

This letter has been approved for the purposes of Section 57 of the Financial Services Act 1986 by Corporate Synergy PLC, which is regulated by The Securities and Futures Authority Limited.

If you are unclear about anything in this letter, you are strongly recommended to seek advice from a duly authorised person under the Financial Services Act 1986.

Cassian Investments PLC

(registered in England and Wales number 3928553)

Drury House
34-43 Russell Street
London WC2B 5HA

29 November 2000

Dear Investor

Cassian Investments PLC ("Cassian" or the "Company") – Offer for subscription (the "Offer")

I enclose a prospectus relating to Cassian Investments PLC, a new shell company established by Anton Bilton, Damian Aspinall, Giles Baker and Alan Pereira which has already raised over £2m. Damian Aspinall and I have a successful track record in the establishment of quoted shell companies. Recent companies include:

- Internet Technology Group plc (subsequently taken over by Concentric Networks Corporation)
- Keystone Solutions Group Plc; and
- e-capital investments plc.

The Company has already raised over £2m and is seeking to raise up to an additional £4m so that it can either be acquired by or acquire a single business which will be suitable for listing on a regulated market. It is not intended that Cassian should be quoted prior to any such event.

Although the Directors will be considering the acquisition of (or the sale of the company to) a business in any market sector suitable for admission to a regulated market, they will particularly be looking at opportunities available in sectors capable of substantial and sustained growth, such as emerging technologies.

The Offer provides investors with the opportunity of participating at the same price as the existing investors and prior to any proposed acquisition/reverse takeover and subsequent quotation of Cassian's shares.

In order to provide potential subscribers with greater flexibility and gearing the Offer is being made on a partly paid basis with subscribers only having to invest 25% of their total investment, with the remainder being called upon only when an investment has been sourced and when shareholders in Cassian have approved that investment by vote at an EGM. The Founder Investors have paid for their shares in full.

The Founder Investors and Initial Investors and the new subscribers under the Offer are all investing at the same price per share although the former have received a number of warrants and the Founder Investors have also been issued with subscription rights.

Although initially Cassian will not be quoted on any market it is intended that the Company's ordinary shares and warrants will be quoted at the time of the intended acquisition of the chosen company.

Should a suitable transaction not be sourced by 29 May 2003 then the Company shall convene an EGM whereby shareholders can vote on the liquidation of the Company and the return of shareholders' funds.

If you have any questions regarding how to apply for shares in the Offer please telephone Alan Pereira on (020) 7235 0422

Yours faithfully,

Anton Bilton
Chairman



LD1
COMPANIES HOUSE

LFGUY404

0007
29/11/00

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities.

This document has been drawn up in accordance with the requirements of the Public Offers of Securities Regulations 1995 (as amended). Copies of this document and of the Application Form have been delivered for registration to the Registrar of Companies in England and Wales in accordance with regulation 4(2) of those Regulations.

The Directors of the Company, whose names appear on page 4, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

The share capital of the Company is not listed or dealt in on any stock exchange. It is emphasised that no application is being made for admission of the ordinary shares of the Company to the Official List, to trading on the Alternative Investment Market, for them to be traded on OFEX, or for there to be any dealing facility in the ordinary shares of the Company.

Your attention is drawn to the Risk Factors contained on page 8 of this document.

Cassian Investments PLC

(registered in England and Wales number 3928553)

Offer for Subscription

of

**up to 200,000,000 ordinary shares of 1p each at 2p per share,
partly paid as to 0.5p per share on application.**

Share capital following completion of the Offer if the Offer is subscribed for in full

<i>Authorised</i>			<i>Issued</i>	
<i>Number</i>	<i>£</i>		<i>Number</i>	<i>£</i>
500,000,000	5,000,000	Ordinary shares of 1p each (fully paid)	13,000,000	130,000
		Ordinary shares of 1p each (paid as to 0.5p)	296,275,000	2,962,750

The Offer will close at 3.00 p.m. on 22 December 2000 or such later time and date as the Directors shall decide. The procedure for application is set out in Part I of this document and the Application Form which accompanies this document. Applications will be processed on a first come first served basis.

Corporate Synergy PLC, regulated by the Securities and Futures Authority Limited, is acting for the Company in connection with the Offer and for no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Corporate Synergy PLC or for providing advice in relation to the Offer.

None of the existing Ordinary Shares, the Partly Paid Shares or the Application Form have been, or will be, registered under the United States Securities Act of 1933 (as amended). Accordingly, such shares may not be offered, sold, renounced, taken up or delivered, directly or indirectly, in or into the United States. Furthermore, such shares have not been and will not be registered under any of the relevant securities laws of Canada or Australia. Accordingly unless an exception under relevant securities laws is applicable such shares may not be offered, sold, renounced, taken up or delivered, directly or indirectly in or into Canada or Australia.

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TIMETABLE OF EVENTS

Prospectus dated and Offer opens	29 November 2000
Latest time and date for acceptance of Offer	3.00 p.m. on 22 December 2000
Share certificate and returned monies despatched by	5 January 2001

DEFINITIONS

“Act”	the Companies Act 1985, as amended
“AIM”	the Alternative Investment Market of the London Stock Exchange
“Application Form”	the form on which, alone, applications under the Offer will be considered
“Board” or “Directors”	the directors of the Company
“Company” or “Cassian”	Cassian Investments PLC
“Corporate Synergy”	Corporate Synergy PLC, financial adviser to the Company, regulated by the Securities and Futures Authority Limited
“e-capital”	e-capital investments plc
“Founders” or “Founder Shareholders”	the holders of all the 13,000,000 fully paid Ordinary Shares in issue, Warrants and the Subscription Rights, further details of whom are set out in paragraph 3 of Part III of this document
“Existing Investors”	the Founders and the Initial Investors
“Initial Investors”	the persons who have subscribed for an aggregate of 96,275,000 Partly Paid Shares and to whom Warrants have been issued to subscribe for an aggregate of 24,068,750 Ordinary Shares
“IPO”	initial public offering
“Keystone”	Keystone Solutions Group PLC
“London Stock Exchange”	London Stock Exchange plc
“Minimum Application”	50,000 Partly Paid Shares
“Offer”	the offer for subscription of up to 200,000,000 Partly Paid Shares at the Offer Price details of which are set out in this document
“Offer Price”	2p per Partly Paid Share of which 0.5p per share is payable on application
“OFEX”	the trading facility for unquoted securities managed by JP Jenkins Limited
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Partly Paid Shares”	Ordinary Shares subscribed for or to be subscribed for at 2p per share of which 0.5p per Ordinary Share has been paid or is payable on allotment
“Redwave”	Redwave PLC
“Subscription Rights”	the subscription rights granted to the Founders to subscribe for 13,000,000 Ordinary Shares exercisable at 2p per Ordinary Share at any time up to 1 November 2007 on the exercise of which holders will be issued with Warrants to subscribe for 4 Ordinary Shares for each one Ordinary Share in respect of which such subscription rights are exercised
“Warrants”	warrants to subscribe for Ordinary Shares exercisable at 2p per Ordinary Share at any time during the period of 7 years from the date of allotment

DIRECTORS AND ADVISERS

Directors: Anton John Godfrey Bilton – *Chairman*
John Damian Androcles Aspinall – *Investment Director*
Giles Sebastian Ulrich Baker – *Investment Director*
Alan Dennis Pereira – *Finance Director*

All of:

Registered Office: Drury House
34-43 Russell Street
London
WC2B 5HA

Financial Adviser to the Company: Corporate Synergy PLC
12 Nicholas Lane
London EC4N 7BN

Auditors and Reporting Accountants: BDO Stoy Hayward
Emerald House
East Street,
Epsom,
Surrey KT17 1HS

Solicitors to the Company: Le Brasseur J Tickle
Drury House,
34-43 Russell Street,
London WC2B 5HA

Bankers: Barclays Bank PLC
Kensington and Chelsea Branch
PO Box 4599
London SW3 1XE

Receiving Agent and Registrars: Connaught St. Michaels Limited
PO Box 30,
Cresta House,
Alma Street,
Luton,
Bedfordshire LU1 2PU

PART I

LETTER FROM THE CHAIRMAN OF THE COMPANY

Cassian Investments PLC

(registered in England and Wales number 3928553)

Drury House,
34-43 Russell Street
London WC2B 5HA

29 November 2000

Dear Sir/Madam

INTRODUCTION

Cassian has been established by the Directors as a cash shell in order to identify a single transaction whereby the Company would acquire, or would be acquired by, an undertaking suitable for admission to a regulated market. It has raised funds of in excess of £2,000,000 from the Existing Investors and is seeking to raise an additional amount of up to £4,000,000 net of expenses in the Offer.

The Offer is being made to provide working capital (both actual and potential) to the Company and thus to make it a more attractive vehicle.

The Offer is being made to the Initial Investors and to identified investors in Redwave, e-capital and Keystone, and may additionally be made available on the Internet, in order to give investors the opportunity to invest in a cash shell capable of being funded and taken through to IPO which the Directors believe could offer a significant return to shareholders. Alternatively the Directors intend that Cassian should be acquired by a company at the point of IPO or one which is already quoted, to achieve the same objective. It should be stressed that in making the Offer the Directors are not making any representation as to what action an investor should take as regards the Offer and participation in the Offer does not represent any entitlement, contractual or otherwise, of an investor.

The purpose of this document is to set out the background to and terms of the Offer and it should be read in conjunction with the Application Form, on which alone applications will be considered, which accompanies it.

BACKGROUND TO CASSIAN

Cassian is a new cash shell company formed by the Directors, Anton Bilton, Damian Aspinall, Giles Baker and Alan Pereira with an initial capital of £2,185,500 which has been committed to be subscribed by the Existing Investors, of which £741,375 was paid up on allotment.

Cassian has been established as a vehicle which will either be acquired by or will acquire a single business that will then be suitable for listing on a regulated market, being either the Official List or the Alternative Investment Market of the London Stock Exchange.

Anton Bilton and Damian Aspinall have a successful track record in the establishment of quoted shell companies. Recent companies include:

- Internet Technology Group Plc (subsequently taken over by Concentric Networks Corporation);
- Keystone Solutions Group Plc; and
- e-capital investments plc.

It is emphasised that in their current form the Company's securities are not listed or dealt in on any stock exchange and that no application is being made or is proposed to be made for admission of the Ordinary

Shares, the Partly Paid Shares or the Warrants to trading on the Official List or the Alternative Investment Market of the London Stock Exchange, or for them to be traded on OFEX or for there to be any other dealing facility in them.

Although the Directors will be considering the acquisition of (or the sale of the Company to) a business in any market sector suitable for admission to a regulated market they will particularly be looking at opportunities available in sectors capable of substantial and sustained growth, such as emerging technologies.

DIRECTORS

Anton Bilton – Chairman

Anton Bilton (aged 36) is an economics graduate and the chief executive of The Raven Group, a private property group. He was a founding director of Internet Technology Group plc and Keystone, a legal/professional services software provider. He is also one of the founding Directors of e-capital.

Damian Aspinall – Investment Director

Damian Aspinall (aged 40) has been involved in company investment since 1985 when he became managing director of Phoenix Properties & Finance plc. In 1996 he was responsible, together with Anton Bilton, for Internet Technology Group plc becoming an AIM listed Internet service provider. In 1997 he was one of the founding directors of Keystone and is also one of the founding Directors of e-capital.

Giles Baker – Investment Director

Giles Baker (aged 36) is currently a director of APK Investments PLC as well as a director of Beadstone Ltd and Foilbond Ltd which specialise in hotel acquisition and development. He was development director for a leisure company, k Bar plc, for two years until March 1999. Prior to that he worked for Schroders Bank in the Asset Management Department.

Alan Pereira – Finance Director

Alan Pereira (aged 51) has worked at several multi-national companies, including Dupont UK Holdings Limited and Canon (UK) Limited. He was finance director of The Mike Corby Leisure Group Limited and the finance director of Internet Technology Group plc, Keystone and e-capital, where he assisted with the admission of all three companies to trading on AIM.

THE EXISTING INVESTORS

Details of the Founder Shareholders and of the Warrants and Subscription Rights issued to them are set out in paragraph 3 of Part III of this document. The Founder Shareholders subscribed, at 2p per share in cash, for 13,000,000 Ordinary Shares and received, in addition, Warrants to subscribe for 52,000,000 Ordinary Shares and Subscription Rights to subscribe for 13,000,000 Ordinary Shares, each of which are exercisable at 2p per Ordinary Share at any time up to 1 November 2007.

Warrants to subscribe for an additional 52,000,000 Ordinary Shares will be issued to the holders on exercise of the Subscription Rights.

An option to subscribe for 5,000,000 Ordinary Shares exercisable at 2p per Ordinary Share at any time up to 1 November 2007 has been granted to each of Damian Aspinall and me. A Warrant to subscribe for 4,375,000 Ordinary Shares has been issued to Giles Baker as the Director who will be responsible for the day to day administration of the Company. This Warrant is in addition to the Warrant which has been issued to Giles Baker as an Initial Investor. A Warrant to subscribe for 1,250,000 Ordinary Shares has also been issued to Alan Pereira as Finance Director of the Company.

The Initial Investors have subscribed for 96,275,000 Partly Paid Shares at 2p per share payable as to 0.5p on allotment and were issued with Warrants to subscribe for an aggregate of 24,068,750 Ordinary Shares at 2p per share.

Under the Offer, Partly Paid Shares are being offered at 2p of which only 0.5p will be payable on application. On payment of a further 1.5p per Partly Paid Share each Partly Paid Share will become a fully paid Ordinary Share. The Offer is being made on a first come first served basis.

THE OFFER

The Company is proposing to raise up to £4,000,000, before expenses, by the issue of up to 200,000,000 Partly Paid Shares at the Offer Price and of which only £1,000,000 is payable on allotment, through an offer for subscription to the Initial Investors and identified investors in Redwave, e-capital and Keystone. It may also be made available through the Internet. The Offer is being made on a first come first served basis. The Directors reserve the right to increase the Offer to more than 200,000,000 Partly Paid Shares in case of demand. In order to ensure that Cassian does not have to bear the cost of having registered holdings below a certain level, each investor must apply for a minimum number of shares under the Offer at the Offer Price to make a valid application. The Minimum Application that will be accepted is for 50,000 Partly Paid Shares at the Offer Price for an initial cost of £250 (being one-quarter paid). Thereafter applications must be made in multiples of 5,000 shares.

The Directors reserve the right at their sole discretion to reject any application for the Minimum Application or otherwise in part or in full from any party being an individual or otherwise but subject thereto, the Offer is being made on a first come first served basis. The Directors will not enter into any correspondence as regards the reasons for any application being rejected. The Directors reserve the right to treat individual applications on an individual basis. However no allotment of Partly Paid Shares will be made for an amount less than 50,000 Partly Paid Shares.

The monies tendered for any application for Partly Paid Shares that are not allotted to investors will be returned by post without interest in the form of a cheque at the applicant's risk by 5 January 2001.

Definitive share certificates for Partly Paid Shares allotted under the Offer will be posted by 5 January 2001.

Investors who apply for shares under the Offer should not be required to pay the balance due on the Partly Paid Shares (being 1.5p per share) until such time as the Company proposes, or announces its intention, to list its Ordinary Shares (or be acquired by a third party for shares which will themselves be listed) on a regulated market, being the Official List or the Alternative Investment Market. Such proposal will itself be subject to the prior consent of members in general meeting.

It is envisaged that a potential transaction could require the Partly Paid Shares to become fully paid prior to the Company being considered suitable for admission to a regulated market.

Although the decision to call for the balance payable on the Partly Paid Shares to be paid rests with the Directors alone there are no other circumstances envisaged, other than those required by law, under which holders of Partly Paid Shares will be called upon to pay the balance owed on such shares. However, holders of Partly Paid Share should be aware that they have a legal liability to pay the balance if called upon to do so. All joint holders are jointly and severally liable for any unpaid call. In any event the Directors' present intention is that they will not initiate any action for the balance payable on the Partly Paid Shares to be paid other than at the time of or prior to a proposed transaction as described above.

RIGHTS AND OBLIGATIONS OF THE PARTLY PAID SHARES

On a show of hands every holder of Partly Paid Shares shall have one vote and, on a poll, every holder of Partly Paid Shares shall have one vote per share at general meetings of the Company.

In the event that the Company declares a dividend the Partly Paid Shares will be entitled to receive the same at a rate attributable to the amount paid up on the Partly Paid Shares. Thus a holder of 50,000 Partly Paid Shares would receive a dividend equivalent to that paid on 12,500 fully paid Ordinary Shares.

The Directors may call for payment of the outstanding uncalled share capital in part or in full on a Partly Paid Share at any time although your attention is drawn to the Directors' present intentions in this regard set out above.

A holder thereof may make payment of the outstanding uncalled share capital in full on a Partly Paid Share at any time.

The Partly Paid Shares will only be transferable on special forms of transfer which require the signature of both transferor and transferee acknowledging the liability payable on the Partly Paid Shares and which will be obtainable from the Company's Registrars, Connaught St. Michaels Limited, PO Box 30, Cresta House, Alma Street, Luton, Bedfordshire LU1 2PU.

The Company reserves the right, at its absolute discretion to refuse to register the transfer of a Partly Paid Share to a party of whom it does not approve so as best to ensure, *inter alia*, that there is no attempt to avoid an obligation to pay for the potential call of unpaid capital on the Partly Paid Shares.

Your attention is drawn to paragraph 2 of Part III of this document, which sets out the rights and obligations of holders of Partly Paid Shares.

DIRECTORS' INTENTIONS CONCERNING THE CONDUCT OF CASSIAN PENDING THE IDENTIFICATION OF A SUITABLE TRANSACTION

The Directors have undertaken to the Company that, pending identification of a suitable transaction, they will take no fees (although they will seek reimbursement of validly incurred expenses) and that they will ensure that the running costs of the Company are contained within that income from the monies subscribed by the Existing Investors and under the Offer. These monies will be placed on deposit with the Company's bankers and will not be invested or dealt with in any other way other than paying bona fide expenses of the Company.

If no suitable transaction has been identified (that is to say no proposals have been laid before shareholders) within 30 months of the date of this document then the Directors have undertaken to convene an Extraordinary General Meeting of the Company to consider the future of the Company. This meeting may seek to put the Company into members' voluntary liquidation or to find some other mechanism whereby shareholders' funds will be returned to them in the most effective manner should they so wish.

Whilst the Directors will endeavour to maintain the integrity of Cassian's capital base they can give no assurances in this regard especially if the Company is involved in a potential transaction which proves to be abortive and which therefore incurs irrecoverable costs.

The Directors estimate that the costs of the Offer will be a maximum of £100,000 excluding VAT but including printing, posting and receiving agents' fees.

RISK FACTORS

An investor intending to make application under the Offer should consider the following factors:

- The Partly Paid Shares will not be capable of being dealt in on any market and therefore a holder of Partly Paid Shares may not be able to dispose of his holding.
- There is no certainty that a suitable transaction will become available to the Company.
- If a suitable transaction is identified it is envisaged that a prior condition will be the payment of the balance payable on the Partly Paid Shares.
- A holder of Partly Paid Shares remains liable to pay the balance payable on Partly Paid Shares on demand and his ability to make such payment may be in doubt depending on his individual circumstances at that time.
- Failure to pay the balance payable on Partly Paid Shares on demand may result in forfeiture of the Partly Paid Shares and/or in the Company proceeding against the holder of Partly Paid Shares for the balance payable up to the par value.
- There is no certainty that even if a transaction suitable to the Company is identified and admission to a regulated market is obtained the resultant price and marketability of the Ordinary Shares in the Company will enable either the shareholder to dispose of his shares or to do so at a profit.
- There are restrictions on transfer of Partly Paid Shares.

PROCEDURE FOR APPLICATION

Investors who wish to subscribe for shares under the Offer should fill out the enclosed Application Form and return it, together with the relevant consideration payable, in the reply paid envelope provided, to Connaught St. Michaels Limited, PO Box 30, Cresta House, Alma Street, Luton, Bedfordshire LU1 2PU, so as to arrive no later than 3.00 p.m. on 22 December 2000.

It is expected that share certificates in respect of the Partly Paid Shares subscribed for under the Offer will be despatched to shareholders by 5 January 2001.

Your attention is drawn to Parts II and III of this document containing important additional information and which should be read in conjunction with this letter.

Yours faithfully,

Anton Bilton
Chairman

PART II

Accountant's report on the Company



BDO Stoy Hayward
Chartered Accountants

Emerald House
East Street
Epsom
Surrey KT17 1HS

The Directors
Cassian Investments PLC
Drury House
34-43 Russell Road
London WC2B 5HA

And

The Directors
Corporate Synergy PLC
12 Nicholas Lane
London EC4N 7BN

29 November 2000

Dear Sirs

Cassian Investments PLC

We report on the financial information set out below. This financial information has been prepared for inclusion in the prospectus of Cassian Investments PLC (the "Company") dated 29 November 2000 relating to the proposed offer for subscription (the "Subscription Document").

Introduction

The Company was incorporated on 18 February 2000 as Dealstore II PLC with company number 3928553; it changed its name to eCap II Plc on 17 March 2000 and to its present name on 2 October 2000.

On 10 October 2000 the Company issued a further 2,499,998 Ordinary Shares at 2p per share, which were fully paid. On the same date two Ordinary Shares were transferred from the nominee shareholders to certain founder shareholders and paid up.

On 1 November 2000 10,500,000 Ordinary Shares were issued to the founders for cash fully paid at 2p per share and warrants to subscribe for 57,625,000 Ordinary Shares were issued to the founders and others. At the same time subscription rights over 13,000,000 Ordinary Shares (which also entitled the subscribing shareholders to warrants to subscribe for four Ordinary Shares for each Ordinary Share in respect of which such subscription rights are exercised) were granted to the founders and the Company granted options to certain directors to subscribe for 10,000,000 Ordinary Shares. All the above warrants, subscription rights and options are exercisable at 2p per Ordinary Share at any time up to 1 November 2007.

On 29 November 2000 96,275,000 Ordinary Shares were issued at 2p per share partly paid as to 0.5p per share and warrants to subscribe for an aggregate of 24,068,750 Ordinary Shares exercisable at 2p per share at any time during the period of seven years from the date of allotment.

All the above warrants, subscription rights and options are exercisable at any time within the period of seven years from the date of allotment and the warrants and subscription rights are freely transferable. If all the warrants, subscription rights and options were to be exercised there would be 265,968,750 Ordinary Shares in issue.

The Company has not yet commenced trading.

No audited financial statements have been prepared in respect of any period since incorporation. No dividends have been declared or paid.

Responsibility

The directors of the Company are responsible for the contents of the Subscription Document in which this report is included.

Consent

We consent to the inclusion in the Subscription Document of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of the Public Offers of Securities Regulations 1995 (as amended).

Yours faithfully

BDO Stoy Hayward
Chartered Accountants and Registered Auditors

PART III

Additional Information

1. THE COMPANY AND ITS SHARE CAPITAL

- 1.1 The Company was incorporated in England and Wales as Dealstore II PLC on 18 February 2000 under Number 3928553 as a public limited company with limited liability under the Act and was granted a certificate of entitlement to do business and borrow on 12 October 2000. It changed its name to eCapII PLC on 17 March 2000 and to its present name on 2 October 2000.
- 1.2 The main objects of the Company as set out in its Memorandum of Association are to carry on business as a general commercial company.
- 1.3 The liability of the holders of shares is limited to the amount paid up or to be paid up on such shares.
- 1.4 At incorporation the authorised share capital of the Company was £5,000,000 divided into 500,000,000 ordinary shares of £0.01 each. At incorporation the Directors were generally and unconditionally authorised, pursuant to Section 80 of the Act, to allot relevant securities (as defined in that Section) up to a maximum amount of £5,000,000, such authority to expire five years from the date of incorporation, but so that the Company may, before such expiry, make an offer or agreement which would or might required relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any offer or agreement as if such authority had not expired.
- 1.5 The Directors are empowered by the Articles of Association of the Company, pursuant to Section 95 of the Act, to allot shares pursuant to the authority referred to in paragraph 1.4 above as if Section 89(1) of the Act did not apply
- 1.6 On 18 February 2000 the two subscriber shares were issued nil paid.
- 1.7 On 10 October 2000 2,449,998 Ordinary Shares were issued to the Founders for cash fully paid at 2p per share and the two subscriber Ordinary Shares were transferred to the Founders and paid up.
- 1.8 On 1 November 2000 10,500,000 Ordinary Shares were issued to the Founders for cash fully paid at 2p per share and Warrants to subscribe for 57,625,000 Ordinary Shares were issued to the Founders and others, the Subscription Rights over 13,000,000 Ordinary Shares were granted to the Founders and the Company granted options to subscribe for 10,000,000 Ordinary Shares. All the above warrants, subscription rights and options are exercisable at 2p per Ordinary Share at any time up to 1 November 2007.
- 1.9 On 29 November 2000 96,275,000 Ordinary Shares were issued at 2p per share partly paid as to 0.5p per share to the Initial Investors and Warrants to subscribe for an aggregate of 24,068,750 Ordinary Shares exercisable at 2p per share at any time during the period of 7 years from the date of allotment were issued to them.
- 1.10 As at the date of this document and following completion of the Offer on the assumption that it is subscribed for in full and that no Warrants, Subscription Rights or options are exercised, the Company's authorised and issued share capital is and will be as follows:

	<i>Authorised</i>	<i>Issued fully paid</i>	<i>Issued partly paid to 0.5p per share</i>
<i>As at the date of this document</i>			
Ordinary shares of 1p each	500,000,000	13,000,000	96,275,000
<i>Immediately following completion of the Offer</i>			
Ordinary shares of 1p each	500,000,000	13,000,000	296,275,000

- 1.11 (a) The Company has issued the following Warrants, Subscription Rights and options over the number of Ordinary Shares shown

	<i>Warrants</i>	<i>Subscription Rights</i>	<i>Options</i>
to Founders	52,000,000	13,000,000	
Giles Baker	4,375,000		
Alan Pereira	1,250,000		
Initial Investors	24,068,750		
Anton Bilton			5,000,000
Damian Aspinall			5,000,000

In addition Warrants to subscribe for 52,000,000 will be issued on the exercise of the Subscription Rights.

- (b) Save for the above no share capital of the Company is under option or agreed conditionally or otherwise to be put under option.

- 1.12 The Directors may refuse to register a transfer of shares unless :

- (a) It is lodged at the registered office or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) It is in respect of only one class of share; and
- (c) It is in favour of not more than 4 transferees.

Additionally, the transfer of Partly Paid Shares is subject to the restrictions referred to in paragraph 2.2 of this Part III

- 1.13 On a show of hands every holder of Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every holder of Ordinary Shares shall have one vote for every Ordinary Share of which he is the holder. No holder of a Partly Paid Share shall vote at any general meeting, either in person or by proxy, unless all monies presently payable by him in respect of that share have been paid.

- 1.14 Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors. Subject to the provisions of the Act, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

- 1.15 A United Kingdom resident shareholder who receives a dividend will be entitled to a tax credit of an amount equal to one ninth of the cash dividend (or 10 per cent. of the aggregate of the net dividend and related tax credit). Generally the net cash dividend received by an individual, together with the tax credit are both included in arriving at the individual's total income for United Kingdom tax purposes. The tax credit is then set against the individual's overall tax liability. A United Kingdom resident individual shareholder who is not liable to income tax at a rate greater than the basic rate (currently 23 per cent.) has no further liability to taxation on the dividend. The higher rate of income tax in respect of dividend income has been reduced from 40 per cent. to 32.5 per cent. A United Kingdom resident individual shareholder who is liable to tax at the higher rate will therefore have an additional tax liability of 22.5 per cent. on the aggregate of the net cash dividend and the tax credit. The tax credit is not repayable to individuals who are not liable to income tax on the dividend unless the shares are held within an Individual Savings Account until 5 April 2004, in which case the tax credits will be repayable.

A United Kingdom resident corporate shareholder will not generally be liable to United Kingdom corporation tax on any dividend received and the dividend received and the related tax credit will constitute franked investment income. A United Kingdom resident corporate shareholder (including authorised unit trusts and open-ended investment companies) and pension funds are not entitled to payment in cash of the tax credit.

The Company does not assume responsibility for withholding tax on income from shares at source.

The above statements are intended as a general guide to certain limited aspects of United Kingdom tax law and are based on the United Kingdom legislation currently in force and currently understood Inland Revenue practice, both of which may change.

- 1.16 On a winding up or other return of capital the surplus assets of the Company available for distribution shall be applied:

First in paying to the holders of the Ordinary Shares the amounts paid up or credited as paid up on such shares together with any premium paid or credited as paid on the issue of such shares; and

Secondly in distributing the balance amongst the holders of the Ordinary Shares in proportion to the amounts paid up or credited as paid up on the Ordinary Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company.

- 1.17 So far as the Directors are aware there are no persons who directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

2. RIGHTS AND OBLIGATIONS OF HOLDERS OF PARTLY PAID SHARES

2.1 Share certificates

Share certificates relating to the Partly Paid Shares will indicate that the shares are partly paid and will, on payment of a call, indicate that such call has been paid.

2.2 Transfers

(a) A special stock transfer form must be used for the transfer of any Partly Paid Shares, to allow for the signature by both the transferor and the transferee. You may obtain blank transfers in a form acceptable to the Company from its registrars, Connaught St Michaels Ltd, PO Box 30, Victoria Street, Luton, Beds, LU1 2PZ.

(b) Under the Articles of Association of the Company (the "Articles") the directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve. The Directors intend that this discretion will only be exercised in respect of the Partly Paid Shares:

- (i) when any amount at any time payable in respect thereof has not been paid; or
- (ii) where the Directors have reasonable grounds for doubting the ability or willingness of the transferee to pay any sum payable in the future in respect thereof; or
- (iii) where the Company has served a notice under Section 212 of the Companies Act 1985 on the holder and such holder has not given any information required by the notice.

2.3 Calls

The Partly Paid Shares will be allotted at a price of 2p per share, with 0.5p payable on acceptance, and the balance will be payable upon the Directors resolving to make such call. The Company will give at least 14 days' notice of the call to all holders of the Partly Paid Shares, specifying the manner and place of payment. However, all and any sums remaining outstanding in respect of the Partly Paid Shares will

become payable in the event that permission is granted to deal in any shares of the Company on a regulated market.

Any holder of a Partly Paid Shares may pay up in full the amount outstanding on all or any of the Partly Paid Shares held by him. No interest shall be payable by the Company on such advance payment.

All joint holders of Partly Paid Shares are jointly and severally liable for any outstanding call on those shares.

2.4 *Default in payment*

Remedies are available to the Company under the Articles of Association of the Company and under applicable law, should a holder of Partly Paid Shares fail to pay the whole or any part of any call or instalment of a call on the date fixed for payment, including:

- (a) Legal proceedings: The Company reserves the right to bring an action against the shareholder in respect of default, and notwithstanding forfeiture, such right of action may continue unless and until no amount is outstanding in respect of the shares in question.
- (b) Forfeiture: The Articles of Association permit and govern forfeiture of shares. A defaulting shareholder will be given at least 14 clear days' notice that his shares are liable to be forfeited in the event of non-payment. A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine. Where a person's shares have been forfeited he will cease to be a member in respect of the forfeited shares. The forfeiture of shares is also governed by the Companies Act 1985.

2.5 *Voting rights*

Provided that he has paid all calls or others sums presently payable by him thereon, every holder of Partly Paid Shares will, on a show of hands, have one vote and, on a poll, will have one vote for every such share of which he is the holder.

2.6 *Dividends*

The holders of the Partly Paid Shares will be entitled to a due proportion of any dividend declared on the Ordinary Shares, being that proportion of the dividend which the amount paid up on the Partly Paid Shares bears to the total amount paid up or credited as paid up on all the Ordinary Shares. The directors, however, do not envisage that a dividend will be paid on any shares until all shares have been fully paid up.

2.7 *Winding up*

The holders of the Partly Paid Shares will be entitled to a due proportion of the surplus assets of the Company available for distribution on a winding up or other return of capital after repayment of the amount paid up or credited as paid up on the Partly Paid Shares and the other Ordinary Shares, being that proportion of such surplus assets which the amount paid up on the Partly Paid Shares bears to the total amount paid up or credited as paid up on all the Ordinary Shares.

As a matter of general law, on a liquidation of the Company all amounts outstanding on the Partly Paid Shares will become payable in full.

2.8 *General*

Save as set out in this Part III and as otherwise provided in the Articles of Association, the Partly Paid Shares shall rank *pari passu* in all respects with the other Ordinary Shares of the Company. Following payment of all sums outstanding in respect of a Partly Paid Share, it will rank *pari passu* in all respects with the then existing issued fully paid Ordinary Shares.

3. FOUNDER SHAREHOLDERS

The Founder Shareholders and their interests in the share capital of the Company, all of which are beneficial, are as follows:

<i>Name</i>	<i>Ordinary Shares</i>	<i>Percentage of total issued share capital</i>		<i>Warrants</i>	<i>Subscription Rights</i>
Worthy Trust Company Limited	6,250,000	5.7		25,000,000	6,250,000
Barossa Limited	6,250,000	5.7		25,000,000	6,250,000
Corporate Synergy	500,000	0.5		2,000,000	500,000

4. 3% SHAREHOLDERS

The Directors are aware of the following persons who are interested in 3 per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>Percentage of total issued share capital</i>		
	<i>Ordinary Shares (fully paid)</i>	<i>Partly Paid Shares</i>	
Worthy Trust Company Limited	6,250,000	Nil	5.7
Barossa Limited	6,250,000	Nil	5.7
Tarassa Investments Limited	Nil	5,000,000	4.6
Andrew Lapping	Nil	5,000,000	4.6
Flow East Limited	Nil	5,000,000	4.6
Weighbridge Trust Limited	Nil	6,000,000	5.5
Atlas Capital S.A.	Nil	7,500,000	6.9
Prudential-Bache Nominees Limited	Nil	15,000,000	13.7
Bioprojects International plc	Nil	7,500,000	6.9
Johnny Gallagher	Nil	5,000,000	4.6

5. DIRECTORS AND OTHER INTERESTS

5.1 No remuneration or benefits in kind are proposed to be paid to the Directors for the first financial period of the Company, being the period from 18 February 2000, the date of incorporation, to 30 June 2001.

5.2 There are no service agreements between the Company and any Director.

5.3 The interests of the Directors in the issued share capital of the Company at the date hereof, all of which are beneficial, are as follows:

<i>Name</i>	<i>Ordinary Shares</i>		<i>Warrants</i>	<i>Options</i>
	<i>Partly Paid Shares</i>	<i>(fully paid)</i>		
Anton Bilton	Nil	Nil	Nil	5,000,000
Damian Aspinall	Nil	Nil	Nil	5,000,000
Giles Baker	2,500,000	Nil	5,000,000	Nil
Alan Pereira	Nil	Nil	1,250,000	Nil

Other than as disclosed above, none of the Directors has any interest in the share capital of the Company.

5.4 The Directors currently hold the following directorships other than in the Company and have held the following directorships within the five years prior to the publication of this document:

<i>Name</i>	<i>Current directorships</i>	<i>Past directorships</i>
Anton Bilton	APK Investments PLC A&A Interiors & Furnishings Limited Capital Reversions plc Country House Investments Limited Raven Management Services Limited Residential Portfolio Managers Limited Raven Close Nominees Limited Bilton House Investments Limited Raven Gleeson Wharf Limited e-capital investments plc Ravenheath Limited Premier Franchising (DI) Limited Premier Franchising (HJ) Limited Raven Five Ways Limited The Raven Property Group plc Raven Soho Limited Castlequest Limited Cuckfield (Jamaica Street) Limited Raven (Burghill) Limited Lace Market Lofts Limited Raven Glasgow Limited Raven Nottingham Limited Raven (St Andrews) Limited Raven Hercules Limited Poole Stadium Limited	Raven Residential Investments Limited Raven Scotland Limited Raven Commercial Properties plc Raven Homes plc Roffey Park Management (No.1) Limited Vizgol Investments Limited Raven Cornwall Limited Countdown 2000 Limited Raven Whitehall Limited Raven (Putney) Limited Raven Wharf Limited Raven Vincent Limited Raven Hurley Limited Raven Hereford Limited Tehidy Park Management Limited Raven Midlands Limited Raven Farnborough Limited Hurley Estates Limited Raven Leisure Limited Hamlin Developments Limited Roffey Park Management (No.2) Limited XO Limited Hotham Hall Management Limited Park Circus (Management) Limited Keystone Software Limited Keystone Online Limited Keystone Solutions Group plc The Guaranteed Investment Property Company plc* Raven Gleeson Limited St. Andrews Service Company Limited PCG Fulham Limited Cursitor (Ninety Six) Limited Cursitor (One Hundred and Nineteen) Limited Guaranteed Property (1) Limited* Guaranteed Property (2) Limited* Guaranteed Property (3) Limited* Guaranteed Property (4) Limited* Atlas Investments Limited

* These companies were previously BES companies and all went into members voluntary liquidation in 1996 so as to return funds to shareholders.

<i>Name</i>	<i>Current directorships</i>	<i>Past directorships</i>
Damian Aspinall	APK Investments PLC Pennines Pizza Trading Company Topclaim Limited Aspinall's Club Limited Howletts and Port Lymgne Estates Limited Helpever Limited Assetdiget Limited Jute Music Limited Newcourt Land Limited Newcourt Property Investments Limited e-capital investments plc Newbourne Limited Stargig.com plc	Keystone Software Limited Keystone Online Limited Action Leisure plc Storedale plc Dunham & Haines Limited Civilpoint Limited Caseheath Limited Mavistree Limited XO Limited Keystone Solutions Group plc
Giles Baker	Foillbond Limited Baker Design Limited Beadstone PLC APK Investments PLC	Homepurpose Property Management Limited (Dissolved) K-Bar plc
Alan Pereira	Residential Portfolio Managers Limited Cyber Electronics Limited Focus Research Limited Sandbeach Limited SY Travel Services Limited Microshield Industries Plc Bethwand Limited Cambury Investments Limited Health For Life Plc	Keystone Solutions Group plc Pax Gourmet Limited New England Cafes Limited Concentric Network (Holdings) plc Circlecrest Limited* The Spotted Dog Limited* Warehouse Restaurant Limited* e-capital investments plc

Each of Circlecrest Limited, The Spotted Dog Limited and Warehouse Restaurant Limited went into voluntary liquidation.

5.5 Save as stated above, no Director:

- (i) has any unspent convictions;
- (ii) has become bankrupt or entered into any voluntary arrangements;
- (iii) has been a director of any company or partner of a firm which, at the time or within 12 months after ceasing to be a director or partner (as the case may be), had a receiver appointed or was liquidated (whether by compulsory liquidation or creditors voluntary liquidation) or went into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
- (iv) has had any public criticism against him by statutory or regulatory authority (including a recognised professional body) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or the conduct of the affairs of a company; or
- (v) has been involved in any receivership of any of his assets or of any assets of a partnership of which he was a partner at the time of or within 12 months preceding such events.

6. MISCELLANEOUS

- 6.1 The estimated maximum expenses of the Offer are £100,000 excluding VAT all of which are payable by the Company. There is no commission payable to any party in respect of the Offer.

- 6.2 Taking account of the payment up in full of the additional 1.5p per share, in addition to the 0.5p payable on application the expected proceeds of the Offer on the basis that it is subscribed for in full, net of expenses, are £3,880,000.
- 6.3 The minimum amount which, in the opinion of the Directors, must be raised by the Offer in order to provide the sums required to be provided in respect of the following is set out below:
- (i) the purchase price of any property – £nil;
 - (ii) any preliminary expenses and commissions payable by the Company – £nil;
 - (iii) the repayment of any money borrowed by the Company in respect of the matters referred to in (i) and (ii) above – £nil; and
 - (iv) working capital – £nil.
- 6.4 BDO Stoy Hayward have given, and have not withdrawn, their consent to the inclusion of their Accountants Report forming Part II of this document in the form and context in which it appears.
- 6.5 The Directors believe, having made due and careful enquiry, that the Company has adequate working capital for the foreseeable future.
- 6.6 There are no legal or arbitration proceedings, active, pending or threatened against, or being brought by, the Company.
- 6.7 The Company is not dependent upon any patents, intellectual property rights, licences or particular contracts.
- 6.8 The following documents are available for inspection at the offices of Corporate Synergy PLC, 12 Nicholas Lane, London EC4N 7BN during normal office hours:
- (i) The Memorandum and Articles of Association of the Company;
 - (ii) The consent letter of BDO Stoy Hayward referred to in paragraph 6.4 of Part III;
 - (iv) The terms of issue of the Warrants and the Subscription Rights and the options held by Anton Bilton and Damian Aspinall.

29 November 2000

IMPORTANT NOTICE

Payment Other than from the Applicants' personal bank account

If an application exceeds £11,000 and the accompanying payment is from a source other than an applicant's personal bank account, such as a cheque drawn by a building society or a bankers' draft, the Money Laundering Regulation 1993 require the Company to verify the identity of the applicant. This can be time consuming, may cause delays and may even result in the application being rejected. In order to avoid the problems investors should if possible, make payment from their own personal bank account. Where this is not possible it could greatly facilitate the processing of such investments if the following procedures could be followed:

- (i) If you pay for your shares with a building society cheque or bankers' draft, please ask the building society or bank to endorse on the cheque or bankers' draft the name and account number of the person whose account is being debited; and
- (ii) When you submit your application you should ensure that one of the following documents is attached to the Application Form: a certified copy of your driving license or passport or a recent utility bill or bank or building society statement in your name. A copy driving license or passport should be certified by a solicitor. Original documents will be returned by post at the applicant's own risk.

Information relating to Cassian Investments PLC and full details of the Offer to which this Application Form relates are contained in the Offer for Subscription dated 29 November 2000, comprising a prospectus relating to Cassian Investments PLC which accompanies this Application Form (the "Prospectus"). You are strongly advised not to complete and lodge this Application Form until you have read the Prospectus. Terms defined in the Prospectus shall have the same meanings when used herein and the terms and conditions of the Offer as set out in the Prospectus also apply to this Application Form.

ACTION TO BE TAKEN. If you wish to apply to acquire all or any of the Partly Paid Shares (but the allotment of which is solely at the discretion of the Directors) you must complete the boxes below and then sign below, date and return this Application Form with a cheque or bankers' draft for the sum inserted by you below either by post or by hand, to Connaught St Michaels Limited, PO Box 30, Cresta House, Alma Street, Luton, Beds, LU1 2PU. Application Forms must not arrive later than 3.00 p.m. on 22 December 2000. Application Forms received after that time will not be valid. Applications will be processed on a first come first served basis. A reply paid envelope is enclosed for your convenience. If you do not wish to apply for any Partly Paid Shares you should take no further action and should not complete and return this Application Form.

APPLICATION FORM

Cassian Investments PLC

(Incorporated and registered in England No. 3928553)

Offer for subscription of up to 200,000,000 ordinary shares of 1p each at 2p, payable partly paid as to 0.5p per share on application

Name and Address of Applicant(s) in BLOCK CAPITALS	
1. (Surname)	(First names)
2. (Surname)	(First names)
3. (Surname)	(First names)
4. (Surname)	(First names)
Address	

Send by post, or during normal business hours, by hand to: Connaught St. Michaels, PO Box 30, Cresta House, Alma Street, Luton, Beds LU1 2PU	
Latest time and date for acceptance:	3.00 pm on 22 December 2000
Share certificates despatched and unallotted funds returned by:	5 January 2001

<p>Minimum Application</p> <p>Further application over Minimum Application (in multiples of 5,000 shares)</p>	<p><i>Ordinary Shares applied for</i></p> <p>Box A <input style="width: 50px; text-align: center;" type="text" value="50,000"/> x 0.5p = £ <input style="width: 50px; text-align: center;" type="text" value="250"/></p> <p>Box B <input style="width: 50px;" type="text"/> x 0.5p = £ <input style="width: 50px;" type="text"/></p> <p>TOTAL (sum of Box A and Box B) <input style="width: 50px;" type="text"/> x 0.5p = £ <input style="width: 50px;" type="text"/></p>
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You will remain liable to pay up the balance due of 1.5p on each Partly Paid Share in respect of which your application is accepted notwithstanding that you subsequently sell such shares until the transfer is accepted by the Company.

- To Connaught St Michaels Limited
- I/We hereby apply for the number of Partly Paid Shares in Cassian Investments PLC inserted above and agree to accept the same on the terms and subject to the conditions set out in the Prospectus, this Application Form and the Memorandum and Articles of Association of the Company. If the amount of the remittance accompanying this Application Form is inconsistent with the number of Partly Paid Shares shown above, I/we agree that I/we shall be deemed to have applied for the number of Partly Paid Shares to which the remittance accompanying this Application Form corresponds.
 - I/We enclose a cheque or bankers' draft payable to "Connaught St Michaels Limited - A/C Cassian Investments PLC" and crossed "Account Payee", for the amount specified above, being the amount payable in full on application for the Partly Paid Shares for which I/we am/are making application.
 - In consideration of your agreeing to deal with this application, subject to the terms and conditions set out herein and in the Prospectus, for the number of Partly Paid Shares stated above, I/we undertake that this application shall be irrevocable and agree that this paragraph shall constitute a contract between me/us and the Company, which shall become binding upon your receipt of this Application Form and the appropriate remittance. I/We acknowledge that you reserve the right to treat any application not complying strictly with the terms and conditions of application as nevertheless valid.
 - I/We acknowledge that any application for Partly Paid Shares may be rejected or scaled down by the Company in its absolute discretion but the Minimum Allocation, if accepted, will not be reduced below 50,000 shares.
 - I/We request and authorise the Company or its agents to send to me/us a definitive certificate in respect of the Partly Paid Shares for which this application is accepted, by post at my/our risk, either to the address given above or, if the name and address of my/our agent is inserted below to my/our agent at such address. I/We request Cassian Investments PLC to take all steps to procure that my/our name(s) is/are placed on the register of members maintained by the Company in respect of the Partly Paid Shares for which this application is accepted.
 - I/We authorise Connaught St Michaels Limited to present the enclosed cheque or bankers' draft on receipt and to withhold definitive share certificates pending clearance. If this application is not accepted in part or in full, I/we authorise you or your agent to return the application monies (or any balance thereof), without interest, to me/us by post at my/our own risk either to the address given above or, if the name of my/our agent is inserted below to my/our agent at such address as soon as reasonably practicable.
 - I/We represent and warrant that due completion of this Application Form, accompanied by a cheque or bankers' draft, constitutes a warranty that the cheque or bankers' draft will be honoured on first presentation and that such warranty shall constitute a term of this application.
 - I/We acknowledge that none of the Partly Paid Shares have been or will be registered under the Securities Act of 1933 of the United States (as amended) ("the Securities Act") or any of the relevant securities laws of Canada or Australia and that they may not be offered, sold, taken up or delivered, directly or indirectly, into or within the United States except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act, and I/we represent, warrant and undertake that unless I am/we are applying for Partly Paid Shares pursuant to such an exemption: (i) I am/we are not within the United States, Canada or Australia and I am/we are not a US person or a citizen of Canada or Australia; (ii) I/we have not offered, sold or delivered and will not offer, sell or deliver any of the Partly Paid Shares to persons within the United States, directly or indirectly, or into Canada or Australia; (iii) neither I/we my/our affiliates, nor any persons acting on my/our behalf, have engaged or will engage in any direct selling efforts with respect to the Partly Paid Shares; (iv) I am/we are not applying of Partly Paid Shares on behalf of a US person or a citizen of Canada or Australia or with a view to offering or re-offering, selling or re-selling, transferring or delivering the Partly Paid Shares in or into the United States, Canada or Australia; and (v) I/we will not distribute any offering material, directly or indirectly, in or into the United States, Canada or Australia or to any persons resident in such countries. Terms and expressions used in this paragraph have the meanings given to them by Regulation S made under the Securities Act.
 - I/We will not procure the acquisition of any Partly Paid Shares by or for the account of any person with an address in Australia, Canada or Japan and I/we will not offer any Partly Paid Shares to any such person and I/we will not otherwise treat any Partly Paid Shares in any manner that would contravene any applicable Australian, Canadian, Japanese or other securities legislation.
 - I/We acknowledge that the verification of identity requirements of the Money Laundering Regulations 1993 will apply and verification of my/our identity may be required. Failure to provide the requisite evidence may result in my/our application being treated as invalid or in delay in the despatch of a certificate for the Partly Paid Shares. I/We acknowledge that you reserve the right to refuse any application which may infringe or appear to infringe the Money Laundering Regulations 1993.
 - I/We each warrant that I/we am/are not applying as, or as (a) nominee(s) of (an) agent(s) who is/are or may be (a) person(s) mentioned in sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services).

Dated

ALL JOINT HOLDERS MUST SIGN.

First or Sole Holder

(1) Usual Signature

(3) Usual Signature

Joint Holder (if any)

(2) Usual Signature

(4) Usual Signature

Notes

- This Application Form should be completed and sent by post or by hand to Connaught St Michaels Limited, PO Box 30, Cresta House, Alma Street, Luton, Beds LU1 2PU with a cheque or bankers' draft for the full amount payable for the number of Partly Paid Shares applied for so as to arrive not later than 3.00 p.m. on 22 December 2000.
- Cheques, building society cheques or sterling bankers' drafts must be made payable to "Connaught St Michaels Limited - A/C Cassian Investments PLC" and crossed "Account Payee" and must be drawn in sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by either of those companies (and must bear the appropriate sorting code number in the top right hand corner). An application may be rejected unless these requirements are fulfilled. Cheques and bankers' drafts representing application monies may be presented for payment upon receipt and it will be a term of the Offer that the cheque or bankers' draft will be honoured on first presentation. The Company reserves the right to reject any application in respect of which remittance is not so honoured. The Company reserves the right to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. Application monies will be kept in a separate bank account pending fulfilment of the conditions of the Offer. Any interest earned on monies in such account will be retained by the Company.
- The verification of identity requirements of the Money Laundering Regulations 1993 will apply and verification of the identity of applications may be required. The Prospectus contains further information relating to compliance with the Money Laundering Regulations 1993.
- A corporation should execute this Application Form under its common seal or as a deed or it should be signed under the hand of a duly authorised officer, who should state his or her capacity.
- If this Application Form is signed under a power of attorney, such power of attorney, or a duly certified copy thereof, must accompany this Application Form.
- All documents or remittances sent by or to an applicant, or as he or she may direct, will be sent through the post at his or her own risk.
- The making of the Offer to persons who are resident in, or citizens of, countries other than the United Kingdom may be affected by the laws of the relevant jurisdictions. No person receiving this Application Form and/or the Prospectus in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him/her to subscribe, nor should he/she in any event use such Application Form, unless in the relevant territory such an invitation or offer can lawfully be made to him and such Application Form can lawfully be used without contravention of any legislation or other legal or regulatory requirements. Any person outside the United Kingdom (including without limitation, nominees and trustees) wishing to accept the Offer must satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. No Shares will be offered in the United States, Canada or Australia. The Company reserves the right to treat the Offer as having been declined in a particular case if it believes acceptance may violate applicable legal or regulatory requirements.
- It is expected that definitive share certificates will be despatched by 5 January 2001.
- All applications in respect of the Offer, all acceptances thereof and all contracts resulting from such acceptances shall be governed by, and construed in accordance with English Law.
- Submission of the Application Form will constitute a warranty that you will have complied with these conditions.

Name and address of person lodging this Application Form (if other than the applicant) and/or to whom the definitive share certificate and, if applicable, a cheque for any returned application monies should be sent.

Name

Address