

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about 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 if you are in the UK, or if not, another appropriate authorised independent financial adviser. The whole of this Document should be read, but your attention is in particular drawn to the section entitled “Risk Factors” at Part IV of this Document.

If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your holding of Existing Ordinary Shares please send this Document together with the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into the United States.

Copies of this Document are available, free of charge, at the registered office of IPSO Ventures plc, at Elizabeth House, 39 York Road, London SE1 7NQ for the period of one month from 13 June 2011 and from the Company’s website, www.ipsoventures.com.

This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 FSMA.

Your attention is drawn to the letter from the Rule 9 Independent Director of IPSO Ventures plc in Part I of this Document and which contains a unanimous recommendation by him that you vote in favour of the Resolutions.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. This Document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this Document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Enlarged Share Capital to the Official List. **The Enlarged Share Capital will not be dealt on any other recognised investment exchange and no other such application will be made.** Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is anticipated that Admission will become effective and that dealings in the Enlarged Share Capital (comprising the New Shares and the Placing Shares) will commence on AIM at 8.00 a.m. on 30 June 2011. The Placing Shares will rank in full for all dividends and other distributions declared, made or paid after the date of issue of the Placing Shares and will otherwise rank *pari passu* in all respects with the New Shares.

IPSO Ventures plc

*(incorporated and registered in England and Wales under the Companies Act 1985 and 2006
with registered number 05859612)*

Proposed Placing of 19,500,000 Placing Shares at an Issue Price of 1 pence per Placing Share

Proposed Share Capital Reorganisation

Approval of waiver of Rule 9 of the City Code on Takeovers and Mergers and Notice of General Meeting

The distribution of this Document or otherwise in jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and this Document does not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Placing Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document comes should inform themselves about and observe any such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

Allenby Capital Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting for IPSO Ventures plc and is providing certain advice to the Rule 9 Independent Director in relation to the transaction referred to herein. Allenby Capital Limited is not acting for, and will not be responsible to, any person other than IPSO Ventures plc and the Rule 9 Independent Director for providing the protections afforded to customers of Allenby Capital Limited or for advising any other person on the contents of this document or any transaction or arrangement referred to herein.

Neither the Placing Shares nor this Document have been, or will be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States. Accordingly, subject to certain exceptions the Placing Shares may not directly or indirectly be offered, sold, resold, taken up or delivered in or into the United States, or offered to, sold to, taken up or delivered in favour of, or to, a person within the United States.

Notice of a General Meeting of IPSO Ventures plc to be held at Elizabeth House, 39 York Road, London SE1 7NQ at 10.00 am on 29 June 2011 is set out at the end of this Document. Shareholders will find attached to this Document a Form of Proxy for use at the General Meeting. To be valid, the attached Form of Proxy, completed in accordance with the instructions thereon, should be returned as soon as possible but, in any event, so as to be received by Share Registrars Limited, Proxy Department, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL at least 48 hours before the time appointed for the General Meeting.

Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish. For full details on proxy appointments, see the notes to the Notice of General Meeting and accompanying Form of Proxy.

Cautionary note regarding forward-looking statements

This Document contains statements about IPSO that are or may be “forward-looking statements”. All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, *inter alia*, the risk factors described in Part V of this Document. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of IPSO. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of IPSO. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, or the FSA’s Disclosure and Transparency Rules and/or the Prospectus Rules), IPSO does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to IPSO or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors of IPSO at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Responsibility for this Document

The issue of this Document has been approved by the board of Directors of IPSO. The Directors, whose names are set out on page 4 of this Document, accept responsibility for the information contained in this document save for the recommendation and opinions of the Rule 9 Independent Director relating to the Proposals contained in the letter from the Rule 9 Independent Director set out in Part I of this Document, for which only the Rule 9 Independent Director accepts responsibility as set out in paragraph 1.2 of Part V of this Document, and the information concerning the Concert Party for which the persons named in paragraph 1.3 of Part V of this Document are responsible). Subject as aforesaid, to the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Directors accepts responsibility accordingly.

The Rule 9 Independent Director accepts responsibility for the recommendation and opinions of the Rule 9 Independent Director relating to the Proposals contained in the letter set out in Part I of this Document. To the best of the knowledge and belief of the Rule 9 Independent Director (who has taken all reasonable care to ensure that such is the case), the information contained in this Document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. The Rule 9 Independent Director accepts responsibility accordingly.

Each of the members of the Concert Party accept responsibility for the information in this Document in respect of (i) the Concert Party (but not the information relating to the other members of the Concert Party) and (ii) himself. To the best of the knowledge and belief of each person named above who is taking responsibility (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information and they accept responsibility accordingly.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Simon Dennis Hunt Philip Nicholas (Nick) Rodgers Craig Malcolm Rochford Michael George Coriat Talbot Baines John Michael Kelly	Executive Chairman Chief Executive Executive Director Non-executive Director Non-executive Director
Company Secretary and Registered Office	Cargil Management Services Limited Elizabeth House 39 York Road London SE1 7NQ	
Nominated Adviser and Broker	Allenby Capital Limited Claridge House 32 Davies Street Mayfair London W1K 4ND	
Legal Advisers to the Placing	Sherrards Solicitors LLP 7 Swallow Place London W1B 2AG	
Auditors to the Company	Nexia Smith & Williamson Limited Imperial House 18-21 Kings Park Road Southampton Hampshire SO15 2AT	
Registrars to the Company	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2011</i>
Announcement of the Placing and Posting of the Document	13 June
Latest time and date for receipt of Form of Proxy	10.00 am on 27 June
Record date for Share Capital Reorganisation	29 June
General Meeting	10.00 am on 29 June
Admission and commencement of dealings in the Enlarged Share Capital	8.00 am on 30 June
Placing Shares credited to CREST accounts for uncertificated holders	8.00 am on 30 June
Despatch of definitive share certificates for Placing Shares for certificated holders	week commencing 4 July

Notes:

- (1) References to times in this Document are to London time (unless otherwise stated).
- (2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement from the Company through an RIS.
- (3) The timing of the events in the above timetable and in the rest of this Document is indicative only.

Calls to Share Registrars Limited 01252 821390 number are charged at your service provider's network standard rate. Calls to Share Registrars Limited's +44 1252 821390 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones. Share Registrars Limited cannot provide advice on the merits of the Placing, the Proposals nor give any financial, legal or tax advice.

PLACING STATISTICS

Market price per Existing Ordinary Share ⁽¹⁾	2.0 pence
Number of Existing Ordinary Shares in issue ⁽²⁾	16,439,210
Number of New Shares in issue following the Share Capital Reorganisation	16,439,210
Issue price of each Placing Share	1.0 pence
Number of Placing Shares being placed on behalf of the Company	19,500,000
Gross proceeds of the Placing	£195,000
Net proceeds of the Placing	£155,000
Enlarged Share Capital	35,939,210
Percentage of Enlarged Share Capital represented by the Placing Shares	54.26 per cent.

Notes:

- (1) Mid-market price on AIM on 10 June 2011, being the last practicable Business Day prior to the announcement of the Placing.
- (2) As at 10 June 2011, being the last practicable Business Day prior to the announcement of the Placing.

DEFINITIONS

“Act”	the Companies Act 2006, as amended
“Admission”	the admission of the Enlarged Share Capital to trading on AIM
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies published by the London Stock Exchange in June 2009 (as amended) governing the admission to and the operation of AIM
“Allenby”	Allenby Capital Limited, the Company’s nominated adviser, incorporated in England and Wales with company number 06706681 whose registered office address is at Claridge House, 32 Davies Street, Mayfair, London W1K 4ND
“Board” or “Directors”	the directors of the Company whose names appear on page 4 of this Document
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“certificated” or “certificated form”	not in an uncertificated form
“City Code”, “Takeover Code” or “Code”	the City Code on Takeovers and Mergers
“Company” or “IPSO”	IPSO Ventures plc (registered number 05859612)
“Concert Party”	those persons who are deemed to be acting in concert with each other, whose aggregate shareholdings in IPSO will exceed 50 per cent. of the Enlarged Share Capital on Admission and whose names are set out in Part II of this document
“CP Member”	a member of the Concert Party
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST member”	a person who has been admitted by Euroclear as a system-participant (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“Deferred Shares”	the deferred shares of 4.9p each in the capital of the Company arising on the Share Capital Reorganisation and having the rights set out in this Document
“Document”	this document, which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“Enlarged Share Capital”	the issued ordinary share capital of IPSO immediately following Admission, comprising the New Shares to be issued under the Share Capital Reorganisation and the Placing Shares to be issued pursuant to the Placing
“EU”	the European Union

“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Share”	each Ordinary Share in issue as at the Record Date
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this Document
“FSA”	the Financial Services Authority or any successor thereto having similar regulatory powers
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting or “GM”	the general meeting of the Company to be held at 10.00 am on 29 June 2011, or any adjournment thereof, notice of which is set out at the end of this Document
“Group”	the Company and its subsidiaries
“IFRS”	International Financial Reporting Standards issued by the Standards Board as adopted by the EU
“Independent Shareholders”	the holders of Existing Ordinary Shares other than those members of the Concert Party
“ISIN”	International Securities Identification Number
“Issue Price”	1.0 pence per Placing Share
“July Fundraising”	the subscription for Ordinary Shares by certain individual investors at 10p per share on 27 July 2010
“Listing Rules”	the Listing Rules of the UKLA made in accordance with section 73A(2) of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“New Shares”	ordinary shares of 0.1p each in the capital of the Company arising on the Share Capital Reorganisation
“Nominated Adviser”	Allenby, in its capacity as nominated adviser to the Company
“Notice of General Meeting”	the notice convening the General Meeting contained in this Document
“Ordinary Shares”	ordinary shares of 5p each in the capital of the Company, with ISIN: GB00B1GDWB47
“Overseas Shareholders” or “Overseas Holders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of jurisdictions outside the UK
“Panel” or “Takeover Panel”	the Panel on Takeovers and Mergers
“Panel Waiver” or “Waiver”	the waiver to be granted by the Panel of any obligation which would otherwise be imposed on the Concert Party, either individually or collectively, under Rule 9 of the Takeover Code, as a result of the Placing, as described in paragraph 6 of Part I of this Document
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
“Placee”	a subscriber in the Placing

“Placing”	the subscription for the Placing Shares on the terms and conditions set out in this Document
“Placing Shares”	19,500,000 New Shares to be issued pursuant to the Placing
“Posting”	the posting of this Document and Form of Proxy
“Proposals”	the Placing, the Share Capital Reorganisation and the Panel Waiver
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
“Record Date”	the record date for the Share Capital Reorganisation, being 29 June 2011
“Related Party Independent Director”	Simon Hunt, being the director of the Company who is not participating in the Placing
“Resolutions”	the resolutions set out in the GM notice at the end of this Document
“RIS”	a regulatory information service by which companies can disseminate information to AIM in accordance with the AIM Rules
“Rule 9 Independent Director”	Simon Hunt, being the director of the Company who is neither included in the Concert Party nor participating in the Placing
“Securities Act”	the US Securities Act of 1933, as amended
“Share Capital Reorganisation”	the proposed division of every Existing Ordinary Share into one New Share and one Deferred Share and every unissued Ordinary Share into 50 New Shares, as set out in resolution 2 of the Notice of General Meeting
“Share Registrars Limited” or “Registrars”	Share Registrars Limited
“Shareholders” or “IPSO Shareholders”	the holders of Existing Ordinary Shares in IPSO
“Sherrards”	Sherrards Solicitors LLP, the legal advisers to the Placing, of 7 Swallow Place, London W1B 2AG
“Sterling”	pounds sterling, the basic unit of currency in the UK
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the UK Listing Authority, being the FSA acting as competent authority for the purposes of Part V of FSMA
“uncertificated” or “in uncertificated form”	recorded on the relevant register or other record of the share or other security confirmed as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by way of CREST
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“VAT”	value added tax

PART I
**LETTER FROM THE RULE 9 INDEPENDENT DIRECTOR
OF IPSO VENTURES PLC**

IPSO Ventures plc

(incorporated and registered in England and Wales with registered number 05859612)

Directors:

Simon Hunt, *Executive Chairman*
Nick Rodgers, *Chief Executive*
Craig Rochford, *Executive Director*
Michael Baines, *Non-executive Director*
John Kelly, *Non-executive Director*

Registered and Head Office:

Elizabeth House
39 York Road
London
SE1 7NQ

13 June 2011

Dear Shareholder

Proposed Placing of 19,500,000 Placing Shares at an Issue Price of 1.0 pence per Placing Share, proposed Share Capital Reorganisation and approval of waiver of Rule 9 of the City Code on Takeovers and Mergers

1. Introduction

On 13 June 2011, the Company announced proposals to raise £195,000 (before expenses) through the issue of 19,500,000 Placing Shares at an issue price of 1.0 pence per Placing Share. The Placing Shares have been conditionally placed with both existing shareholders and new investors. The Issue Price represents a discount of approximately 50 per cent. to the price of 2 pence per Existing Ordinary Share, being the mid-market price of the Company's Existing Ordinary Shares at the close of business on 10 June 2011. The new funding is required in order to provide the Company with additional working capital to support the operating costs of the Company and to fund the Company's development. The Placing is conditional upon, *inter alia*, the Resolutions being passed at the General Meeting.

The Proposals give rise to certain considerations under the Takeover Code. As a result of their participations in the July Fundraising, or their commercial and personal relationships, Craig Rochford (Executive Director of IPSO), Raffles Estates Inc., Nicholas Penn, John Kelly (Non-Executive Director of IPSO), David Jennings, Matthew Valentine, Roy Allen, Patrick Everard, Andrew Hobbs, Gary Pickford, Mark Ward, Kin-Chiu Tang and Claudio Buhler are deemed to be acting in concert under the Takeover Code in connection with the Proposals.

The members of the Concert Party are, as at the date of this Document, interested in approximately 17.6 per cent. of IPSO's existing share capital. Following the Placing the Concert Party will hold, in aggregate, 59.5 per cent. of the Enlarged Share Capital. Further details on the Concert Party and their respective individual interests in the Enlarged Share Capital of the Company on completion of the Placing are set out in Part II of this Document.

Such an increase in the Concert Party's percentage shareholding would, ordinarily, trigger a requirement under Rule 9 of the Takeover Code for the Concert Party to make a mandatory offer for the whole of the issued share capital of IPSO not already owned by the Concert Party, unless a waiver of this obligation is approved by the Panel and the Independent Shareholders voting on a poll on Resolution 1 contained in the Notice of General Meeting.

In addition, since the Placing Price is less than the current nominal value of the Company's share capital it is also necessary for Shareholders to approve a subdivision of the Company's share capital in order to reduce the nominal value of the Company's Existing Ordinary Shares to 0.1 pence per share.

This purpose of this Document is to: (i) provide you with the background to, and set out the reasons for, and details of, the Proposals; (ii) explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole; and (iii) seek Shareholder approval for the Proposals. This Document also contains the Rule 9 Independent Director's recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

If the Resolutions are not passed by Shareholders at the General Meeting, the Placing will not be able to proceed. In that event, the value inherent in the Company's existing investments may not be realised fully, or at all, and the Company would need to make alternative arrangements to meet its day to day working capital requirements. The Directors consider that such alternative arrangements are unlikely to be in the best interests of Shareholders and, in the event that the Company is unable to put in place such arrangements in the short term there is a risk that the Company will be forced into receivership or administration. In the event that the Resolutions are not passed by the Shareholders, any monies subscribed pursuant to the Placing will be returned to the Placees.

2. Background to and reasons for the Placing

At the time of its admission to AIM in March 2007, IPSO raised approximately £4.5 million (before costs) to enable it to progress its strategy of building a technology commercialisation business. Since that time the Company has fully utilised its cash resources and has created five businesses, invested in one and acquired one.

Progress towards realisation of these assets has been much slower than the Board initially expected. In July 2010 the Company raised a further £325,000 of funding from a new group of private investors to provide additional working capital. All the Concert Party members (with the exception of Claudio Buhler and Kin-Chiu Tang) participated in the July Fundraising. The cost base of the business has been considerably reduced and it was anticipated that the July Fundraising would provide sufficient interim funding to enable IPSO to achieve exits from certain of its investments. In the Company's interim results announced on 5 January 2011 the Directors said that the outlook for IPSO remained challenging but that the Directors were confident that the actions being taken by management to realise certain of the portfolio assets would provide sufficient funding to take the business forward. On 25 March 2011 IPSO announced that, whilst the Directors were still working to sell those assets, progress had been slower than the Board had anticipated. As a result the Board had decided, in parallel with possible asset sales, to look at other ways of raising additional finance which was likely to include an equity issue at a significant discount to the Company's then current share price.

The Directors maintain the belief that the ultimate realisation of the portfolio could deliver significant returns to the Company. In order to achieve this realisation in an orderly manner the Company needs to raise additional equity capital. This is being done at a significant discount to the Company's current share price in recognition of the difficult economic circumstances currently being experienced, the uncertain environment in which the Company operates and the current financial condition of the Company.

With effect from 30 April 2011, the service contracts between the Company and each of Nick Rodgers (Chief Executive) and Simon Hunt (Executive Chairman) were terminated by mutual consent. Both Nick Rodgers and Simon Hunt remain directors of IPSO and have indicated their intention to remain as directors of IPSO. Both Nick Rodgers and Simon Hunt are currently providing their services as directors of IPSO without remuneration. It is possible that the Company may, in the future, enter into consultancy agreements with Nick Rodgers and Simon Hunt, or with companies associated with them, for the provision of services to the Company on such standard commercial terms as may be agreed.

3. Current trading and prospects

The year ended 30 April 2011 has proved to be a very challenging year for IPSO and, despite considerable efforts from the Board, asset sales have proved very difficult to achieve. The Board has taken steps to further reduce the running costs of the business and the Board expect that the net proceeds from the Placing will provide the Company with sufficient funding for a minimum of 12 months following completion of the Proposals.

Without the net proceeds from the Placing the Board considers that, unless alternative arrangements can be put in place for the Company to meet its day-to-day working capital commitments it would have no alternative but to take steps to protect the interests of creditors, including appointing a receiver or administrator.

4. Share Capital Reorganisation

In order to permit the Placing Shares to be subscribed for at 1.0 pence, which is lower than the current nominal value of the Company's ordinary shares (i.e. 5 pence), the Company is proposing to sub-divide each issued Existing Ordinary Share into one New Share (i.e. an ordinary share of 0.1 pence) and one Deferred Share of 4.9 pence each and to divide each unissued Ordinary Share into 50 New Shares.

New share certificates will not be issued in respect of the Existing Ordinary Shares that have been sub-divided, and existing share certificates will continue to be valid following the Share Capital Reorganisation. Shareholders who hold their shares in the Company through CREST should note that the Company's ISIN number (GB00B1GDWB47) will continue to be valid.

The Deferred Shares will have no income or voting rights. The Deferred Shares will not be transferable and will be held by the secretary of the Company as trustee for the holders. The Deferred Shares effectively have no value. Share certificates will not be issued in respect of the Deferred Shares.

If you are in any doubt with regard to your current shareholding of Ordinary Shares or have any queries on the Share Capital Reorganisation then you should contact the Company's Registrars, Share Registrars Limited, on the following telephone number 01252 821 390 or from outside the UK on +44(0) 1252 821 390.

5. Details of the Placing and use of proceeds

IPSO is proposing to raise approximately £155,000 (after expenses) pursuant to the Placing. The Placing Price represents a discount of approximately 50 per cent. to the closing middle market price of an Existing Ordinary Share of 2 pence on 10 June 2011, being the latest practicable date prior to the publication of this document.

The Directors consider that the Placing is in the best interests of the Company and its Shareholders as a whole. The Placing is not being made on a pre-emptive basis. The Directors have decided to effect the fundraising by way of the Placing rather than by offering all Shareholders the opportunity to acquire further shares in a pre-emptive issue (such as a rights issue). The Directors believe that the additional cost and delay incurred in connection with any such offer would not have been in the best interests of the Company. The Placing is not being underwritten.

The Placing is conditional upon, *inter alia*, the Resolutions being passed at the General Meeting and on Admission.

Application will be made to AIM for the Enlarged Share Capital (comprising the New Shares and the Placing Shares) to be admitted to trading on AIM. Subject to the Resolutions being passed at the General Meeting, it is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence at 8.00 a.m. on 30 June 2011.

The net proceeds of the Placing will be used principally for working capital to support the operating costs of the Company. The Company continues to provide modest support to two of its portfolio companies but no further investment is planned.

6. Related party transactions

As part of the Placing certain board members of IPSO are subscribing for Placing Shares as follows:

<i>Director</i>	<i>Prior to the Placing</i>		<i>Placing participation</i>	<i>Following the Placing</i>	
<i>Name</i>	<i>Existing Ordinary Shares</i>	<i>%</i>	<i>Placing Shares</i>	<i>New IPSO Shares</i>	<i>%</i>
Nick Rodgers (Chief Executive Officer)	1,558,824	9.5	500,000	2,058,824	5.7
Craig Rochford* (Executive Director)	250,000	1.5	3,350,000	3,600,000	10.0
John Kelly (Non-Executive Director)	150,000	0.9	2,500,000	2,650,000	7.4
Michael Baines (Non-Executive Director)	47,059	0.3	500,000	547,059	1.5
Total	2,005,883	12.2	6,850,000	8,855,883	24.6

* 50,000 of the Ordinary Shares which Craig Rochford is beneficially interested in prior to the Placing are held by Arka Technologies Limited, a company 100% owned by Craig Rochford.

The subscriptions for Placing Shares by Nick Rodgers, Craig Rochford, John Kelly and Michael Baines are considered to be related party transactions under the AIM Rules. The Related Party Independent Director of the Company (being Simon Hunt) considers, having consulted with Allenby, the Company's nominated adviser, that the subscriptions for Placing Shares by the above board members are fair and reasonable insofar as the Company's shareholders are concerned.

Craig Rochford and John Kelly are also deemed to be members of the Concert Party. Further details on the Concert Party are set out in Part II of this Document.

7. The Takeover Code

The terms of the Placing and the issue of New Shares to the Concert Party give rise to certain considerations under the Takeover Code. Brief details on the Panel, the Takeover Code and the protections they afford are described below.

Rule 9 of the Takeover Code

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeovers and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the United Kingdom and to certain categories of private companies. IPSO is such a public company and its shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required by the Panel to make a general offer in cash to all other shareholders of that company to acquire the balance of the equity share capital of the company.

Rule 9 of the Takeover Code also provides, *inter alia*, that where any person, together with persons acting in concert with him, is interested in shares carrying not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of that company's voting rights and such person, or any person acting in concert with

him, acquires an interest in any additional shares, such person is normally required to make a general offer in cash to all other shareholders of that company to acquire the balance of the equity share capital of the company.

A general offer under Rule 9 must be made in cash and at the highest price paid within the 12 months prior to the announcement of the offer for the shares in the company by the person required to make the offer or any person acting in concert with him.

Under the Takeover Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of, or frustrate an offer for, a company to which the Takeover Code applies.

Control means an interest, or interests in shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control. The persons whose names appear in Part II of this document are deemed to be acting in concert in relation to IPSO for the purposes of the Takeover Code.

The Concert Party

The members of the Concert Party are deemed to be acting in concert with each other for the purposes of the Code. A table showing: (i) the respective interests of the members of the Concert Party in the existing share capital of IPSO as at the date of this Document; and (ii) the respective interests of the members of the Concert Party (and the Concert Party as a whole) in the Enlarged Share Capital on completion of the Proposals, is set out in Paragraph 3 of Part II of this Document.

As at 10 June 2011, being the last practicable date prior to the publication of this document, the Concert Party is interested in, in aggregate, 2,900,000 Ordinary Shares representing 17.6 per cent. of the existing issued share capital of IPSO.

If the Resolutions are passed at the General Meeting (including Resolution 1 in respect of the Waiver) the Concert Party will hold, in aggregate, 59.54 per cent. of the Enlarged Share Capital immediately following completion of the Proposals.

The increase in the combined interests in IPSO of the Concert Party as a result of the issue of the Placing Shares would, ordinarily, trigger a requirement for the Concert Party to make a general offer to all Shareholders pursuant to Rule 9 of the Takeover Code.

There may also be circumstances where the percentage increase in the interest of an individual member of the Concert Party (taken together with shares in which persons acting in concert with him are interested) as a result of the issue of the Placing Shares would trigger a requirement for that individual member of the Concert Party together with persons acting in concert with him to make a general offer to all Shareholders pursuant to Rule 9 of the Takeover Code. In certain circumstances (and with the consent of the Panel), that obligation under Rule 9 of the Takeover Code may not apply to the entire Concert Party.

However, the Panel has agreed, subject to the passing of Resolution 1 by the Independent Shareholders on a poll at the General Meeting, to waive any obligation to make a general offer that would otherwise arise as a result of the Proposals. The Independent Shareholders are the Shareholders other than the members of the Concert Party.

Shareholders should be aware that, following completion of the Proposals, the Concert Party will, in aggregate, hold New Shares carrying more than 50 per cent. of IPSO's issued share capital, and, (for so long as they continue to be treated as acting in concert) will be able to acquire interests in further New Shares without incurring any further obligation under Rule 9 to make a general offer.

However individual members of the Concert Party will not be able to increase their interests in shares to a number which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company without Panel consent, nor will any individual member of the Concert Party together with persons acting in concert with him, who is interested in shares carrying not less than 30 per cent. but not more than 50 per cent. of the Company's voting rights, be able to acquire an interest in any additional shares without Panel consent.

Should members of the Concert Party, individually or collectively, come to be interested in shares carrying 30 per cent. or more of the Company's voting share capital but not hold shares carrying more than 50 per cent. of such voting rights then (for so long as they continue to be treated to be acting in concert) any subsequent increase in interest in shares by individual members or such persons collectively would be subject to the provisions of Rule 9.

The Panel Waiver will be invalidated if any member of the Concert Party acquires any interest in the Existing Ordinary Shares between the date of the Document and the General Meeting.

The Rule 9 Independent Director, being Simon Hunt, recommends that you vote in favour of the Resolutions necessary to approve and implement the Proposals as he intends to do in respect of his own beneficial holding of 1,511,765 Ordinary Shares, representing 9.2 per cent. of the existing issued share capital of IPSO.

Further details of the Concert Party and their respective interests in the ordinary share capital of the Company are set out in paragraph 3 of Part II of this document.

The July Fundraising

All the members of the Concert Party (except for Claudio Buhler and Kin-Chiu Tang) became shareholders in the Company on 27 July 2010 as part of the July Fundraising. The Placing was not in contemplation at the time of the July Fundraising. Those members of the Concert Party who subscribed for Ordinary Shares in the July Fundraising did so on the basis that the Company would not be required to undertake a further capital raising within a 12 month period.

The Panel has been consulted by Allenby on behalf of the Company in connection with the July Fundraising and the Panel has agreed that the July Fundraising will not be considered to be a disqualifying transaction for the purposes of paragraph 3 of Appendix 1 of the Takeover Code.

8. Advice to the Rule 9 Independent Directors

Allenby has provided advice to the Rule 9 Independent Director (being Simon Hunt), in relation to the Proposals, in accordance with the requirements of the Takeover Code.

9. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at the Company's offices at Elizabeth House, 39 York Road, London SE1 7NQ at 10.00 a.m. on 29 June 2011.

The Resolutions to be proposed at the GM are as follows:

1. an ordinary resolution to approve the waiver granted by the Panel of the obligation for the Concert Party to make a general offer under Rule 9 of the Takeover Code as a result of the allotment and issue by the Company of Placing Shares to the members of the Concert Party pursuant to the Placing;

2. a special resolution to give effect to the Share Capital Reorganisation and to amend the Company's Articles of Association to set out the rights of Deferred Shares;
3. an ordinary resolution to authorise the Directors, pursuant to section 551 of the Act, to issue the New Shares in relation to the Placing; and
4. a special resolution, pursuant to section 571 of the Act, to disapply the statutory pre-emption rights on the allotment of equity securities, pursuant to the authority contained in Resolution 3.

10. Action to be taken

Shareholders will find attached to this Document a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Share Registrars Limited, Proxy Department, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible and in any event not later than 48 hours before the time of the GM. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the meeting should he/she so wish.

11. Additional information

Your attention is drawn to the information concerning the Concert Party, risk factors, financial information on IPSO and additional information set out in Parts II, III, IV and V of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

12. Recommendation

The Rule 9 Independent Director, having been so advised by Allenby, considers the Proposals to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In giving advice to the Rule 9 Independent Director, Allenby has taken into account the Rule 9 Independent Director's commercial assessments. Accordingly, the Rule 9 Independent Director unanimously recommends all Shareholders to vote in favour of the Resolutions at the General Meeting as he intends to do in respect of his own beneficial holding of 1,511,765 Ordinary Shares, representing 9.2 per cent. of the existing issued share capital of IPSO.

John Kelly, Craig Rochford, and Nick Rodgers have taken no part in the Board's decision to recommend Independent Shareholders to vote in favour of Resolution 1 and John Kelly and Craig Rochford (being members of the Concert Party) will abstain from voting on Resolution 1 in respect of their personal shareholdings.

Yours faithfully

Simon Hunt
Executive Chairman

PART II

INFORMATION CONCERNING THE CONCERT PARTY

1. Members of the Concert Party

All of the members of the Concert Party (with the exception of Claudio Buhler and Kin-Chiu Tang) became shareholders in the Company on 27 July 2010 as part of a cash subscription by the Company at 10p per Ordinary Share which raised £325,000 (a total of 3,250,000 Ordinary Shares were issued as part of the subscription). The names of the members of the Concert Party appear in the table set out in paragraph 3 of this Part II. One of the placees in the July Fundraising, Craig Rochford, was responsible for arranging the July Fundraising and was appointed as a non-executive director of the Company on 27 July 2010. He subsequently became an executive director of the Company on 18 October 2010. Another placee, John Kelly, was appointed as a non-executive director of the Company on 27 July 2010.

The Board has been informed that the individual members of the Concert Party are all personally known to Craig Rochford and they have co-invested, as certified sophisticated investors, in a number of other companies for which Craig Rochford has been involved in procuring funds (including companies where Craig Rochford is appointed to the board of directors).

Craig Rochford and John Kelly's only relationship with Simon Hunt, the Rule 9 Independent Director, is through their involvement with IPSO.

The individual members of the Concert Party have each made their own independent investment decisions when acquiring Ordinary Shares in IPSO.

Craig Rochford

Craig Rochford, aged 40, is Managing Director of Arka Technologies Limited as well as a non-executive director of a number of small unquoted technology companies (including The Invention Factory Limited and the Magnetic Connection Company Limited). Craig is currently working with a number of companies operating in technology distribution, product design and the renewable energy sectors. He was previously adviser to the board of Gresham House plc from 2003 to December 2008 on their technology investments. Craig has been a director of IPSO since 27 July 2010. Craig's business address is Foxcotte Manor, Foxcotte, Near Andover, Hampshire, SP10 4AB.

As at the date of this Document, Craig Rochford is beneficially interested in 250,000 Ordinary Shares in IPSO (representing 1.5% of the Company's issued share capital) and will become interested in 3,600,000 shares in IPSO (representing 10.0% of the Enlarged Share Capital) on completion of the Proposals.

Raffles Estates Inc.

Raffles Estates Inc. is a company incorporated in the British Virgin Islands whose registered office address is at Pasea Estate, Road Town, Tortola, British Virgin Islands. TS Direct Ltd, the sole director of the company, is part of the Kaiser Ritter Partner Group of which Kaiser Ritter Partner Trust Services Amstalt is a fully licensed and regulated Liechtenstein Trust Company.

Raffles Estates Inc. is owned by the Jacobson Charitable Trust (the "Trust"), registered under the laws of Liechtenstein. The Trust is a discretionary, irrevocable trust and there are no beneficiaries of the Trust. There is a discretionary class for the settlement of the Trust and Derek Jacobson is the nominated member for settlement of the discretionary class.

Derek Jacobson is the son of Michael Jacobson. Michael Jacobson founded ICS, a distribution company in 1984 and sold it to Hays plc in 1986. He is involved in numerous entrepreneurial ventures primarily in real estate and financial services. His directorships include Westminster Growth Capital Limited and his business address is The Cottage, Aldenham Grange, Grange Lane, Letchmore Heath, Herts WD25 8DX.

Michael Jacobson is a personal friend of Craig Rochford and Raffles Estates Inc. has co-invested with Craig Rochford in a number of small quoted and unquoted companies.

As at the date of this Document, Raffles Estates Inc. is interested in 800,000 Ordinary Shares in IPSO (representing 4.9% of the Company's issued share capital) and will become interested in 1,300,000 shares in IPSO (representing 3.6% of the Enlarged Share Capital) on completion of the Proposals.

Nicholas Penn

Nicholas Penn, aged 60, is a private investor and owner of Pennsport Shooting School, a shooting school based in Newbury. Nicholas is a director of Nick Penn Field Sports Limited and Keepers Investment Limited and his business address is Keepers Cottage, Curridge, Berkshire, RG18 9EF.

Nicholas Penn is a personal friend of Craig Rochford and has co-invested with Craig Rochford in a number of small quoted and unquoted companies.

As at the date of this Document, Nicholas Penn is interested in 200,000 Ordinary Shares in IPSO (representing 1.2% of the Company's issued share capital) and will become interested in 1,000,000 shares in IPSO (representing 2.8% of the Enlarged Share Capital) on completion of the Proposals.

John Kelly

John Kelly, aged 64, was previously Chief Executive Officer and a Director of Man Investments (USA) Corp., an SEC-registered investment adviser, and Man Investments Inc., an SEC registered broker-dealer, positions he held from February 2002 prior to his retirement in January 2008. As Chief Executive Officer, John was responsible for the day-to-day operations of both Man Investments (USA) Corp. and Man Investments Inc. John joined the Man Group in 1987 and pioneered the firm's hedge fund business in the Middle East as well as the expansion for the international regional network of the Man Group. John has been a director of IPSO since 10 July 2010.

John Kelly is a personal friend of Craig Rochford and has co-invested with Craig Rochford in a number of small quoted and unquoted companies.

As at the date of this Document, John Kelly is interested in 150,000 Ordinary Shares in IPSO (representing 0.9% of the Company's issued share capital) and will become interested in 2,650,000 shares in IPSO (representing 7.4% of the Enlarged Share Capital) on completion of the Proposals.

David Jennings

David Jennings, aged 62, is a private investor, retired chartered accountant and former director of ANZ Merchant Bank Ltd. David's business address is Afton Manor, Newport Road, Freshwater, Isle of Wight, PO40 9TW.

David Jennings is a personal friend of Craig Rochford and has co-invested with Craig Rochford in a number of small quoted and unquoted companies.

As at the date of this Document, David Jennings is interested in 200,000 Ordinary Shares in IPSO (representing 1.2% of the Company's issued share capital) and will become interested in 1,000,000 shares in IPSO (representing 2.8% of the Enlarged Share Capital) on completion of the Proposals.

Matthew Valentine

Matthew Valentine, aged 41, is the owner and director of Extrade Traders Limited and operates as an independent financial futures and options specialist on the Eurex electronic exchange, one of the world's leading derivatives exchanges. Matthew has traded exchange-traded derivatives for 19 years. Extrade Traders Limited is cleared by Xconnect Trading Limited, an arrangement which has been in place since 2004. Matthew is also the founding director of CrowdBoo Limited, an early stage internet business based in the UK, and a shareholder in a number of other early stage, private companies. His business address is the office address of Xconnect Trading Limited, 10 Old Jewry, London, EC2R 8DN.

Matthew Valentine is a personal friend of Craig Rochford and has co-invested in a number of capital raisings in which Craig Rochford has been involved.

As at the date of this Document, Matthew Valentine is interested in 200,000 Ordinary Shares in IPSO (representing 1.2% of the Company's issued share capital) and will become interested in 4,600,000 shares in IPSO (representing 12.8% of the Company's Enlarged Share Capital) on completion of the Proposals.

Roy Allen

Roy Allen, aged 70, is a private investor and was formerly Managing Director of De La Rue. Roy spent 37 years in different roles at De La Rue prior to retiring in April 2001. De La Rue is one of the world's largest commercial security printer and papermaker involved in the production of over 150 national currencies and a wide range of security documents such as passports, authentication labels and fiscal stamps. Roy's business address is Beavers Brook, 2 The Hollow, Kingsclere, Newbury, RG20 5SW.

Roy Allen is a personal friend of Craig Rochford and has co-invested in a number of small quoted and unquoted companies with Craig Rochford.

As at the date of this Document, Roy Allen is interested in 100,000 Ordinary Shares in IPSO (representing 0.6% of the Company's issued share capital) and will become interested in 200,000 shares in IPSO (representing 0.6% of the Enlarged Share Capital) on completion of the Proposals.

Patrick Everard

Patrick Everard, aged 67, is a private investor, retired chartered accountant and tax adviser. Patrick was a partner with PriceWaterhouseCoopers until 2001 and established their legal department. He was also Secretary General of the European Court of Auditors between 1989 and 1994. Patrick's business address is Goddards Farm, Hatherdon, Andover, Hampshire, SP11 0HJ.

Patrick Everard is a personal friend of Craig Rochford and has co-invested in a number of small quoted and unquoted companies with Craig Rochford.

As at the date of this Document, Patrick Everard is interested in 100,000 Ordinary Shares in IPSO (representing 0.6% of the Company's issued share capital). Patrick is not participating in the Placing and will remain interested in 100,000 shares in IPSO (representing 0.3% of the Enlarged Share Capital) on completion of the Proposals.

Andrew Hobbs

Andrew Hobbs, aged 52, is a private investor and was the co-founder of The Gadget Shop in 1991. Andrew helped grow The Gadget Shop to 34 branches and turnover of £25.9 million by 2000 before leaving the business in 2002 at the time of a majority buy-out. Andrew is currently a director of Ridgedale Holdings Limited and his business address is Highmoor Park, Highmoor, Henley on Thames, Oxon, RG9 5DH.

Andrew Hobbs is a personal friend of Craig Rochford and has co-invested in a number of small quoted and unquoted companies with Craig Rochford.

As at the date of this Document, Andrew Hobbs is interested in 600,000 Ordinary Shares in IPSO (representing 3.6% of the Company's issued share capital) and will become interested in 5,600,000 shares in IPSO (representing 15.6% of the Enlarged Share Capital) on completion of the Proposals.

Gary Pickford

Gary Pickford, aged 50, is a private investor and is the founder and Managing Director of Chapel Forge Farriers, a therapeutic remedial horse shoeing farrier based in Berkshire. Gary's business address is Upper Lambourn, Berkshire, RG17 8QP.

Gary Pickford is a personal friend of Craig Rochford and has co-invested in a number of small quoted and unquoted companies with Craig Rochford.

As at the date of this Document, Gary Pickford is interested in 100,000 Ordinary Shares in IPSO (representing 0.6% of the Company's issued share capital) and will become interested in 400,000 shares in IPSO (representing 1.1% of the Enlarged Share Capital) on completion of the Proposals.

Mark Ward

Mark Ward, aged 49, is a private investor and IT entrepreneur. After a career in technical, sales and marketing management, including roles with HP, Xerox, DEC, SGI and Morse, Mark co-founded Chapter 26, a content management consultancy business. Chapter 26 was sold to IS Solutions plc in 2008 and Mark remains a divisional director and shareholder of IS Solutions plc. Mark's business address is The Old Village School, Appleshaw, Andover, SP11 9BH.

Mark Ward is a personal friend of Craig Rochford and has co-invested in a number of small quoted and unquoted companies with Craig Rochford.

As at the date of this Document, Mark Ward is interested in 200,000 Ordinary Shares in IPSO (representing 1.2% of the Company's issued share capital) and will become interested in 450,000 shares in IPSO (representing 1.3% of the Enlarged Share Capital) on completion of the Proposals.

Kin-Chiu Tang

Kin-Chiu Tang, aged 30, is a private investment manager and partner of Caldwell & Partners based in Zug, Switzerland. Prior to working with Caldwell & Partners, Kin-Chiu worked for Credit Suisse in Guernsey and has had more than six years experience within the financial industry. He is a British citizen and his current business address is Baarerstrasse 53, 6304 Zug, Switzerland.

Kin-Chiu Tan is a personal friend of Craig Rochford and has co-invested in a number of small quoted and unquoted companies with Craig Rochford.

As at the date of this Document, Kin-Chiu Tang has no beneficial interest in the Ordinary Shares of IPSO. He will become interested in 250,000 shares in IPSO (representing 0.7% of the Enlarged Share Capital) on completion of the Proposals.

Claudio Buhler

Claudio Buhler, aged 34, is a private investment manager and partner of Caldwell & Partners based in Zug, Switzerland. Prior to working with Caldwell & Partners he worked for several banks based in Switzerland and Liechtenstein within their investment management and private client departments including UBS, LGT Bank and VP Bank. He is a Swiss citizen and his current business address is Baarerstrasse 53, 6304 Zug, Switzerland.

Claudio Buhler is a personal friend of Craig Rochford and has co-invested in a number of small quoted and unquoted companies with Craig Rochford.

As at the date of this Document, Claudio Buhler has no beneficial interest in the Ordinary Shares of IPSO. He will become interested in 250,000 shares in IPSO (representing 0.7% of the Enlarged Share Capital) on completion of the Proposals.

2. Disclosure of interests and dealings

(a) Definitions and references

For the purposes of this paragraph 2:

- (i) “acting in concert” refers to persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company, and the persons named in paragraph 1 above are presumed or deemed to be acting in concert in relation to IPSO for the purposes of the Takeover Code;
- (ii) an “arrangement” includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (iii) “associate” includes any person who directly or indirectly is interested or deals in relevant securities and who has an interest, whether commercial, financial or personal in the outcome of the Placing. In relation to a company the term associate will normally include:
 - (A) the company’s parent, subsidiaries and fellow subsidiaries and their associated companies and companies in which such companies own or control 20 per cent. or more of the equity share capital;
 - (B) banks, financial and other professional advisers (including stockbrokers) to such company, as the case may be, or any relevant company, including persons controlling, controlled by or under the same control as such banks, financial or other professional advisers (except for an exempt principal trader or an exempt fund manager);
 - (C) the directors of such company or the directors of any relevant company (together in each case with their close relatives and related trusts);
 - (D) the pension funds of such company or of any relevant company;
 - (E) an investment company, unit trust or other person whose investments an associate manages on a discretionary basis, in respect of the relevant investment accounts;
 - (F) a person who owns or controls 5 per cent. or more of any class of relevant securities issued by such company, including a person who as a result of any transaction owns or controls 5 per cent. or more;
 - (G) a company having a material trading arrangement with such company, and for the purposes of this definition, a “bank” does not include a bank whose sole relationship with such company is the provision of normal commercial banking services or such activities in connection with the Offer as handling acceptances and other registration work; and
 - (H) an employee benefit trust of a relevant company;
- (iv) “control” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company irrespective of whether such interest or interests give *de facto* control;
- (v) “dealing” or “dealt” includes:
 - (A) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or of general control of relevant securities;
 - (B) taking, granting, acquiring, disposing of, entering into, closing out, terminating,

- exercising or varying an option in respect of any relevant securities;
 - (C) subscribing or agreeing to subscribe for relevant securities;
 - (D) exercising or converting any relevant securities carrying conversion or subscription rights;
 - (E) acquiring, disposing of, entering into, closing out, exercising of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
 - (F) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (G) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (vi) “derivative” includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
 - (vii) “disclosure period” means the period commencing on 10 June 2010 and ending on 10 June 2011 (being the 12 month period prior to the publication of this document, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery);
 - (viii) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative;
 - (ix) “interest” in relevant securities includes where a person:
 - (A) owns relevant securities;
 - (B) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (C) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (D) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
 - (x) “IPSO securities” means any shares in the capital of IPSO or any securities convertible into or rights to subscribe for or options in respect of shares in the capital of IPSO;
 - (xi) “relevant securities” means IPSO securities; and
 - (xii) “relevant company” means a company covered in (iii)(A) above.

(b) *Shareholdings, interests and dealings in IPSO securities*

(i) *Concert Party Interests in IPSO securities*

The interests of the Concert Party in IPSO securities are set out in paragraph 3 below.

No members of the Concert Party have rights to subscribe or short positions relating to IPSO securities nor have borrowed or lent any IPSO securities.

(ii) *IPSO Directors’ interests in IPSO securities*

The interests of the Directors of IPSO in Ordinary Shares are set out below.

<i>Name</i>	<i>Prior to the Placing</i>		<i>Placing Participation</i>	<i>Following the Placing</i>	
	<i>Existing Ordinary Shares</i>	<i>%</i>	<i>Placing Shares</i>	<i>Ordinary Shares</i>	<i>%</i>
Simon Hunt	1,511,765	9.2	0	1,511,765	4.2
Nick Rodgers**	1,558,824	9.5	500,000	2,058,824	5.7
Craig Rochford*	250,000	1.5	3,350,000	3,600,000	10.0
Michael Baines	47,059	0.3	500,000	547,059	1.5
John Kelly	150,000	0.9	2,500,000	2,650,000	7.4
Total	3,517,648	21.4	6,850,000	10,367,648	28.8

* 50,000 of the Ordinary Shares which Craig Rochford is beneficially interested in prior to the Placing are held by Arka Technologies Limited, a company 100% owned by Craig Rochford.

** 300,000 of the Ordinary Shares which Nick Rodgers is currently beneficially interested in are held equally by Nick Rodgers and his wife, Thea Rodgers, as trustees of both the Thea Rodgers Children's Settlement and the Nick Rodgers Children's Settlement.

No IPSO Directors have rights to subscribe or short positions relating to IPSO securities nor have any of them borrowed or lent any IPSO securities.

- (iii) Except pursuant to the July Fundraising, no member of the Concert Party nor any director of any company within the Concert Party nor anyone acting in concert with the Concert Party is interested in or has dealt in any of the Company's securities in the 12 months prior to the date of this document.

(c) General

Save as disclosed in this document, as at 10 June 2011 (being the latest practicable date prior to the publication of this document):

- (i) none of the Concert Party, IPSO nor any of the IPSO Directors or their immediate families and relatives or any persons acting or deemed to be acting in concert with IPSO nor, so far as the Directors are aware, any associate of a member of the Concert Party or of IPSO:
- (A) had any interest in or a right to subscribe for any relevant securities;
- (B) engaged in dealing in any relevant securities during the disclosure period;
- (C) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, any relevant securities; or
- (D) had borrowed or lent any relevant securities;
- (ii) neither any Member of the Concert Party nor, so far as the members of the Concert Party are aware, any associate of a member of the Concert Party is party to any arrangement of the kind referred to in paragraph 2(a)(ii);
- (iii) neither IPSO nor any person acting in concert with IPSO nor, so far as the IPSO Directors are aware, any associate of IPSO, is party to any arrangement of the kind referred to in paragraph 2(a)(ii);
- (iv) no agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Concert Party and any of the IPSO Directors, recent directors of IPSO, shareholders or recent shareholders of IPSO, or any person interested or recently interested in IPSO securities, having any connection with, or dependence upon, the Placing; and
- (v) no member of the Concert Party has made any arrangements to transfer Placing Shares to a third party.

3. Concert Party shareholdings

The respective shareholding interests in IPSO of the Concert Party as at 10 June 2011 (being the last practicable date prior to the posting of this document) are set out in the table below together with details of their interests in the Enlarged Share Capital and the percentage of IPSO's voting rights which would be represented by their respective shareholding interests in IPSO. The table also shows the interest in shares of the respective individual members of the Concert Party and the percentage of IPSO's voting rights which would be represented by their respective shareholding interests in IPSO on completion of the Placing.

<i>Name</i>	<i>Prior to the Placing</i>		<i>Placing Participation</i>	<i>Following the Placing</i>	
	<i>Existing Ordinary Shares</i>	<i>%</i>	<i>Placing Shares</i>	<i>IPSO Shares</i>	<i>%</i>
Craig Rochford* (Executive Director)	250,000	1.5	3,350,000	3,600,000	10.0
Raffles Estates Inc.	800,000	4.9	500,000	1,300,000	3.6
Nicholas Penn	200,000	1.2	800,000	1,000,000	2.8
John Kelly (Non-Executive Director)	150,000	0.9	2,500,000	2,650,000	7.4
David Jennings	200,000	1.2	800,000	1,000,000	2.8
Matthew Valentine	200,000	1.2	4,400,000	4,600,000	12.8
Roy Allen	100,000	0.6	100,000	200,000	0.6
Patrick Everard	100,000	0.6	-	100,000	0.3
Andrew Hobbs	600,000	3.6	5,000,000	5,600,000	15.6
Gary Pickford	100,000	0.6	300,000	400,000	1.1
Mark Ward	200,000	1.2	250,000	450,000	1.3
Claudio Buhler	-	-	250,000	250,000	0.7
Kin-Chiu Tang	-	-	250,000	250,000	0.7
Total	2,900,000	17.6	18,500,000	21,400,000	59.5%

* 50,000 of the Ordinary Shares which Craig Rochford is beneficially interested in prior to the Placing are held by Arka Technologies Limited, a company 100% owned by Craig Rochford.

4. Intentions for the Group and its employees

IPSO's principal business will continue to be that of commercialising technology. There are no current intentions for the Board to change its strategy for the Group. The Directors' intention remains to enhance and realise value from its investments. The other members of the Concert Party are deemed to be members of it as a result of their participation in the July Fundraising and their commercial and personal relationships with Craig Rochford (Executive Director and a member of the Concert Party) and have stated that they have no particular intentions for IPSO.

The Concert Party has no specific plans for the redeployment of assets, office locations or employees.

The rights, including pension rights, of the employees of the Group will be safeguarded. The Concert Party is not intending to prejudice the existing employment rights of any employees or management of the Group nor to procure any material change in the conditions of employment of any such employees or management.

PART III

FINANCIAL INFORMATION ON IPSO VENTURES PLC

Incorporation of relevant information by reference

Published report and accounts for financial periods ending 30 April 2010, 30 April 2009 and 30 April 2008

Historical financial information

1. The published annual report and accounts of IPSO for the financial periods ending 30 April 2008, 2009 and 2010 have been incorporated in this document by reference.
2. The published annual report and audited accounts of the Company for the financial years ended 30 April 2008, 2009 and 2010 were prepared under IFRS as adopted by the EU and delivered to the Registrar of Companies. In respect of these accounts, the then auditors of IPSO, Deloitte LLP, gave reports that were unqualified in 2008 and 2009. In 2010 the report was unqualified but contained an emphasis of matter in respect of material uncertainty over going concern. The full opinions are available in the report and accounts on the 'AIM Rule 26' information section of the Company's website (www.ipsoventures.com/aim).
3. The annual report and accounts for the years ended 30 April 2008, 2009 and 2010 include, on the pages specified in the table below, the following information:

For the year ended 30 April

<i>Annual report</i>	<i>For the year ended 30 April</i>		
	<i>2008</i>	<i>2009</i>	<i>2010</i>
<i>Nature of information</i>	<i>Page</i>	<i>Page</i>	<i>Page</i>
Consolidated income statement	17	16	14
Consolidated balance sheet	18	17	15
Consolidated statement of changes in shareholders equity	17	16	14
Consolidated cash flow statement	19	18	16
Accounting policies for the consolidated financial statements	20	19	18
Notes to the consolidated financial statements	20	19	17
Independent auditors report	16	15	13

<i>Interim results</i>	<i>For the six months ended 31 October 2010</i>
<i>Nature of information</i>	<i>Page</i>
Consolidated income statement	4
Consolidated balance sheet	6
Consolidated statement of changes in shareholders equity	5
Consolidated cash flow statement	7
Accounting policies for the consolidated financial statements	8
Notes to the consolidated financial statements	8
Independent auditors report	N/A

4. The unaudited interim financial information for the six months ended 31 October 2010 have been incorporated by reference. The information has been prepared under IFRS on a consistent basis to the annual results for the year ended 30 April 2010 and includes a consolidated income statement, consolidated balance sheet, consolidated cash flow statement and selected notes to the financial statements.
5. The published accounts and interim report can be viewed and downloaded from the “AIM Rule 26” information section of the Company’s website (www.ipsoventures.com/aim). Recipients of this document may request a hard copy of the financial information of IPSO by writing to Nick Rodgers, Chief Executive, or by telephoning +44 (0) 20 7921 2990. Relevant documents will be posted within two business days of receipt of such a request.

PART IV

RISK FACTORS

Placees should be aware that an investment in the Company involves a variety of risks and should only be made by those with the necessary expertise to appraise the investment. The following are considered by the Board to be the key risk factors which could have a material adverse effect on the Company's business or financial condition, results, prospects or share price. In addition to the other information in this Document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company.

Business Risks

Management and employees

The Company's success will depend on the continued retention of its Directors, and on its ability to continue to attract and retain highly skilled and qualified personnel. The Company has entered into service contracts or letters of appointment (as relevant) with certain Directors but, as of 30 April 2011, the service contracts of each of Simon Hunt (Executive Chairman) and Nick Rodgers (Chief Executive) were terminated by mutual consent. Simon Hunt and Nick Rodgers are currently providing their services as directors of IPSO without remuneration. There are currently no binding agreement between the Company and each of Simon Hunt and Nick Rodgers for the provision of their services as Directors, and there can be no assurance that the Company will retain the services of any of its Directors, or attract or retain any senior managers or skilled employees.

Investment risk

The potential increase in value of an investment in the Company is largely dependent upon the expertise of the Directors and their ability to manage the portfolio and secure sales of those investments. There can be no certainty that the Company will be able to complete the sale of any of the investments at a price that the Directors consider acceptable.

One or more companies in which the Company has invested may fail. The price achieved on sale of a holding in such an investee company may be substantially less than the price paid, if such a sale can be achieved. The Company may lose the total amount of its investment in an investee company.

Companies in which the Company has invested will often be vulnerable to changes in technology, government actions, changes in statute and competitive pressures.

Future funding

Whilst the Directors have no current plans for raising additional capital after completion of the Placing it is possible that the Company may seek to raise additional capital in the future to take advantage of investment opportunities. No assurance can be given that any such additional financing will be available or that, if available, it will be available on a timely basis or on terms acceptable to the Company or its Shareholders.

In addition, the further development of a business may well depend upon its ability to obtain financing through private placement financing, public financing or other means including engaging in joint ventures for projects. There is no assurance that such businesses will be successful in obtaining the required financing.

Market Risks

AIM

The Enlarged Share Capital will be admitted to AIM and it is emphasised that no application is being made for admission of the Enlarged Share Capital to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and is generally perceived to involve a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995, but its future success and liquidity in the market for the Company's securities cannot be guaranteed. Consequently it may be more difficult for an investor to sell his or her Ordinary Shares than it would be if the Ordinary Shares were listed on the Official List, and he or she may receive less than the amount paid. The rules of AIM are less demanding than those of the Official List. Further, London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Market for the Company's Ordinary Shares and volatility of share price

Prospective investors should be aware that the value of an investment in the Company may go down as well as up. In addition, the Company can give no assurance that an active trading market for its shares will develop, or if developed, be sustained in the future. If an active trading market is not developed or maintained, the liquidity and trading price of the Company's shares could be adversely affected. Furthermore, the trading price of the Company's shares may not reflect the underlying value of the investments held by the Company and may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, the timing of investments, changes in the regulatory environment and stock market sentiment towards investment companies.

Investment in shares traded on AIM carries a higher degree of risk than an investment in shares quoted on the Official List. The New Shares are intended to provide an opportunity for longer-term capital growth and therefore they may not be suitable as a short-term investment. Consequently, the New Shares may be difficult to buy and sell and their price may be subject to fluctuations.

Regulatory and Taxation Risks

Shareholder taxation position

Shareholders should take their own tax advice as to the consequences of owning New Shares in the Company as well as receiving returns from it. In particular, investors should be aware that ownership of New Shares in the Company can be treated in different ways in different jurisdictions.

Regulatory and legal changes

The Company's strategy has been formulated in the light of the current regulatory and legal environment and likely future changes. The regulatory and legal environment may change in the future and such changes may have a material adverse effect on the Company.

Economic, political, judicial, administrative, taxation or other regulatory factors

The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or regulatory factors, as well as other unforeseen matters, in the UK (the jurisdiction in which the Company is registered) or in other jurisdictions in which the Company may make investments.

PART V

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The issue of this Document has been approved by the board of directors of IPSO. The Directors, whose names are set out below, accept responsibility for the information contained in this Document, save for the recommendation and opinions of the Rule 9 Independent Director relating to the Proposals contained in the letter from the Rule 9 Independent Director set out in Part I of this Document, for which only the Rule 9 Independent Director accepts responsibility as set out in paragraph 1.2 below, and the information concerning the Concert Party for which the persons named in Part II of this Document are responsible. Subject as aforesaid, to the best of the knowledge and belief of the Board (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Directors accepts responsibility accordingly.
- 1.2 The Rule 9 Independent Director accepts responsibility for the recommendation and opinions of the Rule 9 Independent Director relating to the Proposals contained in his letter set out in Part I of this Document. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. The Rule 9 Independent Director accepts responsibility accordingly.
- 1.3 Each of the members of the Concert Party accept responsibility for the information in this Document in respect of (i) the Concert Party (but not the information relating to the other members of the Concert Party) and (ii) himself. To the best of the knowledge and belief of each person named above who is taking responsibility (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information and they accept responsibility accordingly.

The directors of IPSO and their functions are as follows:

Simon Hunt	Executive Chairman
Nick Rodgers	Chief Executive
Craig Rochford	Executive Director
Michael Baines	Non-executive Director
John Kelly	Non-executive Director

2. SHARE CAPITAL AND INTERESTS

2.1 Share Capital

The following table shows the issued ordinary share capital as it is now and as it will be following the Placing:

	<i>Current Issued</i>		<i>Issued following the Placing</i>	
	<i>£</i>	<i>Number of Ordinary Shares</i>	<i>£</i>	<i>Number of Ordinary Shares</i>
Ordinary Shares	821,960.50	16,439,210	N/A	N/A
New Shares	N/A	N/A	35,939.21	35,939,210
Deferred Shares	N/A	N/A	805,521.29	16,439,210

2.2 Interests and Dealings of Directors

- 2.2.1 At the close of business on 10 June 2011 (being the last practicable date prior to the publication of this Document) the interests of the Directors (all of which are beneficial) and their families and the interests of persons connected with them (within the meaning of section 252 of the Act) in relevant securities (whether by interests, rights to subscribe or short positions) of the Company are as follows:-

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>% of Issued Share Capital</i>
Simon Hunt	1,511,765	9.2
Nick Rodgers**	1,558,824	9.5
Craig Rochford*	250,000	1.5
Michael Baines	47,059	0.3
John Kelly	150,000	0.9

* 50,000 of the Ordinary Shares which Craig Rochford is currently beneficially interested in are held by Arka Technologies Limited, a company 100% owned by Craig Rochford.

** 300,000 of the Ordinary Shares which Nick Rodgers is currently beneficially interested in are held equally by Nick Rodgers and his wife, Thea Rodgers, as trustees of both the Thea Rodgers Children's Settlement and the Nick Rodgers Children's Settlement.

- 2.2.2 At the close of business on 10 June 2011 (being the last practicable date prior to the publication of this Document), there were outstanding options to subscribe for Ordinary Shares granted to Directors as follows:

<i>Director</i>	<i>Number of options held</i>	<i>Subscription Price</i>	<i>Date from which exercisable</i>	<i>Expiry date</i>
Michael Baines	60,000	42 pence	1 June 2008	1 June 2011

- 2.2.3 During the period of 12 months preceding the date of this Document, there have been the following dealings for value in relevant securities by the Directors:

- Pursuant to the July Fundraising, John Kelly acquired 150,000 new Ordinary Shares in IPSO at a price of 10p per Ordinary Share;
- Pursuant to the July Fundraising, Craig Rochford acquired 200,000 new Ordinary Shares in IPSO at a price of 10p per Ordinary Share;
- On 13 September 2010, 250,000 new Ordinary Shares in IPSO were allotted to Arka Technologies Limited, a company 100% owned by Craig Rochford, in relation to the July Fundraising;
- On 16 September 2010, Arka Technologies Limited, a company 100% owned by Craig Rochford, sold 200,000 new Ordinary Shares in IPSO at a price of 10p per Ordinary Share (being the subscription price of the July Fundraising); and
- On 8 October 2010, Simon Hunt transferred 51,128 Ordinary Shares at a price of 15p per Ordinary Share to a personal pension plan of which he is the beneficiary.

3. LONDON STOCK EXCHANGE MARKET QUOTATIONS

The following table shows the middle market quotations of an Existing Ordinary Share as derived from the AIM appendix of the Daily Official List for the first business day in each of the six months prior to the date of this document, and for 10 June 2011 (being the last business day prior to the publication of this document):

<i>Date</i>	<i>Price per Ordinary Share</i>
1 November 2010	13.0p
1 December 2010	9.0p
4 January 2011	10.0p
1 February 2011	9.75p
1 March 2011	6.25p
1 April 2011	3.75p
3 May 2011	3.375p
1 June 2011	2.0p
10 June 2011	2.0p

4 MATERIAL CONTRACTS

Save as described below, no contracts have been entered into by the Group, other than in the ordinary course of business, within the two years prior to the publication of this Document which are or may be material.

- 4.1 Pursuant to the terms of a letter of engagement dated 1 June 2010 between Allenby and the Company, Allenby agreed to act as the Company's nominated adviser and broker for the purposes of the AIM Rules. The Company has agreed to pay an annual fee of £30,000 (plus VAT) for Allenby's services as nominated adviser and broker. The engagement continues for a period of one year from the date of the letter and thereafter, either party may terminate the terms of engagement on giving not less than 90 days written notice. The engagement may be terminated by either party with immediate effect in a limited number of circumstances, including for breach of the terms of engagement. The letter contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations.
- 4.2 Pursuant to the terms of a subscription agreement dated 27 July 2010 certain investors, comprising Raffles Estate Inc., Nicholas Penn, David Jennings, Craig Rochford, Roy Allen, Gary Pickford, Andrew Hobbs, Matthew Valentine, Patrick Everard, John Kelly and JM Finn Nominees Limited (which company is no longer a shareholder in IPSO), agreed to subscribe for an aggregate of 3,000,000 Ordinary Shares at 10 pence per Ordinary Share.
- 4.3 Pursuant to the terms of a letter of engagement dated 3 May 2011 between Sherrards and the Company, Sherrards were appointed to act as the Company's legal advisers for the purposes of the proposed Placing. Sherrards will receive a fee of £15,000 (plus VAT) and reimbursement of any disbursements or costs in respect of the services provided under this letter of engagement.
- 4.4 By a letter of engagement dated 28 April 2011 Allenby were appointed to act as the Company's rule 3 financial adviser in connection with the Proposals for a fee of £20,000 (plus VAT) and reimbursement of any disbursements or costs in respect of the services provided under this letter of engagement.

5. SERVICE CONTRACTS

The following service contracts and letters of appointment have been entered into between the Company and the Directors:

- 5.1 A service agreement dated 28 February 2007 for the appointment of Simon Hunt as the Executive Chairman of the Company with effect from 7 March 2007. The service agreement was terminated by mutual consent with effect from 30 April 2011 since when Mr. Hunt has provided, and continues to provide, his services as a Director without remuneration.

- 5.2 A service agreement dated 28 February 2007 for the appointment of Nick Rodgers as the Chief Executive of the Company with effect from 7 March 2007. The service agreement was terminated by mutual consent with effect from 30 April 2011 since when Mr. Rodgers has provided, and continues to provide, his services as a Director without remuneration.
- 5.3 A letter of appointment dated 28 February 2007 between (1) the Company and (2) Michael Baines for an indefinite term pursuant to which Michael Baines provides services as a Non-executive Director of the Company with effect from 7 March 2007. The letter of appointment is terminable by either party on three months' written notice and Michael Baines was paid a fee at a rate of £24,000 per annum for providing services as a non-executive director to the Company pursuant to the terms of the letter of appointment. This has since been varied to £8,000 per annum with effect from 1 January 2010.
- 5.4 A letter of appointment dated 22 July 2010 between (1) the Company and (2) John Kelly for an indefinite term pursuant to which John Kelly provides services as a Non-executive Director of the Company with effect from 27 July 2010. The letter of appointment is terminable by either party on three months' written notice and John Kelly was paid a fee at a rate of £8,000 per annum for providing services as a non-executive director to the Company pursuant to the terms of the letter of appointment.
- 5.5 A letter of appointment dated 22 July 2010 between (1) the Company and (2) Craig Rochford for an indefinite term pursuant to which Craig Rochford provides services as a Non-executive Director of the Company with effect from 27 July 2010. The letter of appointment is terminable by either party on three months' written notice and Craig Rochford was paid a fee at a rate of £8,000 per annum for providing services as a non-executive director to the Company pursuant to the terms of the letter of appointment. Craig Rochford became an executive director with effect from 21 October 2010 and his services are provided through Arka Technologies Limited at a fee of £36,000 per annum.

6. OTHER INFORMATION

- 6.1 With effect from 30 April 2011, the service contracts between the Company and each of Nick Rodgers and Simon Hunt were terminated by mutual consent. Nick Rodgers and Simon Hunt both remain Directors and have indicated their intention to remain as Directors. Each of Nick Rodgers and Simon Hunt continue to provide their services as Directors of IPSO without remuneration. It is possible that the Company may, in the future, enter into consultancy agreements with Nick Rodgers and Simon Hunt, or with companies associated with them, for the provision of services to the Company on such standard commercial terms as may be agreed.
- 6.2 Allenby has given and has not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which they appear.
- 6.3 There are no agreements, arrangements or understandings (including any compensation arrangement) existing with any of the Directors, recent directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the approval by Shareholders of the proposals set out in this Document.
- 6.4 The Directors are not aware of any agreement or arrangement or understanding by which beneficial ownership of any Placing Shares acquired pursuant to the Placing will be transferred to any other person.
- 6.5 The Directors' intentions regarding the continuance of the Company's business and their intentions regarding the continued employment of its employees and those of its subsidiaries will not be altered by the Placing.
- 6.6 The total costs, charges and expenses payable by the Company in respect of the Placing are estimated to amount to approximately £40,000 (including irrecoverable VAT).

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Sherrards at 7 Swallow Place, London W1B 2AG from the date of this Document up to the date of the GM and for 15 minutes prior to the meeting and during the meeting:

- 7.1 the memorandum and articles of association of IPSO Ventures plc;
- 7.2 the audited report and financial statements of IPSO Ventures plc for the periods ended 30 April 2010, 30 April 2009 and 30 April 2008;
- 7.3 the material contracts of the Company referred to in paragraph 4 of this Part V;
- 7.4 the service contracts referred to in paragraph 5 of this Part V;
- 7.5 the letter of consent referred to in paragraph 6 of this Part V; and
- 7.6 this Document.

The Company will provide, without charge, to each person to whom a copy of this Document has been delivered, upon the oral or written request of such a person, a hard copy of any or all of the documents which are incorporated by reference herein within two business days of the receipt of such a request. Copies of any documents or information incorporated by reference into this document will not be provided unless such a request is made.

Documents 7.1, 7.2 and 7.6, along with all the announcements in relation to the Proposals, will be available on the Company's website under the section entitled "AIM Rule 26 Information" from the date of this Document (www.ipsoventures.com/aim). Recipients of this document may request a hard copies by writing to Nick Rodgers, Chief Executive, or by telephoning +44 (0) 20 7921 2990.

13 June 2011

IPSO Ventures plc

*(incorporated and registered in England and Wales under the Companies Act 1985 and 2006
with registered number 05859612)*

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of IPSO Ventures plc (the “Company”) will be held at the Company’s offices at Elizabeth House, 39 York Road, London SE1 7NQ at 10.00 a.m. on 29 June 2011 to consider and, if thought fit, pass the following Resolutions, of which Resolutions 1 and 3, will be proposed as Ordinary Resolutions and Resolutions 2 and 4 will be proposed as Special Resolutions.

- 1 THAT the waiver granted by the Panel on Takeovers and Mergers referred to in the circular published by the Company (the “Circular”) of any requirement under Rule 9 of the City Code on Takeovers and Mergers for any of the several persons named in the Circular as comprising the “Concert Party” individually or collectively, to make a general offer to the shareholders of the Company arising as a result of the Concert Party acquiring interests in 59.54 per cent. of the Enlarged Share Capital (as such term is defined in the Circular) in the Company following the proposed issue of Placing Shares (as such term is defined in the Circular) pursuant to the Placing (as such term is defined in the Circular) be and is hereby approved.
- 2 THAT subject to and conditional upon resolution 1 in the notice of meeting dated 13 June 2011 being duly passed as an ordinary resolution, the Articles of Association of the Company be amended by the deletion of Article 54 and the substitution of the following in its place:

“54.1 The share capital of the company as at the date of these articles is divided into 16,439,210 ordinary shares of 0.1p each (“Ordinary Shares”) and 16,439,210 deferred shares of 4.9p each (“Deferred Shares”) having the rights set out in this article.

54.2 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued (which special rights shall not be modified or abrogated except with such consent or sanction as is provided in these articles, a share (whether forming part of the original capital or not) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company by ordinary resolution determines.

The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

54.3 The rights attaching to the Deferred Shares shall be as follows:-

54.3.1 as to dividends – the holders of the Deferred Shares shall have no right to receive dividends or other distributions;

54.3.2 as to voting - the holders of Deferred Shares shall not be entitled to receive notice of, or to attend or vote at, any general meeting of the company;

54.3.3 as to capital – on a return of assets on liquidation or otherwise the holders of the Deferred Shares shall be entitled to the amount paid up thereon but only after the holders of the Ordinary Shares have received £1,000,000 per 0.1p Share. The holders of the Deferred Shares shall not be entitled to share or participate further in a return of assets;

54.3.4 as to transfer - the creation of the Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such shares a transfer and/ or an agreement to transfer the same, without making any payment to the holders thereof, to such persons as the Company may determine and to acquire the same in accordance with the provisions of the Statutes without making any payment to the holders thereof and pending such transfer and/or cancellation to retain the certificates (if any) thereof.”

- 3 THAT, subject to and conditional upon resolution 1 in the notice of meeting dated 13 June 2011 being duly passed as an ordinary resolution, and resolution 2 in the same notice being passed as a special resolution, the Directors be and they are hereby generally and unconditionally authorised in addition to (and not in substitution for) all previous powers granted to them (but without prejudice to the continuing power of the Directors to allot equity securities (as defined in section 560 of the Companies Act 2006 (the “Act”) pursuant to an offer or agreement made by the Company before the date this resolution is passed) to exercise all of the powers of the Company to allot equity securities pursuant to section 551 of the Act up to an aggregate nominal amount of £19,500.00 in connection with the Placing (as defined in the circular to the Company’s Shareholders dated 13 June 2011) provided that this authority shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company or 31 October 2011 unless and to the extent that such authority is renewed or extended prior to such date so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority shall be in addition to (and not in substitution for) any other authority to allot relevant securities but is without prejudice to the continuing authority of the Directors to allot relevant securities in pursuance of an offer or agreement made before the expiry of the authority pursuant to which such offer or agreement was made.
- 4 THAT, subject to and conditional upon resolutions 1 and 3 in the notice of meeting dated 13 June 2011 being duly passed as ordinary resolutions and resolution 2 in the same notice being duly passed as a special resolution, the Directors be and they are hereby empowered pursuant to section 571 of the Companies Act 2006 (the “Act”) in addition to (and not in substitution for) all such powers previously given (but without prejudice to the continuing power of the Directors to allot equity securities pursuant to an offer or agreement made by the Company before the date this resolution is passed) to allot equity securities (within the meaning of section 560 of the Act), as if section 561 of the Act did not apply to such allotment provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £27,500.00 in connection with the Placing (as defined in the circular to the Company’s Shareholders dated 13 June 2011) provided that this power shall be and such power shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company or 31 October 2011 unless and to the extent that such authority is renewed or extended prior to such date so that the Company may before such expiry make an offer or agreement which would or might require the Directors to allot equity securities in pursuance of such an offer as if the authority conferred hereby had not expired.

By Order of the Board

Cargill Management Services Limited
Company Secretary

Dated: 13 June 2011

Registered office:

Elizabeth House
39 York Road
London
SE1 7NQ

Notes:

1. In order to comply with the Takeover Code, Resolution 1 will be taken on a poll and each member of the Concert Party has undertaken not to vote on the Resolution.

Appointment of Proxies:

2. Every holder has the right to appoint some other person of their choice, who need not be a shareholder, to attend and act on their behalf (including to speak and to vote) at the meeting. If you wish to appoint a person other than the chairman of the Company, please insert the name of your chosen proxy holder in the space provided (see reverse).
3. In the case of joint holders the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
4. To be effective, this form, completed and signed, and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority, must be lodged at the office of the Company's registrars at: Share Registrars Limited, Proxy Department, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by fax to 01252 719232, by 27 June 2011 at 10.00 a.m. In the case of a shareholder which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
5. To direct your proxy how to vote on the resolutions, mark the appropriate box with an "X". The "Vote Withheld" option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. In accordance with regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company 48 hours before the time appointed for the meeting or any adjournment thereof. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited, Proxy Department, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
8. Any alterations made to this form should be initialed.
9. The completion and return of this form will not preclude a holder from attending, speaking and voting in person at the meeting. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which appointment was last validly received, none of them shall be treated as valid in respect of that share.

