

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at an extraordinary general meeting of Circle Holdings plc to be held on 18 June 2012. If you are in any doubt about the contents of this document or the action you should take, you should consult immediately an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares of in Circle Holdings plc, please send 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 transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your Ordinary Shares in the Company, you should consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Ordinary Shares are admitted to trading on AIM. Conditional upon completion of the Placing and the Subscription, application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and trading in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 19 June 2012.

CIRCLE HOLDINGS PLC

(Incorporated and registered in Jersey with registered no.100016)

**Proposed issue of 67,857,143 New Ordinary Shares at a price of 70 pence
per New Ordinary Share
and
Notice of Extraordinary General Meeting**

This document should be read as a whole. Nevertheless, your attention is drawn to the letter from the Chairman of the Company which is set out in this document and which recommends that you vote in favour of the Resolutions to be proposed at the EGM referred to below.

The notice of EGM to be held at 12.00 p.m. (noon) on 18 June 2012 at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the EGM should be completed by the holders of Ordinary Shares and returned as soon as possible but, in any event, so as to be received by the Company's registrars, Capita Registrars, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 12.00 p.m. (noon) on 16 June 2012 (or, in the case of an adjournment of the EGM, not later than 48 hour before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the EGM should they so wish.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST electronic proxy appointment service in accordance with the procedures set out in CREST Manual (please also refer to the accompanying notes to the Notice of EGM set out at the end of this document). Proxies submitted via CREST must be received by Company's agent (ID RA10) by no later than 12.00 p.m. (noon) on 16 June 2012 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). The completion and return of the Form of Proxy will not prevent you from attending and voting in person at the EGM, or any adjournment thereof, should you wish to do so.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for providing advice to any other person in connection with this document or any transaction or arrangement referred to in this document. No liability whatsoever is accepted by Numis Securities Limited for the accuracy of any information or opinions expressed in this document and no representation or warranty, express or implied, is made by Numis Securities Limited as to the contents of this document, or for the omission of any material information from this document.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe or buy Ordinary Shares or any other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefore.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any person who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, except pursuant to certain limited exceptions which will be determined solely by the Company and/or its advisers, this document may not be published, distributed, forwarded or transmitted directly or indirectly, in whole or in part, in or into the United States, Canada, Australia, the Republic of South Africa or Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations. Nor, subject to certain exceptions, may the Ordinary Shares be offered directly or indirectly in, or into, the United States, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been and will not be registered under the Securities Act or under the securities legislation of any state of the United States, Canada, Australia, the Republic of South Africa or Japan and they may not be sold directly or indirectly within the United States, Canada, Australia, the Republic of South Africa or Japan or to or for the account of any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa or Japan or to an US Person (within the definition of Regulation S made under the US Securities Act of 1933, as amended).

FORWARD-LOOKING STATEMENTS

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2012

Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	12.00 p.m. on 16 June
Extraordinary General Meeting	12.00 p.m. on 18 June
Admission expected to occur in respect of the New Ordinary Shares	8.00 a.m. on 19 June
CREST accounts credited with New Ordinary Shares in uncertificated form	8.00 a.m. on 19 June
Dispatch of definitive share certificates in respect of New Ordinary Shares to be issued in certificated form	by 25 June

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.
3. Admission is conditional, *inter alia*, on the passing of the Resolutions at the Extraordinary General Meeting.

STATISTICS

Number of Ordinary Shares in issue at the date of this document	62,771,049
Placing Price	70p
Number of Placing Shares to be issued pursuant to the Placing	65,714,286
Number of Subscription Shares to be issued pursuant to the Subscription	2,142,857
Number of Ordinary Shares in issue immediately upon Admission	130,628,192
New Ordinary Shares as a percentage of the Enlarged Issued Share Capital	52%
Gross proceeds of the Placing and Subscription	£47.5 million
Estimated net proceeds of the Placing and Subscription receivable by the Company	£46 million

DEFINITIONS

The following definitions apply throughout this document (including the Notice of EGM) and the Form of Proxy unless the context requires otherwise.

“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Admission Document”	the admission document published by the Company on 14 June 2011
“AIM”	the market of that name operated by London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time to time
“Articles”	the Company’s current articles of association as adopted by the Company on 17 June 2011
“Balderton”	Balderton Capital III L.P.
“Board” or “Directors”	the board of directors of the Company
“Business Day”	any day on which banks are generally open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
“Capita Registrars” or “Registrars”	Capita Registrars (Jersey) Limited
“certificated” or “in certificated form”	a share or other security not held in uncertificated form (i.e. not in CREST”
“Company” or “Circle Holdings”	Circle Holdings plc
“Circle”	Circle Health Ltd
“Continuing Facilities”	those facilities operated or owned by the Group as at 31 December 2011, which exclude’s Circle’s Burton NHS Treatment Centre and Circle’s Bradford NHS Treatment Centre
“CREST”	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 as amended since)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 12.00 p.m. (noon) on 18 June 2012 by the notice set out at the end of this document (and any adjournment thereof)

“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company, being 130,628,192 Ordinary Shares, immediately following Admission
“Euroclear”	Euroclear UK & Ireland Limited
“Existing Issued Share Capital”	the issued ordinary share capital of the Company as at the date of this document
“Form of Proxy”	the accompanying blue form of proxy for use by Shareholders in relation to the EGM
“FSA”	the UK Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 of the United Kingdom
“Group”	the Company and its subsidiary undertakings
“Hinchingsbrooke”	Hinchingsbrooke Healthcare NHS Trust
“Irrevocable Undertakings”	the undertakings given by Shareholders to vote in favour of the Resolutions at the EGM
“JCAM”	JCAM Global Fund (Master) LP
“Lansdowne”	together Lansdowne Developed Markets Master Fund Limited, Lansdowne UK Strategic Investment Master Fund Limited, Lansdowne UK Equity Fund Limited and Lansdowne UK Fund Equity LP
“London Stock Exchange”	the London Stock Exchange plc
“New Ordinary Shares”	together the Placing Shares and the Subscription Shares
“Notice of EGM”	the notice of EGM, set out at the end of this document
“Numis”	Numis Securities Limited, a company incorporated in England and Wales
“Odey”	Odey European Inc.
“Ordinary Shares”	ordinary shares of £0.02 each in the capital of the Company
“Placing”	the proposed placing by the Company of the Placing Shares at the Placing Price
“Placing Agreement”	the conditional agreement between the Company and Numis dated 29 May 2012 in relation to the Placing
“Placing Price”	the price of 70 pence per New Ordinary Share
“Placing Shares”	the 65,714,286 new Ordinary Shares to be issued pursuant to the Placing
“Results Announcement”	the announcement made via a Regulatory Information Service by the Company at 7.00 a.m. on 29 May 2012 regarding the Company’s audited results for the year ended 31 December 2011
“Resolutions”	the Resolutions set out in the Notice of EGM
“Securities Act”	the US Securities Act of 1933, as amended
“Shareholders”	the persons who are registered as the holders of Ordinary Shares

“Subscription”	the proposed subscription by Balderton for the Subscription Shares at the Placing Price
“Subscription Agreement”	the conditional agreement between the Company and Balderton dated 29 May 2012 in relation to the Subscription
“Subscription Shares”	the 2,142,857 new Ordinary Shares to be issued pursuant to the Subscription
“uncertificated” or “in uncertificated form”	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions and the District of Columbia
“Warrants”	warrants entitling the holder to subscribe for Ordinary Shares

LETTER FROM THE CHAIRMAN OF CIRCLE HOLDINGS PLC

CIRCLE HOLDINGS PLC

(incorporated and registered in Jersey with registered number 100016)

Directors:

Michael Kirkwood (*Non-Executive Chairman*)
Ali Parsadoust (*Chief Executive Officer*)
Paolo Pieri (*Chief Financial Officer*)
Dr. Massoud Keyvan-Fouladi (*Chief Medical Officer*)
Lorraine Baldry (*Non-Executive Director*)
Tim Bunting (*Non-Executive Director*)
Peter Cornell (*Non-Executive Director*)
Andrew Shilston (*Non-Executive Director*)
Jamie Wood (*Non-Executive Director*)

Registered Office:

12 Castle Street
St. Helier
Jersey JE2 3RT

31 May 2012

To holders of Ordinary Shares and, for information only, to the holders of Warrants

Dear Shareholder

**Proposed issue of 67,857,143 New Ordinary Shares
at a price of 70 pence per New Ordinary Share
and
Notice of Extraordinary General Meeting**

1. Introduction

On 29 May 2012, the Company announced that it intends to raise £46 million (net of expenses) by way of a placing of 65,714,286 Placing Shares and a subscription for 2,142,857 Subscription Shares in each case at a price of 70 pence per New Ordinary Share. The Placing and the Subscription are conditional, *inter alia*, upon Shareholder consent.

The Extraordinary General Meeting, at which Shareholders will be asked to pass the Resolutions necessary to implement the Placing and the Subscription and notice of which is set out at the end of this document, has been convened for 12.00 p.m. (noon) on 18 June 2012. Subject to the passing of the Resolutions and the Placing Agreement between Numis and the Company becoming unconditional (save only for Admission) it is anticipated that the New Ordinary Shares will be admitted to trading to AIM on 19 June 2012.

The Company has received Irrevocable Undertakings to vote in favour of the Resolutions from Shareholders representing in excess of 75 per cent. of the Existing Issued Share Capital.

The purpose of this document is to explain the background to and reasons for the Placing and the Subscription, how the proceeds of the Placing and the Subscription will be utilised and why your Directors believe the Placing and the Subscription are in the best interests of Shareholders as a whole and therefore why Shareholders are recommended to vote in favour of the Resolutions. The document also contains details of current trading and the outlook for the Group which are derived from the Results Announcement made on 29 May 2012. At the end of this document, you will find the Notice of EGM. The EGM, at which the Resolutions will be proposed, has been convened for 18 June 2012 at 12.00 p.m. (noon) and will be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU.

2. Background to and reasons for the Placing and the Subscription

In the Admission Document published by the Company in June 2011 it was highlighted that given the business model of the Group, the Company was likely to need to raise additional funding during the first half of 2013 in order to fund its continued roll out plans. However, it was also noted that if the Company was unable to secure the refinancing or extension of certain loans, the Company may need to raise additional financing in approximately 15 to 18 months.

On 21 February 2012, the Company published a trading update which stated that, given the various commitments outlined in the trading update, the strength of the Group's performance and growth plans after assuming control of Hinchingsbrooke, the Group expected to access the equity markets in 2012, potentially in the first half. Subsequent to that trading update, the Board has continued to monitor the cash position of the Group, and after consulting with its major Shareholders and with their support has determined to implement the Placing and the Subscription.

In deciding to structure the equity fund raise as a Placing and Subscription and the price at which it would be made the Directors considered a number of factors including the current financial and trading position of the Group, the opportunity to widen the Shareholder base of the Company by introducing a significant new institutional investor and a desire to achieve certainty within the shortest permissible timeframe. The Directors also took into consideration the fact that Shareholders representing approximately 99 per cent. of the Existing Issued Share Capital were given the opportunity to participate in the Placing and the Subscription.

3. Current Trading and Outlook

The Results Announcement for the year ended 31 December 2011 was released on 29 May 2012. Highlights include:

Financial Highlights

- Revenue on Continuing Facilities up to 19.5 per cent. to £64.6 million (2010: £54.1 million);
- EBITDA loss before exceptional items reduced to £13.6 million (2010: loss of £15.4 million).

Operational Highlights

- Patient procedures in Continuing Facilities up 41.4 per cent. to 121,858;
- Hinchingsbrooke franchise contract signed on 9 November 2011, the first NHS hospital to be managed by the independent sector;
- Business strategy progressing well:
 - CircleReading on track for opening in the second half of 2012, with an anticipated base build cost per square metre markedly lower than CircleBath for the same quality and product;
 - Land acquired for development of CircleManchester in the UK's second largest healthcare market;
 - Early metrics at Hinchingsbrooke encouraging.

Outlook

The Directors believe that there are significant opportunities for the Group as a new but distinctive player in the UK healthcare market. Likewise, there are considerable challenges given the sclerotic financial markets.

The Group remains confident about the current healthcare market outlook and remains confident about Circle's availability to maintain first-mover advantage in independent NHS provision particularly in the light of it assuming the management of Hinchingsbrooke.

In relation to its independent pipeline of projects, construction of CircleReading is expected to complete this month, on time and on budget, with the facility opening later this year. The Group continues to explore funding opportunities in challenging financial markets for the construction and commissioning of its next hospital in Manchester. The Group has also acquired land in Birmingham but has deferred the development of that land until construction and commissioning finance can be obtained.

In relation to its NHS projects, Circle's Nottingham NHS Treatment Centre continues to perform strongly. The Group's current contract in respect of this facility expires in July 2013 and the Group is awaiting details of the proposed re-tendering of the contract. If the re-tendering process does not commence imminently, the Group expects that an extension to its current contract is a reasonable prospect. In respect of Hinchingsbrooke, early indications are encouraging, including improved A&E performance, a reduction in patient length of stay and substantial procurement savings identified.

Continued operational success plus the Placing and the Subscription provides the Group with confidence that it is well positioned to exploit the significant potential opportunities in the UK healthcare market.

4. Anticipated use of proceeds and future funding requirements

By virtue of the timeframes associated with the commissioning and construction of future independent hospitals and, in the case of Hinchingsbrooke, to implement significant reforms the Directors do not anticipate that the existing operations of the Group will generate positive cash flows in the short to medium term.

The Group intends to use the proceeds of the Placing and the Subscription as follows:

- repay in full the outstanding £14.1 million loan from JCAM which will mature in February 2013 and is subject to interest at the rate of 25 per cent. per annum;
- meet its current working capital requirements at CircleBath and Hinchingsbrooke;
- complete the commissioning of CircleReading and its subsequent operating cash flow requirements;
- continue to support the Group's central operations; and
- provide working capital to implement the Group's strategy of bidding to take over the management of further NHS Trusts as and when they are put out to tender.

In respect of Hinchingsbrooke, Circle is required to make up to £5 million available as a working capital loan and to provide £2 million as security for certain payments due on any termination of Circle's contract to manage Hinchingsbrooke.

The Group will continue to explore opportunities to secure an appropriate level of debt funding on commercial terms. However, market conditions are still difficult and this may not prove possible.

5. Details of the Placing and the Subscription

The Company proposes to raise approximately £46 million (net of expenses) by the issue of 67,857,143 New Ordinary Shares to new and existing institutional investors at a price of 70 pence per New Ordinary Share. The New Ordinary Shares will represent approximately 52 per cent. of the Enlarged Issued Share Capital. The Placing Price represents a discount to the closing mid-market price of 38.1 per cent. per Ordinary Share as at 28 May 2012, being the last practicable date prior to the announcement of the Placing and the Subscription.

In connection with the Placing, the Company has entered into the Placing Agreement pursuant to which Numis has agreed, in accordance with its terms, to use reasonable endeavours to place the Placing Shares with institutional investors, including certain existing Shareholders and failing that, to subscribe itself for the Placing Shares. The Placing is conditional, *inter alia*, on:

- Shareholders passing the Resolutions at the EGM;
- the Placing Agreement becoming unconditional and not being terminated prior to Admission in accordance with its terms; and
- Admission becoming effective by no later than 8.00 a.m. on 19 June 2012 (or such later time and date as the Company may agree with Numis, being no later than 3 July 2012).

The Placing Agreement contains certain customary warranties given by the Company to Numis as to matters relating to the Group and its business and an indemnity given by the Company to Numis in respect of liabilities arising out of or in connection with the Placing. Numis is entitled to terminate the Placing Agreement in certain circumstances prior to Admission, including, *inter alia*, a breach of the warranties, the failure of the Company to comply with its obligations under the Placing Agreement, or, the occurrence of a *force majeure* event any of which, in the good faith opinion of Numis, is material in the context of the Group, the Placing or Admission.

In connection with the Subscription, the Company has entered into the Subscription Agreement with Balderton pursuant to which Balderton has agreed to subscribe (or it shall procure that its affiliate Balderton Capital IV L.P. subscribes) for all the Subscription Shares at the Placing Price. The Subscription is conditional, upon (i) the Placing Agreement becoming unconditional in all respects (save for Admission) and not having been terminated in accordance with its terms and (ii) Admission becoming effective by no later than 8.00 a.m. on 19 June 2012 or such later time and date (being no later than 8.00 a.m. on 3 July 2012) as may be notified to Balderton by the Company.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 19 June 2012 and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 3 July 2012.

Application has been made for the New Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions may take place through CREST if the relevant Shareholder so wishes.

The New Ordinary Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after Admission and will rank *pari passu* in all respects with the existing Ordinary Shares. The New Ordinary Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

6. Related party transaction

Lansdowne, which has an interest in 18,170,570 Ordinary Shares (representing an interest of 28.9 per cent. of the Existing Issued Share Capital) has agreed to subscribe for 19,796,438 Placing Shares at the Placing Price. Consequently, immediately upon Admission, Lansdowne will be interested in 29.1 per cent. of the Enlarged Issued Share Capital.

Odey, which has an interest in 10,394,930 Ordinary Shares (representing an interest of 16.6 per cent. of the Existing Issued Share Capital) has agreed to subscribe for 17,142,857 Placing Shares at the Placing Price. Consequently, immediately upon Admission, Odey will be interested in 21.1 per cent. of the Enlarged Issued Share Capital.

By virtue of their current interests in the Company both Lansdowne and Odey are considered to be “related parties” as defined under the AIM Rules and accordingly their participation in the Placing constitutes separate related party transactions for the purposes of Rule 13 of the AIM Rules. Accordingly, for the purposes of the AIM Rules, the Directors (apart from Jamie Wood who is not regarded as independent due to being Odey’s representative on the Board), having consulted with the

Company's nominated adviser, Numis, consider that the terms on which Lansdowne and Odey are participating in the Placing to be fair and reasonable insofar as Shareholders are concerned.

7. Extraordinary general meeting

In structuring the Placing and the Subscription, the Directors have had regard, *inter alia*, to the current financial and trading position of the Group and the need for certainty within a limited time frame. After considering these and other factors, the Directors, have concluded that the underwriting by Numis in relation to the Placing and the Subscription by Balderton are the most suitable options available to the Company. Therefore, in order for the Company to issue the New Ordinary Shares, on a non pre-emptive basis, it is necessary to obtain Shareholder approval for the disapplication of pre-emptive rights as provided for under the Company's Articles.

At the end of this document Shareholders will find notice of an EGM to be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU at 12.00 p.m. (noon) on 18 June 2012 at which Shareholders will be asked to consider and if thought fit, to pass the following Resolutions.

Resolution 1 which will be proposed as a special resolution to increase the Company's authorised share capital from £2,000,000 to £5,000,000.

Resolution 2 which is conditional upon the passing of resolution 1 will be proposed as a special resolution to adopt the new memorandum and articles of association. The new memorandum and articles of association are in similar form to the existing memorandum and articles of association but have been updated to: (i) reflect the change in authorised share capital,(ii) include a figure in Article 28 of £300,000 being the maximum amount of fees which may be paid per annum to the non-executive Directors, without the need to seek further Shareholder consent, (iii) make changes of a minor, typographical or conforming nature. A copy showing the changes between the existing memorandum and articles of association and the new memorandum and articles of association are available for inspection during normal business hours at the registered office of the Company up to and including the date of the EGM and a copy may also be found on the Company's website www.circleholdingsplc.com.

Resolution 3 which is conditional upon the passing of resolutions 1 and 2 will be proposed as a special resolution empowering the Directors in connection with the Placing and the Subscription to allot Ordinary Shares conferred by Article 5.1 of the Articles as if Article 5.4 (containing rights of pre-emption) did not apply to such allotment.

8. Action to be taken in respect of the EGM

Enclosed with this document is a blue Form of Proxy for use at the EGM. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received as soon as possible and, in any event, not later than 12.00 p.m. (noon) on 16 June 2012 (or, in the case of an adjournment, not later than 48 hours before that time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

If you hold your Ordinary Shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of EGM set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID RA10) by no later than 12.00 p.m. (noon) on 16 June 2012 (or, in the case of an adjournment, not later than 48 hours before that time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

This will enable your vote to be counted at the EGM in the event of your absence. The completion and return of the Form of Proxy or the use of the CREST Proxy Voting service will not prevent you

from attending and voting at the EGM, or any adjournment thereof, in person should you wish to do so.

9. Irrevocable voting undertakings

The Company has received irrevocable undertakings to vote in favour of the Resolutions to be proposed at the EGM from certain Shareholders holding, in aggregate, in excess of 75 per cent. of the Existing Issued Share Capital.

10. Importance of Vote

As mentioned above the business model of the Group is such that the existing operations of the Group will not generate positive cash flows in the short to medium term. In such circumstances the Group is therefore reliant upon debt and/or equity funding to maintain its current operations. In terms of debt funding market conditions are very difficult and therefore equity funding is crucial to the Group. It follows that if the Resolutions are not passed by the Shareholders the Placing and the Subscription will not proceed and in these circumstances the Directors believe it would be likely that the Group would not be able to trade as a going concern which would be likely to result in the insolvency of all or part of the Group and such an outcome would, in the Board's opinion, result in Shareholders receiving little or no value for their current shareholdings.

Taking account of the consequences for Shareholders if the Resolutions are not passed at the EGM and the support for the Placing and the Subscription provided by certain Shareholders (including the Irrevocable Undertakings received from certain Shareholders to vote in favour of the Resolutions), the Directors have no reason to believe that the Resolutions will not be approved and that the Placing and the Subscription will not proceed and accordingly the Directors are confident that the Company will receive the net proceeds from the Placing which is expected to occur on or around 19 June 2012.

11. Recommendation

The Directors consider that the Placing and the Subscription are in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions.

Yours sincerely

Michael Kirkwood
Chairman

CIRCLE HOLDINGS PLC

(Incorporated and registered in Jersey with registered no. 10016)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Circle Holdings plc (the “Company”) will be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU on 18 June 2012 at 12.00 p.m. (noon) for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions.

SPECIAL RESOLUTIONS

RESOLUTION 1

THAT the authorised share capital of the Company be and is hereby increased from £2,000,000 to £5,000,000 by the creation of an additional 150,000,000 ordinary shares of £0.02 each in the capital of the Company (“Ordinary Shares”).

RESOLUTION 2

THAT, conditional upon and contemporaneously with passing of Resolution 1 above, the memorandum of association and articles of association tabled to the Extraordinary General Meeting (as described in the shareholder circular dated 31 May 2012 to which the notice of Extraordinary General Meeting is included)(the “Circular”) , and for the purposes of identification marked “A”, be and are hereby approved and adopted as the new memorandum of association and articles of association of the Company in substitution for and to the exclusion of the existing memorandum of association and articles of association of the Company.

RESOLUTION 3

THAT subject to the passing of Resolutions 1 and 2 without prejudice to any existing power and pursuant to the authority conferred by Article 5.1 of the articles of association of the Company (the “Articles of Association”), the Directors of the Company be and are hereby given the power to allot and issue Ordinary Shares as if Articles 5.4 (containing rights of pre-emption) of the Articles of Association did not apply to any such allotment, provided that this power shall be limited to an aggregate number of 67,857,143 Ordinary Shares to be issued in connection with the placing and the subscription described in the Circular.

The power conferred by this resolution shall expire at the expiry of the date which is two months after the date of its passing unless previously renewed, varied or revoke by the Company in a general meeting provided that the Company may make an offer or agreement before such expiry which would or might require any such securities to be allotted or issued after the power contained in this resolution has expired and the Directors of the Company may allot and issue such Ordinary Shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

By Order of the Board

Capita Company Secretarial Services
Company Secretary

Registered Office:
12 Castle Street
St.Helier
Jersey JE2 3RT

Dated: 31 May 2012

Notes:

1. A member entitled to attend and vote at the EGM may appoint one or more proxies (who need not be a member of the Company) to attend and to vote on his or her behalf on a poll. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. To appoint more than one proxy you may photocopy the blue Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be passed, ordinary resolutions require a majority in favour of the votes cast and special resolutions require a majority of not less than 75 per cent. of members who vote in person or by proxy at the meeting. On a show of hands every shareholder who is present in person (or being a company is present by a representative not himself, a shareholder) and who is allowed to vote at an extraordinary general meeting shall have one vote. Upon a poll every member holding Ordinary Shares who is present in person or by proxy (or being a company is represented) shall have one vote for every Ordinary Share of which he is the registered holder.
4. Forms of proxy may also be obtained on request from the Company's registered office. The complete forms of proxy must be deposited at or posted to the UK transfer agent of the Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by no later than 12.00 p.m. on 16 June 2012. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at an extraordinary general meeting should the shareholder subsequently decide to do so.
5. In accordance with Article 40 of the Companies (Uncertificated Securities (Jersey) Order 1999, the Company has fixed 6:00 p.m. on 30 May 2012 as the Posting Record Date for determining the uncertificated members entitled to receive this Notice (and the accompanying proxy form), so that such persons entered on the Company's register of members at that time are the persons so entitled.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the extraordinary general meeting and any adjournment(s) of the extraordinary general meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timing and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a personal CREST member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 of the United Kingdom, or the relevant provisions of the Companies (Uncertificated Securities) (Jersey) Order 1999.

In order to be able to attend and vote at the EGM or any adjourned meeting (and also for the purpose of calculating how many votes a person may cast) a person must have his/her name entered on the register of members of the Company 48 hours prior to the meeting (or 48 hours prior to any adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

