

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or about what action to take, you are recommended immediately to seek your own professional advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if you are resident in another territory, from another appropriately authorised independent financial adviser who specialises in advising upon investments in shares and other securities.

The Tender Offer is only being made to persons who are Qualifying Shareholders on the register of members of the Company or Optionholders for the purposes of the Tender Offer at 5.00 p.m. on 27 October 2009. The Tender Offer is not being made, and will not be made, directly or indirectly, in or into or from, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telephone, internet or any other forms of electronic communication) of interstate or foreign commerce of, or by any facilities of a national securities exchange of a Prohibited Territory and the Tender Offer cannot be accepted by any such use, means or instrumentality or otherwise from or within such Prohibited Territories. Accordingly, this document, the Tender Form and any accompanying document are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into or from a Prohibited Territory including to Shareholders with registered addresses in Prohibited Territories or to persons whom the Company or Evolution Securities know to be trustees, nominees or custodians holding Ordinary Shares for such persons.

EUROPEAN ISLAMIC INVESTMENT BANK PLC

(incorporated in England and Wales under the Companies Act 1985 with registered number 5328847)

Authority to purchase Ordinary Shares

Capital Reduction

Tender Offer by Evolution Securities to purchase Ordinary Shares at a price of 7 pence per Ordinary Share subject to a maximum aggregate of £7,000,000 being an overall maximum of 100,000,000 Ordinary Shares

and

Notice of General Meeting

Evolution Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and for no-one else in connection with the Tender Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evolution Securities or for providing advice in connection with the matters set out in this document or any transaction or arrangement referred to herein.

You are recommended to read the whole of this document but your attention is drawn, in particular, to the non-executive Chairman's letter at Part 1 of this document. This letter explains the background to and reasons for the Proposals and contains a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

The Tender Offer will close at 1.00 p.m. on 20 November 2009, unless extended by means of an announcement through a Regulatory Information Service of the London Stock Exchange.

Notice of a General Meeting to be held at the offices of the Company at 4th Floor, 131 Finsbury Pavement, London EC2A 1NT on 13 November 2009 at 9.30 a.m. is set out at the end of this document. You will find accompanying this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete and sign the Form of Proxy and return this to the Company's registrar, Capita Registrars, at Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 9.30 a.m. on 11 November 2009. The completion and return of a Form of Proxy will not affect your right to attend and vote in person at the General Meeting, or any adjournment thereof, if you wish to do so. If you do not send in a valid Form of Proxy or if you fail to attend the General Meeting in person and to vote, no one else may vote on your behalf.

Due to ongoing industrial action affecting postal services in London and possibly throughout the United Kingdom, Shareholders are strongly encouraged to refer to the Company's website (eiib.co.uk) to review this document. To obtain a Form of Proxy and/or Tender Form, please contact the Company's registrar, Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephone as described in Part 1, paragraph 10 of this document.

CONTENTS

	<i>Page</i>
Directors, Company Secretary and Advisers	3
Expected Timetable of Events	4
Definitions	5
Part 1: Letter from the Non-Executive Chairman of European Islamic Investment Bank plc	7
Part 2: Terms and Conditions of the Tender Offer	13
Part 3: Certain Tax Aspects of the Tender Offer	21
Notice of General Meeting	22

Accompanying Documents:

Tender Form (for certificated Qualifying Shareholders)

Form of Proxy

Reply paid envelope

Information regarding forward-looking statements

This document contains a number of forward-looking statements relating to European Islamic Investment Bank plc. European Islamic Investment Bank plc considers any statements that are not historical facts as “forward-looking statements”. They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of European Islamic Investment Bank plc to differ materially from the information presented in the relevant forward-looking statement. When used in this document, the words “estimate”, “project”, “intend”, “aim”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to European Islamic Investment Bank plc or the management of it, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. European Islamic Investment Bank plc does not undertake any obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the AIM Rules and other regulations.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Adnan Ahmed Yousif (<i>Non-Executive Chairman</i>) Shabir Randeree (<i>Deputy Chairman</i>) Keith McLeod (<i>Finance Director and Interim Chief Executive</i>) Salman Abbasi (<i>Non-Executive Director</i>) Yusef Abu Khadra (<i>Non-Executive Director</i>) Zaher Mohammad Sulaiman Al-Ajjawi (<i>Non-Executive Director</i>) Mohammed Abdul Aziz Ibrahim Al Sarhan (<i>Senior Independent Director</i>) Abed Alzeera (<i>Non-Executive Director</i>) Subhi Benkhadra (<i>Non-Executive Director</i>) George Morton (<i>Non-Executive Director</i>)
Company Secretary	Mohammed Abdul Mohaimin Chowdhury
Registered Office	4th Floor 131 Finsbury Pavement London EC2A 1NT
Nominated Adviser and Broker	Evolution Securities Limited 100 Wood Street London EC2V 7AN
Solicitors to the Company	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA
Solicitors to Evolution Securities	Osborne Clarke One London Wall London EC2Y 5EB
Registrars	Capita Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0GA
Receiving Agent	Capita Registrars Limited Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for Tender Offer	27 October 2009 at 5.00 p.m.
Latest time for receipt of Forms of Proxy	11 November 2009 at 9.30 a.m.
General Meeting	13 November 2009 at 9.30 a.m.
Final date for receipt of Tender Forms and share certificates for certificated Ordinary Shares	20 November 2009 at 1.00 p.m.
Final date for receipt of TTE instructions	20 November 2009 at 1.00 p.m.
Announcement of take-up level under Tender Offer	23 November 2009
Court hearing to confirm Capital Reduction*	9 December 2009
Effective Date*	10 December 2009
Purchase of Ordinary Shares under the Tender Offer**	10 December 2009
Purchase of Ordinary Shares under the Purchase Agreement**	10 December 2009
CREST Accounts credited with Tender Offer proceeds**	16 December 2009
Dispatch of cheques for Tender Offer proceeds**	16 December 2009

* These dates are dependent on, *inter alia*, the date upon which the Court confirms the Capital Reduction. The Court hearing may be subject to postponement by the Court.

** The Capital Reduction is subject to, *inter alia*, the approval of the Court and will not take place if Court approval is not obtained. If the Capital Reduction is not approved by the Court, the Tender Offer will not complete.

All references in this document are to London time and the dates and times given are based on the Company's current expectations and may be subject to change. If any of the above times and/or dates (other than the times and/or dates marked with an asterisk above) change the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service of the London Stock Exchange.

DEFINITIONS

“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Board” or “Directors”	the directors of the Company whose names are set out on page 3 of this document
“business day”	any day on which banks are generally open in England and Wales for the transaction of business, other than a Saturday, Sunday or a public holiday
“Capita Registrars”, “Registrars” or “Receiving Agent”	Capita Registrars Limited, registrars and receiving agents to the Company
“Capital Reduction”	the proposed reduction of the Company’s share capital, as more particularly described in Part 1 of this document
“Company”	European Islamic Investment Bank plc
“Completion Date”	the date on which Evolution Securities purchases Ordinary Shares which have been validly tendered under the Tender Offer
“Court”	the High Court of Justice in England and Wales
“Court Order”	the order of the Court confirming the Capital Reduction
“CREST”	the Relevant System (as defined by the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the operator
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (as amended) (SI 2001/3755)
“Effective Date”	the date (if any) on which the Court Order relating to the Capital Reduction and the statement of capital in respect of the Capital Reduction have both been registered by the Registrar of Companies
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Evolution Securities”	Evolution Securities Limited, the nominated adviser and broker to the Company
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting
“General Meeting”	the general meeting of the Company convened for 9.30 a.m. on 13 November 2009, (or any adjournment thereof), notice of which is set out at the end of this document
“London Stock Exchange”	London Stock Exchange plc
“Notice”	the notice of the General Meeting set out at the end of this document
“Optionholders”	holders of Options
“Options”	options to subscribe for Ordinary Shares

“Ordinary Shares”	the ordinary shares of 1 pence each in the capital of the Company
“Overseas Shareholder”	a Shareholder who is resident in, or a citizen of, a jurisdiction outside of the UK
“Prohibited Territories” or “Prohibited Territory”	the United States, Canada, Australia, Japan, the Republic of Ireland, New Zealand or South Africa and their respective territories and possessions and any other jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for the Company if information or documents concerning the Tender Offer were to be sent or made available to Shareholders in that jurisdiction
“Proposals”	the Capital Reduction and the Tender Offer
“Purchase Agreement”	the agreement dated 28 October 2009 between the Company and Evolution Securities relating to the purchase of the Ordinary Shares pursuant to the Tender Offer
“Qualifying Shareholders”	Shareholders who: <ul style="list-style-type: none"> (a) are in the UK; or (b) are in a jurisdiction in which making the Tender Offer into that jurisdiction is not unlawful and does not require the Tender Offer or the Ordinary Shares to be approved by, or registered with, any regulatory body, and are not in a Prohibited Territory or acting as trustee, nominee or custodian on behalf of any person in a Prohibited Territory and, where the context requires, shall include Optionholders
“Record Date”	the date on which a person is a Shareholder on the register of members of the Company or an Optionholder for the purposes of the Tender Offer being 5.00 p.m. on 27 October 2009
“Regulatory Information Service”	a service approved by the London Stock Exchange for the distribution of AIM announcements and included within the list maintained on the London Stock Exchange’s website
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice
“Shareholders”	the registered holders of Ordinary Shares
“Tender Form”	the form of tender accompanying this document for use by Qualifying Shareholders in connection with the Tender Offer
“Tender Offer”	the invitation by Evolution Securities to Qualifying Shareholders to tender Ordinary Shares for sale to Evolution Securities on the terms and subject to the conditions set out in this document and also, in the case of certificated Ordinary Shares, the Tender Form
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST manual issued by Euroclear) made in respect of Ordinary Shares

PART 1

LETTER FROM THE NON-EXECUTIVE CHAIRMAN OF EUROPEAN ISLAMIC INVESTMENT BANK PLC

European Islamic Investment Bank plc

(incorporated in England & Wales under the Companies Act 1985 with registered number 5328847)

Directors:

Adnan Ahmed Yousif (*Non-Executive Chairman*)
Shabir Randeree (*Deputy Chairman*)
Keith McLeod (*Finance Director and Interim Chief Executive*)
Salman Abbasi (*Non-Executive Director*)
Yusef Abu Khadra (*Non-Executive Director*)
Zaher Mohammad Sulaiman Al-Ajjawi (*Non-Executive Director*)
Mohammed Abdul Aziz Ibrahim Al Sarhan (*Senior Independent Director*)
Abed Alzeera (*Non-Executive Director*)
Subhi Benkhadra (*Non-Executive Director*)
George Morton (*Non-Executive Director*)

Registered Office:

4th Floor
131 Finsbury Pavement
London
EC2A 1NT

28 October 2009

To all Shareholders and Optionholders

Dear Sir or Madam,

Authority to purchase Ordinary Shares Capital Reduction

Tender Offer by Evolution Securities to purchase Ordinary Shares at a price of 7 pence per Ordinary Share subject to a maximum aggregate of £7,000,000 being an overall maximum of 100,000,000 Ordinary Shares

and

Notice of General Meeting

1. Introduction

Earlier today the Company announced that it proposed to:

- (a) instruct Evolution Securities to purchase up to a maximum of 100,000,000 Ordinary Shares at a price of 7 pence per Ordinary Share (equivalent to an aggregate value of £7,000,000) by way of the Tender Offer (which will then be purchased by the Company and cancelled); and
- (b) effect a Capital Reduction so as to implement the Tender Offer.

The Tender Offer is only being made to persons who are Qualifying Shareholders on the register of members of the Company or Optionholders for the purposes of the Tender Offer at 5.00 p.m. on 27 October 2009.

The Directors reserve the right to exercise their discretion in the allocation of successful applications although, subject to the overall maximum of 100,000,000 Ordinary Shares, it is currently intended that applications will be accepted in full for up to 500,000 Ordinary Shares per Qualifying Shareholder.

This document sets out the background to and reasons for the Proposals, additional information on the implications of the Proposals for the Company and its Shareholders and why your Board believes the Proposals to be in the best interests of Shareholders as a whole. Having disclosed their intentions with regard to their individual holdings, the Directors also include a unanimous recommendation of the Proposals.

Shareholder approval of the Proposals is being sought at the General Meeting to be held at the offices of the Company at 4th Floor, 131 Finsbury Pavement, London EC2A 1NT at 9.30 a.m. on 13 November 2009. The Notice, which convenes the General Meeting at which the Resolutions will be proposed, is set out at the end of this document.

Shareholders should note that, unless the Resolutions are approved as special resolutions at the General Meeting (and the Court confirms the Capital Reduction), the Tender Offer will not take place.

2. Background to and reasons for the Proposals

The Directors are aware that the Company's Ordinary Shares have historically traded at a significant discount to the Company's net asset value and that liquidity in the Ordinary Shares has generally been limited. Consequently, the Directors believe that there may be a number of smaller Shareholders who wish to realise some or all of their investment in the Company. Despite the economic crisis, the Company holds significant liquid resources and the Board has therefore concluded that the Tender Offer represents the most effective means by which Shareholders can receive some liquidity in their holding.

The Capital Reduction is being undertaken to enable the Tender Offer to be made. Any additional distributable reserves created pursuant to the Capital Reduction should be available to assist in any future distributions.

3. Tender Offer

The Tender Offer

The Board considers that the Tender Offer:

- provides an opportunity for Qualifying Shareholders to tender all or part of their holding or to tender none of their Ordinary Shares, depending on their own liquidity requirements and their view of the prospects of the Company going forward;
- allows Qualifying Shareholders the opportunity to dispose of Ordinary Shares in a tax efficient manner, free of dealing costs and stamp duty (which will be borne by the Company); and
- provides a return of cash now, compared to the alternative of being exposed to the financial risks of the ongoing operations of the Company.

The price per Ordinary Share under the Tender Offer represents a premium of 141.4 per cent. to the closing price of 2.9 pence per Ordinary Share on 27 October 2009, being the last business day prior to the Company announcing the Tender Offer.

Details of the Tender Offer

The Board has arranged for Evolution Securities to provide Qualifying Shareholders with the opportunity to sell Ordinary Shares by means of the accompanying Tender Form (in respect of Ordinary Shares held in certificated form) or by TTE Instruction (in respect of Ordinary Shares held in uncertificated form). The Tender Offer is open to all Qualifying Shareholders who hold Ordinary Shares on the Record Date, although the Directors reserve the right to exercise discretion in respect of a Shareholder's eligibility.

The Tender Offer is to be effected by Evolution Securities purchasing Ordinary Shares as principal and then selling such Ordinary Shares on the London Stock Exchange to the Company for cancellation pursuant to the Purchase Agreement. The Purchase Agreement is conditional on, amongst other things, the Tender Offer becoming unconditional in accordance with its terms. The Purchase Agreement can be terminated by Evolution Securities by giving written notice to the Company. The Purchase Agreement contains warranties from the Company in favour of Evolution Securities which are customary for an agreement of this type.

The maximum aggregate number of Ordinary Shares which may be purchased in the Tender Offer is 100,000,000 Ordinary Shares. The Directors reserve the right to exercise their discretion in the allocation of successful applications although, subject to the overall maximum of 100,000,000 Ordinary Shares, it is currently intended that applications will be accepted in full for up to 500,000 Ordinary Shares per Qualifying Shareholder. The price to be paid for each Ordinary Share subject to the Tender Offer is 7 pence.

In the event that Optionholders choose to exercise outstanding options in full and to become Qualifying Shareholders as described in the section headed “Treatment of Optionholders” below, the Company will be required to issue up to a further 3,116,844 Ordinary Shares to satisfy such exercises, which would result in there being a total of 1,828,679,375 Ordinary Shares in issue. If the Optionholders exercise their outstanding options in full and the Tender Offer is fully taken up by Qualifying Shareholders, resulting in the purchase of 100,000,000 Ordinary Shares, there will be a reduction in the issued Ordinary Share capital of the Company to 1,728,679,375 Ordinary Shares.

The issued share capital of the Company at 27 October 2009, being the last business day prior to the posting of this document, was 1,825,562,531 Ordinary Shares.

Qualifying Shareholders do not have to tender any Ordinary Shares if they do not wish to do so. The Tender Offer is conditional, amongst other things, on the passing of the Resolutions set out in the Notice and the confirmation by the Court of the proposed Capital Reduction.

Under the Tender Offer:

- Evolution Securities will purchase Ordinary Shares that are validly tendered up to a maximum number of 100,000,000 Ordinary Shares (equivalent to an aggregate value of £7,000,000);
- all Qualifying Shareholders are being given the opportunity to participate;
- Qualifying Shareholders can tender none, all or some of their Ordinary Shares;
- all Ordinary Shares purchased by Evolution Securities will be purchased at a price of 7 pence per Ordinary Share free of commissions and dealing charges;
- all Ordinary Shares purchased by Evolution Securities under the Tender Offer will be subsequently purchased by the Company at a price of 7 pence per Ordinary Share under the terms of the Purchase Agreement; and
- all Ordinary Shares purchased by the Company from Evolution Securities under the terms of the Purchase Agreement will be cancelled and will not rank for any dividends declared after, or whose record date is after, the date of this document.

The Directors (acting together) reserve the right to terminate the Tender Offer at any time on or before 7.00 a.m. on the Completion Date if they conclude that its implementation is no longer in the best interests of the Company and/or Shareholders as a whole or that the purchase of Ordinary Shares by the Company may have adverse fiscal consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company and/or Shareholders as a whole. If the Tender Offer is terminated, the Company will make an announcement through a Regulatory Information Service.

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part 2 of this document and in the accompanying Tender Form.

A guide to the general tax position of Qualifying Shareholders under UK law and HM Revenue & Customs practice in respect of the Tender Offer is set out in Part 3 of this document. All Qualifying Shareholders are strongly advised to consult their professional advisers about their own tax position.

The attention of Shareholders who are citizens or nationals of or resident in jurisdictions outside the UK and who wish to participate in the Tender Offer is drawn to the section headed “Overseas Shareholders” in Part 2 of this document.

The Tender Offer is conditional on, *inter alia*, the approval by Shareholders of the Resolutions and the Capital Reduction being confirmed by the Court and taking effect by 5.00 p.m. on 30 January 2010.

The Directors have undertaken to vote in favour of the Resolutions and not to tender their holdings of Ordinary Shares pursuant to the Tender Offer.

4. Capital Reduction

The Capital Reduction

The Company has a deficit on its profit and loss account and so does not have the distributable reserves required to effect the Tender Offer. The Board therefore proposes that the Capital Reduction should create distributable reserves (the “**Reserve**”) to enable the Purchase Agreement to be completed. Any distributable reserves created by the Capital Reduction which are not utilised under the Tender Offer should be available to assist in any future distributions.

The Capital Reduction will leave the Company’s net assets unchanged and the underlying book value of the Company would be unaffected.

In addition to the approval by the Shareholders of the Resolutions, the Capital Reduction requires the approval of the Court. Accordingly, following approval of the Capital Reduction by Shareholders, an application will be made to the Court to confirm and approve the Capital Reduction.

The Court is likely to require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the Capital Reduction. The Board reserves the right to abandon or discontinue (in whole or in part) the application to the Court if the Board considers that the terms on which the Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or Shareholders as a whole. The Directors have undertaken a thorough and extensive review of the Company’s liabilities (including contingent liabilities) and consider that the Company will be able to satisfy the Court that, as at the Effective Date, the Company’s creditors will be sufficiently protected.

The Tender Offer is conditional on, *inter alia*, the approval by Shareholders of the Resolutions and the Capital Reduction being confirmed by the Court and taking effect by 5.00 p.m. on 30 January 2010. If for any reason, the Capital Reduction does not become effective by 5.00 p.m. on 30 January 2010, the Tender Offer will not proceed.

5. Current trading and prospects

The Company published its unaudited interim results for the 6 months ended 30 June 2009 on 11 September 2009.

6. Taxation

A general guide to the tax position of Qualifying Shareholders under UK law and HM Revenue & Customs practice which apply at the date of this document to the Tender Offer is set out in Part 3 of this document.

Shareholders should note that the information on taxation set out in Part 3 of this document is a general guide only and that all Shareholders are strongly advised to consult their independent professional advisers about their own personal tax position.

7. Treatment of Optionholders

In accordance with the terms of the Option scheme the Directors will consider the effect of the Tender Offer on the terms of the Options.

8. General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of the Company at 4th Floor, 131 Finsbury Pavement, London EC2A 1NT at 9.30 a.m. on 13 November 2009. At this General Meeting, the Resolutions will be proposed.

9. Actions to be Taken

In relation to the General Meeting

You will find accompanying this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to tender Ordinary Shares under the Tender Offer or attend the General Meeting in person, you are requested to complete and return the Form of Proxy to the Registrars in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received no later than 9.30 a.m. on 11 November 2009. Completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish to do so.

In relation to the Tender Offer

The procedure for tendering your Ordinary Shares depends on whether Ordinary Shares are held in certificated or uncertificated form and is summarised below.

Ordinary Shares held in certificated form (that is, not in CREST)

Qualifying Shareholders who hold Ordinary Shares in certificated form are being sent a Tender Form with this document. Qualifying Shareholders who hold Ordinary Shares in certificated form and who wish to tender some or all of their existing holdings of Ordinary Shares should complete the Tender Form in accordance with the instructions printed thereon and in Part 2 of this document (including a witnessed signature where appropriate) and return it by post or by hand (during normal business hours only) to Capita Registrars at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by no later than 1.00 p.m. on 20 November 2009. A pre-paid envelope is enclosed for this purpose for use in the UK only. Qualifying Shareholders who hold their shares in certificated form should also return with their Tender Form their share certificate(s) and/or other documents of title in respect of the Ordinary Shares tendered. Further details of the procedure for tendering and settlement are set out in Part 2 of this document and the accompanying Tender Form.

Ordinary Shares held in uncertificated form (that is, in CREST)

Qualifying Shareholders who hold Ordinary Shares in uncertificated form and who wish to tender some or all of their existing holdings of Ordinary Shares should tender electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on 20 November 2009. Further details of the procedures for tendering and settlement are set out in Part 2 of this document.

General

Completed Tender Forms and/or TTE Instructions (as appropriate) must be received by the Receiving Agent by no later than 1.00 p.m. on 20 November 2009.

The Directors reserve the right to exercise their discretion in the allocation of successful applications although, subject to the overall maximum of 100,000,000 Ordinary Shares, it is currently intended that applications will be accepted in full for up to 500,000 Ordinary Shares per Qualifying Shareholder.

The attention of Overseas Shareholders is drawn to the section headed "Overseas Shareholders" in Part 2 of this document.

10. Further Information

If you are in any doubt about the completion of the Tender Form and/or the TTE Instruction, please contact the Receiving Agent, Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. For such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

Please note that the Registrar is not permitted to give any advice on the Tender Offer including acceptance thereof, or any additional information or to provide legal, financial or personal taxation advice of any kind in connection with the Tender Offer.

Qualifying Shareholders who do not wish to sell any Ordinary Shares should take no action in relation to the Tender Form and will not be required to make a TTE Instruction.

11. Director's Intentions

The Directors have confirmed that they intend to vote in favour of the Resolutions and do not intend to tender their holdings of Ordinary Shares in the Tender Offer.

12. Recommendation

The Directors unanimously recommend that Shareholders vote in favour of the Resolutions as they have undertaken to do in respect of their own current beneficial holdings.

The Directors are making no recommendation to Qualifying Shareholders in relation to participation in the Tender Offer itself. Whether or not Qualifying Shareholders decide to tender their Ordinary Shares will depend, amongst other things, on their own individual circumstances (including their own tax position), as well as their assessment of the value of the Tender Offer price and the future prospects of the Company. The Directors recommend that all Qualifying Shareholders consult their duly authorised independent advisers before they make a decision as to whether to tender some, all, or none of their Ordinary Shares, in order to obtain advice relevant to their particular circumstances.

Yours faithfully

Mr. Adnan Ahmed Yousif
Chairman

PART 2

TERMS AND CONDITIONS OF THE TENDER OFFER

Under the Tender Offer, an overall maximum of 100,000,000 Ordinary Shares will be purchased pursuant to the Tender Offer, for a maximum aggregate cash consideration of £7,000,000. The Directors reserve the right to exercise their discretion in the allocation of successful applications although, subject to the overall maximum of 100,000,000 Ordinary Shares, it is currently intended that applications will be accepted in full for up to 500,000 Ordinary Shares per Qualifying Shareholder. The Tender Offer is being made by Evolution Securities acting as principal. The Company will, in turn, purchase from Evolution Securities, at a price of 7 pence per Ordinary Share, the Ordinary Shares purchased by Evolution Securities pursuant to the Tender Offer. Such purchased Ordinary Shares will be cancelled by the Company.

Optionholders will be entitled to exercise Options that are vested and capable of exercise and to participate in the Tender Offer as Qualifying Shareholders.

Ordinary Shares issued and allotted before 5.00 p.m. on 19 November 2009 pursuant to the valid exercise of existing Options will be capable of tender pursuant to the terms of the Tender Offer.

Completion of the Tender Offer is conditional upon, *inter alia*, the approval by the Court of the proposed Capital Reduction.

Terms and conditions of the Tender Offer

Evolution Securities hereby offers to purchase Ordinary Shares from Qualifying Shareholders on and subject to the following terms and conditions:

- 1 The Tender Offer is conditional upon:
 - (a) the passing of the Resolutions;
 - (b) the Capital Reduction being approved by the Court and taking effect by 5.00 p.m. on 30 January 2010; and
 - (c) the Company depositing into Berwin Leighton Paisner LLP's client account sufficient monies to satisfy the aggregate Tender Offer price payable in respect of the Ordinary Shares validly tendered under the Tender Offer by 5.00 p.m. on 9 December 2009.

If these conditions are not satisfied by 5.00 p.m. on 30 January 2010 (or such later time and date as the Company and Evolution Securities may agree), the Tender Offer will not proceed and will lapse.

- 2 The consideration payable under the Tender Offer is 7 pence per Ordinary Share in cash. Ordinary Shares may not be tendered at any other price.
- 3 The Tender Offer is only available to Qualifying Shareholders in respect of the number of Ordinary Shares held on the Record Date, although the Directors reserve the right to exercise discretion in respect of a Shareholder's eligibility.
- 4 In respect of Ordinary Shares held in certificated form, Tender Forms which have been duly completed and received by the Receiving Agent will become irrevocable at the time of receipt and cannot be withdrawn. In respect of Ordinary Shares held in uncertificated form (that is, in CREST), a TTE Instruction received by the Receiving Agent in respect of the Ordinary Shares will become irrevocable at the time of receipt and cannot be withdrawn. All questions as to validity (including time of receipt) will be determined by Evolution Securities and/or the Company, in their sole discretion, which determination shall be final and binding (except as otherwise required under applicable law).
- 5 The Tender Offer will close at 1.00 p.m. on 20 November 2009 and tenders or TTE Instructions received after that time will not be accepted.

- 6 A Qualifying Shareholder may tender all, none or a proportion of their holdings. The Directors reserve the right to exercise their discretion in the allocation of successful applications although, subject to the overall maximum of 100,000,000 Ordinary Shares, it is currently intended that applications will be accepted in full for up to 500,000 Ordinary Shares per Qualifying Shareholder. Only whole numbers of Ordinary Shares may be tendered. Ordinary Shares successfully tendered under the Tender Offer will be sold to Evolution Securities fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. Successfully tendered Ordinary Shares will be sold by Evolution Securities to the Company pursuant to the Purchase Agreement, will be subsequently cancelled and will not rank for any future dividends, distribution or other equity related rights declared by the Company.
- 7 All tenders of Ordinary Shares held in certificated form (that is, not in CREST) must be made on the Tender Form duly completed in accordance with the instructions set out on the Tender Form (which constitute part of the terms of the Tender Offer). A tender of certificated Ordinary Shares will only be valid when the procedures contained in this document and in the Tender Form are complied with.
- 8 Qualifying Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) should not complete a Tender Form. All tenders of Ordinary Shares held in uncertificated form must be made in accordance with the relevant paragraph under the heading “Procedure for tendering” below. A tender of uncertificated Ordinary Shares will only be valid when the procedures contained in this document are complied with.
- 9 The Tender Offer and all tenders will be governed by and construed in accordance with English law. Delivery of a Tender Form in respect of Ordinary Shares held in certificated form and a TTE Instruction in respect of Ordinary Shares held in uncertificated form will constitute submission to the exclusive jurisdiction of the English courts.
- 10 The results of the Tender Offer (pending the Court hearing) will be announced by the Company through a Regulatory Information Service of the London Stock Exchange.
- 11 All documents and remittances sent by or to Qualifying Shareholders and all instructions made by or on behalf of a Qualifying Shareholder in CREST relating to the Tender Offer will be sent at their risk. If the Tender Offer does not become unconditional and lapses, Tender Forms, certificates and other documents of title will be returned by post to Qualifying Shareholders not later than 10 business days after the date of such lapse, or, in the case of Ordinary Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances and in relation to which it is the Receiving Agent for the purposes of the Tender Offer to the original available balances of the Qualifying Shareholders concerned.
- 12 If Ordinary Shares are held in certificated form (that is, not in CREST) and part only of such a holding of Ordinary Shares is successfully tendered pursuant to the Tender Offer, the relevant Qualifying Shareholder will be entitled to receive a share certificate in respect of the balance of that Qualifying Shareholder’s Ordinary Shares.
- 13 Further copies of the Tender Form for those Qualifying Shareholders holding Ordinary Shares in certificated form (that is, not in CREST) may be obtained on request from the Receiving Agent at the address set out on page 1 of the accompanying Tender Form.
- 14 All questions as to the number of Ordinary Shares tendered and validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by Evolution Securities and/or the Company, in their sole discretion, which determination shall be final and binding on all of the parties (except as otherwise required under applicable law). Evolution Securities and/or the Company reserve the absolute right to reject any or all tenders they determine not to be in proper form or the acceptance of payment for which may, in the opinion of Evolution Securities, be unlawful. Evolution Securities and/or the Company also reserve the absolute right to waive any of the terms or conditions of the Tender Offer and any defect or irregularity in the tender of any particular Ordinary Shares or any particular holder

thereof. No tender of Ordinary Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be despatched until after the Tender Form is complete in all respects and the share certificates and/or the other document(s) of title satisfactory to Evolution Securities have been received. None of the Company, Evolution Securities, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

- 15 Ordinary Shares will be purchased under the Tender Offer free of all commissions and dealing charges.
- 16 The failure of any person to receive a copy of this document and/or the Tender Form and/or the Form of Proxy (as appropriate) shall not invalidate any aspect of the Tender Offer.
- 17 The Directors reserve the right to exercise their discretion in the allocation of successful applications although, subject to the overall maximum of 100,000,000 Ordinary Shares, it is currently intended that applications will be accepted in full for up to 500,000 Ordinary Shares per Qualifying Shareholder. The right is also reserved to reject in whole or in part any application or any part thereof and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Tender Form.
- 18 The Directors (acting together) reserve the right to terminate the Tender Offer at any time on or before 7.00 a.m. on the Completion Date if they conclude that its implementation is no longer in the best interests of the Company and/or Shareholders as a whole or that the purchase of Ordinary Shares by the Company may have adverse fiscal consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company and/or Shareholders as a whole.

Overseas Shareholders

Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If they are in any doubt about their position, they should consult their professional adviser in the relevant jurisdiction.

- 19 The making of the Tender Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Shareholders wishing to take up the Tender Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due in such jurisdiction. Any Overseas Shareholder will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and the Company, the Registrars and Evolution Securities and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments as such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Form in any territory outside the United Kingdom.
- 20 In particular, the Tender Offer is not being made, directly or indirectly, in or into or from, or by use of the mail of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) or interstate or foreign commerce, or any facility of a national securities exchange, of a Prohibited Territory and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility from within Prohibited Territories. Details of the Tender Offer and copies of this document and the Tender Form are not being and must not be mailed or otherwise distributed or sent in or into Prohibited Territories including to Shareholders with registered addresses in Prohibited Territories or to persons whom the Company or Evolution Securities know to be trustees, nominees or custodians holding Ordinary Shares for such persons.

- 21 Persons receiving details of the Tender Offer or copies of this document and the Tender Form (including, without limitation, trustees, nominees or custodians) must not distribute, send or mail them in or into or from a Prohibited Territory or use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, in connection with the Tender Offer, and so doing may invalidate any purported tender and acceptance pursuant to the Tender Offer. Envelopes containing Tender Form(s) should not be postmarked in a Prohibited Territory or otherwise despatched from a Prohibited Territory and all tenderers must provide addresses outside Prohibited Territories for the remittance of cash, or for the return of Tender Form(s), share certificates and/or other document(s) of title.
- 22 The provisions of paragraphs 19 to 21 above and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Overseas Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of paragraphs 19 to 21 above supersede any terms of the Tender Offer inconsistent herewith. References in paragraphs 19 to 21 above to a Shareholder shall include references to the persons executing a Tender Form and, in the event of more than one person executing a Tender Form, the provisions of paragraphs 19 to 21 above shall apply to them jointly and severally.

Procedure for tendering

If you do not wish to sell any of your Ordinary Shares, you need take no action.

To take up the Tender Offer:

- (a) Qualifying Shareholders holding Ordinary Shares in certificated form (that is, not in CREST) must complete, sign, have witnessed and return the Tender Form together with the share certificate(s) in accordance with these instructions and the instructions printed on the Tender Form. The following instructions should be read together with the notes on the Tender Form; and
- (b) Qualifying Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) must follow the procedure set out in paragraph 24 below.

If you hold Ordinary Shares in both certificated and uncertificated form, you should complete a Tender Form in respect of the Ordinary Shares held in certificated form and send a TTE Instruction in respect of the Ordinary Shares held in uncertificated form.

23 ***Ordinary Shares in certificated form (that is, not in CREST)***

The Tender Form(s) must be completed and returned in respect of Ordinary Shares held in certificated form.

The completed, signed and witnessed Tender Form(s) **together with your share certificate(s) and/or other document(s) of title** should be sent either by post or by hand (the latter during normal business hours only) to Capita Registrars at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU **as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on 20 November 2009.**

No acknowledgement of receipt of documents will be given. The instructions printed on the Tender Form(s) shall be deemed to form part of the terms of the Tender Offer.

24 ***Ordinary Shares in uncertificated form (that is, in CREST)***

If your Ordinary Shares are held in uncertificated form, you should take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the Ordinary Shares in respect of which you wish to take up the Tender Offer to an escrow balance, specifying the Receiving Agent (in its capacity as a CREST Participant under the Receiving Agent's participant ID and member account ID referred to below) as the escrow agent, as soon as possible **and in any event so that the transfer to escrow settles by no later than 1.00 p.m. on 20 November 2009. A Qualifying Shareholder should transfer all Ordinary Shares to be tendered to escrow by this date.**

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Ordinary Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Ordinary Shares. The Corporate Action Number is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST. You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Ordinary Shares to be transferred to an escrow balance;
- the ISIN number of the Ordinary Shares. This is GB00B126GW60;
- your participant ID;
- your member account ID;
- the participant ID of the escrow agent, Capita Registrars in its capacity as a CREST Receiving Agent. This is RA10;
- the member account ID of the escrow agent, Capita Registrars. This is 26830EUR;
- the corporate action number of the Tender Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date. This should be as soon as possible and in any event no later than 1.00 p.m. on 20 November 2009;
- contact name and telephone number inserted at the beginning of the shared notes field; and
- a standard delivery instruction priority of 80.

After settlement of the TTE Instruction, you will not be able to access the Ordinary Shares concerned for any transaction or charging purposes, notwithstanding they will be held by the Receiving Agent as your escrow agent until the completion or lapse of the Tender Offer. Prior to settlement of the Tender Offer proceeds, anticipated to take place on or about 16 December 2009, the Receiving Agent will transfer the Ordinary Shares which are accepted by Evolution Securities to itself, as escrow agent.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 20 November 2009. In this connection you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company or Evolution Securities will make an appropriate announcement if any of the details contained in this paragraph relating to settlement in CREST are materially altered for any reason.

25 *Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form or vice versa during the course of the Tender Offer. Qualifying Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person with a holding in the Ordinary Shares as a result of the conversion to take all

necessary steps in connection with the take up of the Tender Offer (in particular, as regards delivery of share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 20 November 2009, whether in certificated or uncertificated form.

26 ***Lost share certificates and documents of title***

If you have lost your share certificate(s) and/or other document(s) of title, you should write to Capita Registrars at Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0GA, for a letter of indemnity in respect of the lost share certificate(s) and/or other document(s) of title. When the indemnity has been completed in accordance with the instructions given on it, it should be returned either by post or by hand (during normal business hours only) to Capita Registrars at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. A fee may be payable by the Shareholders in respect of each letter of indemnity.

If you are in any doubt as to the procedure for acceptance, please telephone Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. Alternatively please write to the Receiving Agent at Capita Registrars at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Effect of Tender

Tender Forms

Completion and lodgement with the Receiving Agent of a Tender Form shall constitute the irrevocable agreement and representation by the relevant Qualifying Shareholder that:

- 1 the execution of the Tender Form shall constitute an offer to Evolution Securities to sell to it such number of certificated Ordinary Shares as are inserted in Box 2 of the Tender Form or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and the Tender Form and that, once lodged, such tender shall be irrevocable;
- 2 such Qualifying Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents, complied with all applicable formalities and has not taken or omitted to take any action which would result in Evolution Securities or the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase of the Ordinary Shares;
- 3 such completion and lodgement, shall, subject to the Tender Offer becoming unconditional, irrevocably constitute Evolution Securities as such Qualifying Shareholder's agent, and an instruction to them as such, to:
 - (a) complete and execute any and all forms and take any and all actions which are necessary or, in Evolution Securities' and/or the Company's absolute discretion, desirable to give effect to the purchase and cancellation of the Ordinary Shares the subject of the Tender Form;
 - (b) procure the purchase of the Ordinary Shares which are the subject of the Tender Form and sell such Ordinary Shares to the Company for cancellation; and
 - (c) despatch or otherwise make payment of the proceeds of sale in respect of the purchased Ordinary Shares in accordance with the settlement provisions set out below;

- 4 such Qualifying Shareholder shall not take any action which would prevent the Company or the Receiving Agent from cancelling the Ordinary Shares to which the Tender Form relates;
- 5 such Qualifying Shareholder was registered at the Record Date as the holder of the Ordinary Shares and has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and Evolution Securities will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after 10 December 2009;
- 6 such Qualifying Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Evolution Securities, the Company or any of their respective directors or any person nominated by Evolution Securities or the Company or any of their respective directors in the proper exercise of their or his powers and/or authorities hereunder;
- 7 such Qualifying Shareholder will deliver to the Registrars his, her or its share certificate and/or other document of title in respect of the Ordinary Shares referred to in paragraph 23 above, or an indemnity acceptable to Evolution Securities in lieu thereof, or will procure the delivery of such document(s) to such person(s) as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 20 November 2009;
- 8 the provisions of the Tender Form form part of the terms and conditions of the Tender Offer;
- 9 such Qualifying Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Evolution Securities and the Company to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 10 such Qualifying Shareholder has not received or sent copies or originals of this document or the Tender Form or any related documents in, into or from a Prohibited Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) or interstate or foreign commerce, or of any facility of a national securities exchange, of a Prohibited Territory, this document or the Tender Form have not been mailed or otherwise sent in, into or from a Prohibited Territory and such Qualifying Shareholder is accepting the Tender Offer from outside a Prohibited Territory;
- 11 on execution a Tender Form takes effect as a deed; and
- 12 the execution of a Tender Form constitutes such Qualifying Shareholder's submission to the exclusive jurisdiction of the courts of England and Wales in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form.

Electronic Tenders

The input of a TTE Instruction which is treated by Evolution Securities and the Company as valid shall constitute the irrevocable agreement and representation by the relevant Qualifying Shareholder that:

- 1 the input of the TTE Instruction shall constitute an offer to Evolution Securities to sell to it such number of uncertificated Ordinary Shares as are specified in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and the TTE Instruction and that, once lodged, such tender shall be irrevocable;
- 2 such Qualifying Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents, complied with all applicable formalities and has not taken or omitted to take any action which would result in Evolution Securities or the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase of the Ordinary Shares;
- 3 the input of the TTE Instruction will, subject to the relevant Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as such escrow agent to the Tender Offer and an irrevocable instruction and authority to the escrow agent (i) subject to the Tender Offers becoming unconditional, to transfer to itself and then to transfer to Evolution Securities by means of

- CREST (or to such person or persons as Evolution Securities may direct) all of the Ordinary Shares accepted under the relevant Tender Offer; and (ii) if the relevant Tender Offer does not become unconditional and lapses or is terminated, or there are Ordinary Shares which have not been successfully tendered under the Tender Offer, as promptly as practicable after the lapsing or termination of the Tender Offer to transfer the Ordinary Shares to the original available balances from which those Ordinary Shares came;
- 4 such Qualifying Shareholder shall not take any action which would prevent the Company or the Receiving Agent from cancelling the Ordinary Shares to which the TTE instruction relates;
 - 5 such Qualifying Shareholder was registered at the Record Date as the holder of the Ordinary Shares and has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and Evolution Securities will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after 10 December 2009;
 - 6 such Qualifying Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Evolution Securities and/or the Company or any of their respective directors or any person nominated by Evolution Securities and/or the Company or any of their respective directors in the proper exercise of their or his powers and/or authorities hereunder;
 - 7 the provisions of the TTE Instruction form part of the terms and conditions of the Tender Offer;
 - 8 such Qualifying Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Evolution Securities to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
 - 9 such Qualifying Shareholder has not received or sent copies or originals of this document or the TTE Instruction or any related documents in, into or from a Prohibited Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) or interstate or foreign commerce, or of any facility of a national securities exchange, of a Prohibited Territory, this document or the TTE Instruction has not been mailed or otherwise sent in, into or from a Prohibited Territory and such Shareholder is accepting the Tender Offer from outside a Prohibited Territory; and
 - 10 the execution of a TTE Instruction constitutes such Qualifying Shareholder's submission to the exclusive jurisdiction of the courts of England and Wales in relation to all matters arising out of or in connection with the Tender Offer.

Settlement

Settlement of the consideration to which any Qualifying Shareholder is entitled pursuant to tenders accepted by Evolution Securities, complete in all respects, will be made in full without regard to any lien, right, of set-off, counterclaim or other analogous right to which Evolution Securities may otherwise be, or claim to be, entitled against such Qualifying Shareholder, as follows:

1 ***Ordinary Shares in uncertificated form (that is, in CREST)***

Where a purchase relates to Ordinary Shares held by Qualifying Shareholders in uncertificated form, any cash consideration will be paid through CREST by Evolution Securities procuring the creation of a payment obligation by 16 December 2009 in favour of the payment banks of accepting Qualifying Shareholders in accordance with the CREST payment arrangements.

2 ***Ordinary Shares in certificated form (that is, not in CREST)***

Where a purchase relates to Ordinary Shares held by Qualifying Shareholders in certificated form, cheques for the consideration will be despatched by first class post by 16 December 2009 at the risk of the person(s) entitled thereto. All cash payments will be made in pounds sterling by cheque, drawn on a branch of a UK clearing bank.

PART 3

CERTAIN TAX ASPECTS OF THE TENDER OFFER

United Kingdom Taxation in relation to the Tender Offer

This summary is intended only as a general guide to certain UK tax considerations relating to the Tender Offer. It relates only to certain limited aspects of the taxation position of Qualifying Shareholders who are resident, or ordinarily resident, in the UK for taxation purposes and hold their Ordinary Shares as investments (not as securities to be realised in the course of a trade). This paragraph is based on current UK legislation and the practice of HM Revenue & Customs, which may change, possibly with retrospective effect. This section is not intended to be, and should not be construed to be, legal or taxation advice to any Shareholder.

Shareholders are strongly recommended to consult their own professional advisers as to their tax position.

1 Taxation on Chargeable Gains

The sale of Ordinary Shares as a result of accepting the Tender Offer will constitute a disposal of shares for the purposes of UK taxation of chargeable gains. Such a disposal may, therefore, depending upon each Qualifying Shareholder's individual circumstances, give rise to a liability to UK taxation on chargeable gains, or an allowable loss.

(a) *UK corporation taxpayers*

A Qualifying Shareholder which is subject to corporation tax, and which receives cash proceeds under the Tender Offer, will generally be treated for corporation tax on chargeable gains purposes as having disposed of its Ordinary Shares and may, depending on its circumstances, be liable to UK corporation tax on chargeable gains, subject to the availability of any relevant reliefs or exemptions.

The current rate of corporation tax applicable to chargeable gains on disposals by UK tax resident companies is 28 per cent.

(b) *Individuals who are UK taxpayers*

An individual Qualifying Shareholder who receives cash proceeds under the Tender Offer will generally be treated for capital gains purposes as having disposed of his Ordinary Shares and may, depending on his personal circumstances (including the availability of exemptions, reliefs and allowable losses), be liable to UK capital gains tax.

The current rate of capital gains tax applicable to chargeable gains on disposals by individuals (and other non-corporates) is 18 per cent.

2 Stamp Duty

No stamp duty or stamp duty reserve tax will be payable by Qualifying Shareholders as a result of accepting the Tender Offer. This will not necessarily be the case for persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

EUROPEAN ISLAMIC INVESTMENT BANK PLC

بنك الاستثمار الإسلامي الأوروبي بي إي سي

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of European Islamic Investment Bank plc (the “**Company**”) will be held at the offices of the Company at 4th Floor, 131 Finsbury Pavement, London EC2A 1NT on 13 November 2009 at 9.30 a.m. to consider and, if thought fit, to pass resolutions 1 and 2 as special resolutions.

SPECIAL RESOLUTIONS

- 1 That, the amount of £164,229,939 standing to the credit of the share premium account of the Company be reduced to £116,219,800 by the cancellation of the sum of £48,010,139 standing to the credit of such share premium account.
- 2 That, subject to and conditional upon the passing of resolution 1 above, the Company be and is hereby unconditionally and generally authorised, for the purposes of section 701 of the Companies Act 2006 (the “**Act**”), to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 1 pence each in the capital of the Company (“**Ordinary Shares**”) on such terms as the directors think fit provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 100,000,000;
 - (b) the price to be paid for each Ordinary Share shall be 7 pence (which shall be both the maximum and the minimum price for the purposes of section 701 of the Act); and
 - (c) the authority hereby conferred shall, unless previously renewed, revoked or varied, expire on 12 November 2010, save that the Company may, prior to such expiry, enter into a contract or contracts to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the expiry of such authority and the Company may make a purchase of such Ordinary Shares after such expiry pursuant to such contract or contracts and all Ordinary Shares so purchased in pursuance of this authority shall be cancelled immediately upon completion of the purchase and the amount of the Company’s issued share capital (but not its authorised share capital) shall be reduced by the nominal amount of the shares so purchased.

By Order of the Board

Mohammed Abdul Mohaimin Chowdhury
Company Secretary

Registered Office:

4th Floor
131 Finsbury Pavement
London
EC2A 1NT

28 October 2009

Notes:

1. Only registered holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, vote and speak at the meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend, speak and vote on his/her behalf. A proxy form is enclosed with this Notice. To be valid, a proxy appointment must reach the office of the Company’s Registrars, Capita Registrars Limited at The Registry, Proxy Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the meeting or any adjournment thereof. Details of the procedure for appointing a proxy or proxies are contained on the proxy form.
2. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“**nominated persons**”). Nominated persons may have a right under an agreement with the registered shareholder who hold shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

3. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members on the register of members of the Company as at 9.30 a.m. on 11 November 2009 (or, if the meeting is adjourned, members on the register of members not later than 48 hours before the time fixed for the adjourned meeting) are entitled to attend and vote at the meeting in respect of the shares registered in their names at that time. Subsequent changes to the register shall be disregarded in determining the rights of any person to attend and vote at the meeting.
4. In the case of joint holders, the signature of one only of the joint holders is required on the proxy form but the first named on the register of members of the Company will be accepted to the exclusion of the other joint holders.
5. Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - (a) calling Capita Registrar's shareholder helpline (lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday, excluding public holidays):
 - (i) From UK: 0871 664 0300 (calls cost 10p per minute plus network extras);
 - (ii) From Overseas: +44 208 639 3399 (calls from outside the UK are charged at applicable international rates); or
 - (b) in writing to Capita Registrars.

You may not use any electronic address provided either in this notice of meeting or any related documents (including the Form of Proxy for this meeting) to communicate with the Company for any purposes other than those expressly stated.

