

Regulatory Story

Company Viridas PLC
TIDM VIR
Headline Notice of General Meeting
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Viridas Plc
("Viridas" or "the Company")

Notice of General Meeting

Further to the announcements made on 31st March 2011 and 5th April 2011, a circular (the "Circular") relating to the proposed new strategic direction of the Company and associated capital reorganisation, and £1,050,000 fundraise, is being posted to Viridas shareholders today.

The Circular includes a notice convening a General Meeting of shareholders to be held at the offices of Rivington Street Corporate Finance, 3rd Floor, 3 London Wall Buildings, London, EC2M 5SY, on 10 May 2011 at 11.00 a.m.

A copy of the Circular and form of Proxy is available at <http://www.viridasplc.com/investors/>. Further selected information extracted from the Circular is set out below.

Save where capitalised terms are expressly defined in this announcement, all words and phrases defined in the Circular shall have the same meaning when used in this announcement, except where the context otherwise requires.

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The following information has been extracted without material adjustment from the Circular

Viridas Plc - General Meeting

In the Chairman's statement of June 2010, which accompanied the financial statements for the year ended 31 December 2009, I reported that the Board was in discussions with potential investors with a view to securing an additional £1.4 million as the next stage of the financing programme initiated in November 2009. These additional funds were needed for the next stage of the Company's ongoing development plan, the establishment and planting out of a base farm in Brazil.

However, lack of clarity from the Government regarding future support for biomass in the renewable energy industry and the reduction of greenhouse gas emissions in the UK created a high degree of uncertainty in the financial markets and had a significant negative impact on the decision making process of potential investors. This led to a lack of investor interest and towards the end of 2010 the board decided to review the feasibility of the Viridas jatropha project.

In January 2011, the Directors announced that they no longer believed it would be possible to raise the funds necessary to progress the Viridas jatropha project within an acceptable timeframe. Consequently your Board started exploring various opportunities to use Viridas as a quoted vehicle and, on 20 January 2011, the Company announced that it had entered into an option agreement with a group of African Investors which had interests in land, property development, gold mines and other activities in Africa. However, it was not possible to reach agreement with these investors and after the third instalment of the purchase price of the option failed to be paid to the Company, the option agreement lapsed. As a result, the Board considered other options available to the Company including placing the Company into administration or other insolvency process which would have delivered very little or no value to Shareholders. Under the AIM Rules, the Company was at that point reclassified as an investing company.

On 31 March 2011, the Company announced that it entered into an agreement with Rivington Street Corporate Finance to raise £750,000 through a placing of zero-coupon, unsecured Convertible Loan Notes, with a range of institutional and other investors with the intention that these funds will constitute a major part of a proposed significant re-positioning of the Company. The Company also announced that it intended to seek shareholder approval for its Investing Policy. In addition the Company announced on 5 April 2011 that a further £300,000 had been secured via a further issue of Convertible Loan Notes raising a total of £1,050,000.

The purpose of this letter is to provide you with background to the Proposals and also to seek your approval to the issue of New Ordinary Shares to the holders of the Convertible Loan Notes and of the Investing Policy, all of which will be proposed as special business at the General Meeting of Shareholders of the Company, notice of which is set out at the end of this document.

Accordingly, I have pleasure in sending you a notice convening a General Meeting of Shareholders of the Company which will be held at the office of Rivington, 3 London Wall Buildings, London, EC2M 5SY on 10 May 2011 at 11.00 am (London Time) at which you will be asked to approve the Resolutions.

Fundraise

As announced on 31 March 2011 and further to the announcement released on 5 April 2011, the Company has entered into an agreement with Rivington dated 30 March 2011 and amended on 4 April 2011 for the raising of £1,050,000 through the issue of Convertible Loan Notes. This funding has been made available to the Company to

provide it with general working capital and to enable the Company to take initial steps to implement its Investing Policy.

The Convertible Loan Notes have been issued to a group of institutional and private investor clients of Rivington. The Convertible Loan Notes will not be admitted to trading and are convertible into New Ordinary Shares at 5 day's notice. Both the Company and the holders of Convertible Loan Notes may elect to convert the Convertible Loan Notes into New Ordinary Shares at any time following the General Meeting.

Subject to the Resolutions being passed at the General Meeting each of the Convertible Loan Notes shall be convertible into 400 New Ordinary Shares at a price of 0.25 pence per New Ordinary Share. If the conversion right is not exercised the Convertible Loan Notes will become repayable on 31 December 2012, unless otherwise agreed between the Company and the holders of the Convertible Loan Notes. It is the intention of the Company to exercise such conversion rights immediately following the General Meeting

If exercised in full, the conversion of the Convertible Loan Notes would result in the issue of 420,000,000 New Ordinary Shares representing 92.7 per cent. of the Company's Enlarged Share Capital. The issue of New Ordinary Shares to the holders of the Convertible Loan Notes will require a reorganisation of the Company's share capital to allow it to issue the New Ordinary Shares at 0.25 pence each. Approval for such reorganisation and authority for the Directors to allot the New Ordinary Shares deriving from the conversion of Convertible Loan Notes will be sought at the General Meeting.

Section 561 of the 2006 Act contains pre-emption rights that require all equity shares which it is proposed to allot for cash to be offered to existing shareholders in proportion to existing shareholdings, unless a special resolution is passed to disapply such rights. Such rights do not apply to an issue other than for cash, such as an issue in consideration of an acquisition. In order to enhance the attractiveness of the Company and to enable the Company to convert the Convertible Loan Notes into New Ordinary Shares the Board is seeking authorisation under Resolution 4, to allow the Directors to allot shares amounting to an additional aggregate nominal amount of £1,000,000 other than on a pre-emptive basis including those to be issued on conversion of the Convertible Loan Notes.

In each case, the authority conferred shall expire fifteen months after the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first.

The Investing Policy of the Company following Completion

The Company also announced on 31 March 2011 its intention to adopt, as required by the AIM Rules, an Investing Policy to allow the Company to focus on the natural resources sector. Where appropriate, the Company is prepared to take an active role in its investments

Possible investments could include permits and licences, mining and production licences or processing and development projects, through acquisitions, partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company or project. The Company's investments may take the form of equity, joint venture, debt, convertible instruments, licence rights or other financial instruments. The Company will consider opportunities anywhere in the world, with a particular focus on Africa, South America, Australasia and Central and Eastern Europe.

The returns to Shareholders are expected to be by way of dividends and growth in the value of the Company's shares.

Share Capital Reorganisation

The Act prohibits the Company from issuing ordinary shares at a price below their nominal value. The price at which the Company has been able to raise additional capital is less than the current nominal value of its Existing Ordinary Shares. Accordingly, it will be necessary to undertake the Share Capital Reorganisation.

Immediately following the General Meeting and before any Convertible Loan Notes have been converted, the Company will have 32,857,956 Existing Ordinary Shares in issue. Resolution 2 to be proposed at the General Meeting, proposes that all of the Existing Ordinary Shares of the Company be split into one New Ordinary Share of 0.1 pence and one Deferred Share of 9.9 pence, such deferred shares having the rights attached to them as set out in the Articles to be amended pursuant to the approval of Resolution 5 below. Essentially, the passing of Resolution 2 would change the par value of the Company to 0.1 pence per share.

The New Ordinary Shares of 0.1 pence each will continue to carry the same rights as attached to the Existing Ordinary Shares (save for the reduction in nominal value). The Deferred Shares will be transferable only with the consent of the Company and will not be admitted to trading on AIM (or any other investment exchange). The rights of the Deferred Shares are very limited - they do not carry voting rights and carry no rights to participate in the profits of the Company. On a return of capital in a winding up, they only have rights to return of capital after very substantial sums have first been paid to the holders of New Ordinary Shares. As such, all the value in the issued shares is vested in the New Ordinary Shares and not the Deferred Shares.

Only the New Ordinary Shares will be traded on AIM, in place of the Existing Ordinary Shares, and application for the New Ordinary Shares to be admitted to trading in place of the Existing Ordinary Shares with effect from 7.00am on 11 May 2011 will be made to AIM.

The practical effect of this change, if implemented, will be that each Shareholder will receive the same number of New Ordinary Shares as they hold in Existing Ordinary Shares, without diminution in rights.

In the New Articles of Association, the Company has reflected those principal changes to the existing Articles which are referred to in the Explanatory Notes on page 10 of this Document.

Repurchase of Deferred Shares

Conditional upon the passing of the other Resolutions, including those described in the paragraph titled "Share Capital Reorganisation" above, the Company and the holders of the Deferred Shares will have the ability, subject to compliance with any legal requirements, to enter into a Repurchase Agreement whereby the holders of the Deferred Shares will agree to transfer (without receiving any payment therefore, in accordance with the New Articles) all of the Deferred Shares held by them to a person designated by the Board. That designated person will then agree to the Company repurchasing all the Deferred Shares to be held by him, for one penny in aggregate and following such repurchase, all of the Deferred Shares will be cancelled. It would be the intention that any such repurchase of the Deferred Shares could be financed out of the proceeds of the issue of New Ordinary Shares. According to the class rights of the Deferred Shares, any member of the Board may be designated the person to sign a Repurchase Agreement on behalf of the holders of Deferred Shares.

General Meeting

The Notice convening the General Meeting is set out on pages 12 and 13 of this Document at which the Resolutions will be proposed for the purposes of the

transaction. A summary of the Resolutions is set out below:

Resolution 1, which will be proposed as an ordinary resolution, seeks approval to remove the limit on the Company's ability to issue shares in the capital of the Company;

Resolution 2, which will be proposed as an ordinary resolution and is subject to the passing of Resolution 1, seeks approval for the subdivision of each Existing Ordinary Share into 1 New Ordinary Share of 0.1 pence each and 1 Deferred Share of 9.9 pence each;

Resolution 3, which will be proposed as an ordinary resolution and is subject to the passing of Resolutions 1 and 2, seeks approval for the proposed Investing Policy;

Resolution 4, which will be proposed as an ordinary resolution and is subject to the passing of Resolutions 1 to 3, seeks to grant the Directors authority to allot New Ordinary Shares in the capital of the Company;

Resolution 5, which will be proposed as a special resolution and is subject to the passing of Resolutions 1 to 4, seeks approval for the adoption of the new Articles of Association of the Company;

Resolution 6, which will be proposed as a special resolution and is subject to the passing of Resolutions 1 to 5, seeks to grant the Directors the power to disapply statutory pre-emption rights over certain shares; and

Resolution 7, which will be proposed as a special resolution and is subject to the passing of Resolutions 1 to 6, seeks approval for the Company to enter into a contract to re-purchase the Deferred Shares for the sum of 1 penny.

Action to be taken

Shareholders will find a Form of Proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 9LL, not later than 11.00 a.m. on 8 May 2011, being 48 hours before the time appointed for holding the General Meeting. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

Recommendation

The Directors consider the Proposals to be in the best interests of the Company and the Shareholders as a whole as the only alternative would be an insolvency process which would deliver very little or no value to Shareholders. The Directors therefore recommend that you vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings, amounting in aggregate to 6,254,691 Existing Ordinary Shares representing approximately 19.0 per cent of the issued share capital of the Company at the date of this Document.

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