Terms and Conditions Of The Unlisted Options

1 **INTERPRETATION**

In this Instrument, the following words and expressions shall have the following meanings unless the context otherwise requires:-

"Act"

means the Companies Act 1985 (as amended);

"AIM"

means the AIM market of the London Stock Exchange plc;

"ASX"

means Australian Stock Exchange Ltd ACN 008 624 691;

"Business Day"

means a day (excluding a Saturday, Sunday or a public holiday) on which the clearing banks are open for normal business in the City of London;

"Conditions"

means the terms and conditions of the Options as set out in Schedule below;

"Directors"

means the board of directors of the Company for the time being;

"Final Exercise Date"

means 3pm **(UK time)** on 15 June 2009;

"Notice of Exercise"

means as defined in Condition 1.2;

"Ordinary Share(s)"

means ordinary share(s) of 0.3 pence each in the capital of the Company;

"Register"

means the register of persons for the time being entitled to the benefit of the Options to be maintained pursuant to the provisions of Condition 10.1;

"Subscription Period"

means the period from the date hereof to the Final Exercise Date;

"Subscription Price"

means 8 pence per Ordinary Share;

"Subscription Rights"

means the right to subscribe for Ordinary Shares conferred by the Options;

"Optionholder"

means a registered holder for the time being of Options; and

"Options"

means Options constituted by this Instrument.

TERMS AND CONDITIONS

1 SUBSCRIPTION RIGHTS AND PROCEDURES

1.1 A Optionholder shall have Subscription Rights to subscribe for the number of Ordinary Shares set out in the Certificate (or as credited to the Optionholder's CREST account (or equivalent) in the event that the Optionholder gives directions to the Company, and subject to the rules of the Relevant System, that the Options are to be issued in uncertificated form) by making payment in cash for all or such number of Ordinary Shares as it shall specify and for which its holding of Options shall entitle it to subscribe at the Subscription Price (subject to adjustments as provided in Condition 2 below) at any time within the Subscription Period. The Subscription Rights will not be exercisable in respect of a fraction of a share. The Subscription Price shall be payable in full on exercise of the Option on any day prior to the Final Exercise Date provided always that if the same shall not be a Business Day then the Final Exercise Date shall be the next Business Day to occur.

1.2 In order to exercise its Subscription Rights in whole or in part a Optionholder must lodge at the registrars for the time being of the Company its Certificate (if any), having completed the notice of exercise thereon and specifying the number of Ordinary Shares in respect of which the Subscription Rights are exercised or if no number of Ordinary Shares is inserted but the notice is otherwise duly complete, the notice will be deemed to relate to the number of Ordinary Shares which the amount paid to the Company by such Optionholder will entitle the Optionholder(s) to subscribe ("Notice of Exercise") in the form of the draft set out in Schedule 1 to this Instrument, accompanied by a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are exercised (by transferring to the bank account notified to it by the Company such aggregate Subscription Price) provided that any one Notice of Exercise must relate to at least 1,000 Options or, if less, the outstanding amount of the Options held by the Optionholder. Once lodged, a Notice of Exercise shall be irrevocable save with the consent of the directors of the Company. The Optionholder must also comply with any statutory requirements for the time being applicable. A Notice of Exercise which is completed and lodged otherwise than in accordance with this Condition shall be of no effect.

1.3 Ordinary Shares issued pursuant to the exercise of Subscription Rights will be allotted as soon as practicable but not later than 14 days after the lodging of the relevant Notice of Exercise and receipt of payment of the aggregate Subscription Price (the "Subscription Date") and certificates in respect of such Ordinary Shares will be issued free of charge not later than 14 days after the Subscription Date to the Optionholder in whose name the Options are registered at the Subscription Date. In the event of a partial exercise of the Subscription Rights comprised in the Options the Company shall at the time of issue of share certificates issue free of charge a fresh Certificate (if required) in the name of the Optionholder for any balance of his Subscription Rights remaining exercisable.

1.4 Ordinary Shares allotted pursuant to the exercise of the Subscription Rights will rank for all dividends or other distributions declared after the date of allotment of such shares but not before such date and otherwise pari passu in all respects with the Ordinary Shares in issue on the date of such exercise.

1.5 Any Subscription Rights not exercised prior to 3pm on the Final Exercise Date shall lapse.

2 **ADJUSTMENT OF SUBSCRIPTION RIGHTS**

2.1 The Subscription Rights will be subject to adjustment as follows:

2.1.1 upon any allotment of fully paid Ordinary Shares by way of capitalisation of profits or reserves (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend) or a bonus issue to holders of the Ordinary Shares on the register on a date prior to the Final Exercise Date, the number of Ordinary Shares to be subscribed for on any subsequent exercise of the Subscription Rights will be increased in due proportion with effect from the record date of such capitalisation or bonus issue;

2.1.2 if prior to the Final Exercise Date the Company should sub-divide or consolidate its ordinary share capital then the number and/or nominal value of Ordinary Shares to be subscribed for on any subsequent exercise of the Subscription Rights and/or the Subscription Price shall be reduced or increased (as appropriate) in due proportion with effect from the record date for such sub-division or consolidation;

2.1.3 if prior to the Final Exercise Date the Company shall make any offer to existing holders of shares for subscription or purchase by way of rights the Company will ensure that, for the purposes of determining entitlements in any such offer, the record date will be at least ten Business Days after the offer is announced to give Optionholders the opportunity to exercise Options prior to the date for determining entitlements to participate in such Offer. To the extent that Options remain unexercised then, unless at the option of the Company an equivalent offer (made on the basis of the Optionholder being the registered holder of all of the Ordinary Shares remaining subject to his Options) is made to each Optionholder, the Subscription Price shall be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E\,(P - (S + D))}{N + 1}$$

For the purposes of this sub-clause 2.1.3:

O means the old Exercise Price;

E means the number of underlying Ordinary Shares into which one Option is exercisable;

P means the average market price per Ordinary Share weighted by reference to the volume of the underlying Ordinary Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date;

S means the subscription price of an Ordinary Share under the rights issue;

D means the dividend due but not yet paid on the existing underlying Ordinary Shares (except those to be issued under the rights issue); and

N means the number of Ordinary Shares with rights or entitlements that must be held to receive a right to one new Ordinary Share.

2.1.4 If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules of ASX which apply to the reconstruction at the time of the reconstruction.

2.2 Upon the occurrence of an event referred to in Condition 2.1, the Company shall request the auditors of the Company from time to time acting as experts to determine such adjustment to the number and/or nominal value of Ordinary Shares to be subscribed on exercise of the Subscription Rights and/or the Subscription Price as is fair and reasonable in accordance with Condition 2.1 above and within 14 days thereafter the Company shall give notice of such adjustments to the Optionholders together with a new Option certificate (if required) in respect of any additional Ordinary Shares for which that Optionholder is entitled to subscribe (if any) in consequence of such adjustments. The amount of any such adjustments as certified by the auditors shall, in the absence of manifest error, be final and binding on the Company and the Optionholders.

2.3 Notwithstanding anything to the contrary contained in this instrument, no adjustment shall be made pursuant to this Condition 2 which would result in the issue by the Company of a fraction of an Ordinary Share and no adjustments shall be made pursuant to this Condition 2 if, as a consequence, the Subscription Price would be less than the nominal value of an Ordinary Share.

2.4 Optionholders will be given notice in writing of all adjustments. No adjustment will be made to the Subscription Price if such adjustment would be less than one per cent of the Subscription Price then in force and on any adjustment by reason of consolidation or division the adjusted Subscription Price will be rounded down to the nearest one penny. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment

3 STOCK EXCHANGE DEALINGS

3.1 Provided that at the time of issue of Ordinary Shares pursuant to the exercise of Options, the Ordinary Shares (or any of them) are quoted on the Official List of the United Kingdom Listing Authority or are traded on AIM or ASX or permission has been granted for dealings therein on any other recognised investment exchange in any part of the world, the Company will apply to such body for permission to deal in or for quotation of such Ordinary Shares (as the case may be) and shall use its best endeavours to secure such permission or quotation no later than 5 days after the issue of such Ordinary Shares.

4 WINDING UP

4.1 If an order is made or an effective resolution is passed on or before the Final Exercise Date for the voluntary winding up of the Company (except for the purpose of reconstruction or amalgamation, in which case the Company will procure that each Optionholder is granted by the reconstructed or amalgamated company a substituted Option of a value equivalent to the value of his Options immediately prior to such reconstruction or amalgamation in substitution, as the Optionholder(s) acknowledge(s) for and to the exclusion of his Options) each Optionholder will be entitled for the purpose of ascertaining his rights in the winding up to be treated as if he had immediately before the date of the passing of the resolution fully exercised his rights to acquire Ordinary Shares pursuant to his Options and in that event he shall be entitled to receive out of the assets available in the liquidation pari passu with the holders of the Ordinary Shares such a sum as he would have received had he been the holder of all such Ordinary Shares to which he would have become entitled by virtue of such exercise after deducting a sum equal to the aggregate Subscription Price which would have been payable in respect of such exercise. The rights of the Optionholders under this Condition 4 shall be calculated by the auditors of the Company for the time being whose determination shall (save in the case of manifest error) bind the Company and the Optionholders. Subject to this condition the Options shall lapse on liquidation of the Company.

5 VARIATION OF RIGHTS

5.1 All or any of the rights for the time being attached to the Options may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the Company and with either the consent in writing of any or all Optionholders entitled to subscribe for not less than 75 per cent. of the Ordinary Shares which are subject to outstanding Options or with the sanction of an Extraordinary Resolution of the

Optionholders. All the provisions of the Articles of Association of the Company as to general meetings of the Company shall mutatis mutandis apply to any separate meeting of the Optionholders as though the Options were a class of shares forming part of the capital of Company and as if such provisions were expressly set out in extenso herein but so that:-

5.1.1 the necessary quorum shall be the Optionholders (present in person or by proxy) entitled to subscribe for one-third in nominal amount of the Ordinary Shares subject to outstanding Options;

5.1.2 every Optionholder present in person at any such meeting shall be entitled on a show of hands to one vote and on a poll every Optionholder present in person or by proxy at any such meeting shall be entitled to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Options;

5.1.3 any Optionholder or Optionholders holding 10 per cent or more of the aggregate outstanding Options present in person or by proxy may demand or join in demanding a poll;

5.1.4 if at any adjourned meeting a quorum as above defined is not present those holders of outstanding Options who are then present in person or by proxy shall be a quorum.

5.2 "Extraordinary Resolution" for the purposes of this Condition 5 means a resolution proposed at a meeting of the Optionholders duly convened and held and passed by a majority consisting of not less than 75 per cent of the votes cast, whether on a show of hands or on a poll.

6 DEATH OR BANKRUPTCY

6.1 The executors or administrators of a deceased Optionholder (not being one of two or more joint Optionholders) and in the case of the death of one or more of several joint Optionholders the survivor or survivors of such joint Optionholders shall be the only persons recognised by the Company as having any title to or interest in the Options of such deceased Optionholder.

6.2 Any person becoming entitled to Options in consequence of death or bankruptcy of a holder of such Options or of any other event giving rise to the transmission of such Options by operation of law may upon producing such evidence of his entitlement as the Company shall think sufficient be registered himself as the holder of such Options.

6.3 Any person becoming entitled to Options in consequence of death or bankruptcy of a Optionholder shall be entitled to receive and may give a good discharge of any monies payable in respect thereof but shall not be entitled to receive notices of or to attend or vote at meetings of the Optionholders or (save as aforesaid) to any of the rights or privileges of a Optionholder until he shall have become a holder of the Options.

7 LOST OR DESTROYED CERTIFICATES

7.1 If any Certificate is worn out or defaced then upon production of such certificate to the Directors of the Company they may cancel the same and may issue a new certificate in lieu thereof. If any such certificate be lost or destroyed then upon proof thereof to the reasonable satisfaction of the Directors (or in default of proof, on such indemnity as the directors of the Company may deem adequate, being given) a new Certificate in lieu thereof may be given to the persons entitled to such lost or destroyed Certificate free of charge (save as regards any payment pursuant to any such indemnity).

7.2 An entry as to the issue of the new Certificate and indemnity (if any) shall be made in the Register.

8 NOTICES

8.1 Any notice or other document (including a Certificate) may be given personally or sent to any Optionholder by sending the same by post in a pre-paid envelope addressed to such Optionholder to his registered address in the United Kingdom or (if he has no registered address within the United Kingdom) to the address (if any) in the United Kingdom supplied by him to the Company for the giving of notice to it.

8.2 In the case of joint holders a notice given to the Optionholder whose name stands first in the Register in respect of such Options shall be sufficient notice to all joint holders.

8.3 Notice may be given to the persons entitled to any Option in consequence of the death or bankruptcy of any Optionholder by sending the same by post in a pre-paid envelope addressed to them or the representative or trustee of such holder at the address (if any) in the United Kingdom supplied for the purpose by such person or (until such address is supplied) by giving notice in the manner in which it could have been given if the death or bankruptcy had not occurred.

8.4 Any notice required to be given to the Company hereunder may be given either personally or by sending it by post to the registered office of the Company.

8.5 Any notice given or document sent by post shall be deemed to be served or received at the expiration of twenty-four hours or, where second class mail is employed, forty-eight hours after the time when it is posted. In proving such service or receipt it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted.

8.6 Any Optionholder described in the Register by an address not within the United Kingdom who shall from time to time give to the Company an address within the United Kingdom at which any notice may be served upon him shall be entitled to have notice served on him at such address. Save as aforesaid no Optionholder other than the Optionholder described in the Register by an address within the United Kingdom shall be entitled to receive any notice.

8.7 Any person who by operation of law, transmission or other means whatsoever shall become entitled to any Option shall be bound by every notice in respect of such Option which prior to his name and address being entered on the Register shall be duly given to the person from whom he derives his title to such Option.

9 OTHER PROVISIONS

9.1 So long as any Subscription Rights remain exercisable:-

9.1.1 The Company shall not:-

(a) (other than Ordinary Shares paid out of distributable reserves and issued in lieu of a cash dividend) issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares; or

(b) during (or, as at a record date falling within) the period of six weeks ending on the Final Exercise Date make any offer or invitation as is referred to in Condition 2.1.3 above (unless the Optionholders are entitled to participate in any such offers on the same terms as any other participant as if they were holders of Ordinary Shares having exercised the Subscription Rights in full and as if the Ordinary Shares issued pursuant to such exercise had been issued immediately prior to the date or record date of the relevant issue or offer as may be made by a third party); or

(c) prior to the Final Exercise Date in any way modify the rights attached to its existing Ordinary Shares as a class, or create any new class of shares except for shares which carry, as compared with the existing Ordinary Shares, no greater rights as regards voting, dividend or capital provided that nothing herein shall restrict the right of the Company to increase or to consolidate or sub-divide its share capital; or

(d) issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves nor make any offer as is referred to in Condition 2.1.3 above if as a result the Company would on any subsequent exercise of the Subscription Rights be obliged to issue Ordinary Shares at a discount; or

(e) save as set out in Condition 9.1 above and save for any capitalisation of profits and reserves made as contemplated in Condition 2.1.3 the Company shall not except with the sanction of an Extraordinary Resolution of the Optionholders or except by the redemption of redeemable shares reduce its share capital or (except as authorised by sections 130-134 (inclusive) or section 170 of the Act) any share premium account or capital redemption reserve fund **PROVIDED THAT** nothing herein shall prevent the Company from purchasing any of its shares for the time being in issue on such terms as it may think expedient nor require the sanction of an Extraordinary Resolution of the Optionholders for any such purchase; and

9.1.2 The Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Subscription Rights remaining exercisable.

9.1.3 If at any time whilst the Subscription Rights remain capable of being exercised an offer or invitation is made to all holders of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Shares and the Company becomes aware that as a result of such offer or invitation the right to cast a majority of votes which may ordinarily be cast at a general meeting of the Company has become vested in the offeror and/or such persons or companies as aforesaid, the Company shall, so far as it is able, procure, subject to deducting a sum equal to the aggregate Subscription Price which would have been payable in respect of such exercise, that a like offer or invitation is made or extended at the same time to each Optionholder as if the Options had been exercised in full and as if the Ordinary Shares issued pursuant to such exercise had been issued immediately prior to the record date for such an offer or invitation.

9.1.4 The Company shall send to the Optionholders a copy of every document sent to the holders of its Ordinary Shares at the same time as it is sent to such holders.

10 TRANSFER

10.1 The Company shall maintain a register of Options and the persons entitled thereto and the provisions of sub-condition 10.2 shall apply in relation to the transfer thereof.

10.2 The Company shall be entitled to treat each Optionholder as the absolute owner of a Option and, accordingly, shall not, except as required by law or a Court of competent jurisdiction, be bound to recognise any equitable or other claim to or interest in a Option on the part of any other person, whether or not it shall have express or other notice of such a claim.

10.3 Every Optionholder will be recognised by the Company as entitled to the Options free from any equity, set-off or cross claim on the part of the Company against the original or any intermediate holder of the Options.

10.4 A Optionholder may not transfer or assign an Option save to a nominee of the Unlisted Optionholder in which the Unlisted Optionholder has a beneficial interest or a family trust or similar pension arrangements. Such an assign should only be by instrument of transfer in writing in any usual form or in another form approved by the Directors and the instrument shall be executed by or on behalf of the transferor.

10.5 The transferor is deemed to remain the holder of the Option (as the case may be) until the name of the transferee is entered in the Register in respect of it.

10.6 The Company may not charge a fee for registering the transfer of a Option or other document relating to or affecting the title to a Option or the right to transfer it or for making any other entry in the Register.