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If you have sold or otherwise transferred all of your Cosalt Shares please send this document, but not any accompanying personalised documents, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, this document and the accompanying documents should not be forwarded or transmitted in or into or from the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Evolution, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Cosalt and no one else in connection with the Offer and will not be responsible to anyone other than Cosalt for providing the protections afforded to clients of Evolution nor for providing advice in relation to the Offer or any other matter or arrangement referred to in this document.

WH Ireland, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Oval and no one else in connection with the Offer and will not be responsible to anyone other than Oval for providing the protections afforded to clients of WH Ireland nor for providing advice in relation to the Offer or any other matter or arrangement referred to in this document.

This document should be read in conjunction with the accompanying Form of Acceptance (in respect of certificated Cosalt Shares). If you are a CREST sponsored member, you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary TTE Instructions to Euroclear.

Recommended Cash Offer

by
Oval (2245) Limited
for
Cosalt Plc

Your attention is drawn to the letter from the Independent Cosalt Directors which is set out in Part I of this document and which contains, *inter alia*, the unanimous recommendation of the Independent Cosalt Directors to accept the Offer.

To accept the Offer in respect of certificated Cosalt Shares, the Form of Acceptance must be completed, signed, witnessed (in the case of an individual) and returned together with your definitive share certificate(s) and/or other document(s) of title as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand by the Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 1.00 p.m. on 20 December 2011. A reply-paid envelope for use within the UK accompanies this document for your convenience. The procedure for acceptance of the Offer in respect of certificated Cosalt Shares is set out in paragraph 14 (a) of Part II of this document and in the accompanying Form of Acceptance.

To accept the Offer in respect of uncertificated Cosalt Shares, acceptances should be made electronically through CREST so that the TTE Instruction settles not later than 1.00 p.m. on 20 December 2011. The procedure for acceptance of the Offer in respect of uncertificated Cosalt Shares is set out in paragraph 14(b) of Part II of this document.

Unless otherwise determined by Oval or required by the Code and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction (including the United States, Canada, Australia or Japan) and the Offer is not capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance (in respect of certificated Cosalt Shares) and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer.

All persons (including, without limitation, nominees, trustees and custodians) who would, or otherwise intend to, forward this document, the Form of Acceptance (in respect of certificated Cosalt Shares) and any related documents to any jurisdiction outside of the United Kingdom should read the further details in this regard which are contained in paragraph 6 of Part B of Appendix 1, paragraph (c) of Part C of Appendix 1 and paragraph (c) of Part D of Appendix 1 to this document before taking any action.

The availability of the Offer to Cosalt Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Cosalt Shareholders who are not so resident should inform themselves of, and observe, any applicable requirements.

US Cosalt Shareholders are excluded from participating in the Offer. Oval reserves the right, however, to include such US Cosalt Shareholders in the Offer.

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Note: references to times in this document are to London time unless otherwise stated

TO ACCEPT THE OFFER

- (a) If you hold Cosalt Shares in certificated form, that is, not in CREST, you should:
- (i) complete, sign and have witnessed (in the case of an individual) the Form of Acceptance in accordance with paragraph 14(a) of the letter from Oval set out in Part II of this document; and
 - (ii) return the completed Form of Acceptance (along with any appropriate share certificate(s) and/or other document(s) of title) using the accompanying reply-paid envelope (for use within the UK only) as soon as possible and, in any event, so as to be received by 1.00 p.m. on 20 December 2011.
- (b) If you hold Cosalt Shares in uncertificated form, that is, in CREST, you should follow the procedures set out in paragraph 14(b) of the letter from Oval set out in Part II of this document and send a TTE Instruction to settle prior to 1.00 p.m. on 20 December 2011.

If you have any questions about the Offer, or are in any doubt as to how to complete the accompanying Form of Acceptance or make an Electronic Acceptance, please call 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 from 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. 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.

Copies of this document sent to persons in electronic form or by means of being published on Cosalt's website and all future documents, announcements and information required to be sent to persons in relation to the Offer may be requested to be received by such persons in hard copy form by writing to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by calling Capita Registrars on the telephone number(s) shown above.

THE FIRST CLOSING DATE OF THE OFFER IS 1.00 P.M. ON 20 DECEMBER 2011

DISCLOSURE REQUIREMENTS OF THE CODE

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) an offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of an offeree company or of any paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) an offeree company and (ii) any paper offeror, save

to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree company and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of Oval and Cosalt or the Cosalt Group and certain plans and objectives of the Oval Board and the Cosalt Board. These forward looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or the negative form of these terms and similar expressions. These statements are based on assumptions and assessments made by the Oval Board and the Cosalt Board in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty and the factors described in the context of such forward looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Except as required by the FSA, the London Stock Exchange or any other applicable law, Oval and Cosalt assume no obligation to update or correct the information contained in this document.

Nothing in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Oval or Cosalt following completion of the Offer unless otherwise stated.

PUBLICATION ON WEBSITE

In accordance with Rule 30.4 of the Code, a copy of this document and the Form of Acceptance will be made available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on the website of Cosalt at www.cosalt.com until the end of the Offer Period (or, if later, the end of any competition reference period).

For the avoidance of doubt, the content of the website referred to above is not incorporated into and does not form part of this document.

PART I

LETTER FROM THE INDEPENDENT COSALT DIRECTORS

Cosalt plc

(Incorporated in England and Wales with registered number 00019628)

Independent Cosalt Directors:

Yarom Ophir *(Non-Executive Director)*
Maurice White *(Non-Executive Director)*
Ken Murray *(Non-Executive Director)*

Registered Office:

Origin 4
Genesis Park
Origin Way
Europarc
Grimsby
N.E Lincolnshire
DN37 9TZ

29 November 2011

To all Cosalt Shareholders and, for information only, Cosalt Optionholders and persons with information rights

Dear shareholder,

Recommended Cash Offer by Oval for Cosalt

1. Introduction

It was announced on 25 November that the Independent Cosalt Directors and the Oval Board had reached agreement on the terms of a recommended cash offer to be made by Oval to acquire the entire issued and to be issued ordinary share capital of Cosalt, other than an aggregate of 60,998,069 Cosalt Shares (representing approximately 15.08 per cent. of the entire existing issued ordinary share capital of Cosalt beneficially owned by David Ross) at 0.1 pence per Cosalt Share.

Oval is a limited company wholly owned by David Ross, chairman of Cosalt, and Oval has been established specifically for the purposes of making the Offer.

This letter contains the terms of the formal Offer by Oval and the procedure for acceptance.

To accept the Offer, if you hold your Cosalt Shares in certificated form you must return the Form of Acceptance together with your share certificate(s) and/or other document(s) of title as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 20 December 2011. The procedures for acceptance are set out in paragraph 14(a) of Part II of this document and in the Form of Acceptance.

If you hold your Cosalt Shares in uncertificated form, you should ensure that an Electronic Acceptance is made in accordance with paragraph 14(b) of Part II of this document and settles as soon as possible but, in any event, by no later than 1.00 p.m. on 20 December 2011.

I am writing to you to explain the background to the Offer and the reasons why the Independent Cosalt Directors, having been so advised by Evolution, Cosalt's financial adviser, consider the terms of the Offer to be fair and reasonable and unanimously recommend that you accept the Offer. In providing financial advice to the Independent Cosalt Directors, Evolution has taken into account the commercial assessments of the Independent Cosalt Directors.

The Independent Cosalt Directors have taken responsibility for considering the Offer on behalf of the Cosalt Shareholders and, with advice from Evolution as financial adviser to Cosalt, for making an appropriate recommendation to Cosalt Shareholders.

2. Background to and reasons for recommending the Offer

In considering the Offer and their recommendation, the Independent Cosalt Directors have taken into account a number of factors, including the Cosalt Group's current trading and future prospects, its financial position, the feasibility of other available options and the interests of shareholders and other stakeholders.

Background

Cosalt's trading record and ability to generate cash has been generally poor for several years and this has created substantial ongoing pressure on the Cosalt Group's funding position. In order to alleviate this, in August 2009, the Company undertook a £17 million (net) fundraising by way of a deeply discounted placing and open offer.

Trading conditions have since continued to be difficult leading to weak cash generation and further pressure on the Cosalt Group's funding position. This has been exacerbated by an alleged fraud at the Company's Aberdeen offshore operation, which resulted in both a significant cash outflow and necessitated a revision of this division's accounting records. The Company's ongoing litigation against the Melville family in relation to this matter has also diverted management attention away from day to day trading throughout this period.

Another pressure on the Cosalt Group's funding position is the need to reduce the funding deficit on the Pension Scheme of £9.0 million as at 30 June 2011, as measured in accordance with International Accounting Standards. Until March 2011, the Cosalt Group was required to make monthly payments of £0.1 million as part of the deficit recovery plan. These payments have ceased for 18 months, but will recommence in October 2012.

The above factors contributed to the Cosalt Board's decision to sell the Cosalt Group's marine division. This was completed in August 2011 realising net proceeds of £27 million, which were applied to reduce bank indebtedness. Shareholder loans and guarantees were also put in place at that time, as a condition of HSBC and RBS, the Cosalt Group's senior lenders, continuing to make sufficient bank facilities available to meet the Group's anticipated working capital requirements.

Current trading and funding

On 19 October 2011, the Company announced that cashflow pressures had adversely affected margins at the Cosalt Group's offshore division and had delayed the rollout of the South-East contract in the workwear division. The pressure on cashflows and the Cosalt Group's financial position has continued; the following is an extract from the Company's Interim Management Statement made on 17 November 2011:

“Cosalt announces its interim management statement in respect of the period from 1 July 2011 to 16 November 2011.

During the period, the delayed sale of Cosalt's marine division to Survitec was finally completed on 26 August 2011 and generated proceeds of £27 million, which were applied to reduce the Company's bank debt. Immediately following the sale of marine, net indebtedness stood at £7.3 million.

Since that date, trading has continued to be challenging and a trading update was announced on 19 October 2011, stating that the Cosalt Group's trading for the year to 31 December 2011 was expected to be significantly lower than the Cosalt Board's previous expectations and that the Cosalt Board had instigated a full review of the Cosalt Group's operations and future funding requirements. The review is still ongoing.

Pressure has continued, since the October announcement, on the Cosalt Group's cashflows and financial position. The Cosalt Group currently has net indebtedness of £12.3 million (bank borrowings of £8.8 million and shareholder and other loans of £3.5 million) and management is maintaining an ongoing dialogue with the Company's lenders. The Cosalt Board is now of the view that the Company may well utilise its available facilities, of £14.9 million, in full before the end of the current financial year.

During the period, external trading conditions in the Group's offshore and workwear markets continue to improve, however, the Group has been unable to fully capitalise on this, primarily due to the pressure on working capital.”

The following text has been extracted from a further announcement made by the Company on 23 November 2011:

“the Company’s cashflow position has continued to deteriorate such that the Company now has only £900,000 of bank facilities available, which represents sufficient working capital only until 30 November 2011. The Company is therefore now in urgent discussions with its major shareholders and banking partners. The Board is also in the process of appointing restructuring advisors.”

As announced on 25 November 2011, Cosalt’s banking partners have confirmed that they are not currently prepared to advance any further funding to the Group and the Board has also appointed PricewaterhouseCoopers LLP as restructuring advisers to assist in the assessment of options available to the Company for the realisation of assets or refinancing. The Board also continues to discuss with David Ross provision of additional working capital until 20 December 2011, the earliest date by which the Offer could be declared unconditional.

The Independent Cosalt Directors are therefore of the view that these cashflow difficulties will remain for the foreseeable future and believe that any improvement in the Group’s future prospects would be hindered as a result. It is unclear how the Cosalt Group would be able to make any further unforeseen payments or commitments without David Ross’ continuing support. Further details of the suggested arrangements with David Ross are set out below.

The Cosalt Group is required to repay its banking facilities and shareholder loans by 31 December 2012. In light of the Group’s expected future trading prospects and funding position, the Independent Cosalt Directors believe that considerable uncertainty exists around the Cosalt Group’s ability to complete a fundraising within the required timeframe.

Reasons for recommending the Offer

David Ross has, in recent years, provided significant amounts of funding to the Group. This includes £10.4 million of equity funding since 2006, as well as £2.6 million of loans and £4.6 million of bank guarantees currently outstanding. David Ross has also indicated that, should he acquire control of Cosalt, it is his intention to provide further funding to the Cosalt Group to allow it to move forward on a sound and lasting footing, to which end, he intends to provide £5 million to the Company subject to, *inter-alia*:

- (a) valid acceptances of the Offer of not less than 90 per cent. (or such lower level as Oval may agree); and
- (b) agreeing acceptable terms with the Company, its Senior Lenders and the trustees of the Cosalt Pension Scheme in relation to the purposes for which the money may be used and the provision of suitable security arrangements;

The Independent Cosalt Directors believe that, without a further significant injection of funding, the above issues cast doubt over the Cosalt Group’s ability to continue as a going concern in its present form. Key existing shareholders have been consulted as part of this process and are not currently prepared to inject further equity into the Cosalt Group. Even if existing or new shareholders were prepared to put further equity into the Group, there can be no guarantee that such equity would be made available on a timely basis and any such equity fundraising would be substantially dilutive to the interests of any existing shareholders not participating in the fundraising. In the view of the Independent Cosalt Directors, other courses of action, such as the sale of some of the Company’s remaining assets or businesses, do not present a viable alternative to David Ross’ offer as they would be unlikely to produce any value for shareholders due to the level of the Cosalt Group’s net indebtedness.

The Independent Cosalt Directors therefore believe that, taking into account the Company’s current difficult financial position and the expectation that the pressure on the Cosalt Group’s cashflow situation will continue, the Offer represents the most realistic means of securing the Company’s future.

3. Terms of the Offer

The Offer is contained in the letter from Oval set out in Part II of this document and is subject, *inter alia*, to the conditions and further terms set out in Appendix 1 to this document and (in respect of certificated Cosalt Shares) the accompanying Form of Acceptance. The Offer is being made on the following basis:

for each Cosalt Share 0.1 pence in cash

At 0.1 pence, the Offer represents:

- a discount of approximately 87.18 per cent. to the Closing Price of 0.78 pence for each Cosalt Share on 16 November 2011, being the last business day prior to the commencement of the Offer Period;
- a discount of approximately 71.43 per cent. to the Closing Price of 0.35 pence for each Cosalt Share on 24 November 2011, being the last business day prior to the Announcement; and
- a discount of approximately 42.86 per cent. to the Closing Price of 0.175 pence for each Cosalt Share on 28 November 2011, being the last business day prior to the publication of this document.

The Offer values the entire issued and to be issued ordinary share capital of Cosalt at approximately £400,000 and implies an enterprise value of approximately £14.4 million.

4. Irrevocable undertaking

Oval has received an irrevocable undertaking from Sovereign Holding, the beneficial owner of 74,276,918 Cosalt Shares, representing approximately 18.37 per cent. of the existing issued ordinary share capital of Cosalt, to procure the acceptance of the Offer from Lynchwood Nominees (who holds the shares as nominee for Sovereign Holding).

The aggregate of David Ross's existing interest in the Company of 15.08 per cent. and the irrevocable undertaking amount to 33.45 per cent. of the entire issued ordinary share capital of Cosalt.

Further details of the irrevocable undertaking are set out in paragraph 4 of the letter from Oval set out in Part II of this document and in paragraph 7 of Appendix 4 to this document.

5. Directors, management and employees

The Oval Board has given assurances to the Independent Cosalt Directors that, following the Offer becoming or being declared unconditional in all respects, the existing employment rights, of all current Cosalt Group employees will be fully safeguarded. The Oval Board has further confirmed that it will use its reasonable endeavours to ensure that all pension rights will be fully safeguarded.

Each of the Independent Cosalt Directors has signed conditional letters of resignation confirming and agreeing that upon the Offer becoming or being declared unconditional in all respects, they will resign from the Cosalt Board.

Trevor Sands will continue as the Chief Executive Officer of Cosalt after the Offer has completed.

It is Oval's intention to retain all of the Group's existing businesses and locations and to make available significant additional capital to expand the Group's business for the benefit of the Cosalt Group's customers and suppliers. Oval's strategy is to increase the scale of Cosalt's operations in Aberdeen and maintain the Group's commitment to the workwear business in Barnsley and Stockport. It will also seek to build its renewables business from Grimsby. Oval would look to make efficiencies within the Grimsby head office function, which may result in a small number of redundancies but would look to offer attractive relocation packages for any affected employees.

In addition to Oval not intending to close any of the Group's existing locations of business it does not intend to redeploy any of its fixed assets.

The Independent Cosalt Directors have considered Oval's strategic plans as set out in paragraph 8 of Part II, including Oval's intentions to commit additional funding to the Group. In addition, the Independent Cosalt Directors have considered the likely repercussions of Oval's plans on employment and those locations in which Cosalt operates, including the possibility of a small number of redundancies within the Grimsby head office. The Independent Cosalt Directors believe that, generally, these plans would be positive for Cosalt's future prospects.

The Cosalt Group employee representatives' letter dated 25 November 2011 can be found at Appendix 6 of this Offer Document.

6. Cosalt Share Option Schemes, Deferred Shares and Preference Shares

The Offer extends to any Cosalt Shares which are issued or unconditionally allotted and fully paid (or credited as fully paid) before the date on which the Offer closes (or such earlier date as Oval may, subject to the Code decide, not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances or, if later, 20 December 2011), including any such shares unconditionally allotted or issued pursuant to options/awards under the Cosalt Share Option Schemes.

To the extent that options/awards have vested and remain unexercised at the time the Offer becomes or is declared wholly unconditional, appropriate proposals will be made by Oval to participants in the Cosalt Share Option Schemes once the Offer becomes or is declared wholly unconditional.

The Offer does not extend to the Company's Deferred Shares or Preference Shares.

7. Taxation

Your attention is drawn to paragraph 13 of the letter from Oval set out in Part II of this document. If you are in any doubt as to your own tax position, or if you are subject to taxation in a jurisdiction outside of the United Kingdom, you should immediately consult an appropriately qualified independent professional adviser.

8. Overseas Shareholders

Overseas Shareholders should refer to paragraph 6 of Part B, paragraph (c) of Part C and paragraph (c) of Part D of Appendix 1 to this document which contains important information for such shareholders.

9. Cancellation of admission of Cosalt Shares to trading on the Official List

Your attention is drawn to paragraph 16 of the letter from Oval set out in Part II of this document in relation to Oval's intentions as regards, *inter alia*, the compulsory acquisition and delisting of Cosalt Shares and cancellation of Cosalt's admission to the Main Market of the London Stock Exchange following the Offer becoming or being declared unconditional in all respects.

10. Action to be taken to accept the Offer

Your attention is drawn to paragraph 14 of the letter from Oval set out in Part II of this document, Parts A, B, C and D of Appendix 1 to this document and, in respect of certificated Cosalt Shares, to the Form of Acceptance, which, together, set out the procedure for acceptance of the Offer.

In order to accept the Offer in respect of Cosalt Shares held in certificated form (that is, not in CREST) you should complete, sign, have witnessed (in the case of an individual) and return the accompanying Form of Acceptance together with your definitive share certificate(s) and/or other document(s) of title as soon as possible but in any event so as to be received by Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal business hours only), no later than 1.00 p.m. on 20 December 2011. A reply-paid envelope accompanies this document for your use within the United Kingdom.

In order to accept the Offer in respect of Cosalt Shares held in uncertificated form (that is, in CREST) you should ensure that an Electronic Acceptance is made by you, or on your behalf, by no later than 1.00 p.m. on 20 December 2011. The procedure for acceptance of the Offer is set out in paragraph 14 of the letter from Oval set out in Part II of this document. You should NOT complete a Form of Acceptance in respect of such Cosalt Shares.

Your decision as to whether to accept the Offer will depend, *inter alia*, upon your individual circumstances. If you are in any doubt as to the action you should take, you should seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under FSMA, if you are in the United Kingdom, or, if not, from another duly authorised independent financial adviser.

11. Further information

The Cosalt Shares to be acquired by Oval pursuant to the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared, paid or made on or after 25 November 2011.

There are no agreements or arrangements to which Oval is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition of the Offer.

12. Recommendation

The Independent Cosalt Directors, having been so advised by Evolution, consider the terms of the Offer to be fair and reasonable. In providing advice to the Independent Cosalt Directors, Evolution has taken into account the commercial assessments of the Independent Cosalt Directors. Accordingly, the Independent Cosalt Directors unanimously recommend Cosalt Shareholders to accept the Offer.

Yours faithfully

Maurice White
Senior Independent Non-Executive Director
For and on behalf of the Independent Cosalt Directors

PART II

LETTER FROM THE CHAIRMAN OF OVAL

Oval (2245) Limited

(Incorporated and registered in England and Wales with registered number 7851252)

Directors:

David Ross (*Chairman*)
Nicholas Teagle

Registered office:

Nuffield House
41-46 Piccadilly
London
W1J 0DS

29 November 2011

To all Cosalt Shareholders and, for information only, Cosalt Optionholders and persons with information rights

Dear shareholder,

Recommended Cash Offer by Oval for Cosalt

1. Introduction

On 25 November 2011, the Oval Board and the Independent Cosalt Directors announced that they had agreed the terms of a recommended cash offer for the entire issued and to be issued ordinary share capital of Cosalt at 0.1 pence per Cosalt Share other than an aggregate of 60,998,069 Cosalt Shares (representing approximately 15.08 per cent. of the entire existing issued share capital of Cosalt beneficially held by me).

Oval is a limited company wholly owned by myself, chairman of Cosalt, and Oval has been established specifically for the purposes of making the Offer.

This letter contains the terms of the formal Offer by Oval and the procedure for acceptance.

To accept the Offer, if you hold your Cosalt Shares in certificated form you must return the Form of Acceptance together with your share certificate(s) and/or other document(s) of title as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 20 December 2011. The procedures for acceptance are set out in paragraph 14(a) below and in the Form of Acceptance.

If you hold your Cosalt Shares in uncertificated form, you should ensure that an Electronic Acceptance is made in accordance with paragraph 14(b) below and settles as soon as possible but, in any event, by no later than 1.00 p.m. on 20 December 2011.

2. Recommendation

The Independent Cosalt Directors, having been so advised by Evolution, consider the terms of the Offer to be fair and reasonable. In providing advice to the Independent Cosalt Directors, Evolution has taken into account the commercial assessments of the Independent Cosalt Directors. Accordingly, the Independent Cosalt Directors unanimously recommend Cosalt Shareholders to accept the Offer.

3. The Offer

Oval hereby offers to acquire, on the terms of and subject to the conditions set out in Appendix I of this document, all the issued and to be issued ordinary share capital of Cosalt other than an aggregate of 60,998,069 Cosalt Shares (representing approximately 15.08 per cent. of the entire existing issued ordinary share capital of Cosalt beneficially held by me) on the following basis:

for each Cosalt Share 0.1 pence in cash

At 0.1 pence, the Offer represents:

- a discount of approximately 87.18 per cent. to the Closing Price of 0.78 pence for each Cosalt Share on 16 November 2011, being the last business day prior to the commencement of the Offer Period;

- a discount of approximately 71.43 per cent. to the Closing Price of 0.35 pence for each Cosalt Share on 24 November 2011, being the last business day prior to the Announcement; and
- a discount of approximately 42.86 per cent. to the closing price of 0.175 pence for each Cosalt Share on 28 November 2011, being the last business day prior to the publication of this document.

The Offer values the entire issued and to be issued ordinary share capital of Cosalt at approximately £400,000 and implies an enterprise value of approximately £14.4 million.

4. Irrevocable undertaking

Oval has received an irrevocable undertaking from Sovereign Holding, the beneficial owner of 74,276,918 Cosalt Shares, representing approximately 18.37 per cent. of the existing issued ordinary share capital of Cosalt, to procure the acceptance of the Offer from Lynchwood Nominees (who holds the shares as nominee for Sovereign Holding).

The aggregate of my existing interest in the Company of 15.08 per cent. and the irrevocable undertaking amount to 33.45 per cent. of the entire issued ordinary share capital of Cosalt.

Further details of the irrevocable undertaking are set out in paragraph 7 of Appendix 4 to this document.

5. Information on Oval

Oval is a private limited company incorporated in England and Wales on 17 November 2011 specifically for the purpose of making the Offer. Since its incorporation, Oval has not traded, other than to the extent necessary to finance and make the Offer. Oval's sole shareholder is myself.

Certain financial information relating to Oval is set out in Appendix 2 of this document.

On full acceptance of the Offer, the earnings, assets and liabilities of Cosalt will be consolidated into and represent Oval's earnings, assets and liabilities.

6. Information on Cosalt

Cosalt was renamed and admitted to trading on the London Stock Exchange in 1971, having initially traded as the Great Grimsby Coal, Salt and Tanning Company.

Its acquisition of the GTC Group in 2007 increased its presence and service capability in the oil and gas sector. The Company now trades throughout Europe in the provision of safety and protection services and equipment to the renewable energy and the offshore oil and gas industries.

More recently, the Company has disposed of certain elements of its business in order to refocus on its established offshore business and the recently launched renewables business. On 26 August 2011, Cosalt completed the sale of its marine business to Survitec generating net proceeds of £27 million. Proceeds from the sale were used to reduce group borrowings and the sale allowed management to re-focus the business on providing services to the offshore industries.

On 1 September 2011 Cosalt released its interim results for the six months ended 30 June 2011.

Turnover and the operating loss from continuing operations before special items was £20.9 million (2010: £20.1 million) and £1.8 million (2010: profit of £0.1m) respectively. Special items from continuing operations for the period were £6.7 million: £3.6 million are non-cash relating to a write down in property values and impairment of goodwill, the balance are re-structuring, amortisation of intangibles, refinancing and litigation costs. Save as disclosed in this paragraph 6, there have been no material changes in the financial or trading position of the Company since that date.

Cosalt also announced on 1 September 2011 the appointment of a new Chief Executive Officer, Trevor Sands, who joined the Company from Emerson Electric Inc.

On 19 October 2011, Cosalt released a trading update stating that the Cosalt Board expected the Cosalt Group's trading for the year to 31 December 2011 to be significantly lower than the Cosalt Board's previous expectations. The delayed sale of the marine business earlier in the year and the resulting pressure

on cashflow had had an adverse effect on margins in its offshore division and had delayed the rollout of the South East contract in its workwear division. The Cosalt Board then instigated a full review of Cosalt's operations and future funding requirements.

The following text has been extracted from Cosalt's interim management statement of 17 November 2011:

“Pressure has continued, since the October announcement, on the Group's cashflows and financial position. The Cosalt Group currently has net indebtedness of £12.3 million (bank borrowings of £8.8 million and shareholder and other loans of £3.5 million) and management is maintaining an ongoing dialogue with the Company's lenders. The Board is now of the view that the Company may well utilise its available facilities, of £14.9 million, in full before the end of the current financial year.

During the period, external trading conditions in the Cosalt Group's offshore and workwear markets continue to improve, however, the Cosalt Group has been unable to fully capitalise on this, primarily due to the pressure on working capital.”

The following text has been extracted from a further announcement made by the Company on 23 November 2011:

“its cashflow position has continued to deteriorate such that the Company now has £900,000 of bank facilities available, which represents sufficient working capital only until 30 November 2011. The Company is therefore now in urgent discussions with its major shareholders and banking partners. The Board is in the process of appointing restructuring advisers.”

Cosalt announced on 25 November 2011 that its banking partners had confirmed that they were not currently prepared to advance any further funding to the Group. The Board has appointed PricewaterhouseCoopers LLP as restructuring advisers to assist in the assessment of options available to the Company for the realisation of assets or refinancing. The Board continues to discuss with myself provision of additional working capital funding until 20 December 2011, the earliest date by which the Offer could be declared unconditional. In light of these developments, I have indicated that, should I acquire control of the Group, I would be prepared to provide £5 million of funding to the Group, subject to certain conditions, as described in further detail in paragraph 2 of Part 1 of this document.

7. Background to and reasons for the Offer

The deterioration in the Company's trading as outlined in paragraph 2 of Part 1 of this document, together with the current level of net indebtedness in the Cosalt Group of approximately £14.0 million and a pension deficit of approximately £9.0 million as at 30 June 2011 has resulted in a high degree of uncertainty over the ability of the Company to be able to continue as a going concern. I have, in recent years, provided significant levels of funding to the Cosalt Group. This includes £10.4 million of equity funding since 2006, as well as £2.6 million of loans and £4.6 million of bank guarantees currently outstanding. The Company requires a significant injection of capital to provide the necessary funding for the business to ensure it can meet its obligations and provide time to seek a turnaround in the performance of the business. A number of the Company's largest shareholders have indicated that currently they do not wish to invest further cash into the business. On acquiring control, I would intend to recapitalise the Group to provide funds to allow it to continue to trade. Given the financial position that the Company is in, I believe that to preserve the Company's future and to provide the opportunity to existing investors to recover what little value remains in the Cosalt Group's equity, that it is in Cosalt Shareholders' interests to accept the Offer.

Oval believes that it is no longer appropriate to maintain the Company's listing as it is disproportionately restrictive and costly for a business of its size and that it would be easier to address the Company's issues as a private company. Oval therefore intends to take the Company private, and to address the issues that have affected the Cosalt Group's trading, away from the public markets.

8. Directors, management and employees

The Oval Board has given assurances to the Independent Cosalt Directors that, following the Offer becoming or being declared unconditional in all respects, the existing employment rights of all current Cosalt Group employees will be fully safeguarded. The Oval Board has further confirmed that it will use its reasonable endeavours to ensure that all pension rights will be fully safeguarded.

Each of the Independent Cosalt Directors has signed conditional letters of resignation confirming and agreeing that upon the Offer becoming or being declared unconditional in all respects, they will resign from the Cosalt Board.

Trevor Sands will continue as the Chief Executive Officer of Cosalt after the Offer has completed.

It is Oval's intention to retain all of the Group's existing businesses and locations and to make available significant additional capital to expand the Group's business for the benefit of the Cosalt Group's customers and suppliers. Oval's strategy is to increase the scale of Cosalt's operations in Aberdeen and maintain the Group's commitment to the workwear business in Barnsley and Stockport. It will also seek to build its renewables business from Grimsby. Oval would look to make efficiencies within the Grimsby head office function, which may result in a small number of redundancies but would look to offer attractive relocation packages for any affected employees.

In addition to Oval not intending to close any of the Group's existing locations of business it does not intend to redeploy any of its fixed assets.

The Cosalt Group employee representatives' letter dated 25 November 2011 can be found at Appendix 6 of this Offer Document.

9. Cosalt Share Option Schemes, Deferred Shares and Preference Shares

The Offer extends to any Cosalt Shares which are issued or unconditionally allotted and fully paid (or credited as fully paid) before the date on which the Offer closes (or such earlier date as Oval may, subject to the Code decide, not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances or, if later, 20 December 2011), including any such shares unconditionally allotted or issued pursuant to options/awards under the Cosalt Share Option Schemes.

To the extent that options/awards have vested and remain unexercised at the time the Offer becomes or is declared wholly unconditional, appropriate proposals will be made by Oval to participants in the Cosalt Share Option Schemes once the Offer becomes or is declared wholly unconditional.

The Offer does not extend to the Company's Deferred Shares and Preference Shares.

10. Disclosure of interest in Cosalt

As at the date of publication of this document, I, as the Chairman of Oval, have a beneficial interest in 60,998,069 shares representing approximately 15.08 per cent. of the issued ordinary share capital of Cosalt. Except for these Cosalt Shares, and as disclosed in Appendix 4 of this document, neither Oval, any of Oval's Directors, their immediate families or related trusts, nor so far as Oval is aware any party acting in concert with Oval, has any interest in or right to subscribe in respect of any relevant securities of Cosalt or has any short positions in respect of relevant securities of Cosalt, or has borrowed or lent any relevant security of Cosalt.

11. Financing of the Offer

The Offer will be financed out of Oval's existing cash resources. WH Ireland, financial advisers to Oval, is satisfied that sufficient resources are available to Oval to satisfy full acceptance of the Offer.

12. Overseas shareholders

The attention of Overseas Shareholders, or other Cosalt Shareholders who would, or otherwise intend to, forward this document and the accompanying documents to any jurisdiction outside the UK, is drawn to paragraph 13 of part II, paragraph 6 of Part B, paragraph (c) of Part C and paragraph (c) of Part D of Appendix 1 of this document.

The availability of the Offer to persons not resident in the UK may be affected by the laws of the relevant jurisdiction. Persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, or observe any applicable requirements.

The Offer referred to in this document and the accompanying Form of Acceptance is not being made, directly or indirectly, in, into or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia, Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. This document does not constitute an offer in the United States, Canada, Australia, Japan or any other such jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or otherwise from or within the United States, Canada, Australia, Japan or any other such jurisdiction. Accordingly, neither this document nor the accompanying document are being, nor should be, mailed, transmitted or otherwise distributed, in whole or in part, in or into or from the United States, Canada, Australia, Japan or any other such jurisdiction. Doing so may render invalid any purported acceptance of the Offer.

All Cosalt Shareholders (including, without limitation, nominees, trustees or custodians) who intend to forward this document and the accompanying document to any jurisdiction outside the UK should read paragraph 13 of Part II, paragraph 6 of Part B, paragraph (c) of Part C and paragraph (c) of Part D of Appendix 1 of this document and seek appropriate advice before taking any action.

Accordingly, accepting Cosalt Shareholders who hold their shares in certificated form and are unable to give the representations and warranties set out in paragraph (c) (i) and (ii) of Part C of this document and who put “No” in Box 4 of the Form of Acceptance will be deemed not to have validly accepted the Offer and accepting Cosalt Shareholders who hold their shares in uncertificated form and are unable to give the representations and warranties set out in paragraph (c) (i) and (ii) of Part D of this document will (subject to paragraph 14 of Part II) also be deemed not to have validly accepted the Offer.

13. United Kingdom Taxation

The following paragraphs, which are intended as a general guide only, are based on current UK tax legislation and published HMRC practice. They summarise certain limited aspects of the UK tax treatment of acceptance of the Offer and they relate only to the position of Cosalt Shareholders who are beneficial owners of their Cosalt Shares, who hold their Cosalt Shares as an investment (other than under a personal equity plan or an individual savings account) and (except insofar as express reference is made to the treatment of non-UK residents) who are resident in the United Kingdom for taxation purposes. If you are in any doubt as to your taxation position or if you are subject to tax in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately.

Taxation of chargeable gains

Liability to UK capital gains tax (or, for UK resident companies, corporation tax on chargeable gains) (“CGT”) will depend on the individual circumstances of Cosalt Shareholders and on the form of consideration received.

Acceptance of the Offer will (except to the extent referred to in the next paragraph) constitute a disposal or a part disposal of his Cosalt Shares for CGT purposes which may, depending on Cosalt Shareholder’s individual circumstances (including the availability of reliefs such as entrepreneurs’ relief, exemptions and allowable losses) give rise to a liability to CGT.

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

Acceptance of the Offer

No stamp duty or SDRT is payable by Cosalt Shareholders as a result of accepting the Offer.

Other tax matters

Special tax provisions may apply to Cosalt Shareholders who have acquired or who acquire their Cosalt Shares by exercising options under Cosalt Share Option Schemes or otherwise by reason of employment, including provisions imposing a charge to income tax and national insurance contributions.

14. Procedures for acceptance of the Offer

Holders of Cosalt Shares in certificated form (that is, not in CREST) may only accept the Offer in respect of such shares by completing, signing and returning a Form of Acceptance in accordance with the procedure set out in sub-paragraph 14(a) below.

If you hold Cosalt Shares in certificated form but under different designations, you should complete a separate Form of Acceptance in respect of each designation.

Additional Forms of Acceptance can be obtained from Capita Registrars on 0871 664 0321 from within the UK or on +44 (0) 208 639 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 from 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. 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 Offer nor give any financial, legal or tax advice.

Holders of Cosalt Shares in uncertificated form (that is, in CREST) may only accept the Offer in respect of such shares by TTE Instruction in accordance with the procedure set out in sub-paragraph 14(b) below.

If you hold Cosalt Shares in uncertificated form under different member account IDs, you should send, or procure to be sent, a separate TTE Instruction for each member account ID.

You should note that if you hold Cosalt Shares in both certificated and uncertificated form, you should complete a Form of Acceptance for the shares held in certificated form in accordance with sub-paragraph 14(a) below and the shares held in uncertificated form should be dealt with in accordance with sub-paragraph 14(b) below.

If your Cosalt Shares are in the course of being converted from uncertificated to certificated form, or from certificated to uncertificated form, please refer to sub-paragraph 14(d) below.

(a) ***Cosalt Shares in certificated form (that is, not in CREST)***

If all your Cosalt Shares are in uncertificated form (that is, in CREST), you need not read this sub-paragraph 14(a).

To accept the Offer you must complete, sign and return the Form of Acceptance together with your share certificate(s) and/or other document(s) of title in accordance with these instructions and the instructions printed on the Form of Acceptance which form part of the terms of the Offer. Your attention is also drawn to Parts A, B and C of Appendix 1 of this document.

(i) *To accept the Offer*

To accept the Offer in respect of some or all of your Cosalt Shares, complete Box 1 and sign Box 2 of the accompanying Form of Acceptance in the presence of a witness, who should also sign in accordance with the instructions printed on the Acceptance Form.

Your attention is also drawn to Boxes 3 to 5 (inclusive).

(ii) *Return of Form of Acceptance*

To accept the Offer, the Form of Acceptance must be completed, signed and returned together with the relevant share certificate(s) and/or other documents of title.

The completed and signed Form of Acceptance, together with your share certificate(s) for your Cosalt Shares and/or other document(s) of title, should be sent by post or delivered by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible but, in any event, so as to be received by no later than 1.00 p.m. on 20 December 2011.

A first class reply-paid envelope is enclosed for your convenience for documents lodged by post from within the United Kingdom. No acknowledgement of receipt of documents will be given. The instructions printed on the Form of Acceptance shall be deemed to form part of the terms of the Offer.

A Form of Acceptance contained in an envelope postmarked in, or otherwise appearing to Oval or its agents to have been sent from, the United States, Canada, Australia, Japan or any other jurisdiction whose laws may be violated or affected by such acceptance will not constitute a valid acceptance of the Offer. For further information see paragraph 12 of this letter, paragraph 6 of Part B, paragraph (c) of Part C and paragraph (c) of Part D of Appendix 1 of this document and the relevant provisions of the Form of Acceptance.

(iii) *Share certificates not readily available or lost*

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should nevertheless be completed, signed and returned as stated above so as to arrive no later than 1.00 p.m. on 20 December 2011, together with any share certificate(s) and/or other document(s) of title that you may have available, accompanied by a letter stating that the balance will follow or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible afterwards. No acknowledgement of receipt of documents will be given. If you have lost your share certificate(s) and/or other document(s) of title, you should write as soon as possible to Capita Registrars asking for a letter of indemnity in respect of lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU in the manner referred to in sub-paragraph 14(a) above.

(b) ***Cosalt Shares in uncertificated form (that is, in CREST)***

If all your Cosalt Shares are in certificated form (that is, not in CREST), you need not read this sub-paragraph 14(b).

To accept the Offer you should take (or procure the taking of) the actions set out below to transfer the Cosalt Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying Capita Registrars as the Escrow Agent, as soon as possible and in any event so that the TTE Instruction settles no later than 1.00 p.m. on 20 December 2011.

Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational), you should therefore ensure you time the input of any TTE Instructions accordingly. The input and settlement of a TTE Instruction in accordance with this sub-paragraph 14(b) will (subject to satisfying the requirements set out in Parts A, B and D of Appendix 1 of this document) constitute an acceptance of the Offer in respect of the number of Cosalt Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.

Only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Cosalt Shares. You are recommended to refer to the CREST Manual 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 Cosalt Shares to settle prior to 1.00 p.m. on 20 December 2011. In this connection you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

To accept the Offer

To accept the Offer in respect of uncertificated Cosalt Shares you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear and which must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- the number of uncertificated Cosalt Shares in respect of which you wish to accept the Offer and which are to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent. This is RA10;
- the member account ID of the Escrow Agent for the Offer in its basic form. This is OVACOS01;
- the intended settlement date. This should be as soon as possible and in any event no later than 1.00 p.m. on 20 December of the Offer;
- the corporate action number for the Offer. This is allocated by Euroclear and can be found by viewing the relevant Cosalt corporate action details in CREST;
- the ISIN number for the Cosalt Shares. This is GB0002265055;
- input with standard delivery priority of 80; and
- contact name and telephone number inserted in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Cosalt Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared wholly unconditional, the Escrow Agent will transfer the Cosalt Shares concerned to itself in accordance with paragraph (e) of Part D of Appendix 1 of this document.

(c) ***General***

Oval will make an appropriate announcement if any of the details contained in sub-paragraph 14(b) alter for any reason.

(d) ***Deposits of Cosalt Shares into, and withdrawals of Cosalt Shares from, CREST***

Normal CREST procedures (including timings) apply in relation to any Cosalt Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Cosalt Shares or otherwise). Cosalt Shareholders who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Cosalt Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) as soon as possible and in any event prior to 1.00 p.m. on 20 December 2011.

(e) ***Validity of acceptances***

Subject to the provisions of the Code and without prejudice to Paragraph 14 (a) (iii) of Part II of this document, Oval reserves the right to treat as valid any acceptance of the Offer in respect of Cosalt Shares held in certificated form which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no consideration due to Cosalt Shareholders under the Offer will be distributed until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Oval or its agents have been received.

A Form of Acceptance which is received in respect of Cosalt Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded. Holders of Cosalt Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before that date.

If you are in any doubt as to the procedure for acceptance, please contact Capita Registrars on 0871 664 0321 from within the UK or on +44 (0) 208 639 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 from 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. 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 Offer nor give any financial, legal or tax advice.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

15. Settlement

Subject to the Offer becoming or being declared wholly unconditional (except as provided in **paragraph 6 Part B of Appendix 1** this document in the case of Cosalt Shareholders who are not resident in the UK), settlement of the consideration to which any Cosalt Shareholder is entitled under the Offer will be effected by the despatch of cheques or the crediting of CREST accounts to validly accepting Cosalt Shareholders (i) in the case of acceptances received, valid and complete in all respects, by the date on which the Offer becomes or is declared wholly unconditional, within 14 days of the later of such date; or (ii) in the case of acceptances received, valid and complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, in the following manner:

(a) *Cash*

(i) *Cosalt Shares in certificated form (that is, not in CREST)*

Where an acceptance relates to Cosalt Shares in certificated form, settlement of any cash consideration to which the accepting Cosalt Shareholder is entitled will be despatched by first class post (or by such other method as the Panel may approve) but not in, into or from the United States, Canada, Australia, Japan or any other jurisdiction where to do so would or may, in the belief of Oval or its agents, violate the rules of that jurisdiction. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

(ii) *Cosalt Shares in uncertificated form (that is, in CREST)*

Where an acceptance relates to Cosalt Shares in uncertificated form, settlement of any cash consideration to which the accepting Cosalt Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Cosalt Shareholder's payment bank in respect of the cash consideration due, in accordance with the CREST payment arrangements. Oval reserves the right to settle all or any part of the consideration referred to in this sub-paragraph 15(a), for all or any accepting Cosalt Shareholder(s), in the manner referred to in sub paragraph 14(b) or (e) above, if for any reason it wishes to do so.

(b) *Lapsing of the Offer*

If the Offer does not become or is not declared wholly unconditional and lapses (i) completed Forms of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other methods as the Panel may approve) as soon as practicable (and, in any event, within 14 days of the Offer lapsing), at the risk of the Cosalt Shareholder concerned, to the person or agent whose name and address is set out next to Box 1 or inserted in Box 3 or Box 5 of the Form of Acceptance, or, if none is set out, to the first named holder at his or her registered address (in all cases outside the United States, Canada, Australia, Japan, or any other jurisdiction whose rules would or may, in the belief of Oval or its agents, be violated by such posting); and (ii) Capita Registrars will, immediately after the lapsing of the Offer (or within such longer period, not exceeding 14 days of the Offer lapsing, as the Panel may approve), give TTE Instructions to

Euroclear to transfer all Cosalt Shares held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original available balances of the Cosalt Shareholders concerned. All documents and remittances sent by, to or from Cosalt Shareholders or their appointed agents will be sent at their own risk.

16. Compulsory acquisition, cancellation of admission to trading and re-registration

If Oval receives acceptances under the Offer in respect of, and/or otherwise acquires, 90 per cent. or more of the Cosalt Shares and the Offer becomes or is declared unconditional in all respects, then Oval intends to exercise its rights pursuant to the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 to acquire compulsorily any outstanding Cosalt Shares not acquired or agreed to be acquired pursuant to the Offer or otherwise.

In addition, as soon as it is appropriate to do so, and subject to the conditions of the Offer having been satisfied or (if capable of waiver) waived and subject to any applicable legal or regulatory requirements, Oval intends to procure that Cosalt cancels the admission of the Cosalt Shares to trading on the London Stock Exchange. The cancellation of the trading of the Cosalt Shares will significantly reduce the liquidity and marketability of any Cosalt Shares not assented to the Offer and their value may be affected in consequence as there will be no market facility for dealing Cosalt Shares. It is anticipated that, should such an application be made, cancellation of Cosalt's admission to trading will take effect no earlier than 20 business days following the date that Oval and David Ross together, hold shares and have received acceptances representing in aggregate not less than 75 per cent. of the issued ordinary share capital of Cosalt. Further details will be announced as appropriate.

Cancellation of admission to trading on the London Stock Exchange would significantly reduce the liquidity and marketability of any Cosalt Shares in respect of which acceptances of the Offer are not submitted.

It is also proposed that, in due course, Oval will seek to procure the re-registration of Cosalt as a private limited company under the relevant provisions of the Companies Act 2006.

17. Further information

The Offer will remain open for acceptance until 1.00 p.m. on 20 December 2011 or such later time(s) and/or date(s) as Oval may decide in accordance with the provisions contained in paragraph (a) of Part A of Appendix 1 of this document.

Your attention is drawn to the Appendices of this document and (if you hold your Cosalt Shares in certificated form) to the accompanying Form of Acceptance.

18. Action to be taken

If you hold your Cosalt Shares in certificated form (that is, not in CREST), you are urged to complete, sign and return the Form of Acceptance by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but, in any event, so as to be received by no later than 1.00 p.m. on 20 December 2011. Your share certificate(s) and/or other documents of title should be enclosed with your completed Form of Acceptance. A first class reply-paid envelope is enclosed for your convenience if you are posting your documents in the UK. If you hold your Cosalt Shares in uncertificated form (that is, in CREST), you should follow the procedure set out in paragraph 14(b) of this letter and ensure that an Electronic Acceptance is made by you or on your behalf and has settled no later than 1.00 p.m. on 20 December 2011.

Yours faithfully,

David Ross,
Chairman
Oval (2245) Limited

APPENDIX 1

CONDITIONS AND FURTHER TERMS OF THE OFFER

PART A: CONDITIONS OF THE OFFER

The Offer is subject to the following conditions and (in respect of certificated Cosalt Shares) the terms set out in the Form of Acceptance and to the applicable rules and regulations of the London Stock Exchange and the Code and is governed by English law and subject to the jurisdiction of the courts of England:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. on 20 December 2011 or such later time(s) and/or date(s) as Oval may, with the consent of the Panel or subject to the Code, decide in respect of not less than 90 per cent. (or such lower percentage as Oval may decide) in nominal value of Cosalt Shares to which the Offer relates and not less than 90 per cent. (or such lower percentage as Oval may decide) of the voting rights carried by Cosalt Shares to which the Offer relates, provided that this condition will not be satisfied unless Oval and/or any of its wholly-owned subsidiaries shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise), Cosalt Shares carrying, in aggregate, more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Cosalt (including for this purpose, to the extent (if any) required by the Panel, any voting rights attaching to any Cosalt Shares which may be unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding conversion or subscription rights or otherwise). For the purpose of this condition:
 - (i) the expression “Cosalt Shares to which the Offer relates” shall be construed in accordance with sections 974 to 991 (inclusive) of the Companies Act 2006;
 - (ii) Cosalt Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry on issue; and
 - (iii) valid acceptances shall be treated as having been received in respect of any Cosalt Shares that Oval shall, pursuant to section 979(8) and, if applicable, section 979(9) of the Companies Act 2006, be treated as having acquired or unconditionally contracted to acquire by virtue of acceptances of the Offer;
- (b) to the extent that the acquisition of Cosalt Shares would constitute a relevant merger within the meaning of section 23 of the Enterprise Act 2002, the Office of Fair Trading indicating, in terms reasonably satisfactory to Oval, that it does not intend to refer the proposed acquisition of Cosalt by Oval, or any aspect of it, to the Competition Commission;
- (c) no central bank, government or governmental, quasi-governmental, supranational, statutory, administrative or regulatory body (save for the Pensions Regulator), or any court, institution, investigative body, association, trade agency or professional or environmental body or any other similar person or body in any jurisdiction (each, a “**Relevant Authority**”) having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or enacted, made or proposed any statute, regulation, decision or order or having taken any other step or done anything and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) restrict or restrain, prohibit, delay, impose additional adverse conditions or obligations with respect to, or otherwise interfere with the implementation of, the Offer or the acquisition of any Cosalt Shares by Oval or any matters arising therefrom;
 - (ii) result in a delay in the ability of Oval, or render Oval unable, to acquire some or all of the Cosalt Shares;

- (iii) require, prevent or delay the divestiture (or alter the terms envisaged for such divestiture) by any member of the wider Cosalt Group of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their businesses or own their respective assets or properties or any part thereof;
- (iv) impose any limitation on, or result in a delay in, the ability of Oval to acquire or hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities of any member of the wider Cosalt Group or on the ability of any member of the wider Cosalt Group to hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities or to exercise management control over any other member of the wider Cosalt Group;
- (v) require any member of the wider Cosalt Group to offer to acquire any shares or other securities or rights thereover in any member of the wider Cosalt Group owned by any third party;
- (vi) make the Offer or its implementation or the proposed acquisition by Oval of any shares or other securities in Cosalt or the acquisition or control of Cosalt or any member of the wider Cosalt Group, illegal, void or unenforceable in or under the laws of any jurisdiction or directly or indirectly restrict or delay, prohibit or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge, the Offer or the acquisition of any shares in Cosalt, or control of Cosalt, by Oval;
- (vii) result in any member of the wider Cosalt Group ceasing to be able to carry on business under any name under which it presently does so, the consequences of which would be material in the context of Cosalt Group taken as a whole;
- (viii) impose any limitation on the ability of Oval or the wider Cosalt Group to conduct or co-ordinate or integrate its business, or any part of it, with the business of Oval or the wider Cosalt Group; or
- (ix) otherwise adversely affect the business, assets, prospects or profits of Oval or the wider Cosalt Group;

and all applicable waiting and other time periods during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene having expired, lapsed or been terminated;

- (d) all authorisations, orders, grants, recognitions, consents, confirmations, clearances, licences, permissions and approvals (“**authorisations**”) required by law in any jurisdiction for or in respect of the Offer and the proposed acquisition of any shares or securities, directly or indirectly, in, or control of, Cosalt or any member of the wider Cosalt Group by Oval having been obtained in terms and/or form reasonably satisfactory to Oval from all appropriate Relevant Authorities or (without prejudice to the generality of the foregoing) from any persons or bodies with whom Oval or the wider Cosalt Group has entered into contractual arrangements and such authorisations together with all authorisations necessary for any member of the wider Cosalt Group to carry on its business remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, materially modify or not to renew the same and all necessary filings having been made, all appropriate waiting and other time periods (including extensions thereto) under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated and all necessary statutory or regulatory obligations in any jurisdiction in respect of the Offer or the proposed acquisition of Cosalt by Oval or of any Cosalt Shares or any matters arising therefrom having been complied with;
- (e) save as Disclosed, there being no provision of any agreement, permit, lease, licence or other instrument to which any member of the wider Cosalt Group is a party or by or to which it or any of its assets may be bound or subject which, as a consequence of the making or implementation of the Offer or the acquisition by Oval directly or indirectly of Cosalt or because of a change in the

control or management of Cosalt or any member of the wider Cosalt Group, could or might reasonably be expected to result in, to an extent which is material in the context of the wider Cosalt Group in each case, any of the following:

- (i) any monies borrowed by, or other indebtedness (actual or contingent) of, or grant available to, any member of the wider Cosalt Group becoming repayable or capable of being declared repayable immediately or earlier than the stated maturity or repayment date or the ability of any member of the wider Cosalt Group to borrow moneys or incur indebtedness being or becoming capable of being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, permit, lease, licence or other instrument or any right, interest, liability or obligation of any member of the wider Cosalt Group therein, being terminated or adversely modified or affected or any adverse action being taken or any onerous obligation or liability arising thereunder;
 - (iii) any mortgage, charge or other security interest being created over the whole or any part of the business, property or assets of any member of the wider Cosalt Group or any such security (whenever arising) becoming enforceable;
 - (iv) the value of any member of the wider Cosalt Group or its financial or trading position or prospects being prejudiced or adversely affected;
 - (v) any assets or interests of any member of the wider Cosalt Group being or falling to be charged or disposed of or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than in the ordinary course of business;
 - (vi) the rights, liabilities, obligations or interests or business of any member of the wider Cosalt Group in or with any other person, firm or company (or any arrangement relating to such interest or business) being terminated or adversely modified or affected;
 - (vii) any member of the wider Cosalt Group ceasing to be able to carry on business under any name under which it currently does so; or
 - (viii) the creation of any liability, actual or contingent, by any member of the wider Cosalt Group;
- (f) since 30 June 2011, save as Disclosed, no member of Cosalt Group having:
- (i) (save for Cosalt Shares issued pursuant to the exercise of options granted under Cosalt Share Option Schemes or as between Cosalt and wholly-owned subsidiaries of Cosalt (“**Intra-Cosalt Group Transactions**”)) issued or agreed to issue or authorised or proposed the issue of additional shares of any class or securities convertible into or rights, warrants or options to subscribe for or acquire any such shares or convertible securities;
 - (ii) other than to another member of Cosalt Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus or other distribution (whether payable in cash or otherwise) other than dividends lawfully paid to Cosalt or wholly-owned subsidiaries of Cosalt;
 - (iii) save for Intra-Cosalt Group Transactions, merged or demerged with or acquired any body corporate, partnership or business;
 - (iv) save for Intra-Cosalt Group Transactions, acquired, or (other than in the ordinary course of business) disposed of, transferred, mortgaged or charged or created any security interest over any asset or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so which, in any such case, is material in the context of the Cosalt Group taken as a whole;
 - (v) save for Intra-Cosalt Group Transactions, issued or authorised or proposed the issue of any debentures or incurred or increased any indebtedness or contingent liability or made, authorised, proposed or announced an intention to propose any change in its share or loan capital;

- (vi) entered into or varied or announced its intention to enter into or vary any contract, transaction, commitment or arrangement (whether in respect of capital expenditure or otherwise) which is of a long term or unusual nature or which involves or could involve an obligation of a nature or magnitude which, in any such case, is material in the context of Cosalt Group taken as a whole or which is or is likely to be restrictive in any material respect on the business of any member of the wider Cosalt Group or Oval;
 - (vii) entered into, implemented, authorised or proposed any reconstruction, amalgamation, scheme of arrangement or other transaction or arrangement otherwise than in the ordinary course of business or announced any intention to do so;
 - (viii) entered into, or varied in any material respect the terms of, any contract or agreement with any of the directors or senior executives of Cosalt or any of its subsidiaries;
 - (ix) taken or proposed any corporate action or had any legal proceedings started or threatened against it or had any petition presented for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and/or revenues or any analogous proceedings in any jurisdiction;
 - (x) waived or compromised any claim other than in the ordinary course of business;
 - (xi) made any material amendment to its memorandum or articles of association;
 - (xii) in relation to pension schemes established for its directors and/or other employees and/or their dependents, made or agreed to or consented to any change to: (A) the terms of the trust deeds constituting such pension schemes or to the benefits which accrue; (B) the pensions which are payable under them; (C) the basis on which qualifications for or accrual of or entitlement to such benefits or pensions are calculated or determined; (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded or made; or (E) the trustees of such pension schemes;
 - (xiii) purchased, redeemed or repaid or proposed the purchase, redemption or repayment of any of its own shares or other securities or reduced or made any other change to any part of its share capital;
 - (xiv) been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; and
 - (xv) entered into, varied or modified any contract, commitment or agreement with respect to any of the transactions, matters or events referred to in this condition (f) or announced an intention to do so;
- (g) since 30 June 2011, save as Disclosed:
- (i) no litigation, arbitration, prosecution or other legal proceedings having been instituted, announced or threatened or become pending or remaining outstanding by or against any member of the wider Cosalt Group or to which any member of the wider Cosalt Group is or may become a party (whether as claimant, respondent or otherwise) and no enquiry or investigation by or complaint or reference to any Relevant Authority or other investigative body having been threatened, announced, implemented or instituted or remaining outstanding against or in respect of any member of the wider Cosalt Group which, in any such case, would or might reasonably be expected adversely to affect any member of the wider Cosalt Group to an extent which is material in the context of Cosalt Group taken as a whole;
 - (ii) no material adverse change having occurred in the business, assets, financial or trading position, profits or prospects of the wider Cosalt Group taken as a whole;
 - (iii) no contingent or other liability having arisen which might reasonably be expected adversely to materially affect the wider Cosalt Group taken as a whole;

- (iv) no investigation by any Relevant Authority having been threatened, announced, implemented or instituted or remaining outstanding which in any case would be likely to have a material adverse effect on the financial position of Cosalt Group taken as a whole;
- (h) save as Disclosed, Oval not having discovered that:
- (i) any business, financial or other information concerning any member of the wider Cosalt Group publicly disclosed or disclosed to Oval at any time by or on behalf of any member of Cosalt Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading which, in any such case, is material in the context of the wider Cosalt Group taken as a whole;
 - (ii) any member of the wider Cosalt Group is subject to any liability, actual or contingent which is not Disclosed and which is material in the context of the wider Cosalt Group taken as a whole;
 - (iii) any past or present member of the wider Cosalt Group has not complied with all applicable legislation or regulations of any jurisdiction with regard to the storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or to harm human health or otherwise relating to environmental matters (which non-compliance might give rise to any liability (whether actual or contingent) on the part of any member of the wider Cosalt Group which is material in the context of Cosalt Group taken as a whole) or that there has otherwise been any such disposal, discharge, spillage, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations and wherever the same may have taken place) which in any such case might give rise to any liability (whether actual or contingent) on the part of any member of the wider Cosalt Group which is material in the context of Cosalt Group taken as a whole;
 - (iv) there is, or is likely to be, any liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the wider Cosalt Group or any controlled waters under any environmental legislation, regulation, notice, circular or order of any Relevant Authority or otherwise and which is material in the context of Cosalt Group taken as a whole; or
 - (v) circumstances exist (whether as a result of the making of the Offer or otherwise) which would be likely to lead to any Relevant Authority instituting, or whereby any member of the wider Cosalt Group or Oval would be likely to be required to institute, an environmental audit or take any other steps which in any such case would be likely to result in any actual or contingent liability on the part of any member of the wider Cosalt Group or Oval to improve or install new plant or equipment or make good, repair, re-instate or clean up any land or other asset now or previously owned, occupied or made use of by any member of the wider Cosalt Group which liability is or is likely to be material in the context of Cosalt Group taken as a whole.

Oval reserves the right to waive all or any of conditions (b) to (h) (inclusive) above, in whole or in part. Conditions (b) to (h) (inclusive) must be fulfilled or waived by midnight on the 21st day after the later of 20 December 2011 and the date on which condition (a) is fulfilled (or such later date as the Panel may agree). Oval shall be under no obligation to waive or treat as fulfilled any of conditions (b) to (h) (inclusive) by a date earlier than the latest date specified above for the fulfilment thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If Oval is required by the Panel to make an offer for Cosalt Shares under the provisions of Rule 9 of the Code, Oval may make such alterations to the conditions as are necessary to comply with the provisions of that Rule.

The Offer will lapse if, before 3.00 p.m. on the first closing date of the Offer or the date on which the Offer becomes or is declared unconditional as to acceptances (whichever is later), (i) the Offer or any part of it is referred to the Competition Commission; or (ii) following a request to the European Commission under Article 22(3) of the EC Merger Regulation in relation to the Offer or any part of it, which request is accepted by the European Commission, the European Commission initiates proceedings under Article 6(1)(c) of the EC Merger Regulation.

If the Offer lapses, it will cease to be capable of further acceptance and accepting Cosalt Shareholders and Oval will cease to be bound by acceptances submitted on or before the time when the Offer lapses.

PART B: FURTHER TERMS OF THE OFFER

The following further terms apply, unless the context requires otherwise, to the Offer. Except where the context requires otherwise, any reference in Part B, Part C and Part D of this Appendix 1 and (in respect of certificated Cosalt Shares) in the Form of Acceptance to:

- (i) the “acceptance condition” means the condition set out in paragraph (a) of Part A of this Appendix 1;
- (ii) the “Offer” includes any revision, variation or renewal thereof or extension thereto and also where the context requires include any election or alternative available in connection therewith;
- (iii) the Offer becoming “unconditional” means the acceptance condition becoming or being declared satisfied whether or not any other condition of the Offer remains to be fulfilled and references to “the Offer becoming unconditional as to acceptances” shall be construed accordingly;
- (iv) the “Offer Document” means this document and any other document containing the Offer;
- (v) “Cosalt Shareholders” means holders of Cosalt Shares and includes references to the person or persons (in respect of certificated Cosalt Shares) executing a Form of Acceptance or the person or persons (in respect of uncertificated Cosalt Shares) making an Electronic Acceptance and, in the event of more than one person executing a Form of Acceptance or making an Electronic Acceptance, the provisions of this Part B and, in relation to executing a Form of Acceptance only, Part C of this Appendix 1 and, in relation to making an Electronic Acceptance only, Part D of this Appendix 1 shall apply to them jointly and to each of them. References to the masculine gender shall include the feminine;
- (vi) “acceptances of the Offer” includes deemed acceptances of the Offer;
- (vii) an “extension of the Offer” includes an extension of the date by which the acceptance condition has to be fulfilled;
- (viii) “send”, “sent” or “sending” or a similar expression in relation to any document, announcement or other information shall include distribution in hard copy form or electronic form or publication on a website in such manner as shall be permitted by the Code or otherwise with the Panel’s consent;
- (ix) “Day 21 of the Offer” means 20 December 2011;
- (x) “Day 42 of the Offer” means 10 January 2012;
- (xi) “Day 46 of the Offer” means 14 January 2012; and
- (xii) “Day 60 of the Offer” means 28 January 2012.

1. Acceptance period

- (a) The Offer will initially be open for acceptance until 1.00 p.m. on Day 21 of the Offer. Although no revision is envisaged, if the Offer is revised, a revised offer document will be published and sent to Cosalt Shareholders. On the day of publication, Oval will place the revised offer document on display and announce that the document has been sent and where it can be inspected and otherwise accessed. If the Offer is revised, it will remain open for acceptance for a period of at least 14 days following the date on which written notification of the revision is sent to Cosalt Shareholders. Except with the consent of the Panel, no such written notification of the revision of the Offer may be sent to Cosalt Shareholders after Day 46 of the Offer or, if later, the date falling 14 days prior to the last date on which the Offer can become unconditional.
- (b) The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional after midnight on Day 60 of the Offer (or any earlier time and/or date beyond which Oval has stated that the Offer will not be extended and in respect of which it has not withdrawn that statement) nor of being kept open after that time and/or date unless it has previously become unconditional. However, Oval reserves the right, with the consent of the Panel, to extend the Offer to later time(s) and/or date(s). Except with the consent of the Panel, Oval may not, for

the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received, or purchases of Cosalt Shares made, in respect of which relevant documents have been received by Capita Registrars after 1.00 p.m. on Day 60 of the Offer (or any earlier time and/or date beyond which Oval has stated that the Offer will not be extended and in respect of which it has not withdrawn that statement) or such later time and/or date as Oval may, with the permission of the Panel, decide. If the Offer is extended beyond midnight on Day 60 of the Offer, acceptances received and purchases made in respect of which relevant documents have been received by Capita Registrars after 1.00 p.m. on the relevant date may (except where the Code otherwise permits) only be taken into account with the consent of the Panel.

- (c) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If, however, the Offer is unconditional as to acceptances from the outset, a 14 day extension will not be required. If the Offer has become unconditional and it is stated that the Offer will remain open until further notice or if the Offer will remain open for acceptance beyond the 70th day following the sending of this document, then not less than 14 days' notice will be given prior to the closing of the Offer in writing to those Cosalt Shareholders who have not accepted the Offer.
- (d) If a competitive situation (as determined by the Panel) arises after Oval has made a "no extension" statement or a "no increase" statement (as referred to in the Code), Oval may (if it has specifically reserved the right to do so at the time such statement was made, or otherwise with the consent of the Panel) withdraw such statement provided that it complies with the requirements of the Code and, in particular, that: (i) it announces the withdrawal as soon as possible and in any event within four business days after the announcement of the competing offer or other competitive situation and notifies Cosalt Shareholders to that effect at the earliest opportunity or, in the case of Cosalt Shareholders with registered addresses outside of the United Kingdom or whom Oval reasonably believes to be nominees, custodians or trustees holding Cosalt Shares for such persons, by announcement in the United Kingdom at the earliest opportunity; and (ii) any Cosalt Shareholders who accepted the Offer after the date of such statement are given a right of withdrawal as described in paragraph 3(b) of this Part B. Oval may (if it has reserved the right to do so) choose not to be bound by the terms of a "no increase" statement or a "no extension" statement if it would otherwise prevent the posting of an increased or improved Offer which is recommended for acceptance by Cosalt Board, or in other circumstances permitted by the Panel.
- (e) If a competitive situation arises and is continuing on Day 60 of the Offer, Oval will enable holders of Cosalt Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on Day 60 of the Offer. It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that (i) it is received by Capita Registrars on or before Day 60 of the Offer; (ii) the relevant Cosalt Shareholder shall have applied to withdraw his acceptance of the competing offer but that Cosalt Shares to which such withdrawal relates shall not have been released from escrow before Day 60 of the Offer by the escrow agent to the competing offer; and (iii) Cosalt Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in the letter from Oval set out in Part II of this document on or before Day 60 of the Offer, but an undertaking is given that they will be so transferred as soon as possible thereafter. Cosalt Shareholders wishing to use such forms of acceptance should apply to 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. 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). On the business day preceding Day 60 of the Offer in order that such forms can be dispatched. Notwithstanding the right to use such special form of acceptance, holders of Cosalt Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

- (f) For the purpose of determining at any particular time whether the acceptance condition has been satisfied, Oval shall not be bound (unless otherwise required by the Panel) to take into account any Cosalt Shares which have been unconditionally allotted or issued before such determination takes place, unless Capita Registrars on behalf of Oval has received written notice of the relevant details of such allotment or issue (including the price thereof) before that time. Notification by e-mail, telex, facsimile, the internet or other electronic transmission will not be sufficient for this purpose.

2. Announcements

- (a) Without prejudice to paragraph 3(a) of this Part B, by 8.00 a.m. on the business day (the “relevant day”) next following the day on which the Offer is due to expire or becomes unconditional or is revised or extended, as the case may be (or such later time(s) and/or date(s) as the Panel may agree), Oval will make an appropriate announcement and simultaneously inform a Regulatory Information Service of the position. Such announcement will also state (unless otherwise permitted by the Panel):

- (i) the number of Cosalt Shares for which acceptances of the Offer have been received, specifying the extent to which acceptances have been received from persons acting in concert with Oval or in respect of Cosalt Shares which were subject to an irrevocable commitment or a letter of intent procured by Oval or any person acting in concert with it;
- (ii) details of any relevant securities of Cosalt in which Oval or any person acting in concert with it has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (iii) details of any relevant securities of Cosalt in respect of which Oval or any of person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
- (iv) details of any relevant securities of Cosalt which Oval or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will in each case specify the percentages of each class of relevant securities of Cosalt represented by these figures. Any such announcement shall include a prominent statement of the total number of Cosalt Shares which Oval may count towards the satisfaction of the acceptance condition and the percentage of relevant securities of Cosalt represented by the figure.

- (b) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day (or such later time and/or date as the Panel may agree) and the announcement will state the next expiry date (unless the Offer is unconditional in which case a statement may be made that the Offer will remain open until further notice). In computing the number of Cosalt Shares represented by acceptances and/or purchases there may, at the discretion of Oval, be included or excluded for announcement purposes acceptances and purchases which are not complete in all respects or are subject to verification provided that such acceptances or purchases of Cosalt Shares shall not (unless agreed by the Panel) be included unless they could be counted towards fulfilling the acceptance condition in accordance with paragraph 5(j) of this Part B.
- (c) References in this Part B to the making of an announcement by or on behalf of Oval include the release of an announcement by public relations consultants or by WH Ireland to the press, and the delivery by hand or telephone, telex, facsimile, e-mail, the internet or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service.

3. Rights of withdrawal

- (a) If Oval, having announced the Offer to be unconditional, fails to comply by 3.30 p.m. on the relevant day (or such later time and/or date as the Panel may agree) with any of the other relevant requirements specified in paragraph 2(a) of this Part B, an accepting Cosalt Shareholder may (unless the Panel agrees otherwise) immediately thereafter withdraw his acceptance by written notice (signed by the accepting shareholder or his agent duly appointed in writing and evidence of whose appointment in a form reasonably satisfactory to Oval is produced with the notice) given by post or by hand to Capita Registrars, on behalf of Oval. Alternatively, in the case of Cosalt Shares held in uncertificated form, withdrawals must be effected in the manner set out in paragraph 3(d) of this Part B. Subject to paragraph 1(b) of this Part B, this right of withdrawal may be terminated not less than eight days after the relevant day by Oval confirming, if such be the case, that the Offer is still unconditional and complying with the other requirements specified in paragraph 2(a) of this Part B. If any such confirmation is given, the first period of 14 days referred to in paragraph 1(c) of this Part B will run from the date of such confirmation and compliance.
- (b) If by 3.00 p.m. on Day 42 of the Offer (or such later time and/or date as the Panel may agree) the Offer has not become unconditional, an accepting Cosalt Shareholder may withdraw his acceptance at any time thereafter, in respect of Cosalt Shares held in certificated form, by written notice to Capita Registrars on behalf of Oval at either of the addresses and in the manner referred to in paragraph 3(a) of this Part B or, in respect of Cosalt Shares held in uncertificated form, in the manner referred to in paragraph 3(d) of this Part B, before the earlier of: (i) the time when the Offer becomes unconditional and (ii) the final time for lodgment of acceptances of the Offer which can be taken into account in accordance with paragraph 1(b) of this Part B. If Oval withdraws a “no extension” statement or a “no increase” statement in accordance with paragraph 1(d) of this Part B, any Cosalt Shareholder who accepts the Offer after the date of such statement may withdraw his acceptance thereafter, in respect of Cosalt Shares held in certificated form, in the manner referred to in paragraph 3(a) of this Part B or, in respect of Cosalt Shares held in uncertificated form, in the manner referred to in paragraph 3(d) of this Part B, not later than the eighth day after the date on which notice of the withdrawal of such statement is posted to Cosalt Shareholders.
- (c) Except as provided by this paragraph 3 of this Part B, acceptances shall be irrevocable. In this paragraph 3, “written notice” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Cosalt Shareholder(s) or his/their agent(s) duly appointed in writing (evidence of whose appointment in a form reasonably satisfactory to Oval is produced with the notice). E-mail, telex, facsimile, the internet or other electronic transmission, or copies, will not be sufficient to constitute written notice. No notice which is postmarked in, or which otherwise appears to Oval, its agents or advisers to have been sent from, a Restricted Jurisdiction will be treated as valid.
- (d) In respect of Cosalt Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 3(a) or 3(b) of this Part B an accepting Cosalt Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:
- the number of Cosalt Shares to be withdrawn;
 - the corporate action ISIN number of Cosalt Shares. This is GB0002265055;
 - the member account ID of the accepting Cosalt Shareholder;
 - the participant ID of the accepting Cosalt Shareholder;
 - the participant ID of the Escrow Agent. This is RA10;
 - the member account ID of the Escrow Agent. This is OVACOS01;

- the CREST Transaction ID of the Electronic Acceptance to be withdrawn to be inserted at the beginning of the shared note field;
- input with standard delivery instruction priority of 80;
- the intended settlement date for the withdrawal; and
- the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

Any such withdrawal will be conditional upon Capita Registrars verifying that the withdrawal request is validly made. Accordingly, Capita Registrars will on behalf of Oval reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

4. Revised Offer

- (a) Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms or conditions or in the value or nature of the consideration offered or otherwise) (which Oval reserves the right to do) and such revision represents on the date on which such revision is announced (on such basis as Oval may consider appropriate) an improvement or no diminution in the value of the consideration of the Offer as so revised compared with the value of the consideration previously offered, the benefit of the revised Offer will (subject to this 4 and paragraph 3 of this Part B) be made available to Cosalt Shareholders who have accepted the Offer in its original or any previously revised form(s) (hereinafter called “**Previous Acceptor(s)**”). The acceptance by or on behalf of a Previous Acceptor of the Offer (in its original or any previously revised form(s)) shall, subject as provided in this paragraph 4 and paragraph 5 of this Part B, be deemed to be an acceptance of the Offer as so revised and shall also constitute the irrevocable and separate appointment of any director or person authorised by Oval as his attorney and/or agent with authority to accept any such revised Offer on behalf of such Previous Acceptor.
- (b) Although no such revision is envisaged, if any revised Offer provides for Cosalt Shareholders who accept it to elect for (or accept) alternative forms of consideration, the acceptance by or on behalf of a Previous Acceptor of the Offer (in its original or any previously revised form(s)) shall, subject as provided below, also constitute the irrevocable and separate appointment of any director or person authorised by Oval as his attorney and/or agent to make on his behalf elections for and/or to accept such alternative forms of consideration on his behalf as such attorney and/or agent in his absolute discretion thinks fit and to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) as may be required to give effect to such acceptances and/or elections. In making any such acceptance or election, such attorney and/or agent shall take into account the nature of any previous acceptances and/or elections made by or on behalf of the Previous Acceptor and such other facts or matters as he may reasonably consider relevant.
- (c) The deemed acceptances and elections referred to in paragraphs 4(a) and 4(b) of this Part B shall not apply and the authorities conferred by paragraphs 4(a) and 4(b) of this Part B shall not be exercised if as a result thereof a Previous Acceptor would (on such basis as Oval may consider appropriate) receive less in aggregate consideration than he would have received as a result of his acceptance of the Offer in the form in which it was originally accepted by him unless such Previous Acceptor has previously otherwise agreed in writing.
- (d) The deemed acceptances and elections referred to in paragraphs 4(a) and 4(b) of this Part B shall not apply and the authorities conferred by paragraphs 4(a) and 4(b) of this Part B shall be ineffective to the extent that a Previous Acceptor: (i) in respect of Cosalt Shares held in certificated form, lodges with Capita Registrars, within 14 days of the sending of the document pursuant to which the revision of the Offer referred to in paragraphs 4(a) and 4(b) of this Part B is made available to Cosalt Shareholders, a Form of Acceptance or some other form issued by or on behalf of Oval in which he validly elects to receive the consideration receivable by him under that revised Offer in some other manner or (ii) in respect of Cosalt Shares held in uncertificated form, sends (or, if a

CREST sponsored member, procures that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA Instruction must, in order for it to be valid and settle, include the following details:

- the number of Cosalt Shares in respect of which the changed election is made;
- the corporate action ISIN number of Cosalt Shares. This is GB0002265055;
- the member account ID of the Previous Acceptor;
- the participant ID of the Previous Acceptor;
- the member account ID of the Escrow Agent included in the relevant Electronic Acceptance. This is OVACOS01;
- the participant ID of the Escrow Agent. This is RA10;
- the CREST Transaction ID of the Electronic Acceptance in respect of which the election is to be changed;
- the intended settlement date for the changed election;
- the corporate action number for the Offer;
- input with standard delivery instruction priority of 80;

and, in order that the desired change of election can be effected, it must include:

- the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon Capita Registrars verifying that the request is validly made. Accordingly, Capita Registrars will on behalf of Oval reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message as appropriate.

- (e) The powers of attorney and authorities referred to in this paragraph 4 of this Part B and any acceptance of a revised Offer and/or election pursuant thereto shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his acceptance under paragraph 3 of this Part B and duly and validly does so.
- (f) Oval reserves the right to treat an executed Form of Acceptance or Electronic Acceptance relating to the Offer (in its original or any previously revised form(s)) which is received after the announcement or the issue of the Offer in any revised form as a valid acceptance in respect of the revised Offer and/or a valid election pursuant thereto and such acceptance shall constitute an authority and request in the terms of this paragraph 4 of this Part B *mutatis mutandis* on behalf of the relevant Cosalt Shareholders.

5. General

- (a) Except with the consent of the Panel, the Offer will lapse unless all of the conditions to the Offer as set out in Part A of this Appendix 1 have been fulfilled by or (if capable of waiver) waived by or (where appropriate) have been determined by Oval to be or remain satisfied as at midnight on Day 42 of the Offer or within 21 days after the date on which the Offer becomes unconditional (whichever is the later) or such later date as Oval may, with the consent of the Panel, decide provided that Oval shall be under no obligation to waive or treat as satisfied any condition by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any such conditions may not be capable of fulfillment. If the Offer is referred to the Competition Commission before Day 21 of the Offer or the date when the Offer becomes unconditional (whichever is the later) the Offer will lapse. If the Offer lapses, for any reason, it shall cease to be capable of acceptance and Oval and the Cosalt Shareholders shall thereupon cease to be bound by prior acceptances.

- (b) No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, share certificates or other documents will be given. All communications, notices, certificates, documents of title, other documents and remittances to be delivered by or to or sent to or from Cosalt Shareholders (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such Cosalt Shareholders (or their designated agent(s)) at their risk.
- (c) The expression “Offer Period” when used in this document means the period commencing on 17 November 2011 and ending on whichever of the following dates shall be the latest:
 - (i) the date on which the Offer (and any other announced offers in relation to Cosalt) is withdrawn or lapses;
 - (ii) the date on which the Offer becomes unconditional; and
 - (iii) the date on which certain other announcements are made in accordance with the rules of the Code.
- (d) All references in this document and, in respect of Cosalt Shares held in certificated form, in the Form of Acceptance to Day 21 of the Offer, shall (except in the definition of “Offer Period” above and where the context otherwise requires), if the expiry date of the Offer shall be extended, be deemed to refer to the expiry date of the Offer as so extended.
- (e) Except with the consent of the Panel, settlement of the consideration to which any Cosalt Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Oval may otherwise be, or claim to be, entitled as against such Cosalt Shareholder, and the consideration due to a Cosalt Shareholder who validly accepts the Offer will (subject to paragraph 6 of this Part B below, and except with the consent of the Panel) be made in full not later than 14 days after the later of: (i) the date on which the Offer becomes or is declared unconditional in all respects and (ii) (in respect of certificated Cosalt Shares) the date of receipt of a valid and complete Form of Acceptance and/or (in respect of uncertificated Cosalt Shares) the date of receipt of a valid TTE Instruction from such Cosalt Shareholder. No consideration will be sent to an address in a Restricted Jurisdiction.
- (f) The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Form of Acceptance (in respect of certificated Cosalt Shares) constitute part of the terms of the Offer. Words and expressions defined in this document shall, unless the context otherwise requires, have the same meanings when used in the Form of Acceptance (in respect of certificated Cosalt Shares). The provisions of this Appendix 1 shall be deemed to be incorporated in the Form of Acceptance (in respect of certificated Cosalt Shares).
- (g) The Offer, this document, the Form of Acceptance (in respect of certificated Cosalt Shares) and all acceptances thereof and all elections thereunder or pursuant thereto and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with English law. Execution by or on behalf of a Cosalt Shareholder of a Form of Acceptance (in respect of certificated Cosalt Shares) will constitute his irrevocable submission, in relation to all matters arising out of or in connection with the Offer, this document and (in respect of certificated Cosalt Shares) the Form of Acceptance, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the rights of Oval to bring any action, suit or proceeding arising out of or in connection with the Offer, this document and (in respect of certificated Cosalt Shares) the Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction.
- (h) Any omission to send this document or the Form of Acceptance or any notice required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.

- (i) Subject to paragraph 5(j) of this Part B below, and without prejudice to any other provision of this Appendix 1, Oval reserves the right to treat acceptances of the Offer and/or elections pursuant thereto as valid if received by or on behalf of it at any place or places or in any manner determined by them otherwise than as stated herein or (in respect of certificated Cosalt Shares) in the Form of Acceptance, or (in respect of uncertificated Cosalt Shares) if the relevant TTE Instruction has not been settled.
- (j) Notwithstanding the right reserved by Oval to treat acceptances as valid (even though (in respect of certificated Cosalt Shares) the Form of Acceptance is not entirely in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title), except with the consent of the Panel, an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it. Except with the consent of the Panel, a purchase of Cosalt Shares by Oval or its nominee(s) (or, if Oval is required to make an offer or offers under the provisions of Rule 9 of the Code, by a person acting in concert with Oval or its nominee(s) for the purpose of such offer(s)) will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it. The Offer may not be accepted, in relation to Cosalt Shares held in certificated form, otherwise than by means of a Form of Acceptance.
- (k) Except with the consent of the Panel, the Offer will not become unconditional until Capita Registrars have issued a certificate to Oval (or its agents) which states the number of Cosalt Shares in respect of which acceptances have been received which meet the requirements of Note 4 on Rule 10 of the Code and the number of Cosalt Shares otherwise acquired (whether before or during the Offer Period) which meet the requirements of Note 5 on Rule 10 of the Code and, in each case, if applicable, Note 6 on Rule 10 of the Code. Copies of such certificate will be sent to the Panel and to Evolution as soon as possible after it is issued.
- (l) All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix 1 or (in respect of certificated Cosalt Shares) in the Form of Acceptance are given by way of security for the performance of the obligations of Cosalt Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971, except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part B and duly does so.
- (m) The Offer extends to any Cosalt Shareholders to whom this document, the Form of Acceptance (in respect of certificated Cosalt Shares) and any related documents may not have been sent or by whom such documents may not be received and such Cosalt Shareholders may collect copies of those documents from Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Oval reserves the right to notify any matter, including the making of the Offer, to all or any Cosalt Shareholders with a registered address outside of the United Kingdom (or whom Oval knows to be nominees, trustees or custodians for such persons) by announcement in the United Kingdom or paid advertisement in a daily newspaper published and circulated in the United Kingdom, in which event such notice shall be deemed to have been sufficiently given notwithstanding any failure by a Cosalt Shareholder to receive such notice and all references in this document to notice, or the provision of information in writing, by Oval and/or its agents and/or public relations consultants shall be construed accordingly.
- (n) The Offer is made on 29 November 2011 and is capable of acceptance from and after that time. Forms of Acceptance (in respect of certificated Cosalt Shares) are available from Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU from that time.
- (o) If the Offer does not become unconditional in all respects:
 - (i) in respect of Cosalt Shares held in certificated form, Forms of Acceptance, share certificates and other documents of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address outside a Restricted Jurisdiction is set out in the relevant Box on the Form

of Acceptance or, if none is set out, to the first-named holder at his registered address outside a Restricted Jurisdiction. No such documents will be sent to an address in a Restricted Jurisdiction; and

- (ii) in respect of Cosalt Shares held in uncertificated form, Capita Registrars will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days from the lapsing of the Offer), give instructions to Euroclear to transfer all Cosalt Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of Cosalt Shareholders concerned.
- (p) If sufficient acceptances and voting rights in respect of Cosalt Shares are received and/or are otherwise acquired, Oval intends to apply the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 to acquire compulsorily any outstanding Cosalt Shares and to apply for cancellation of Cosalt's admission to trading on the London Stock Exchange's main market for listed securities and of Cosalt's listing on the Official List of the UK Listing Authority.
- (q) In relation to any acceptance of the Offer in respect of a holding of Cosalt Shares which is in uncertificated form, Oval reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided that such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- (r) For the purposes of this document, the time of receipt of a TTE Instruction, an ESA Instruction or an Electronic Acceptance shall be the time that the relevant instruction settles in CREST.
- (s) All references in this Appendix 1 to any statute or statutory provision shall include any statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).

6. Overseas Shareholders

- (a) The making of the Offer in, or to persons resident in, or citizens or nationals of, jurisdictions outside of the United Kingdom or who are nominees of, or custodians, trustees or guardians for, citizens or nationals of such jurisdictions ("**Overseas Shareholders**") may be prohibited or affected by the laws or regulatory requirements of the relevant overseas jurisdiction. No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him nor should he in any event use the Form of Acceptance (in respect of certificated Cosalt Shares), unless, in the relevant territory, such an offer or invitation could lawfully be made to him and such Form of Acceptance (in respect of certificated Cosalt Shares) could lawfully be used without contravention of any registration or other legal or regulatory requirements. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any Overseas Shareholder will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction by whomsoever payable and Oval and any person acting on its behalf shall be fully indemnified and held harmless by such shareholder for any such issue, transfer or other taxes or other requisite payments as Oval, and any person acting on its behalf may be required to pay.

If you are an Overseas Shareholder and you are in doubt about your position, you should consult your legal adviser in the relevant jurisdiction.

- (b) Unless otherwise determined by Oval and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or

foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction (including the United States, Canada, Australia or Japan) and the Offer is not capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance (in respect of certificated Cosalt Shares) and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Persons wishing to accept the Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly related to acceptance of the Offer. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer must not be postmarked in a Restricted Jurisdiction or otherwise dispatched from a Restricted Jurisdiction and all accepting Cosalt Shareholders must provide addresses outside a Restricted Jurisdiction for the or (in respect of certificated Cosalt Shares) return of Forms of Acceptance, share certificate(s) and/or other document(s) of title.

- (c) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any persons (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any other documents relating to the Offer in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such person should:
- (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 6 of this Part B.
- (d) A Cosalt Shareholder will be deemed not to have validly accepted the Offer if:
- (i) he puts “No” in Box 4 of the Form of Acceptance (in respect of certificated Cosalt Shares) and thereby does not give the representation and warranty set out in paragraph (c) of Part C of this Appendix 1;
 - (ii) Box 1 shows or he completes Box 3 of the Form of Acceptance (in respect of certificated Cosalt Shares) with an address in a Restricted Jurisdiction or has a registered address in a Restricted Jurisdiction and in either case he does not insert in Box 5 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent, subject to this paragraph 6 and applicable laws;
 - (iii) he inserts in Box 5 of the Form of Acceptance (in respect of certificated Cosalt Shares) the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under or in consequence of the Offer to be sent;
 - (iv) any Form of Acceptance (in respect of certificated Cosalt Shares) received from him is received in an envelope postmarked in, or which otherwise appears to Oval or its agents to have been sent from a Restricted Jurisdiction; or
 - (v) in respect of uncertificated Cosalt Shares he makes a Restricted Escrow Transfer pursuant to paragraph 6(g) below unless he also makes a related Restricted ESA Instruction which is accepted by Capita Registrars.

Oval reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representation and warranty set out in paragraph (c) of Part C of this Appendix 1 or (as the case may be) paragraph (c) of Part D of this Appendix 1 could have been truthfully given by the relevant Cosalt Shareholder and, if such investigation is made and, as a result, Oval cannot satisfy itself that such representation and warranty was true and correct, such acceptance shall not be valid.

- (e) The provisions of this paragraph 6 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Cosalt Shareholder(s) or on a general basis by Oval in its absolute discretion. In particular, without limitation, Oval reserves the right: (i) to permit the Offer to be accepted by, and or (in respect of certificated Cosalt Shares) to issue or deliver any share certificate(s) and/or document(s) of title to an Overseas Shareholder, or (in respect of uncertificated Cosalt Shares) the crediting of the appropriate stock account of an Overseas Shareholder (otherwise unable to accept the Offer in accordance with the above) in circumstances in which Oval is satisfied that acceptance by such Cosalt Shareholder and or (in respect of certificated Cosalt Shares) the issue or delivery of any documents of title to, or (in respect of uncertificated Cosalt Shares) the crediting of the appropriate stock account of, such Cosalt Shareholder will not constitute a breach of any securities or other relevant legislation or impose obligations on Oval not contemplated by the Offer (and in any such case, Oval may impose reasonable additional requirements and restrictions on such acceptance and the share certificates and/or documents of title issued and/or crediting appropriate stock accounts); Oval shall have no obligations whatsoever in relation to the timing of such sales or allotments or the price obtained and such sales or allotments may be made individually or together with other shares to which such provisions apply. In such circumstances, any signed Form of Acceptance (in respect of certificated Cosalt Shares) received or any Electronic Acceptance made (in respect of uncertificated Cosalt Shares) pursuant to the Offer shall constitute the irrevocable appointment of Oval or any director of Oval as the relevant Cosalt Shareholder's agent to effect such sale as his agent, with full power (including powers of delegation) to do all such things as may be necessary or desirable for or ancillary to such purpose. Subject thereto, the provisions of this paragraph 6 supersede any terms of the Offer inconsistent herewith.
- (f) Neither Oval nor any agent or director of Oval nor its advisers or any person acting on behalf of any of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out in this paragraph 6 or otherwise in connection therewith.
- (g) If a Cosalt Shareholder holding Cosalt Shares in uncertificated form is unable to give the representation and warranty set out in paragraph (c)(i) or (ii) of Part D of this Appendix 1, but nevertheless can produce evidence satisfactory to Oval that he is able to accept the Offer in compliance with all legal and regulatory requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:
- (i) a TTE Instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”); and
 - (ii) one or more valid ESA Instructions (a “**Restricted ESA Instruction**”).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction settle in CREST and Oval decides in its absolute discretion to exercise its right, described in paragraph 6(e) above to waive, vary or modify the terms of the Offer related to Overseas Shareholders to the extent required to permit such acceptance to be made in each case during the acceptance period set out in paragraph (a) of Part A of this Appendix 1. If Oval accordingly decides to permit such acceptance to be made, Capita Registrars will on behalf of Oval accept the purported acceptance as an Electronic Acceptance on the terms of this document as so waived, varied or modified by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Capita Registrars will on behalf of Oval reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the corporate action ISIN number for Cosalt Shares. This is GB0002265055;
- the number of Cosalt Shares in respect of which you wish to accept the Offer (i.e. the number of Cosalt Shares to be transferred to an escrow balance);
- your participant ID;

- your member account ID;
- the participant ID of the Escrow Agent. This is RA10;
- the member account ID of the Escrow Agent specific to a Restricted Escrow Transfer. This is RESTRICT;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. on Day 21 of the Offer;
- the corporate action number for the Offer which will be allocated by Euroclear and can be found by reviewing the relevant corporate action details in CREST;
- input with standard delivery instruction priority of 80; and
- contact name and telephone number inserted in the shared note field.

Each Restricted ESA Instruction must, in order to it to be valid and settle include the following details:

- the corporate action ISIN number for Cosalt Shares. This is GB0002265055;
- the number of Cosalt Shares relevant to that Restricted ESA Instruction;
- your participant ID;
- your member ID;
- the participant ID of the Escrow Agent. This is RA10;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RESTRICT;
- the member account ID relevant to the form of consideration required. This is OVACOS01;
- the CREST Transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates to be inserted at the beginning of the shared note field;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. on Day 21 of the Offer;
- the corporate action number for the Offer; and
- input with standard delivery instruction priority of 80.

PART C: FORM OF ACCEPTANCE

Without prejudice to the terms of the Form of Acceptance and the provisions of Parts A and B of this Appendix 1, each Cosalt Shareholder who holds Cosalt Shares in certificated form by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Oval and Capita Registrars and their respective agents (so as to bind him, his personal representatives and his heirs, successors and assigns) that:

- (a) whether or not any other Boxes of the Form of Acceptance are completed, the execution of a Form of Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Cosalt Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
 - (ii) an undertaking to execute any further documents, take further action and give any further assurances which may be required in connection with his acceptance of the Offer;

in each case on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that, subject to the rights of withdrawal set out in paragraph 3 of Part B of this Appendix 1, each such acceptance shall be irrevocable provided that: (i) if no number or "ALL" is inserted in Box 1; or (ii) if the total number of Cosalt Shares in certificated form inserted in Box 1 is greater than the relevant Cosalt Shareholder's registered holding of Cosalt Shares in certificated form; or (iii) if the Form of Acceptance is otherwise completed incorrectly but the Form of Acceptance is signed, it will be deemed to be an acceptance of the terms of the Offer in respect of all of Cosalt Shares in certificated form comprised in the Form of Acceptance;

- (b) Cosalt Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid and with full title guarantee and free from all liens, charges, encumbrances, equities, rights of pre-emption and any other third party rights of whatsoever nature and together with all rights attaching thereto, including the right to receive all dividends or other distributions declared, paid or made after;
- (c) unless "NO" is inserted or deemed to be inserted in Box 4 of the Form of Acceptance, such Cosalt Shareholder:
 - (i) (if such Cosalt Shareholder is a citizen, resident or national of a jurisdiction outside of the United Kingdom) has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Oval or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof; or
 - (ii) (A) is not a person located or resident in a Restricted Jurisdiction, does not hold any Cosalt Shares in respect of which he has accepted the Offer on behalf of any resident of a Restricted Jurisdiction and is not acting on behalf of a resident of a Restricted Jurisdiction for the account or benefit of any resident of a Restricted Jurisdiction or with a view to the offer, sale or delivery, directly or indirectly, of any in or into a Restricted Jurisdiction or to a resident of a Restricted Jurisdiction; and
 - (B) has not received or sent copies or originals of this document, the Form of Acceptance or any related offering documents in, into or from a Restricted Jurisdiction and has not utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, e-mail, facsimile, telex, telephone, the internet or other electronic transmission) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted

Jurisdiction; the Form of Acceptance has not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such Cosalt Shareholder is accepting the Offer from outside a Restricted Jurisdiction;

- (d) in relation to Cosalt Shares held in certificated form, the execution of the Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Cosalt Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of each of Oval and/or any of its respective directors or agents as such Cosalt Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney and/or agent, to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent in relation to Cosalt Shares referred to in paragraph (a)(i) above in favor of Oval or such other person or persons as Oval may direct and to deliver such form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent, together with the share certificate(s) and/or other document(s) relating to such Cosalt Shares, for registration within six months of the Offer becoming unconditional in all respects and to execute all such documents and to do all such other acts and things as may in the opinion of such attorney and/or agent be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer pursuant to the Form of Acceptance and to vest such Cosalt Shares in Oval or its nominee(s) or as it may direct;
- (e) in relation to Cosalt Shares held in certificated form, the execution and delivery of the Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Cosalt Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests

to Cosalt or its agents, to procure the registration of the transfer of Cosalt Shares in certificated form referred to in paragraph (a)(i) above pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to Oval or as it may direct;
- (f) in relation to Cosalt Shares held in certificated form, the execution of the Form of Acceptance constitutes a separate authority to any director of Oval and/or their respective agents and the irrevocable appointment of any such director and/or agent as such shareholder's attorney and/or agent within the terms of paragraph 6 of Part B of this Appendix 1;
- (g) after the Offer becomes or is declared unconditional in all respects (or if the Offer would become or be declared unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Panel otherwise gives its consent) and pending registration:
 - (i) Oval shall be entitled to direct the exercise of any votes attaching to any Cosalt Shares held in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted (and in respect of which such acceptance has not been validly withdrawn) and any other rights and privileges attaching to such Cosalt Shares, including the right to requisition a general meeting or separate class meeting of Cosalt, such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and
 - (ii) the execution of the Form of Acceptance by a Cosalt Shareholder constitutes, with regard to Cosalt Shares held in certificated form comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) an authority to Cosalt and/or its agents from such Cosalt Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Cosalt (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Cosalt Shares into certificated form) to Oval at its registered office;
 - (B) the irrevocable appointment of Oval or any of its directors or agents to sign such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Cosalt Shares (including, without limitation, an authority to sign any

consent to short notice of a general or separate class meeting on his behalf and/or to execute a form of proxy in respect of such Cosalt Shares appointing any person nominated by Oval to attend general or separate class meetings of Cosalt or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Cosalt Shares on his behalf), such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and

- (C) the agreement of such Cosalt Shareholder not to exercise any of such rights without the consent of Oval and the irrevocable undertaking of such Cosalt Shareholder not to appoint a proxy or representative for or to attend any such meetings;
- (h) he will deliver, or procure the delivery of, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU his share certificate(s) and/or other document(s) of title in respect of Cosalt Shares referred to in sub-paragraph (a)(i) above (which are held in certificated form), or an indemnity acceptable to Oval in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;
- (i) the terms and conditions of the Offer shall be deemed to be incorporated into and form part of the Form of Acceptance, which shall be read and construed accordingly;
- (j) if he accepts the Offer, he shall do all such acts and things as shall be necessary or expedient to vest in Oval or its nominees or such other persons as it may decide Cosalt Shares as aforesaid;
- (k) he agrees to ratify each and every act or thing which may be done or effected by Oval or Capita Registrars or by any of their respective directors or agents or Cosalt or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities conferred by or referred to in Part B or in this Part C of this Appendix 1 and to indemnify each such person against any losses arising therefrom;
- (l) in relation to Cosalt Shares held in certificated form, the execution of the Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the courts of England and his agreement that nothing shall limit the right of Oval to bring any action, suit or proceeding arising out of or in connection with the Offer or in any other manner permitted by law or in any court of competent jurisdiction; and
- (m) if any provision of Part B or of this Part C of Appendix 1 shall be unenforceable or invalid or shall not operate so as to afford Oval and/or Capita Registrars and/or any director or agent of any of them the full benefit of the authorities and powers of attorney expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents as may be required or desirable to enable Oval and/or Capita Registrars and/or any director or agent of any of them to secure the full benefit of such authorities and powers of attorney.

On execution, the Form of Acceptance shall take effect as a Deed.

References in this Part C to a Cosalt Shareholder shall include references to the person or persons executing a Form of Acceptance, in relation to Cosalt Shares held in certificated form, and, in the event of more than one person executing a Form of Acceptance, the provisions of this Part C shall apply to them jointly and to each of them. References to the masculine gender shall include the feminine.

PART D: ELECTRONIC ACCEPTANCES

Without prejudice to the provisions of Parts A and B of this Appendix 1, each Cosalt Shareholder who holds Cosalt Shares in uncertificated form by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Oval and Capita Registrars and their respective agents (so as to bind him and his personal representatives, heirs, successors and assignees) that:

- (a) the Electronic Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Cosalt Shares in uncertificated form to which a TTE Instruction relates;
 - (ii) an undertaking to execute any further documents, take further action and give any further assurances which may be required to enable Oval to obtain the full benefits of the terms of this Part D and/or to perfect any authorities expressed to be given thereunder,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject to paragraph 3 of Part B of this Appendix 1, such acceptance and/or election shall be irrevocable;

- (b) Cosalt Shares held in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid and with full title guarantee and free from all liens, charges, encumbrances, equities, rights of pre-emption and any other third party rights of whatsoever nature and together with all rights attaching thereto, including the right to receive all dividends and other distributions declared, made or paid;
- (c) such Cosalt Shareholder:
 - (i) (if such Cosalt Shareholder is a citizen, resident or national of a jurisdiction outside of the United Kingdom) has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Oval, or any other person acting in breach of any legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof; or
 - (ii) (A) is not a person located or resident in a Restricted Jurisdiction, does not hold any Cosalt Shares in respect of which he has accepted the Offer on behalf of any resident of a Restricted Jurisdiction and is not acting on behalf of a resident of a Restricted Jurisdiction for the account or benefit of any resident of a Restricted Jurisdiction or with a view to the offer, sale or delivery, directly or indirectly, of any in or into a Restricted Jurisdiction or to a resident of a Restricted Jurisdiction; and
 - (B) has not received or sent copies or originals of this document or any related offering documents in, into or from a Restricted Jurisdiction and has not utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, e-mail, facsimile, telex, the internet, telephone or other electronic transmission) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction; was outside, at the time of the input and settlement of the relevant TTE Instruction, a Restricted Jurisdiction; and no TTE Instruction has been sent in, into or from a Restricted Jurisdiction and such Cosalt Shareholder is accepting the Offer from outside a Restricted Jurisdiction,

provided that the warranties and representations above shall be deemed not be given if the Cosalt Shareholder purports to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) a Restricted Escrow Transfer and a Restricted ESA Instruction pursuant to paragraph 6(g) of Part B of this Appendix 1;

- (d) in relation to Cosalt Shares held in uncertificated form, the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Cosalt Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of Oval and/or any of its directors or agents as such Cosalt Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney and/or agent to do all such acts and things as may in the opinion of such attorney and/or agent be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in Oval or its nominee(s) such Cosalt Shares (referred to in paragraph 1(a) of this Part D (the "**Electronic Acceptance Shares**"));
- (e) in relation to Cosalt Shares held in uncertificated form, the Electronic Acceptance constitutes the irrevocable appointment of Capita Registrars as the Escrow Agent and an irrevocable instruction and authority to the Escrow Agent:
 - (i) subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Cosalt Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Oval or its agents may direct) by means of CREST all or any of Cosalt Shares held in uncertificated form (but not exceeding the number of Cosalt Shares held in uncertificated form in respect of which the Offer is accepted or deemed to be accepted); and
 - (ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days from the lapsing of the Offer), to transfer all such Cosalt Shares to the original available balance of the accepting Cosalt Shareholder;
- (f) in relation to Cosalt Shares held in uncertificated form, the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Cosalt Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:
 - (i) to Oval or its agents to procure the making of a CREST payment in accordance with the CREST payment obligation in favour of Cosalt Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such accepting Cosalt Shareholder is entitled, provided that:
 - (A) Oval may (if, for any reason it wishes to do so) determine that all or any part of such cash consideration shall be paid by cheque, dispatched by post; and
 - (B) if the accepting Cosalt Shareholder is a CREST member whose registered address is in Restricted Jurisdiction, any cash consideration to which he is entitled shall be paid by cheque dispatched by post, and all such cheques shall be dispatched at the risk of such Cosalt Shareholder to the first-named holder at an address outside of the United States, Canada, Australia or Japan stipulated by such holder or as otherwise determined by Oval;
- (g) in relation to Cosalt Shares held in uncertificated form, the Electronic Acceptance constitutes a separate authority to Oval and/or any of its directors or agents and the irrevocable appointment of any such director and/or agent as such shareholder's attorney and/or agent within the terms of paragraph 5 of Part B of this Appendix 1 in respect of the Electronic Acceptance Shares;
- (h) after the Offer becomes or is declared unconditional in all respects (or if the Offer would become or be declared unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Panel otherwise gives its consent) and pending registration:
 - (i) Oval or its agents shall be entitled to direct the exercise of any votes attaching to Cosalt Shares held in uncertificated form in respect of which the Offer has been accepted or is deemed to have been accepted (and in respect of which such acceptance has not been validly withdrawn) and any other rights and privileges attaching to such Cosalt Shares, including the right to requisition a general meeting or separate class meeting of Cosalt, such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and

- (ii) an Electronic Acceptance by a Cosalt Shareholder constitutes, with regard to Cosalt Shares held in uncertificated form comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) an authority to Cosalt and/or its agents from such Cosalt Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Cosalt (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Cosalt Shares into certificated form) to Oval at its registered office;
 - (B) the irrevocable appointment of Oval or any of its directors or agents to sign any such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Cosalt Shares (including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting as his attorney and/or agent and on his behalf and/or execute a form of proxy in respect of such Cosalt Shares appointing any person nominated by Oval to attend general or separate class meetings of Cosalt or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Cosalt Shares on his behalf) such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and
 - (C) the agreement of such Cosalt Shareholder not to exercise any of such rights without the consent of Oval and the irrevocable undertaking of such Cosalt Shareholder not to appoint a proxy or representative for or to attend any such meetings;
- (i) if, for any reason any Cosalt Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 14(b) of the letter from Oval set out in Part II of this document are converted to certificated form, he will (without prejudice to sub-paragraph (h)(ii)(A) above of this Part D) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Cosalt Shares as so converted to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or to Oval at its registered office or as Oval or its agent may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix 1 in relation to such Cosalt Shares without prejudice to the application of this Part D so far as Oval deems appropriate;
- (j) the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in sub-paragraph (f)(i) above of this Part D shall, to the extent of the obligations so created, discharge in full any obligation of Oval to pay him any cash consideration (if any) to which he is entitled pursuant to the Offer;
- (k) if he accepts the Offer he shall do all such acts and things as shall be necessary or expedient to vest in Oval or its nominee(s) or such other person as it may decide Cosalt Shares aforesaid and all such acts and things as in the opinion of Oval shall be necessary or expedient to enable Capita Registrars to perform its functions as Escrow Agent for the purposes of the Offer;
- (l) he agrees to ratify each and every act or thing which may be done or effected by Oval or Capita Registrars or by any of their respective directors or agents or Cosalt or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities conferred by or referred to in Part B or this Part D of this Appendix 1 and to indemnify each such person against any losses arising therefrom;
- (m) if any provision of Part B or this Part D of Appendix 1 shall be unenforceable or invalid or shall not operate so as to afford Oval and/or Capita Registrars and/or any director or agent of any of them the full benefit of authorities and powers of attorney expressed to be given therein, he shall with all practicable speed do such acts or things and execute all such documents as may be required or desirable to enable Oval and/or Capita Registrars and/or any director or agent or any of them to secure the full benefit of such authorities and powers of attorney;

- (n) in relation to Cosalt Shares held in uncertificated form, the making of an Electronic Acceptance constitutes his submission, in relation to all matters arising out of the Offer and Electronic Acceptance, to the jurisdiction of the courts of England and his agreement that nothing shall limit the right of Oval to bring any action, suit or proceeding arising out of or in connection with the Offer and the Electronic Acceptance or in any other manner permitted by law or in any court of competent jurisdiction; and
- (o) by virtue of the Regulations the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of Cosalt Shares in the terms of the powers and authorities expressed to be given by Part B, this Part D and (where applicable by virtue of paragraph (i) above) Part C of this Appendix 1 to Oval and Capita Registrars and any of their respective agents.

References in this Part D to a Cosalt Shareholder shall include reference to the person or persons making an Electronic Acceptance, in relation to Cosalt Shares held in uncertificated form, and, in the event of more than one person making an Electronic Acceptance, the provisions of this Part D shall apply to them jointly and severally to each of them. References to the masculine gender should include the feminine.

APPENDIX 2

FINANCIAL INFORMATION ON OVAL

Oval is a newly-incorporated company which has been founded solely for the purposes of making the Offer. Oval was incorporated on 17 November 2011. Oval has not traded since its date of incorporation or filed any accounts, nor has it entered into any obligations other than in connection with the Offer and the financing of the Offer.

Oval is wholly owned by David Ross.

The directors of Oval are David Ross and Nicholas Teagle.

Following the Offer becoming or being announced unconditional in all respects Cosalt will become a subsidiary of Oval.

APPENDIX 3

FINANCIAL INFORMATION ON COSALT

Audited consolidated accounts of Cosalt

The audited consolidated accounts of Cosalt for each of the two financial periods ended 1 November 2009 and 31 December 2010 are incorporated into this document by reference to the annual report and accounts of Cosalt for the financial periods ended 1 November 2009 and 31 December 2010 which are available free of charge on Cosalt's website.

If you are reading this document in hard copy form, please enter one of the web addresses below in your web browser to be brought to the relevant document. If you are reading this document in electronic form, please click on the relevant web address below to be brought to the relevant document.

Cosalt's Annual Report and Accounts for the financial period ended 1 November 2009:
<http://www.cosalt.com/investors/financialinformation/latestresults.ashx>.

Cosalt's Annual Report and Accounts for the financial period ended 31 December 2010:
http://www.cosalt.com/_assets/pdfs/investors/annual_report_2010.pdf.

Copies of the full audited consolidated accounts for each of the two financial periods ended 1 November 2009 and 31 December 2010 have been delivered to the Registrar of Companies in England and Wales.

An unqualified audit report within the meaning of section 495 of the Act has been given in respect of each of the audited consolidated accounts for the two financial periods ended 1 November 2009 and 31 December 2010 and in each case did not contain a statement under section 498(2) or (3) of the Act.

Interim statement of Cosalt

The consolidated financial statements of Cosalt for the six months ended on 30 June 2011 are incorporated into this document by reference to Cosalt's announcement of its interim results for the six months ended on 30 June 2011 which is available free of charge on Cosalt's website.

If you are reading this document in hard copy form, please enter one of the web addresses below in your web browser to be brought to the relevant document. If you are reading this document in electronic form, please click on the relevant web address below to be brought to the relevant document.

Cosalt's interim statement for the six months ended 30 June 2011:
<http://www.cosalt.com/investors/regulatorynews.ashx>.

The above Annual Reports and Accounts and interim statement of Cosalt are available in "read-only" format and can be printed from Cosalt's website. Cosalt will provide within two business days, without charge, to each person to whom a copy of this document has been sent, upon their written or verbal request, a copy of any information incorporated by reference in this document. Copies of any information incorporated by reference in this document will not be provided unless such a request is made.

Requests for copies of any such document should be directed to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by calling Capita Registrars on telephone number 0871 644 0300 or +44 (0) 207 954 9773 from outside of the UK) on Monday to Friday (other than UK public holidays). Calls to Capita Registrars number 0871 644 0300 are charged at 10 pence per minute from a BT land line. Calls to Capita Registrars on +44 (0) 207 954 9773 from outside of the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

APPENDIX 4

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Oval Directors whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document other than: (i) the information relating to Cosalt Group, Cosalt Directors, their immediate families, related trusts and connected persons and (ii) the recommendations and opinions of the Independent Cosalt Directors relating to the Offer contained in the letter from the Independent Cosalt Directors set out in Part 1 of this document. To the best of the knowledge and belief of the Oval 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.
- 1.2 The Cosalt Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in the letter from the Independent Cosalt Directors set out in Part I of this document (other than the recommendation(s) and opinions of the Independent Cosalt Directors relating to the Offer contained in that letter for which only the Independent Cosalt Directors accept responsibility as set out below and paragraph 5 of that Part 1 for which the Oval Directors accept responsibility) and the information relating to the Cosalt Group, the Cosalt Directors, their immediate families, related trusts and connected persons at paragraphs 2.2, 4.1, 4.2, 4.5, 5, 6.1, 6.5, 6.6, 6.7, 8.4 to 8.7 (inclusive), 10, 11.1, 12 and 14.2 (as may be applicable to each paragraph) of this Appendix 4. To the best of the knowledge and belief of the Cosalt 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.
- 1.3 The Independent Cosalt Directors accept responsibility for the recommendation and opinions of the Independent Cosalt Directors relating to the Offer contained in the letter from the Independent Cosalt Directors set out in Part I of this document. To the best of the knowledge and belief of the Independent Cosalt 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.

2. Directors

- 2.1 The Oval Directors and their respective functions are as follows:

<i>Name</i>	<i>Function</i>
David Ross	<i>Chairman</i>
Nicholas Teagle	<i>Director</i>

Oval is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006 with registered number 7851252. The registered office of Oval is Nuffield House, 41-46 Piccadilly, London W1J 0DS.

2.2 Directors

- (a) Cosalt non-executive Directors and their respective functions are as follows:

<i>Name</i>	<i>Function</i>
David Ross	<i>Chairman</i>
Yarom Ophir	<i>Director</i>
Kenneth Murray	<i>Director</i>
Maurice White	<i>Senior Independent Director</i>

(b) Cosalt Directors and their respective functions are as follows:

<i>Name</i>	<i>Function</i>
Trevor Sands	<i>Chief Executive Officer</i>

Cosalt is a public company limited by shares and incorporated in England and Wales and registered under the Companies Act 2006 with registration number 19628. The registered office and principal place of business of the Company is at Origin 4, Genesis Park, Origin Way, Europarc, Grimsby, N.E. Lincolnshire DN37 9TZ. The telephone number of the registered office is +44 (0)1472 725560.

3. Interests in Oval Shares

Interests of Oval Directors in relevant securities of Oval

As at the close of business on 28 November 2011 (being the latest practicable date prior to the publication of this document), the interests (as defined in section 820 of the Act) of the Oval Directors and their immediate families, related trusts and connected persons (within the meaning of section 252 of the Act), all of which are beneficial unless otherwise stated, in relevant securities of Oval were as follows:

<i>Name</i>	<i>Number of Oval Shares</i>
David Ross	1

3.1 *Interests of Cosalt Directors in relevant securities of Oval*

As at the close of business on 28 November 2011 (being the latest practicable date prior to the publication of this document), the interests (as defined in section 820 of the Act) of Cosalt Directors and their immediate families, related trusts and connected persons (within the meaning of section 252 of the Act), all of which are beneficial unless otherwise stated, in relevant securities of Oval were as follows:

<i>Name</i>	<i>Number of Oval Shares</i>
David Ross	1

4. Interests in Cosalt Shares

4.1 *Interests of Cosalt Directors in relevant securities of Cosalt*

As at the close of business on 28 November 2011 (being the latest practicable date prior to the publication of this document), the interests (as defined in section 820 of the Act) of Cosalt Directors and their immediate families, related trusts and connected persons (within the meaning of section 252 of the Act), all of which are beneficial unless otherwise stated, in relevant securities of Cosalt were as follows:

<i>Name</i>	<i>Shares</i>	<i>Proportion of issued share capital (%)</i>
David Ross	60,998,069	15.08
Trevor Sands	—	—
Yarom Ophir	74,276,918*	18.37
Maurice White	—	—
Ken Murray	—	—

Note:

* Sovereign Holding controls the voting rights over these shares. Yarom Ophir is an associate of Sovereign Holding

Other than as disclosed in the table above, no Cosalt Director has any interest in the issued share capital of the Company.

4.2 *Interests of Cosalt Directors in options over Cosalt Shares*

None of the Cosalt Directors had been granted share options/awards under the Company's Share Options that are outstanding as at the close of business on 28 November 2011 (being the latest practicable date prior to the publication of this document).

4.3 *Interests of Oval Directors in relevant securities of Cosalt*

As at the close of business on 28 November 2011 (being the latest practicable date prior to the publication of this document), the interests of the Oval Directors and their immediate families, related trusts and connected persons, all of which are beneficial unless otherwise stated, in relevant securities of Cosalt were as follows:

<i>Name</i>	<i>Number of Cosalt Shares</i>	<i>Proportion of issued share capital(%)</i>
David Ross	60,998,069	15.08

4.4 *Interests of persons acting in concert with Oval in relevant securities of Cosalt*

As at the close of business on 28 November 2011 (being the latest practicable date prior to the publication of this document), there were no persons acting in concert with Oval (other than the Oval Directors) who were interested in securities of Cosalt.

4.5 *Borrowing or lending of relevant securities of Cosalt by Cosalt*

As at the close of business on 28 November 2011 (being the latest practicable date prior to the publication of this document), Cosalt and persons acting in concert with Cosalt had not borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the Code) the securities of Cosalt.

5. **Significant Shareholdings**

As at the close of business on 28 November 2011 (being the latest practicable date prior to the publication of this document), Cosalt had been notified of the following substantial interests in shares:

<i>Name</i>	<i>Shares</i>	<i>Proportion of issued share capital (%)</i>
Lynchwood Nominees*	74,276,918	18.37
David Ross	60,998,069	15.08
Progressive Investments Limited	40,957,000	10.13
Barclayshare Nominees Limited	25,056,995	6.20
HSDL Nominees Limited	24,567,129	6.07
TD Waterhouse Nominees	23,532,330	5.82
Henderson Global	16,397,407	4.05
Hargreaves Lansdown	12,923,985	3.20

* Sovereign Holding controls the voting rights over these shares.

6. **Dealings in Cosalt Shares**

6.1 *Dealings in relevant securities of Cosalt by Cosalt Directors*

There were no dealings in the relevant securities of Cosalt between the commencement of the Offer Period and the last day of the Disclosure Period by Cosalt Directors or their immediate families, related trusts and connected persons (within the meaning of section 252 of the Act).

6.2 *Dealings in relevant securities of Cosalt by Oval and the Oval Directors*

There were no dealings in the relevant securities of Cosalt during the Disclosure Period by Oval, the Oval Directors or their immediate families, related trusts and connected persons (within the meaning of section 252 of the Act).

6.3 Dealings in relevant securities of Cosalt by persons acting in concert with Oval

There were no dealings in the relevant securities of Cosalt during the Disclosure Period by persons acting in concert with Oval.

6.4 Dealings in relevant securities of Cosalt by persons with whom Oval has an arrangement

There were no dealings in the relevant securities of Cosalt during the Disclosure Period by persons with whom Oval or any person acting in concert with Oval has an arrangement.

6.5 Dealings in relevant securities of Cosalt by persons acting in concert with Cosalt

There were no dealings in the relevant securities of Cosalt between the commencement of the Offer Period and the last day of the Disclosure Period by any person acting in concert with Cosalt.

6.6 Dealings in relevant securities of Cosalt by persons with whom Cosalt has an arrangement

There were no dealings in the relevant securities of Cosalt between the commencement of the Offer Period and the last day of the Disclosure Period by persons with whom Cosalt or any person acting in concert with Cosalt has an arrangement.

6.7 Purchases and redemptions of Cosalt Shares

There were no purchases or redemptions of relevant securities of Cosalt during the Disclosure Period.

7. Irrevocable Undertaking

An irrevocable undertaking to accept, or procure the acceptance of, the Offer has been received by Oval from the following person in respect of its interests in Cosalt Shares:

Cosalt Shareholder

<i>Name</i>	<i>Number of Cosalt Shares</i>	<i>Percentage of existing issued share capital of Cosalt (%)</i>
Sovereign Holding* ¹	74,276,918	18.37

* Lynchwood Nominees is the registered holder of these shares held for the benefit of Sovereign Holding

Notes:

1. *The irrevocable undertaking to accept the Offer from Sovereign Holding will cease to be binding, if a higher or equivalent competing offer is announced by a third party and which represents an improvement on, or no diminution in the value of the consideration available under the Offer, unless the Offer lapses or is withdrawn.*

8. Interests and Dealings – General

8.1 As at the last day of the Disclosure Period, save as disclosed in this document, neither Oval, nor any of the Oval Directors, nor any member of their immediate families, related trusts or (so far as the Oval Directors are aware) connected persons nor any persons acting in concert with Oval nor any person with whom Oval or any person acting in concert with Oval has an arrangement had an interest in or right to subscribe for any relevant securities of Cosalt (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to acquire another person to purchase or take delivery, nor had any of the foregoing dealt in any relevant securities of Cosalt during the Disclosure Period.

8.2 As at the last day of the Disclosure Period, save as disclosed in this document, neither Oval nor any person acting in concert with Oval has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the Code) any relevant securities of Cosalt.

8.3 As at the last day of the Disclosure Period, save as disclosed in this document, neither Cosalt, nor any of Cosalt Directors, nor any member of their immediate families, related trusts or (so far as Cosalt Directors are aware) connected persons had an interest or right to subscribe for relevant securities of Cosalt or any relevant securities of Oval (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell

or any delivery obligation or right to require another person to purchase or take delivery, nor had any of the foregoing dealt in any relevant securities of Cosalt or any relevant securities of Oval from the commencement of the Offer Period until the last day of the Disclosure Period.

- 8.4 As at the last day of the Disclosure Period, save as disclosed in this document, no person acting in concert with Cosalt and no person who has an arrangement with Cosalt had an interest in or right to subscribe for any relevant securities of Cosalt (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor had any of the foregoing dealt in any relevant securities of Cosalt from the commencement of the Offer Period until the last day of the Disclosure Period.
- 8.5 As at the last day of the Disclosure Period, save as disclosed in this document, neither Cosalt nor any person acting in concert with Cosalt has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the Code) any relevant securities of Cosalt.
- 8.6 As at the last day of the Disclosure Period, save as disclosed in this document, there were no arrangements between Cosalt or any person acting in concert with Cosalt and any other person.
- 8.7 Save as disclosed in this document, Cosalt has not redeemed or purchased any Cosalt Shares or any securities convertible into, rights to subscribe for or options in respect of, or derivatives referenced to Cosalt Shares during the Disclosure Period.
- 8.8 For the purposes of this Appendix 4:
- (a) “acting in concert” has the meaning set out in the Code;
 - (b) “arrangement” has the meaning set out in Note 11 to the definition of acting in concert;
 - (c) “dealing” or “dealt” includes the following:
 - (i) the acquisition or disposal of securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise or conversion, whether in respect of new or existing relevant securities, of any relevant securities carrying conversion or subscription rights;
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) 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;
 - (d) “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;
 - (e) “Disclosure Period” means the period commencing on 17 November 2010 (being the date 12 months prior to the commencement of the Offer Period) and ending on 28 November 2011 (being the latest practicable date prior to the publication of this document);

- (f) “relevant securities of Oval” means Oval Shares and securities convertible into, or rights to subscribe for, options (including traded options) in respect thereof and derivatives referenced thereto;
- (g) “relevant securities of Cosalt” means Cosalt Shares and securities convertible into, or rights to subscribe for, options (including traded options) in respect thereof and derivatives referenced thereto;
- (h) ownership or control of 20 per cent. or more of the equity share capital is regarded as the test of associated company status and “control” means an interest or interests in shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;
- (i) a person is treated as having an “interest in securities” if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as “interested” in securities if:
 - (i) he owns them;
 - (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, he;
 - (A) has the right or option to acquire them or call for their delivery; or
 - (B) 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
 - (iv) he is a party to any derivative:
 - (A) whose value is determined by reference to their price; and
 - (B) which results, or may result, in his having a long position in them.

9. Market Quotations

The following table shows the closing middle market quotations of Cosalt Shares, as derived from the Daily Official List, for the following days:

- (a) the first business day in each of the six months immediately prior to the date of this document;
- (b) for 16 November 2011, being the last business day prior to the commencement of the Offer Period;
- (c) for 24 November 2011, being the latest practicable business day prior to the Announcement; and
- (d) for 28 November 2011, being the last practicable business day prior to the publication of this document;

<i>Date</i>	<i>Cosalt Share price (p)</i>
16 November 2011	0.78
24 November 2011	0.35
28 November 2011	0.175
1 November 2011	0.85
3 October 2011	2.50
1 September 2011	2.88
1 August 2011	2.75
1 July 2011	3.00
1 June 2011	3.75

10. Cosalt Directors' Service Agreements

10.1 Set out below are details of the service agreements or letters of appointment of each of the Cosalt Directors:

- (a) On 18 December 2009, the Company entered into a letter of appointment with David Ross his appointment as non-executive director of the Company having commenced on 12 April 2005 and as chairman with effect from 3 November 2009. The appointment expires on 12 April 2011 (unless renewed at that time) or otherwise by either party giving one month's prior written notice. David Ross is entitled to receive a fee of £65,000 per annum. David Ross is also entitled to be reimbursed for all reasonable expenses incurred in the performance of his office, but is not entitled to participate in any Group share, bonus or pension schemes or any other benefit in kind. David Ross was re-elected as a Cosalt Director at the annual general meeting of Cosalt on 24 March 2010.
- (b) On 30 November 2009, the Company entered into a letter of appointment with Yarom Ophir, his appointment as a non-executive director of the Company having commenced on 1 June 2008. The appointment expires after three years (unless renewed at that time) or otherwise by either party giving one month's prior written notice. Mr Ophir is entitled to receive a fee of £27,500 per annum, plus £2,500 for acting as a chairman of any board committees (if required). Mr Ophir is also entitled to be reimbursed for all reasonable expenses incurred in the performance of his office, but is not entitled to participate in any Group share, bonus or pension schemes or any other benefit in kind. Mr Ophir was re-elected as a Cosalt Director at the annual general meeting of Cosalt on 22 June 2011.
- (c) In September 2010, the Company entered into a letter of appointment with Kenneth Murray, his appointment as non-executive director of the Company having commenced on 27 September 2010. The appointment expires after three years (unless renewed at that time) or otherwise by either party giving one month's prior written notice. Mr Murray is entitled to receive a fee of £35,000 per annum, plus £10,000 for acting as chairman of the audit committee of the Board. Mr Murray is also entitled to be reimbursed for all reasonable expenses incurred in the performance of his office, but is not entitled to participate in any Group share, bonus or pension schemes or any other benefit in kind.
- (d) On 22 June 2010, the Company entered into a letter of appointment with Maurice White, his appointment as non-executive director of the Company having commenced on 6 January 2010. The appointment expires after three years (unless renewed at that time) or otherwise by either party giving one month's prior written notice. Mr White is entitled to receive a fee of £27,500 per annum, plus £2,500 for acting as a chairman of any board committees (if required). Mr White is also entitled to be reimbursed for all reasonable expenses incurred in the performance of his office, but is not entitled to participate in any Group share, bonus or pension schemes or any other benefit in kind.
- (e) On 8 September 2011, the Company entered into a service agreement with Trevor Sands. The service agreement will continue to run until terminated. The agreement is terminable by either party on not less than 6 months' prior written notice. Mr Sands' present salary under the agreement is £250,000 per annum (rising to at least £300,000 per annum in the second

year and at least £350,000 per annum in the third year), to be reviewed annually. Mr Sands may receive a discretionary bonus subject to achieving performance targets. Mr Sands may participate in Cosalt's performance share plan and Cosalt's Share Option Scheme. Mr Sands is entitled to become a member of the Pension Scheme, Cosalt's medical, health insurance and life assurance schemes as well as to an annual car allowance. In the event that the Company terminates Mr Sands' service agreement he is entitled to receive payment in lieu of notice equivalent to his salary. In a letter to Maurice White (in his capacity as a member of the Cosalt remuneration committee) from David Ross dated 26 July 2011, Mr Ross states that if Cosalt "finds itself unable to pay amounts due to Trevor Sands and in respect of compensation for his loss of benefits (up to a maximum of £210,000)", then Mr Ross would expect to be able to enter into arrangements with Cosalt to find means of providing such funding on a short term basis, so that the relevant payments can be met.

- 10.2 Subject to paragraph 5 of Part 1 of this document, the total emoluments receivable by the Directors will not be varied as a consequence of the Offer.
- 10.3 At the date of this document, there are no loans outstanding granted by any member of the Cosalt Group to the Directors nor are there any guarantees that are provided by any member of the Cosalt Group for the benefit of the Directors.
- 10.4 Except as stated above, none of the agreements set out in paragraph 10.1 above has been entered into or amended during the six months prior to the date of this document.
- 10.5 Save as disclosed above, there are no other contracts of service between the directors of Cosalt and Cosalt or any of its subsidiaries.

11. Material Contracts

11.1 *Cosalt Group*

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Cosalt Group: (i) within the period of two years immediately preceding the date of this document and that are, or may be, material; or (ii) that contain any provision under which any member of the Cosalt Group has any obligation or entitlement that is material to the Cosalt Group at the date of this document:

(a) *Disposal*

The Disposal Agreement was entered into on 3 May 2011 between Cosalt and Survitec. Under the terms of the Disposal Agreement, Cosalt agreed to sell (or procure the sale by the relevant members of Cosalt Group) and Survitec agreed to purchase the entire issued share capitals of Cosalt International Limited, Cosalt GmbH, Oceana Air Sea Trading Company BV, Cosalt NV and Cosalt Seguridad Maritima S.L..

The price paid by Survitec was an amount of £31.0 million plus (i) the amount of any cash at completion less (ii) the amount of any indebtedness at completion, plus (or minus, as the case may be) the amount by which the working capital at completion (determined in accordance with the Disposal Agreement) exceeded (or was less than) the agreed working capital of £8,543,000, and less an agreed amount of £100,000 contributed by Cosalt to the cost incurred by Survitec in arranging warranty cover in respect of the transaction.

Cosalt is subject to certain customary restrictive covenants in relation to the Marine Business and its employees pursuant to the Disposal Agreement. In particular, for a period of three years from the date of the Disposal Agreement it will not:

- (i) either alone or jointly with any person directly or indirectly carry on or be engaged, concerned or interested in or assist a business which competes, directly or indirectly with the Marine Business;
- (ii) do or say anything which is harmful to the goodwill of the Marine Business;

- (iii) on its own account or in conjunction with any other person, in respect of the products or services of the Marine Business either seek to obtain orders from, or do business with, or encourage directly or indirectly another person to obtain orders from or do business with, a person who has been a customer of the Marine Business.

For these purposes, Marine Business shall exclude (*inter alia*) the supply of goods or services in the oil and gas or renewables sectors.

In addition, Cosalt will not, for a period of two years from the date of the Disposal Agreement employ, or directly or indirectly solicit or contact with a view to his engagement or employment by another person, a director, officer, senior employee or manager of a Target Company or a person who was a director, officer, senior employee or manager of a Target Company at any time during the 12 months prior to the date of the Disposal Agreement.

(b) *Leases*

Under the terms of the Disposal Agreement, Cosalt (as landlord) agreed to enter into leases with Cosalt International in respect of the following freehold properties owned by Cosalt. The principal terms of the Leases are as follows:

- (i) 3 Factory School Lane, Lowestoft
Tenant: Cosalt International
Rent: £54,300 p.a. (exclusive of VAT and outgoings) reviewed to an RPI increase at year 2 (2013) and to open market at year 5 (2016)
Term: 10 years
Tenant's right to break: 2013
Landlord's right to break: any time on 12 months' notice
- (ii) Premises at South of Liddell Street/Bell Street, Fish Quay, North Shields
Tenant: Cosalt International
Rent: £30,000 p.a. (exclusive of VAT and outgoings) reviewed to open market at year 2 (2013) and year 5 (2016)
Term: 10 years
Tenant's right to break: 2013
Landlord's right to break: any time on 12 months' notice

(c) *Sub-leases*

Under the terms of the Disposal Agreement, Cosalt agreed to enter into sub-leases with Cosalt International in respect of the following leasehold properties:

- (i) Car Park at Mumby Road, Gosport
Rent: £500 per annum reviewed to open market in year 2 (2013)
Term: 10 years
Tenant's right to break: 2013
Landlord's right to break: 2013
- (ii) Building at Mumby Road, Gosport
Rent: £15,000 p.a. (exclusive of VAT and outgoings) renewed to open market in 2013 and 2016
Term: 10 years
Tenant's right to break: 2013

Note, if either of the sub leases in (i) or (ii) above is terminated, the other is to automatically end.

- (iii) Sublease of Upper Floor, Origin 4, Genesis Way, Europarc, Grimsby, NE Lines
Rent: £62,500 (exclusive of VAT and outgoings) to be reviewed to open market in 2014 and 2019

Term: 10 years

Break: No right to break

The tenant will pay a service charge, which is fixed at £33,500 and reviewed annually to RPI.

The above provisions remain subject to confirmation by the landlord but are not expected to differ materially.

(d) *Guarantees by Cosalt*

Cosalt has potential liability in respect of the following guarantees:

- (i) guarantees in respect of the leases of the assigned leases in respect of the properties at (i) Unit 9a Meadow Close, Langage Industrial Estate, Plymouth, (ii) Unit 2, Central Trading Estate, Marine Parade, Southampton, (iii) Mayfield Building, Harbour Road, Gosport and (iv) 46 Abbot Road, Leith, Edinburgh;
- (ii) a guarantee in respect of a new lease to be granted directly to Cosalt International in respect of property at Unit 5, Harbour Road Trading Estate, Harbour Road, Portished, Bristol;
- (iii) a guarantee of a lease (currently held by Cosalt International and guaranteed by Cosalt) of property at Unit 5 Valiant Way, Lairdside Technology Park, Birkenhead.

The guarantees referred to in (i), (ii) and (iii) above are the subject of a counter indemnity in respect of any liability incurred thereunder, given by Survitec as a term of the Disposal Agreement.

(e) *Deed of indemnity*

Cosalt entered into a deed of indemnity dated 26 August 2011 with Survitec whereby it has agreed to indemnify Survitec against certain taxation liabilities of the Target Companies. In addition the Company has agreed to indemnify Survitec against losses arising from:

- (i) the Aberdeen Business Transfer;
- (ii) the Workwear Business Transfer;
- (iii) any liabilities or obligations of a Target Company arising in respect of any business asset or liabilities not constituting part of the Marine Business;
- (iv) certain obligations relating to employees transferring to the Target Companies, including liabilities arising under the TUPE Regulations;
- (v) certain liabilities in relation to pension schemes which are not transferring to the Target Companies at Completion;
- (vi) certain liabilities of the licensing of trademarks;
- (vii) certain contingent liabilities in respect of the defined benefit element of pension schemes in Cosalt B.V. in the Netherlands;
- (viii) liabilities arising in the event of any fraud by any members of Cosalt Group were such fraud causes loss to a Target Company;
- (ix) any principal rent which remains unpaid in respect of a lease of premises at the Docks Milford Haven.

(f) *Transitional services agreements*

Cosalt and Cosalt International entered into two Transitional Services Agreements dated 26 August 2011 pursuant to which they will respectively provide certain transitional and administration services to the other. Most of these services are required by Cosalt and Cosalt Group.

(i) Agreement by Cosalt International to provide services to Cosalt Group

The agreement remains in force until each of the services provided for has terminated. A service terminates at the end of its allocated service period unless Cosalt elects to: (i) extend the service period (most services permit a three month extension period) or (ii) terminate supply of the service before the end of the service period by giving 30 days' notice to Cosalt International or by giving notice that a material or persistent breach has taken place.

Cosalt Group will pay to Cosalt International £139,960 for the IT services and £33,403 for the other services provided. These fees and expenses will be at market rate on either a fixed or hourly basis unless the amount is negligible or the service is reciprocal, in which case the service will be provided at nil cost.

It was not anticipated that the TUPE Regulations will apply to the services to be provided under this agreement. However, if any employee asserts or establishes that it has transferred to Cosalt then Cosalt International is required to offer the employee a new contract of employment and to indemnify Cosalt against all liabilities, obligations, costs, claims and demands incurred in relation to the employment and termination of that employee.

(ii) Agreement by Cosalt to provide services to Cosalt International

This agreement remains in force until each of the services provided for has terminated. A service terminates at the end of its allocated service period unless Cosalt International elects to: (i) extend the service period (most services permit a three month extension period) or (ii) terminate supply of the service before the end of the service period by giving 30 days' notice to Cosalt or by giving notice that a material or persistent breach has taken place.

Cosalt International will pay £10,165 to Cosalt Group for the performance of the services. These fees and expenses will be at market rate unless the amount is negligible or the service is reciprocal, in which case the service will be provided at nil cost.

It is not anticipated that the TUPE Regulations will apply to the services to be provided under this agreement. However, if any employee asserts or establishes that it has transferred to Cosalt International or any of its group companies then Cosalt is required to offer the employee a new contract of employment and to indemnify Cosalt International against all liabilities, obligations, costs, claims and demands incurred in relation to the employment and termination of that employee.

(g) *Amended facilities agreement*

Cosalt Group amended and restated the Existing Facilities Agreement. The Amended Facilities Agreement is a £11,400,000 multicurrency revolving facilities agreement. Interest is payable on Facility A (£8,000,000) at five per cent per annum plus LIBOR and on Facility B (£3,400,000) at two per cent per annum plus LIBOR. The Amended Facility is repayable on 31 December 2012. Facility B cannot be drawn until Facility A has been drawn down in full. The Amended Facility is based upon the Loan Market Association's recommended form of loan agreement and the Existing Facilities Agreement. The Amended Facilities Agreement is guaranteed by the Obligors who have also provided all asset security in favour of the Senior Lenders. The financial covenants are as detailed below:

- (i) Asset cover (calculated as total assets comprising tangible fixed assets, all stock and all receivables (expected to be realised within 12 months) divided by the principal amount of borrowings of the Cosalt Group (excluding any such amounts paid or due to the Shareholders, intra group debt and other exceptions) at the time of the test) not to be less than (i) 3.4 times at September 2011; (ii) 2.64 times at December 2011 and March 2012; (iii) 2.78 times at June 2012; (iv) 2.89 times at September 2012; and (v) 2.58 times at December 2012;

- (ii) Interest cover (calculated as EBITDA* on a rolling 12 month basis divided by the aggregate amount of interest, fees and other finance charges in respect of the borrowings (including hedging arrangements) of Cosalt Group excluding any such amounts paid or due to Shareholders*, also on a 12 month rolling basis*), not to be less than (i) 2.06 times at September 2011; (ii) 0.51 times at December 2011; (iii) 0.33 times at March 2012; (iv) 1.52 times at June 2012; (v) 2.28 times at September 2012; and (vi) 3.11 times at December 2012;
- (iii) The borrowings of Cosalt Group divided by leverage (calculated as EBITDA** (on a rolling 12 month basis) but excluding any amounts due to Shareholders at the time of the test), not to be more than (i) 3.18 times at September 2011; (ii) 16.26 times at December 2011; (iii) 29.17 times at March 2012; (iv) 6.13 times at June 2012; (v) 4.34 times at September 2012; and (vi) 3.75 times at December 2012;
- (iv) The principal amount of borrowings of Cosalt Group (excluding any such amounts paid or due to the Shareholders intra group debt and other exceptions) not to exceed (i) £9.756 million on 30 September 2011; (ii) £10.79 million on 31 December 2011; (iii) £11.209 million on 31 March 2012; (iv) £11.136 million on 30 June 2012; (v) £10.646 million on 30 September 2012; and (vi) £11.279 million on 31 December 2012.

Notes:

* EBITDA, bank interest and hedging costs used for the asset cover and interest cover covenants will be calculated on a rolling 12 month basis from 1 July 2011. Hence the covenant tests for September 2011, December 2011 and March 2012 will be for three, six and nine month periods respectively.

** For the first three leverage covenant tests following the Disposal, the tests will include EBITDA generated by the Group from 1 July 2011 on an annualised basis at each test date.

The relationship between the Senior Lenders, the Shareholders (in relation to any Shareholder debt that they have provided) and the Trustees of Cosalt Pensions Trustees is regulated by a deed of priority.

- (h) *Transfer of Kent and Medway Towns Fire Authority Framework Agreement and Call-off Contract*
Cosalt International entered into a framework agreement and call-off contract with Kent and Medway Town Fire Authority (“KMTFA”) dated 25 June 2010, pursuant to which Cosalt International provided certain fire fighters protective equipment and associated services to KMTFA (the “**Framework Agreement**” and “**Call-off Contract**” respectively).

As the Framework Agreement and Call-off Contract were not required by Survitec as part of the Disposal, it was necessary to transfer them to a company within Cosalt Group which was not being sold as part of the Disposal. Accordingly, a Deed of Novation dated 7 March 2011 was entered into between Cosalt (1); Cosalt International (2); Ballyclare Limited (3); and KMTFA (4) (the “**Deed of Novation**”). The effect of the Deed of Novation was to novate and transfer all of the rights and obligations of Cosalt International contained in a Framework Agreement to Ballyclare Limited.

Under the Deed of Novation both Cosalt International and KMTFA agree to be bound by the Framework Agreement and Call-off Contract as if the agreements had been originally made between them. In turn, Cosalt International and KMTFA agreed to mutually release each other from their original obligations with the exception of existing claims. The Deed of Novation is effective from the date that the novation conditions (set out in the Deed) are satisfied. The Deed of Novation may be terminated by Cosalt if these conditions are not met by 31 May 2011. Under the Deed of Novation, Cosalt agrees (subject to conditions) to indemnify KMTFA from and against all losses, damages, costs and expenses incurred by KMTFA as a direct consequence of any proceedings brought against it by a third party under Regulation 47 of the Public Contracts Regulations (as amended) in relation to the novation. The Deed is not assignable without the consent of the other party.

A Deed of Guarantee dated 7 March 2011 made between Cosalt (1) and KMTFA (2) and is supplemental to the Call-off Contract as novated to Ballyclare Limited pursuant to the Deed of Novation described above. Under the Deed of Guarantee Cosalt agrees to guarantee and secure the performance of Ballyclare Limited's obligations to KMTFA and indemnifies KMTFA for non-performance, breach of obligations etc. The Deed of Guarantee is absolute and it states that Cosalt cannot be discharged or released from it.

(i) *Agreement with the trustees of Cosalt Pension Scheme*

An apportionment agreement was agreed between Cosalt, Cosalt International and the trustees of Cosalt Pension Scheme that, save for a nominal amount which shall remain payable by Cosalt International, the balance of Cosalt International's debt due to Cosalt Pension Scheme on it ceasing to participate, will be apportioned to Cosalt. The balance of this debt is approximately £15.6 million and will become payable by Cosalt at such time that its own debt in respect of Cosalt Pension Scheme is triggered.

In addition, an agreement was reached with the trustees of the Cosalt Pension Scheme that there will be a deficit recovery holiday of up to 18 months from March 2011 onwards (currently deficit recovery payments are £100,000 per month). In return for this, Cosalt agreed to improve the priority of the trustees' current secured debt. The Pensions Regulator has provided confirmation of its clearance in respect of these matters.

Cosalt International was also the principal employer of the Sea-Dog Life Saving Appliances (Scotland) Limited Retirement Benefits Scheme (1992) (the "**Sea-Dog Scheme**"). The Sea-Dog Scheme provides money purchase benefits but with a contracting-out defined benefit element. A deed of apportionment and substitution was agreed dated 8 June 2011 whereby Cosalt replaced Cosalt International as the principal employer, and that any debt (save for a nominal amount) that may become due under section 75 of the Pensions Act 1995, in respect of Cosalt International's participation in the Sea-Dog Scheme, will be apportioned to Cosalt.

A subsidiary of Cosalt, Scottish, English & European Textiles Limited which is now dormant is the principal employer of a closed defined benefit scheme (the "**SEET Scheme**"). Cosalt has been endeavouring to merge the SEET Scheme into the Pension Scheme since February 2010. The SEET Scheme is in deficit on almost all measures but only has a liability value of around £3 million and an on-going deficit of £454,000. Cosalt has been funding contributions to the SEET Scheme for a number of years although no formal funding agreement or commitment has been made by Cosalt. The Pensions Regulator is aware of and is monitoring the progress of any scheme merger as the statutory valuation of the SEET Scheme is now more than twelve months overdue.

- (j) A deed of undertaking dated 3 May 2011 between David Ross ("**David Ross**") Sovereign Holding Limited ("**Sovereign**") and Cosalt whereby David Ross and Sovereign undertook to Cosalt that they would each (i) subscribe for £1.0 million nominal of Series "A" Loan Notes and (ii) execute, deliver and enter into a joint guarantee and indemnity with the Senior Lenders in order to each guarantee the obligations of Cosalt and its subsidiaries to the Senior Lenders of an amount of £1.2 million each; and in the case of David Ross only, to execute and deliver a further guarantee and indemnity in favour of the Senior Lenders in an amount of £3.4 million.
- (k) A bridging loan facility agreement dated 3 May 2011 between David Ross and Cosalt whereby David Ross undertook to make available to Cosalt a bridging facility of up to £750,000 (the "**Bridging Facility**"). The Bridging Facility was available for drawdown in a single amount on 20 June 2011 or earlier as agreed between the parties. The Bridging Facility was repaid on 30 August 2011. An arrangement fee is payable by Cosalt of £75,000, payable in 12 monthly instalments of £6,250 on the last working day of each month.
- (l) A deed of undertaking dated 3 May 2011 ("**the Deed**") between David Ross and Cosalt whereby David Ross irrevocably undertook that in the event that (i) Cosalt Group had not disposed of certain properties ("**Relevant Properties**") prior to 1 May 2011 and received net

proceeds of greater than £750,000 (“**First Undertaking**”); and (ii) Cosalt Group has not disposed of Relevant Properties prior to 1 November 2011 and received net proceeds of greater than £1,500,000 (“**Second Undertaking**”) he would at the request of Cosalt subscribe for or procure the subscription by a third party for Series “B” Loan Notes in the amount any such shortfall. This undertaking will lapse on the earliest to occur of (i) 30 June 2012 (to the extent that written demand in respect of this undertaking has not been made before that date); (ii) the aggregate of the net disposal proceeds of Relevant Properties exceeding £1,500,000 prior to any written demand being made; (iii) any refinancing in full of the facilities provided by the Senior Lenders taking place; and (iv) certain acts of insolvency of Cosalt or its subsidiary undertakings. The Deed contains provisions providing for the early redemption of the Series “B” Loan Notes issued pursuant to the Deed in the event that net disposals from Relevant Properties subsequently exceeds £750,000 (in the case of the loan notes subscribed pursuant to the First Undertaking) or £1,500,000 (in the case of the loan notes subscribed pursuant to the Second Undertaking). The Deed also contains a provision providing for the making by David Ross of a further cash backed personal guarantee to be issued by David Ross in favour of the Senior Lenders in an amount of up to £3.4 million. In consideration of this guarantee, Cosalt has agreed to pay David Ross a guarantee fee at the rate of 1 per cent per month on the amount covered by the guarantee.

- (m) On 23 August 2011, Cosalt created, by way of a Loan Note Instrument, £2,000,000 nominal of Series “A” Unsecured Floating Rate Loan Notes due 2012. The Series “A” Loan Notes carry interest equal to LIBOR, and are repayable on 31 December 2012. The loan note instrument contains usual events of default relating to a change of control of Cosalt and insolvency which would result in the amounts outstanding becoming immediately repayable, and also includes an event of default in the event that Cosalt or the group makes a substantial divestment (being the sale by Cosalt or its group of either a material asset (other than in the ordinary course of business) or of all or a substantial part of the undertaking or assets of the company or the group taken as a whole. The Series “A” Loan Notes are, subject to certain restrictions, transferable and are repayable early at the option of Cosalt.
- (n) On 3 May 2011, Cosalt created, by way of a Loan Note Instrument, £1,500,000 nominal of Series “B” Unsecured Floating Rate Loan Notes due 2012, to be issued pursuant to the undertaking set out in sub-paragraph (l) above. The Series “B” Loan Notes carry interest equal to LIBOR, and are repayable on 31 December 2012 (or earlier, in the circumstances for early redemption set out in sub paragraph (l) above). The loan note instrument contains usual events of default relating to a change in control of Cosalt and insolvency which would result in the amounts outstanding becoming immediately repayable. The Series “B” Loan Notes are, subject to certain restrictions, transferable, and are repayable early at the option of Cosalt.
- (o) The Cosalt Group has entered into hire agreements for the hire of assets from Kandahar Asset Management Company Limited:
 - (i) A hire agreement between Kandahar Asset Management Company Limited (the “**Owner**”) and GTC Group Trading Limited (trading as Cosalt Offshore) (the “**Hirer**”) for the supply of equipment including rigging loft equipment for a period for 36 months from 1 June 2011 at a cost of £22,833 per month plus VAT. At any time after 18 months from the commencement of the agreement, the Hirer can, by providing the Owner with three months prior written notice, request to purchase the equipment. The Hirer can request to purchase the equipment at the end of the agreement for one further monthly rental payment. Under the agreement, the Hirer agrees to indemnify and hold harmless the Owner and its employees and agents against all liabilities, legal fees, damages, losses and costs and other expenses in relation to any claims or actions brought against the Owner by any person whatsoever for injury to person or property caused by or in connection with or arising out of the storage, transit, transport, unloading, loading or use of the equipment during the period of hire. The agreement contains provisions

for early termination in event of payment default, insolvency or the Hirer doing or causing to be done to the equipment anything which would prejudice or jeopardise the Owners rights; and

- (ii) A hire agreement between the Owner and the Hirer for the supply of an Ace 50 Tonne Capacity Spooling Winch for a period of 36 months from 1 September 2011 at a cost of £5,400 per month plus VAT. At any time after 24 months from the commencement of the agreement, the Hirer can, by providing the Owner with three months prior written notice, request to purchase the equipment. The Hirer can request to purchase the equipment at the end of the agreement for one further monthly rental payment. Under the agreement, the Hirer agrees to indemnify and hold harmless the Owner and its employees and agents against all liabilities, legal fees, damages, losses and costs and other expenses in relation to any claims or actions brought against the Owner by any person whatsoever for injury to person or property caused by or in connection with or arising out of the storage, transit, transport, unloading, loading or use of the equipment during the period of hire. The agreement contains provisions for early termination in event of payment default, insolvency or the Hirer doing or causing to be done to the equipment anything which would prejudice or jeopardise the Owners rights.

11.2 *Oval*

Oval has not entered into any material contracts since its incorporation.

12. **Litigation**

12.1 *Cosalt Group*

Save as described in section 12.2 of this Part 4 below, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Cosalt is aware) during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of Cosalt and/or Cosalt Group nor, so far as Cosalt is aware, are any such proceedings pending or threatened.

12.2 *Current litigation*

- (a) GTC Group Limited (“**GTC Group**”), a wholly-owned subsidiary of Cosalt plc (“**Cosalt**”), is currently pursuing an action before the Court of Session, Edinburgh (Court Reference CA 152/10). There are five defenders to the action: Stuart Melville (“**SM**”), a former director of GTC Group; Calum Melville (“**CM**”), a former director of Cosalt; Meapac Limited (“**Meapac**”); Denmore Investments Limited (“**Denmore**”); and C11 Limited (“**C11**”) (together, the “**Defenders**”).

Cosalt’s claim alleges that CM and SM procured that Cosalt ordered and paid for goods to a value of £1,931,083.10 from Meapac; that the goods were never supplied; and that in so doing CM, SM and Meapac colluded to defraud Cosalt. The claim further alleges that the proceeds of the fraud were paid by Meapac to CM, Denmore and C11, with Meapac retaining 5 per cent. or thereby of the sums paid to it by Cosalt.

By the action, GTC Group is seeking damages of £2,500,000 against the Defenders for losses suffered by GTC Group as a consequence of the Defenders’ fraud, together with the expenses of the action. As an alternative to the claim for damages against Denmore and C11 alone, GTC Group has sought payment of the sums of £ 114,973.75 and £901,135.13 by Denmore and C11 respectively for knowing receipt of the proceeds of fraud.

A proof before answer has been fixed for the action, to commence on 25 September 2012.

Cosalt, its wholly-owned subsidiary, GTC Holdings Limited (“**GTC Holdings**”) and GTC Group, are also pursuing two further related court actions in the Court of Session. GTC Holdings have raised proceedings against SM (Court reference CA 154/10); whilst proceedings against CM alone have been raised jointly by Cosalt and GTC Group (Court reference CA16/11).

In the first action, GTC Holdings has sought interdict and interim interdict to enforce the terms of restrictive covenant provisions contained in SM's service agreement with GTC Holdings. The provisions restrict SM from being engaged or concerned in businesses which are in competition with GTC Holdings or GTC Group. The action alleges that SM had become involved or intended to become involved in the business of a competitor, Global Lifting Services Limited. The Court granted interim interdict against SM on 12 November 2010.

No further procedure has presently been ordered in the first action. It is unlikely that it will be pursued further, the period of the restrictive covenants in question having now expired.

In the second action, Cosalt and GTC Group have sought interdict and interim interdict against CM from making false and defamatory statements in relation to them, together with damages of £1,500,000 and the expenses of the action. The action claims that CM made false and defamatory statements about the commercial probity and solvency of Cosalt in letters sent to various individuals and organisations. In the alternative, it claims that CM acted in breach of his fiduciary duties to Cosalt and/or GTC and should be liable in damages for losses they have sustained. CM provided an undertaking to the Court on 11 February 2011 in the same terms as the interdict that had been sought.

The second action is presently in a period of adjustment, with the next hearing fixed for 30 November 2011.

An action by Meapac against GTC Group for payment of the sum of £48,952.45 (Court reference CA 5/11) was dismissed, with a decree and expenses granted in favour of GTC Group. An action by Cosalt against CM (Court reference CA153/10), whereby Cosalt sought interdict and interim interdict to enforce the terms of a six-month post termination restrictive covenant contained in CM's service agreement was dismissed with no expenses being found due to or by either party. Cosalt obtained an interim interdict for the remainder of the six-month period but, once that period had expired, the action served no further useful purpose.

(b) *Mrs Dorothy Melville -v- Cosalt*

In July 2011 Mrs Dorothy Melville ("DM") brought a claim for breach of contract against Cosalt in the Queen's Bench division of the High Court. DM alleges that Cosalt failed to pay a number of instalments of deferred consideration (relating to Cosalt's purchase of GTC Holdings in 2007) by the contractual due date and claims that the outstanding balance is therefore immediately due and payable. Cosalt disputes this interpretation of the contract and has continued to pay the regular monthly instalments – with the result that only approximately £150,000 remains outstanding. The last contractual payment is due to be made in February 2012 and therefore it is by no means certain that the final hearing will be listed prior to that. The pleadings stage has now closed; Cosalt served its defence on 17 August 2011 and DM served her reply on 14 September 2011. Both parties have now filed allocation questionnaires and are awaiting the Court fixing a hearing date. As the hearing date is likely to be listed either shortly before Cosalt has repaid the full amount of deferred consideration, or indeed after it has been repaid in full, DM's continued pursuit of the claim is now assumed to be an attempt to recoup her legal costs (currently estimated at between £25,000 and £30,000 up to and including trial).

13. Financing Arrangements

It is estimated that full acceptance of the Offer would require the payment by Oval of a maximum of approximately £400,000 in cash.

The cash consideration payable by Oval under the terms of the Offer will be financed in its entirety through Oval's existing cash resources.

WH Ireland is satisfied that the necessary financial resources are available to Oval to enable it to satisfy the cash consideration payable under the Offer in full.

14. Fees and Expenses

14.1 *Oval's fees and expenses*

The following table sets out an estimate of the aggregate fees and expenses expected to be incurred by Oval in connection with the Offer.

	<i>Estimated cost (£)</i>
Financial and corporate broking advice	£100,000
Legal advice	£125,000 to £150,000
Public relations advice	£20,000
Other costs and expenses	£20,000
Aggregate fees and expenses	£265,000 to £290,000

14.2 *Cosalt's fees and expenses*

The following table sets out an estimate of the aggregate fees and expenses expected to be incurred by Cosalt in connection with the Offer.

	<i>Estimated cost (£)</i>
Financial and corporate broking advice	£150,000
Legal advice	£75,000
Public relations advice	£25,000
Aggregate fees and expenses	£250,000

15. Miscellaneous

- 15.1 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Oval or any person acting in concert with Oval for the purposes of the Offer and any of the directors, or recent directors, shareholders or recent shareholders of Cosalt or any person interested or recently interested in Cosalt Shares having any connection with or dependence upon or which is conditional on the outcome of, the Offer.
- 15.2 Save as disclosed in this document, no proposal exists in connection with the Offer for any payment or other benefit to be made or given by Oval or any person acting in concert with Oval for the purposes of the Offer to any Cosalt Director as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 15.3 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of Cosalt Shares acquired by Oval pursuant to the Offer will be transferred to any other person, save that Oval reserves the right to transfer any such shares to any of its subsidiaries.
- 15.4 WH Ireland has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 15.5 Evolution has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 15.6 All references to time in this document and the Form of Acceptance are to London time unless the context provides otherwise.

16. Documents on Display

- 16.1 A copy of this document is available free of charge at Cosalt's website at www.cosalt.com until the end of the Offer Period (or, if later, the end of any competition reference period).
- 16.2 Copies of the following documents have been published on Cosalt's website at www.cosalt.com and will be available for review until the end of the Offer Period (or, if later, the end of any competition reference period):

- (a) the irrevocable undertaking to accept (or procure the acceptance of) the Offer referred to in paragraph 7 above;
- (b) the memorandum and articles of association of Oval;
- (c) the memorandum and articles of association of Cosalt;
- (d) the consent letters referred to in paragraph 15 above of WH Ireland and Evolution;
- (e) the material contracts referred to in paragraph 11 above; and
- (f) the Form of Acceptance.

16.3 For the avoidance of doubt, the content of the website referred to in paragraphs 16.1 and 16.2 above is not incorporated into and does not form part of this document.

29 November 2011

APPENDIX 5
BASES AND SOURCES

Unless otherwise stated in this document:

- (a) financial information relating to Cosalt has been extracted from the audited accounts of Cosalt for the financial year ended 31 December 2010 and the Company's interim results for the six months ended 30 June 2011, with the exception of net indebtedness which is derived from the Company's management information;
- (b) the amount of the cash payment in respect of full acceptance of the Offer is calculated based upon the number of Cosalt Shares in issue (as described in sub-paragraph (c) above) resulting in a cash payment of approximately £400,000;
- (c) all share prices for Cosalt Shares are derived from Daily Official List; and
- (d) all prices quoted for Cosalt Shares are Closing Prices.

APPENDIX 6

ADDITIONAL DOCUMENTS

Combined Opinion of Cosalt Group Employee Representatives

Following discussions regarding the proposed takeover of the Company and contemplated future as a delisted private limited company under the ownership of Mr David Ross, the employee representatives made the point that employees are understandably concerned over several matters at present including their ongoing employment, the current difficult circumstances and what may happen to the Company's pension scheme. However, they acknowledge the following:

- Mr Ross believes that the employees and management of the business would benefit from the increased opportunities that the takeover would bring on a long-term basis.
- Mr Ross confirms that following implementation of the transaction the existing contractual and statutory employment rights, including in relation to pension rights, of the current employees will be honoured.
- The proposed takeover will offer better opportunities than the current uncertainty.

The employee representatives understand that, with this takeover, Mr Ross has a strategic target to maintain and develop Cosalt's existing activities. To this end, it is clear that the substantial experience and expertise of the Cosalt employees will be important to the future of the business.

Conclusion:

Taking into consideration the above mentioned points, the employee representatives are of the opinion that the takeover bid opens new perspectives for the Company and its employees, and in principle the proposed takeover should have positive consequences for the entire Cosalt group, its results, its employment, its places of establishment and relationships with its customers and suppliers.

The employee representatives offer a unanimously positive view regarding the takeover bid and believe that a quick resolution is in everyone's interest.

The employee representatives will continue to monitor the implementation of the transaction and acknowledge that management have undertaken to keep them regularly updated.

APPENDIX 7

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Aberdeen Business”	the business previously carried on in Aberdeen by GTC Group in the marine sector
“Aberdeen Business Transfer”	the transfer of the Aberdeen Business from GTC Group to Cosalt International with effect from 31 May 2011
“Amended Facilities”	means the Existing Facilities amended and restated, as described in paragraph 11.1(g) of Appendix 4 to this document
“Announcement”	the announcement of the Offer, published on 25 November 2011
“Approved Scheme”	Cosalt 1996 Pension Scheme.
“Bridging Loan”	the bridging loan facility between Cosalt and David Ross, details of which are set out in paragraph 11.1(k) of Appendix 4 to this document
“business day”	a day (not being a Saturday, a Sunday or a public holiday) on which clearing banks in the City of London are open for normal business
“Canada”	Canada, its possessions, provinces and territories and all areas subject to its jurisdiction or any political subdivision thereof
“Capita Registrars” or “Escrow Agent”	Capita Registrars, Corporate Actions, The Registry 34 Beckenham Road, Beckenham, Kent BR3 4TU
“certificated” or “in certificated form”	in relation to a share or other security, not in uncertificated form (that is, not in CREST)
“Closing Price”	the closing middle market quotation of a share as derived from the Daily Official List
“Code”	the City Code on Takeovers and Mergers
“connected person”	has the meaning given to that term in section 252 of the Companies Act 2006
“Cosalt”	Cosalt plc
“Cosalt” or the “Company”	Cosalt
“Cosalt Directors” or “Cosalt Board”	the directors of Cosalt at the date of this document
“Cosalt Group” or “Group”	Cosalt and its existing subsidiary undertakings
“Cosalt Options”	options or other rights to acquire Cosalt Shares under Cosalt Share Option Schemes or otherwise
“Cosalt Optionholders”	holders of Cosalt Options
“Cosalt Shareholders”	holders of Cosalt Shares
“Cosalt Shares”	the existing issued fully paid ordinary shares of 1 penny each in the capital of Cosalt and any further such shares which are unconditionally allotted or issued and fully paid or credited as fully paid before the date on which the Offer closes (or such

	earlier date, not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances as Oval may, subject to the Code, decide)
“Cosalt Share Option Schemes”	Cosalt 1996 Company Share Option Plan
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator
“CREST Manual”	the manual issued by Euroclear from time to time
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
“CREST payment”	has the meaning given to that term in the CREST Manual
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Daily Official List”	the Daily Official List of the London Stock Exchange
“Dealing Disclosure”	the announcement concerning dealings in relevant securities of any party to the Offer required for the purposes of Rule 8 of the Code
“Deferred Shares”	deferred shares of 24 pence each in the capital of the Company
“Disclosed”	means (i) as disclosed in Cosalt’s report and accounts for the year ended 31 December 2010; (ii) as publicly announced by Cosalt (by the delivery of an announcement to an authorised Regulatory Information Service prior to 28 November 2011); (iii) as disclosed in this document; (iv) as otherwise disclosed in writing, or in the documentation or written information provided, to Oval or its advisers by or on behalf of Cosalt prior to 28 November 2011 in the context of the Offer or (v) as received by and within the actual knowledge of David Ross in his position as a Cosalt Director or matters of which David Ross ought reasonably to have knowledge in his position as a Cosalt Director
“Disposal”	the sale by Cosalt of the entire share capital of each of Cosalt International Limited, Oceana Air Sea Trading Company BV, Cosalt NV, Cosalt GmbH and Cosalt Segundad Maritima SL to Survitec on the terms and subject to the conditions in the Disposal Agreement.
“Disposal Agreement”	the sale and purchase agreement dated 3 May 2011 between the Company and Survitec relating to the sale of the Target Companies
“EC Merger Regulation”	Council Regulation 139/2004/EC (as amended)
“Electronic Acceptance”	the inputting and settling of a TTE Instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
“electronic form”	as defined in the Code
“ESA Instruction”	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST Manual)

“Euroclear”	Euroclear UK & Ireland Limited
“Evolution”	Evolution Securities Limited, Cosalt’s Rule 3 adviser
“Existing Facilities”	means the £33,500,000 term and revolving facilities agreement dated 26 March 2009 and entered into between, <i>inter alia</i> , Cosalt, HSBC and RBS, as amended from time to time
“First Closing Date”	20 December 2011
“Form of Acceptance”	the form of acceptance and authority relating to the Offer in respect of certificated Cosalt Shares
“FSA”	the UK Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“GTC Group”	GTC Group Limited
“hard copy form”	as defined in the Code
“HMRC”	HM Revenue & Customs
“HSBC”	HSBC Bank plc
“Independent Cosalt Directors”	the Cosalt Directors other than David Ross and Trevor Sands
“IT”	Information Technology
“Japan”	Japan, its cities, prefectures, territories and possessions
“LIBOR”	London Interbank Offered Rate
“Listing Rules”	the Listing Rules of the FSA made pursuant to section 73A of the Financial Services and Markets Act 2000
“Loan Notes”	the Series “A” Loan Notes and the Series “B” Loan notes together
“London Stock Exchange”	London Stock Exchange plc
“Marine Business”	the business carried on by the Target Companies including the Aberdeen Business
“member account ID”	the identification code or number attached to any member account in CREST
“Offer”	the offer by Oval, on the terms and subject to the conditions set out in this document and the Form of Acceptance (in respect of certificated Cosalt Shares), to acquire all of the Cosalt Shares (including, where the context requires, any subsequent revision, variation, extension or renewal of such offer)
“Offer Document”	this document
“Offer Period”	has the meaning set out in paragraph 5(c) of Part B of Appendix 1 to this document
“Official List”	the Official List of the UK Listing Authority
“Opening Position Disclosure”	the announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Offer if the person concerned has such a position required for the purposes of Rule 8 of the Code
“Oval”	Oval (2245) Limited

“Oval Directors” or “Oval Board”	the directors of Oval as at the date of this document
“Oval Shares”	ordinary shares of £1 each in the capital of Oval
“Preference Shares”	7.5 per cent. cumulative preference shares in the Capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Pensions Act”	the Pensions Act 1995
“Pension Scheme”	the Cosalt plc Retirement Benefit Plan
“Pensions Regulator”	the UK Pensions Regulator
“persons with information rights”	as defined in the Code
“pounds”, “£” or “pence”	the lawful currency of the United Kingdom
“RBS”	Royal Bank of Scotland plc
“Receiving Agent”	Capita Registrars
“Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755)
“Regulatory Information Service”	any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the Listing Rules
“Restricted Jurisdiction”	the United States, Canada, Australia or Japan or any other jurisdiction where extension or acceptance of the Offer would violate the law of that jurisdiction
“RPI”	Retail Price Index
“Senior Lenders”	HSBC and RBS
“Series “A” Loan Notes or “A” Loan Notes”	the £2,000,000 unsecured floating rate Loan Notes due 2012 created by Cosalt pursuant to the instrument dated 3 May 2011, carrying interest at the annual rate equal to LIBOR, details of which are set out in paragraph 11.1(m) of Appendix 4 to this document
“Series “B” Loan Notes” or “B” Loan Notes”	the £1,500,000 unsecured floating rate Loan Notes created by Cosalt on 3 May 2011, carrying interest at the annual rate equal to LIBOR, details of which are set out in paragraph 11.1(n) of Appendix 4 to this document
“Sovereign Holding”	Sovereign Holding Limited
“Survitec”	Survitec Group Limited, a company incorporated in England and Wales with registered number 905173
“Survitec Group”	Survitec and its subsidiaries and subsidiary undertakings from time to time
“Target Companies”	each of Cosalt International Limited (incorporated in England and Wales under registered number 553893), Oceana Air Sea Trading Company BV (incorporated in Rotherdam under registered number 24167544) Cosalt NV (incorporated in Antwerp under registered number 0458.796.616, RPR/IPRM ANTWERP), Cosalt GmbH

(incorporated in Hamburg under registered number HRB 2(851) and Cosalt Seguridad Maritima S.L. (incorporated in Barcelona under registered number B59321554) and Cosalt (a subsidiary of Oceana Air Sea Trading Company B.V) (incorporated in Rotherdam under registered number 28035184) (each, a “Target Company”)

“Transitional Services Agreements”	the Transitional Services Agreements entered into by Cosalt and Survitec, further details of which are set out in sub paragraph 11.1(f) of Appendix 4 to this document
“TFE Instruction”	a transfer from escrow instruction
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual)
“Unapproved Scheme”	Cosalt 1996 Unapproved Executive Option Scheme
“uncertificated” or “in uncertificated form”	in relation to a share or other security, recorded on the relevant register in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“WH Ireland”	WH Ireland Limited, Oval’s financial adviser
“wider Cosalt Group”	Cosalt, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Cosalt and such undertakings (aggregating their interests) have an interest in 20 per cent. or more of the voting or equity capital (or the equivalent)

In this document the expressions “subsidiary”, “subsidiary undertaking”, “associated undertaking” and “undertaking” have the meanings given by the Companies Act 2006.

In this document, the singular includes the plural and *vice versa*, unless the context otherwise requires.

All references in this document and the Form of Acceptance to time are to London time.

All references to legislation in this document are to English legislation unless the contrary is stated. Any references to any provision of any legislation shall include any amendment, re-enactment or extension thereof.

