THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors, whose names appear on page 3 of this document, and the Company accept responsibility, collectively and individually, 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.

The Existing Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that admission to AIM and dealings in the Placing Shares will commence on Tuesday 9 May 2006.

Plant Health Care plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05116780)

Placing of 10,000,000 new Ordinary Shares at a price of 65 pence per share

Notice of Extraordinary General Meeting

and

Preliminary Results for the Year Ended 31 December 2005

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Authorised			*Issued and fully paid*	
Number	*Amount (£)*		*Number*	*Amount (£)*
500,000,000	£5,000,000.00	Ordinary Shares of £0.01 each	40,150,462	401,504.62

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which recommends you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

Evolution Securities Limited, which is authorised and regulated in the UK by the Financial Services Authority, is acting as nominated and financial adviser to the Company for the purposes of the AIM Rules in connection with the matters described in this document. Persons receiving this document should note that Evolution Securities Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evolution Securities Limited nor for advising any other person on the arrangements described in this document. Evolution Securities Limited has not authorised the contents of, nor any part of, this document and no liability whatsoever is accepted by Evolution Securities Limited for the accuracy of any information or opinions contained in this document or for the omission of any information. Evolution Securities Limited's responsibilities as nominated advisor pursuant to the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or the Directors

This document is being provided for information purposes only, to existing shareholders with information concerning the proposed Placing.

The Placing Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the Placing Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia or Japan. Overseas Shareholders and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action. This document is directed and issued only to the addressee and shall not be distributed to or used by any other person and that this letter is not an offering prospectus pursuant to Art. 652a or/and Art. 1156 of the Swiss Federal Code of Obligations or a listing prospectus pursuant to the listing rules of the SWX Swiss exchange.

Notice of an Extraordinary General Meeting of Plant Health Care plc, to be held at the offices of Reed Smith Rambaud Charot LLP, Minerva House, 5 Montague Close, London, SE1 9BB at 10.00 a.m. on 5 May 2006, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the Extraordinary General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by not later than 10.00 a.m. on 3 May 2006. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the Extraordinary General Meeting.

CONTENTS

DIRECTORS AND ADVISERS

Directors	Dr Albert Edward Maria Joseph Fischer *(Non-Executive Chairman)* John Arthur Brady *(Chief Executive)* Walter Victor Bratkowski *(Finance Director)* Dr Donald Henry Marx *(Executive Director and Chief Scientist)* Dr Robert Henri Chanson *(Non-Executive Director)* Thomas Peter Isler *(Non-Executive Director)* Samuel Alan Wauchope *(Non-Executive Director)*
Company Secretary	Catherine Sutton FCIS
Registered Office	Minerva House 5 Montague Close London SE1 9BB
Head Office	440 William Pitt Way Pittsburgh PA 15238 United States
Nominated Adviser and Broker	Evolution Securities Limited 100 Wood Street London EC2V 7AN
Solicitors to the Company	Reed Smith Rambaud Charot LLP Minerva House 5 Montague Close London SE1 9BB
Solicitors to the Placing	Bird & Bird 90 Fetter Lane London EC4A 1JP
Auditors	BDO Stoy Hayward LLP 8 Baker Street London W1U 3LL
Registrars and Receiving Agent	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Principal Bankers	PNC Bank, N.A Pittsburgh PA 15219 United States

PLACING STATISTICS

Placing Price	65p
Number of Existing Shares	30,150,462
Number of Placing Shares being placed on behalf of the Company	10,000,000
Estimated proceeds receivable by the Company, net of expenses	£6.0 million
Number of Ordinary Shares in issue following Admission	40,150,462
Number of Placing Shares as a percentage of the enlarged issued share capital	24.9 per cent.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	10 April 2006
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 3 May 2006
Extraordinary General Meeting	10.00 a.m. on 5 May 2006
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on 9 May 2006
Expected date for CREST stock accounts to be credited for Placing Shares in uncertificated form	9 May 2006
Expected date for posting of share certificates for Placing Shares	by 18 May 2006

DEFINITIONS

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

"Act"	the Companies Act 1985 (as amended)
"Admission"	admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the AIM rules for companies published by the London Stock Exchange from time to time
"certificated form" or "in certificated form"	an ordinary share recorded on a company's share register as being held in certificated form (not in CREST)
"Company" or Plant Health Care" or "PHC"	Plant Health Care plc
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which CRESTCo is the operator (as defined in those regulations)
"CRESTCo"	CRESTCo Limited, the operator of CREST
"Dealing Day"	a day on which the London Stock Exchange is open for business in London
"Directors" or "Board"	the directors of the Company whose names are set out on page 3 of this document, or any duly authorised committee thereof
"EGM"	the extraordinary general meeting of the Company to be held at the offices of Reed Smith Rambaud Charot LLP, Minerva House, 5 Montague Close, London SE1 9BB at 10.00 a.m. on 5 May 2006 (or any adjournment thereof)
"EGM Notice"	the notice convening the EGM which is set out on pages 26 and 27 of this document
"Evolution Securities"	Evolution Securities Limited, the Company's nominated adviser and broker
"Existing Shares"	the Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
"Form of Proxy"	the form of proxy for use in connection with the EGM which accompanies this document
"Group"	the Company, its existing subsidiaries and subsidiary undertakings
"London Stock Exchange"	London Stock Exchange plc
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company
"Placing"	the conditional placing of the Placing Shares by Evolution Securities, as agent on behalf of the Company, pursuant to the Placing Agreement, further details of which are set out in this document

“Placing Agreement”	the conditional agreement dated 10 April 2006 and made between Evolution Securities and the Company in relation to the Placing, further details of which are set out in this document
“Placing Price”	65 pence per Placing Share, being the price at which each Placing Share is to be issued under the Placing
“Placing Shares”	the 10,000,000 Ordinary Shares to be issued pursuant to the Placing
“Resolutions”	the resolutions to be proposed at the EGM as set out in the EGM Notice
“Shareholders”	holders of Ordinary Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
“uncertificated” or “in uncertificated form”	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST
“VAMTech”	VAMTech LLC
“$”	US Dollars, the lawful currency of the United States

PART 1

LETTER FROM THE CHAIRMAN

Plant Health Care plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05116780)

Directors:		*Registered Office:*
Dr Albert E M J Fischer	*(Non-Executive Chairman)*	Minerva House
John A Brady	*(Chief Executive)*	5 Montague Close
Walter V Bratkowski	*(Finance Director)*	London SE1 9BB
Dr Donald H Marx	*(Executive Director and Chief Scientist)*	
Dr Robert H Chanson	*(Non-Executive Director)*	
Thomas P Isler	*(Non-Executive Director)*	
Samuel A Wauchope	*(Non-Executive Director)*	

10 April 2006

To Shareholders

Dear Shareholder,

Placing of 10,000,000 new Ordinary Shares at a price of 65 pence per share
Notice of Extraordinary General Meeting
and
Preliminary Results for the Year Ended 31 December 2005

1. Introduction

Your Board announced today that it proposes to raise £6.5 million (before expenses) by way of a placing of 10,000,000 new Ordinary Shares at a price of 65 pence per share. The net proceeds of the Placing will be used primarily to develop the market for Myconate®, the Company's unique natural plant root compound, which recent trials have confirmed can increase the yield from many agricultural crops.

The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Board authority to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply to, *inter alia*, the allotment of the Placing Shares. The Placing, which has been arranged and fully underwritten by Evolution Securities pursuant to the terms of the Placing Agreement, is also conditional upon Admission.

The purpose of this document is to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.

The Company also announced today its preliminary results for the year ended 31 December 2005, the full text of which is contained in Part 2 of this document.

2. Background to and Reasons for the Placing

In 2004 the Group purchased VAMTech, a company specialising in the synthesis of Formononetin, a compound that stimulates the growth of mycorrhizal fungi already existing in the soil, thereby improving the growth and health of plants and crops. In 2005 the compound was branded PHC Myconate®. The technology is protected by long-term patents covering both manufacturing and usage in the US and Europe. Plant Health Care is the only company in the world with the legal right to use this unique and exclusive technology.

A number of trials (including field trials) have been undertaken on this technology since 1992. In April 2005 Plant Health Care expanded the scope of these trials, and initiated extensive trials around the world on a variety of crops and in a variety of conditions. In the final quarter of 2005 and in the first quarter of 2006, the results from the trials were received, confirming the Board's belief that Myconate® has the potential to revolutionize the farming of row crops, including corn (or maize) and soybeans, two of the most widely cultivated row crops in the world. Plant Health Care now wishes to raise funds to conclude its trial program, prove the commercial viability of Myconate® in 2006 and commence commercialisation of Myconate® during 2006 and 2007.

3. Myconate® Trials to date

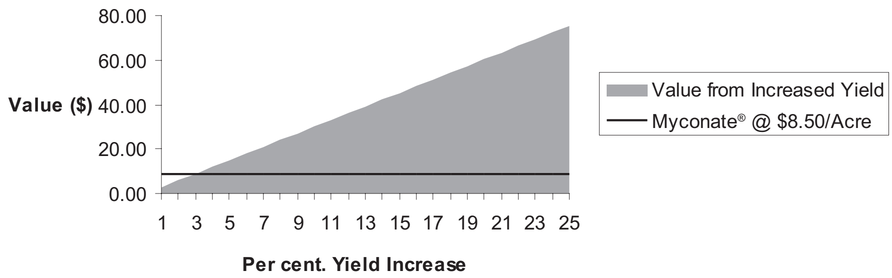
Trials conducted in the USA, Europe and Brazil, have shown that across a variety of different soils and in varying climatic and growing conditions, Myconate® generated yield increases of up to 25 per cent., with the greater effect observed in situations of heightened environmental stress, such as drought and poor soil.

The trials demonstrated that Myconate® can be applied as a mix with fertilizer or as a coating applied directly to the seed. The significant increase in yield and the ease of application has led a number of the world's major agrichemical and seed companies to carry out further tests in 2006. Accordingly, it is unlikely to be any earlier than 2007 before Plant Health Care achieves any significant degree of adoption of Myconate® by agrichemical and seed coating companies.

However, the Board believes that major agrichemical and seed coating companies will be more inclined to early adoption if there is already a market demand for Myconate®. The economics of farming are becoming increasingly demanding and the Company expects that farmers will be willing to experiment with new products, in this case Myconate®, due to the economic benefits being sufficiently compelling.

In terms of economic impact for the farmer, the diagram below shows that, based on recent US corn prices, a yield increase of 3 per cent. would cover the incremental cost of applying Myconate® and that a yield increase of 5 per cent. would increase gross profit per acre by $6.50 from an extra cost of $8.50 per acre and accordingly over a 75 per cent. return on the incremental cost of application of Myconate®.

Average Value of Yield Increases
Relative to the Potential Farm Cost of Myconate®
(U.S. Corn)



The Board therefore believes that the Company should endeavour to bring Myconate® to market at the earliest opportunity in order to shorten the time to adoption by major agrichemical and seed coating companies.

4. Global Market for Myconate®

The Company's trials have shown that Myconate® is particularly effective when applied to corn and soybeans, two of the most widely cultivated row crops in the world.

In 2005, 763 million tons of corn were produced worldwide on 363 million acres, the United States being the largest corn producer accounting for 40 per cent. of world production. In general, yields around the world fluctuate due to variable growing conditions and the intensity of crop management. The world average yield in 2005 was 77 bushels per acre.

In 2005, 230 million tons of soybeans were produced worldwide on 225 million acres. The world average yield in 2005 was 34 bushels per acre.

The size of the worldwide agricultural market presents a significant opportunity for Plant Health Care, as Myconate® can be used with a wide range of crops. The table below gives an indication of the potential value of the corn and soybeans markets that the Company is entering:

	Worldwide Hectares (million)	*Yield kg Per Hectare*	*Price Per kg*	*Average Trial Yield Increase*	*Estimated Gross kg Yield Increase (million)*	*Estimated Gross Value of kg Yield Increase*
Soybeans	91	2,293	\$0.21	13%	27,126	\$5.7 billion
Corn (Maize)	147	4,707	\$0.08	9%	62,274	\$5.0 billion

5. The Route to Market for Myconate®

Plant Health Care's objective is to become the world's leading supplier of natural products for the promotion of plant health and growth. Over the past 12 months Plant Health Care has moved the focus of its business efforts towards products for the agriculture sector.

The Directors believe that agriculture is a larger worldwide market than other "Green Markets" and that Myconate® will have applicability across a wide range of the world's most valuable agricultural crops.

Whilst Plant Health Care is making considerable progress with agrichemical and seed companies, the Board also believes it is important to introduce Myconate® into the farming sector as soon as possible. The Company has identified the following three principal channels to market:

(i) **Distributors.** Sales of Myconate® to distributors who sell into existing channels through integrated sales forces and who offer farmers the full complement of products required for crop production;

(ii) **Seed companies.** Sales of Myconate® to seed companies who will sell coated-seed to distributors and farmers; and

(iii) **Agrichemical companies.** Chemical companies selling into the agriculture sector supply their products either to the seed coating companies or to farmers via distributors.

The commercialisation of Myconate® is being undertaken in a staged process. Trials with the agrichemical and seed companies are continuing into 2006. The Company anticipates that its first sales of Myconate® will be to distributors in three US States during 2006.

The Company believes that by targeting distributors directly, Myconate® will obtain early adoption by end users (i.e. farmers), which will increase the likelihood of adoption by the agrichemical and seed companies and of the Company entering into one or more licensing agreements with a significant partner.

The Board's ultimate objective is to enter into a partnership or licensing agreement with one or more of the large agrichemical and seed companies to globally distribute Myconate®.

6. Current trading and prospects

The Company's preliminary results for the year ended 31 December 2005 showed a 19 per cent. increase in turnover to \$10.2 million (2004 – \$8.6 million). The operating loss for the year before exceptional costs was \$2.3 million (2004 – loss of \$2.2 million). After exceptional costs, interest and other finance charges and taxation on certain overseas operations, the net loss for the year was \$3 million (2004 – loss of \$2.9 million). At 31 December 2005 the Group had cash balances (net of short-term borrowings) of \$1 million.

These results reflect a significant increase in revenues in the second half of 2005 in comparison with the same period in 2004. Second half turnover rose by 34 per cent. to \$5.5 million (2004 – \$4.1 million) and second half margins were 52 per cent. (2004 – 42 per cent.), while overhead expenses in the second half increased by only 6 per cent. compared to 2004. The operating loss for the second half was \$0.7 million (2004 – loss of \$1.6 million).

The Board is confident that turnover in the year to December 2006 will continue to show significant growth as the contracts the Company signed last year with John Deere, Symbiot and the relationship with Ewing Irrigation continue to develop.

European sales are expected to grow by over 50 per cent. in 2006, led by the successful commercialisation of Pre-Tect™. In Mexico sales are also expected to increase in 2006 and in the US the Company expects to achieve $1.0 million of first year sales into the agriculture sector.

The Board also continues to participate in discussions with several other companies regarding potential strategic alliances and/or joint venturing opportunities.

The full text of the Company's preliminary results are set out in Part 2 of this document.

7. The Placing

The Company proposes to raise approximately £6.0 million (net of expenses) through the issue of the Placing Shares at the Placing Price. The Placing Price represents a discount of 3.7 per cent. to the closing middle market price of 67.5 pence on 6 April 2006, being the last practicable date prior to the publication of this document. The Placing Shares will represent 24.9 per cent. of the Company's issued share capital immediately following Admission.

The Directors reviewed a number of different options to raise the additional finance required to develop the market for Myconate® and to satisfy the general working capital requirements of the Group. Having considered the uncertainty and costs as well as the practicalities associated with a pre-emptive offering to existing Shareholders, the Directors are of the opinion that in the current market conditions the Placing, although not pre-emptive, is in the best interests of the Shareholders as a whole.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Evolution Securities has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares at the Placing Price with certain institutional and other investors. The Placing has been fully underwritten by Evolution Securities. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the EGM and Admission becoming effective on or before 8.00 a.m. on 9 May 2006 (or such later time and/or date as the Company and Evolution Securities may agree, but in any event by no later than 8.00 a.m. on 31 May 2006).

The Placing Agreement contains warranties from the Company in favour of Evolution Securities in relation to, *inter alia*, the accuracy of the information contained in this document and certain other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Evolution Securities in relation to certain liabilities it may incur in respect of the Placing. Evolution Securities has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, for *force majeure* or in the event of a material breach of the warranties set out in the Placing Agreement.

Under the Placing Agreement and subject to it becoming unconditional in all respects and not being terminated in accordance with its terms, the Company has agreed to pay Evolution Securities a corporate finance fee of £100,000 and commission of 4 per cent. on the value at the Placing Price of the Placing Shares, together with all reasonable expenses and any applicable value added tax.

Settlement and dealings

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence on 9 May 2006.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that CREST accounts will be credited on the day of Admission and that share certificates (where applicable) will be dispatched by first class post by 18 May 2006.

Directors' participation in the Placing

Samuel Wauchope has agreed to subscribe for 20,000 Placing Shares at the Placing Price. This represents 0.2 per cent. of the Placing Shares. None of the other Directors will participate in the Placing.

8. Use of Proceeds

The net proceeds of the Placing will be approximately £6.0 million. The proceeds will be used to develop the market for Myconate® and to satisfy the general working capital requirements of the Group following Admission.

9. Extraordinary General Meeting

Set out on pages 26 and 27 of this document is the EGM Notice convening the EGM to be held on 5 May 2006 at the offices of Reed Smith, Minerva House, 5 Montague Close, London SE1 9BB at 10.00 a.m at which the Resolutions, all of which are inter-conditional, will be proposed for the purposes of implementing the Placing.

Resolution 1, which will be proposed as an ordinary resolution and which is subject to the passing of Resolution 2 and the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, authorises the Directors to allot the Placing Shares in connection with the Placing provided that such authority shall expire on the date falling 15 months after the date of the passing of Resolution 1 or the next annual general meeting of the Company, whichever is the earlier.

Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1 and the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, disapplies Shareholders' statutory pre-emption rights in relation to the issue of the Placing Shares provided that such authority shall expire on the date falling 15 months after the date of the passing of Resolution 2 or the next annual general meeting of the Company, whichever is the earlier.

10. Action to be taken

A Form of Proxy for use at the EGM 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, 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 10.00 a.m. on 3 May 2006. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the EGM and voting in person should he or she so wish.

11. Recommendation

The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the EGM as they have irrevocably undertaken to do so in respect of their beneficial holdings amounting, in aggregate, to 1,134,979 Existing Shares, representing approximately 3.76 per cent. of the existing issued share capital of the Company.

Yours faithfully

Dr Albert Fischer
Chairman

PART 2

PRELIMINARY RESULTS OF PLANT HEALTH CARE PLC FOR THE YEAR ENDED 31 DECEMBER 2005

Set out below is the full text of the audited preliminary results for the year ending 31 December 2005 which was announced to the London Stock Exchange by the Company on 10 April 2006.

"Plant Health Care plc (AIM: PHC.L), a leading provider of natural products for plants and soil, announces its preliminary results for the full year ended 31 December 2005.

Plant Health Care was established in 1995 in Pittsburgh (Pennsylvania) in the United States. Its products are aimed at the horticulture, agriculture, turf grass, commercial landscaping, forestry and land reclamation industries. The Directors believe the products are both environmentally beneficial and on the whole, more cost effective than synthetic chemical alternatives. Through the commercialisation of these products, Plant Health Care is capitalising on current long-term trends toward natural systems and biological products for plant care and soil and water management uses.

Highlights

- Turnover up 19% to $10.2 million (2004: $8.6 million)
- Gross profit up 37% to $5.0 million (2004: $3.7 million)
  – Gross profit margin 49% (2004: 42 per cent.)
- Loss before tax $2.9 million (2004: $2.9 million)
- US distribution deals signed with major landscaping companies and organisations
- Mexican and European turnover grew 42 per cent. and 64 per cent. respectively
- New products launched to enhance offering to customers
- Positioned for changing legislation for the increased use of non-chemical products
- Current trading ahead of 2005
- Successful Myconate® trials
- Announced today capital fund raising of approximately £6.0 million (net of expenses) to support commercialisation of Myconate®

Commenting on the results, Chief Executive John Brady said, "The Group made very good progress during 2005. As evidenced by the above financial information we made significant strides in almost all aspects of our business. Sales and gross margins each experienced double digit growth and fixed costs stabilised in the second half of the year. Most importantly, the second half of the year saw revenues climb 34 per cent. over the same period of the prior year and gross margins also responded accordingly.

"Following the successful completion of the Myconate® trials, we today announced a fund raising of approximately £6.0 million to support the commercialisation of the product, for which we are very excited."

CHAIRMAN'S STATEMENT

During 2005 Plant Health Care experienced a marked improvement in several key financial indicators. Sales grew 19 per cent. as a result of new distribution channels and new product offerings and we improved our gross margins from 42 per cent. to 49 per cent. Operating expenses stabilised in the second half of 2005 as we continued to operate at approximately the same cost level since our admission to AIM in July 2004. Although the net result for the full year was in line with 2004, the second half provided evidence of the growth in business and improvement in profitability for which we have been investing.

Our agriculture-led businesses in Mexico and Europe experienced exceptional sales growth and the new products endorsed in those markets are now opening the door to the very significant US agricultural market.

In our US landscaping business, new distribution and marketing agreements with some of the largest distributors in the market have built a solid platform for continued growth. Across all of our operating companies, our products are gaining market share and we are building brand awareness as a leading player in the rapidly emerging "green" market for sustainable growing practices.

In addition to this progress in our established businesses, in 2005 our new Myconate® technology, a crop yield enhancing application, continued to generate exceptional test results and is now ready for the first stages of commercial rollout.

Financial Results

The full year results, which saw turnover for the year rising by 19 per cent. to $10.2 million and an operating loss of $2.8 million (2004: loss $2.6 million), mask a significant improvement in performance in the second half in comparison with the similar period last year. Second half turnover rose by 34 per cent. to $5.5 million and second half margins were 52 per cent. (2004: 42 per cent.), while overhead expenses increased by only 6 per cent. The operating loss before exceptional items for the second half was $0.7 million (2004: loss of $1.6 million). The Chief Executive's report, which follows this statement, provides more detail and background to this substantial improvement.

Plant Health Care's Expansion

Of particular note in 2005, was the growth in our agriculture-led businesses in Mexico and Europe, which saw sales growth of 42 per cent. and 64 per cent. respectively. In Mexico, new distribution channels opened up new territories for us. In Europe, our new Spanish subsidiary was profitable in its first year of operation and we increased our presence in Italy and Greece. Complementing this growth in our geographic reach, we introduced two new products which have had an impact in the agricultural market. Pre-Tect™ and Sentry™ are attracting new business which allows us to present a full range of products for customer needs. In the UK, for example, PHC agricultural products hold leading positions in the UK high value agriculture market according to the Specialist Plant Growers Association. This proven range of products has enabled us to initiate discussions with major potential distributors and customers in the lucrative US agricultural market.

In the US landscaping business, our investments made in sales and marketing personnel are beginning to pay off. We have significant distribution and licensing deals with leading companies in the landscaping industry, including John Deere Landscapes and Ewing Irrigation, and expect these new arrangements to generate significant growth for us during 2006.

Myconate®

Our strategy of producing "naturally better" products that are effective and economically attractive for the farmer and professional landscaper is now gaining traction in Plant Health Care's markets worldwide. One of our core strengths is having the know-how to adapt and react to new opportunities. These skills were applied to the technology and intellectual property we secured when we acquired VAMTech LLC in 2004. Further development and extensive testing, have now led to our unique and proprietary product, Myconate®, the potential of which is underwritten by the positive outcome of trials to date, conducted by independent farmers, agrichemical and seed coating companies worldwide. The Directors believe Myconate® is now ready for commercialisation. We intend to launch Myconate® in controlled regional markets during 2006 and 2007, while continuing trials and pursuing discussions with the world's leading agrichemical and seed companies to seek agreements which would create worldwide distribution for this very exciting product.

To support the commercial roll-out of Myconate®, your Board announced today that it proposes to raise £6.5 million (before expenses) by way of a Placing of 10,000,000 new Ordinary Shares at a price of 65 pence per share. The net proceeds of the Placing will be used primarily to develop the market for Myconate®. This Placing is conditional upon the approval of Shareholders. A circular providing more background to, and details of, the Placing and notice of the Extraordinary General Meeting to approve the Placing is being sent to Shareholders today.

Our People

The Directors believe the management team at Plant Health Care has proven its strength by its ability to deal with an ever changing environment and its skill in collaborating with large and diverse companies. These skills have positioned the Company for rapid future growth. I would like to personally thank the management and staff for the hard work they have put into growing Plant Health Care over the past ten years. I would also like to thank all shareholders for their continued and valued support.

Outlook

I believe Plant Health Care is well on its way to establishing itself as the world's foremost provider of natural products which promote plant growth and health. Current trading conditions remain positive throughout Plant Health Care's businesses and the improvement in the second half of 2005 has continued into 2006. We view the future with confidence and look forward to our successful journey into the future together.

Dr Albert Fischer
Non-Executive Chairman

10 April 2006

CHIEF EXECUTIVE'S REPORT

FINANCIAL RESULTS

Sales

2005 was a strong year for Plant Health Care as the Company experienced significant growth in all areas of its operations. Sales increased by 19 per cent. to $10.2 million (2004: $8.6 million), and more importantly second half sales increased by 34 per cent. to $5.5 million compared to the same period in 2004. 2005 was the first year in the Company's history that second half sales exceeded those of the first half. This is largely attributable to the accelerated growth of our agriculture businesses in Mexico and Europe which had exceptionally strong second half performances, penetrating new markets, adding new customers in existing markets and increasing sales to existing customers.

Sales breakdown and growth:

	Year ended 31 December		
	2005	*2004*	*Increase*
	$'000	*$'000*	
US	6,503	6,154	+6%
Mexico	1,933	1,365	+42%
Europe	1,787	1,092	+64%
	10,223	8,611	+19%

Operating margins

A highlight of our 2005 operating performance was the improvement in our gross margin. The gross margin for 2005 was 49 per cent. compared with 42 per cent. in 2004. A sales focus on our higher margin products complemented production efficiencies from our re-located manufacturing facility to deliver this increase. Management believes this increase is not only sustainable, but with PHC's improved manufacturing efficiencies and closely managed raw material purchasing, can be further increased in 2006.

This combination of increasing sales and maintaining strong margins will be the key driver to the Company reaching profitability.

Operating costs

The operating costs (excluding exceptional costs) increased from $5.8 million in 2004 to $7.3 million in 2005 largely as a result of our earlier investments in sales and marketing personnel to drive our sales growth, and also the full year impact of operating as a public company, in particular the increased expenses for accounting, legal and other necessary compliance costs.

Exceptional costs in 2005 of $0.5 million relate to the transfer of the Company's manufacturing to a newer, more efficient facility and to the costs associated with changes in senior management.

FINANCING

In the year to 31 December 2005 the Company was financed primarily by equity – this has been the case since PHC's flotation and admission to AIM in July 2004. For the purposes of this analysis, the Company does not classify short-term debtors and creditors as financing instruments.

At 31 December 2005 the Company had cash and short-term investments of $1.1 million, and total borrowings of $0.8 million, of which $0.5 million related to interest-free notes payable arising from the acquisition of VAMTech LLC in October 2004. All borrowings were denominated in US dollars apart from some €25,000 of finance leases.

It is, and has been throughout the period under review, PHC's policy that no trading in financial instruments shall be undertaken.

Given the nature and small amounts of the Company's non-equity financing, PHC does not have established policies regarding interest, currency and liquidity risks but the Board considers each potential borrowing situation on a case-by-case basis as it arises.

OPERATIONAL REVIEW

The Company's business is expanding in all market segments and geographic regions, with especially significant growth in our agriculture business.

Agriculture

During the 2005 year the Company continued to extend successfully its geographical reach outside its main landscaping market in the US.

In Mexico new distribution agreements led to sales increasing by 42 per cent. to $1.9 million.

We also signed new distribution agreements in Europe, launched new operations in Spain and expanded services in Italy and Greece. New products (see below) also played an important part. All of these activities fuelled strong sales growth in Europe, with revenue up by 64 per cent. to $1.8 million.

We see great potential for the Company from the lucrative agriculture market worldwide. In 2005 we saw strong growth in sales of two new products initially targeted at Europe. Pre-Tect™ and Sentry™ were developed in response to customer demand for natural solutions to protect crops and extend shelf life of produce:

- Sentry™ is a foliar leaf wash containing natural soaps that discourage fungal growth.
- Pre-Tect™ is a foliar feed product that increases the growth of salad crops and also increases shelf life by up to five days.

The success with which these products have been introduced into the European market has exceeded our expectations. We now have agreements in place with the suppliers to a leading UK supermarket chain, which has stipulated the use of these products on all salad produce they purchase. It is our intention to commercialise Pre-Tect™ and our Organic Plant Food in the US during 2006, which we expect to increase sales in the important US agriculture market.

Landscaping and turf

Within the Company's US operations, the potential for our landscape business was aided by several significant new business wins, with large strategic multi-branch distributors. These were:

- John Deere Landscapes: The Company signed a 10 year distribution agreement with John Deere Landscapes ("JDL") in August 2005. PHC is the exclusive provider of all biological products to JDL's 300+ wholesale landscape distribution centres. Additionally JDL and PHC will together offer an exclusive, innovative, industry-wide three-year tree and shrub warranty programme that incorporates the use of our Tree Saver product. The agreement calls for minimum purchases of $40 million over the life of the agreement in order for JDL to maintain exclusivity.
- Symbiot: The Company is now the exclusive provider of natural products to the Symbiot network of landscape contractors and distributors. This allows us access to the entire Symbiot community which numbers approximately 500 landscape contractors and a large number of distributors in the US.
- Ewing Irrigation: In September, we announced the addition of Ewing Irrigation as a distributor of the Company's turf, landscape and water management products through their network of 150 outlets. Ewing Irrigation is one of the largest distributors to golf courses in the USA.
- Ball Horticultural: In November 2005, we entered into a joint research agreement with Ball Horticultural Company ("Ball"), a world leader in the commercial development and production of ornamental plant and seed varieties. Ball has operations in 21 countries on six continents and is the largest horticultural seed company in the US. Under the agreement, we will provide products and

expertise to assist Ball in the exploration of new production techniques using sustainable natural products and practices.

These developments further reinforce our position as a leader in the natural plant health and growth industry, and we continue to participate in discussions with several other biological based companies about forming strategic alliances or joint venturing opportunities.

Reclamation

Our reclamation business achieved profitability in 2005. It is expected to achieve some sales growth in 2006. However, given the potential the Company has in its other markets, PHC's efforts in 2006 will be channelled in those areas.

Retail

Following a major restructuring within the Scotts Group, it has declined to invest in, and pursue as planned, the joint project to deliver our natural products to its customer base. Accordingly we are negotiating the termination of our agreement with Scotts and seeking payment of monies due to us.

We have opened discussions with other major organisations targeting the retail market for natural plant health products.

Myconate®

In 2004 Plant Health Care purchased VAMTech LLC, a spin-off company from the University of Michigan specialising in the synthesis of *Formononetin*, a compound that stimulates the growth of mycorrhizal fungi already existing in the soil. The compound, whose brand name is PHC Myconate®, has been in extensive trials around the world on a variety of crops and in a variety of conditions. The results of these trials have now been received, confirming the Company's belief in Myconate®'s potential to significantly increase yields in row crops, specifically corn and soybeans, at a competitive price.

The results showed that Myconate® consistently improved the yield of row crops and higher value crops, such as tomatoes, in some cases, by as much as 30 per cent. The trials proved that Myconate® can be applied as a mix with fertilizer or as a coating applied directly to the seed. The spectacular increase in yield and the ease of application has led a number of the world's top agrichemical and seed companies to carry out further tests in 2006 with a view to entering into commercial agreements with PHC regarding licensing and distribution.

The Board believes that Myconate® could generate a significant proportion of PHC's future revenues and that it is a major value driver. Accordingly, it intends to commit substantial resources towards the first phase of commercialising Myconate® in 2006 and 2007.

Strategy

The Company's strategy is to provide natural solutions for the farming and landscaping industry that the Directors' believe will be more effective than synthetic chemical alternatives. The strategy is driven by government legislation, the ever changing focus in market trends and needs and by the overwhelming drive of the Company to provide a natural alternative to the current chemical-based products available for agriculture, landscaping, reclamation and general plant welfare.

Worldwide legislation banning harmful chemicals in agriculture and horticulture, coupled with strong consumer demand for "greener" products, is resulting in the increasing acceptance and adoption of PHC's products. Europe, in particular, has seen recent legislation governing the way in which chemicals are used in farming. For example, in 2005, France removed the use of Syngenta's Gaucho, one of the world's most widely used pesticides, from agricultural distribution. The removal of such products creates a need for natural alternatives and represents an increasing opportunity for us in the agriculture (agribusiness) industry. It is with this in mind that the Company's future market emphasis is evolving towards agribusiness.

Plant Health Care is raising awareness of its brand on a global scale and has standardised its product names and packaging. The Directors believe that the recent Myconate® trials have also been instrumental in achieving this aim, especially amongst the targeted agricultural/farming industries.

Outlook

While the US landscaping and horticultural markets generate the largest percentage of our turnover, the rapid growth of our agribusiness in Europe and Mexico will contribute significantly in our move towards future profitability. Our strength lies in our unique and proven products, our top level distribution agreements and the loyalty we command from our customers. The Board believes these elements will drive growth as we roll-out more products and sign up more partners.

The Board is particularly excited about the future of Myconate® which we believe will change the face of worldwide farming practices. The Board sees Myconate® as representing a paradigm shift in agricultural practices as we introduce seed coating and fertilizer applied products that will allow farmers to significantly increase crop yields while also reducing the amount of chemical inputs. The success of the Myconate® trials has given us the confidence to commence commercialisation, first regionally in 2006 and subsequently on an international scale. The Board have already planned increased investments for this market penetration and expect to see the first revenues from Myconate® by the end of 2006.

The Board is excited about the prospects for Plant Health Care. The Board clearly sees a future of strong growth, new product launches and an increasing demand for our products. Whilst Plant Health Care's products are economically viable as well as being 'environmentally friendly', the market and legislative forces have created the opportunity for more sustainable farming and growing practices. Plant Health Care's products are at the forefront of this trend and we believe they will make a difference in the complexion of our environment. It is going to be an exciting ride and we look forward to the future with confidence.

John Brady
Chief Executive

10 April 2006

Consolidated profit and loss account

for the year ended 31 December 2005

	Note	*2005* *$'000*	*2004* *$'000*
Turnover	4	10,223	8,611
Cost of sales		(5,219)	(4,952)
Gross profit		5,004	3,659
Administrative expenses		(7,847)	(6,284)
Operating loss	5	(2,843)	(2,625)
Other interest receivable and similar income		64	44
Interest payable and similar charges	6	(96)	(299)
Loss on ordinary activities before taxation		(2,875)	(2,880)
Taxation	7	(121)	(52)
Loss on ordinary activities after taxation		(2,996)	(2,932)
Minority interest		(27)	(14)
Loss for the period		(3,023)	(2,946)
Basic and diluted loss per share	8	(10.1c)	(14.0c)

All amounts relate to continuing activities.

Consolidated statement of total recognised gains and losses

for the year ended 31 December 2005

	2005 *$'000*	*2004* *$'000*
Loss for the financial year	(3,023)	(2,946)
Exchange translation differences on consolidation	(21)	43
Total recognised gains and losses for the year	(3,044)	(2,903)

Consolidated balance sheet

at 31 December 2005

	2005	*2004*
	$'000	*$'000*
Fixed assets		
Intangible assets	2,769	2,810
Tangible assets	790	453
	3,559	3,263
Current assets		
Stock	1,582	1,124
Debtors	2,989	2,192
Short term investments	252	–
Cash at bank and in hand	894	4,812
	5,717	8,128
Creditors: amounts falling due within one year	(3,332)	(1,771)
Net current (liabilities)/assets	2,385	6,357
Total assets less current liabilities	5,944	9,620
Creditors: amounts falling due after one year	(523)	(615)
Net assets	5,421	9,005
Capital and reserves		
Called up share capital	542	538
Share premium	10,847	10,700
Merger reserve	11,195	11,913
Profit and loss account	(17,353)	(14,309)
Shareholders' funds – equity	5,231	8,842
Minority interests – equity	190	163
	5,421	9,005

Company balance sheet

at 31 December 2005

	2005	2004
	$'000	$'000
Fixed assets		
Fixed asset investments	23,791	20,959
Current assets		
Debtors	16	24
Cash at bank and in hand	181	4,217
	197	4,241
Creditors: amounts falling due within one year	(290)	(123)
Net current assets	(93)	4,118
Net assets	23,698	25,077
Capital and Reserves		
Called up share capital	542	538
Share premium	10,847	10,700
Merger reserve	14,453	14,453
Profit and loss account	(2,144)	(614)
Shareholders' funds – equity	23,698	25,077

Consolidated cash flow statement

for the year ended 31 December 2005

	Note	2005 $'000	2004 $'000
Net cash outflow from operating activities	9	(2,833)	(3,256)
Returns on investments and servicing of finance:			
Interest paid – other		(66)	(192)
Interest paid – finance leases		(19)	(13)
Interest received		64	44
Net cash outflow from returns on investments and servicing of finance		(21)	(161)
Taxation:			
Current tax on foreign income for the year		(39)	(45)
Capital expenditure and financial investment:			
Purchase of tangible fixed assets		(549)	(217)
Proceeds on sale of fixed assets		21	–
Purchase of licences		–	(37)
Purchase of short term investments		(252)	–
Net cash outflow from capital expenditure and financial investment		(780)	(254)
Acquisition of subsidiary			
Purchase of subsidiary undertaking		–	(1,986)
Cash outflow before financing		(3,673)	(5,702)
Financing			
Issuing of ordinary share capital for cash		–	10,386
Exercise of warrants		–	205
Increase of convertible redeemable loan stock		–	775
Issue of new borrowings		98	25
Redemption of loan stock		–	(1,000)
Repayment of borrowings		(148)	(212)
Repurchase of minority interest's shares by subsidiary		(309)	–
		(359)	10,179
(Decrease)/increase in cash		(4,032)	4,477

Notes forming part of the financial statements

for the year ended 31 December 2005

1. Statutory information

The abridged financial information set out above has been extracted from financial statements approved by the directors on 10 April 2006, which received an unqualified report by the Company's auditors, and which will be delivered to the Registrar of Companies following the Company's annual general meeting. The financial information does not constitute statutory accounts as defined in section 240 of the Companies Act 1985, and has been prepared on the basis of the accounting policies set out in the financial statements for the year ended 31 December 2004.

2. Basis of preparation

The financial statements have been prepared under UK GAAP and are presented in US dollars. The directors believe that it is more appropriate to use US dollars as a currency for presentation, given that the majority of the Group's operations are denominated in that currency.

3. Basis of consolidation

On 6 July 2004 Plant Health Care plc became the legal parent company of Plant Health Care, Inc. in a share for share transaction. The substance of the combination was that Plant Health Care, Inc. acquired Plant Health Care plc in a reverse acquisition.

Accordingly, the directors adopted reverse acquisition accounting as the basis of consolidation in order to give a true and fair view of the results for the year.

As a consequence of applying reverse acquisition accounting, the results for the year ended 31 December 2004 comprise the results of Plant Health Care, Inc. for the year ended 31 December 2004 plus those of Plant Health Care plc from 6 July 2004, the acquisition date.

4. Segmental analysis

Analysis by geographic market (by origin)

	2005 Turnover $'000s	*2005 Pre-tax Profit/(Loss) $'000s*	*2005 Net assets/ (liabilities) $'000s*	*2004 Turnover $'000s*	*2004 Pre-tax Profit/(Loss) $'000s*	*2004 Net assets/ (liabilities) $'000s*
US	6,503	(1,276)	(634)	6,154	(1,471)	756
Mexico	1,933	257	765	1,365	123	628
Europe	1,787	71	(589)	1,092	(66)	(700)
Corporate	–	(1,927)	5,879	–	(1,466)	8,321
	10,223	(2,875)	5,421	8,611	(2,880)	9,005

5. Operating loss

	2005 *$'000s*	*2004* *$'000s*
Operating loss is arrived at after charging:		
Research and development	295	170
Depreciation	190	150
Amortisation	41	41
Operating lease expense	399	365
Auditors' remuneration – audit services	167	151
– non audit services	19	3*
Exceptional costs – Plant relocation	280	189
Staff reorganisation	223	–
IPO costs	–	247
	503	436

* In 2004, the auditors were also paid $393,000 in relation to the Company's admission to AIM; these fees were capitalised.

Plant relocation expenses comprise a provision for the relocation of the Pittsburgh, Pennsylvania manufacturing facility.

6. Interest payable and other charges

	2005 *$'000s*	*2004* *$'000s*
On convertible redeemable loan stock	–	(154)
On finance leases	(40)	(33)
Other interest and finance charges	(56)	(112)
	(96)	(299)

7. Taxation

The taxation charge for the year comprises:

	2005 *$000s*	*2004* *$000s*
Corporation tax:		
Current tax charge on loss for the period	(121)	(52)
Deferred tax:		
Origination and reversal of timing differences	–	–
Taxation on loss on ordinary activities	(121)	(52)

The differences between the Group's current tax shown above and the amount calculated by applying the Group's standard rate of expected corporation tax is as follows:

	2005 *$000s*	*2004* *$000s*
Loss on ordinary activities before tax	(2,875)	(2,625)
Expected tax credit on loss on ordinary activities	863	788
Losses in year not realised against current tax	(984)	(840)
Tax charge for period	(121)	(52)

7. Taxation (continued)

The Group has significant tax losses available for carry-forward in several of the jurisdictions in which it operates. The tax charge in future periods may be affected by the utilisation of a deferred tax asset of approximately $6.4 million (2004 – $5.4 million) in respect of timing differences relating to losses, not currently recognised as there is insufficient evidence related to the recoverability of the asset. Future utilisation of these losses is subject to suitable profits arising in the appropriate tax jurisdictions.

8. Loss per share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue is 30,048,252 (2004 – 21,014,576) and the loss after tax and minority interests is $3,023,000 (2004 – $2,946,000). The weighted average number of shares outstanding for 2004 prior to admission to AIM has been adjusted to reflect the exchange of shares of Plant Health Care, Inc. for those of Plant Health Care plc.

9. Reconciliation of operating profit to net cash outflow from operating activities

	2005 *$'000s*	*2004* *$'000s*
Operating loss	(2,843)	(2,625)
Depreciation	190	150
Amortisation of intangibles	41	36
Loss on sale of fixed assets	1	–
Increase in stocks	(458)	(257)
Increase in debtors	(830)	(751)
Increase in creditors	1,066	191
Net cash outflow from operating activities	(2,833)	(3,256)

10. Post balance sheet event

The Company announced today that it proposes to raise £6.5 million (before expenses) by way of a placing of 10,000,000 new ordinary shares at a price of 65 pence per share. The net proceeds of the Placing will be used primarily to develop the market for Myconate®. This placing is conditional upon the approval of shareholders. A circular providing more background to and details of the placing and notice of the Extraordinary General Meeting to approve the placing is being sent to shareholders today.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Plant Health Care plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05116780)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Plant Health Care plc (the "Company") will be held at the offices of Reed Smith Rambaud Charot LLP, Minerva House, 5 Montague Close, London SE1 9BB at 10.00 a.m. on Friday 5 May 2006 to consider and, if thought fit, to pass the following resolutions of which resolution 1 will be proposed as an ordinary resolution of the Company and resolution 2 will be proposed as a special resolution of the Company:

ORDINARY RESOLUTION

1. THAT, conditional upon the passing of Resolution 2 and the Placing Agreement (as defined in the circular to shareholders of the Company dated 10 April 2006 (the "Circular")), becoming unconditional in all respects (save only for the passing of the Resolutions and Admission) and it not being terminated in accordance with its terms the directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) provided that this authority shall be limited to the allotment of up to 10,000,000 new ordinary shares of 1 pence each in the capital of the Company in connection with the Placing (as such term is defined in the Circular) and unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 15 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may at any time 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 relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

2. THAT, conditional upon the passing of Resolution 1 and the Placing Agreement becoming unconditional in all respects (save only for the passing of the Resolutions and Admission) and it not being terminated in accordance with its terms the directors be and they are empowered pursuant to section 95(1) of the Act to allot equity securities (as defined in section 94(2) of the Act) of the Company for cash pursuant to the authority of the directors under section 80 of the Act conferred by Resolution 1, and/or where such an allotment constitutes an allotment of equity securities by virtue of section 94(3A) of the Act, as if section 89(1) of the Act did not apply to such allotment provided that the power conferred by this Resolution 2 shall be limited to the allotment of up to 10,000,000 new ordinary shares of 1 pence each in the capital of the Company in connection with the Placing and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 15 months after the date of the passing of this Resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

By order of the Board

Catherine Sutton
Company Secretary

10 April 2006

Registered Office:
Minerva House
5 Montague Close
London SE1 9BB

Notes:

1. A member entitled to receive notice, attend and vote at the extraordinary general meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. Such proxy need not be a member of the Company. Completion of a form of proxy does not preclude your attendance at the meeting and voting in person if you so wish. To be valid, the instrument appointing a proxy, together, if appropriate, with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, must be deposited at the offices of the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time fixed for the holding of the meeting. A pre-paid form of proxy accompanies this notice.

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members of the Company in order to have the right to receive notice, attend and vote at the extraordinary general meeting (and for the purposes of the determination by the Company of the members of votes they may cast) is 10.00 a.m. on 3 May 2006 or 48 hours before the time of adjournment of the meeting. The rights of members to attend and vote at the meeting will be determined by references to entries on the register of members as at 10.00 a.m. on 3 May 2006. Changes to entries on the register of members of the Company after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

3. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.