming the Reduction of Capital to the Registrar of Companies in England and Wales and the registration of such Court Order by him;
 - 11.3 an office copy of the Order sanctioning the Scheme under Section 425 of the Companies Act 1985 having been duly delivered to the Registrar of Companies for registration and, in the case of the confirmation of the Reduction of Capital, registered by him;
- 12 Nothing in this Scheme evidences or constitutes any admission of the existence or enforceability of any liability on the part of the Company whether to Scheme Shareholders or at all and whether arising from or in connection with the Initial Subscription or the Offer of Subscription or from any allotments made

pursuant thereto or at all.

- 13 The Company may consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

SCHEDULE 2

MINUTE

"The capital of Cassian Investments plc ("the Company") was by virtue of a Special Resolution and of a Scheme of Arrangement sanctioned by an Order of the High Court of Justice dated 27 June 2005 reduced from £5,000,000 divided into 500,000,000 Ordinary Shares of 1p each to £2,980,850 divided into 298,085,000 Ordinary Shares of 1p each by cancelling all 201,915,000 Partly Paid Ordinary Shares of 1p in issue.

The said Special Resolution also provided that forthwith and contingently upon such reduction of capital taking effect the capital of the Company should be increased by the creation of such number of new A Ordinary Shares of 2p each as shall equal the number of Partly Paid Shares cancelled as aforesaid and the reserve arising as a result of such reduction of capital applied in paying up to the extent of 0.5p per share the new A Ordinary Shares so created which shall be allotted and issued to the Scheme Shareholders as defined in the Scheme.

Accordingly, by virtue of the said Special Resolution and of the Scheme of Arrangement sanctioned by the said Order, at the date of registration of this minute the capital of the Company is £7,019,150 divided into 298,085,000 Ordinary Shares of 1p each and 201,915,000 new A Ordinary Shares of 2p each, of which 13,000,000 Ordinary Shares of 1p each are in issue, the remaining shares being unissued."