

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER, IMMEDIATELY.

Application is being made to the London Stock Exchange for New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange ("AIM").

If you have sold or otherwise transferred all your Existing Ordinary Shares in CEPS, please forward this Document and the enclosed form(s) of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold only part of your holding, please immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.

CEPS PLC

(Incorporated and registered in England and Wales with registered No. 507461)

Proposed Share Capital Reorganisation

Notice of General Meeting

A letter from the Chairman of CEPS is set out on pages 6 to 10 of this Document which includes a recommendation of the Directors on page 10.

Notice of a General Meeting of CEPS to be held at 11:45 a.m. (or, if later, immediately following the conclusion of the Annual General Meeting taking place at 11.30 a.m.) on 10 June 2013 at Engineers' House, The Promenade, Clifton Down, Bristol BS8 3NB is set out on pages 11 to 12 of this Document. Whether or not you plan to attend the General Meeting, please complete the enclosed Form of Proxy. To be valid, the accompanying Form of Proxy for use at the General Meeting should be completed, signed and returned in accordance with the instructions thereon to Share Registrars Limited, Suite E, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible and, in any event, so as to arrive by not later than 11:45 a.m. on 6 June 2013. The completion and return of a Form of Proxy will not prevent you from attending, speaking and voting at the General Meeting in person should you wish to do so.

Copies of this Document, which is dated 8 May 2013, will be available free of charge to the public during normal working hours on any weekday (except Saturdays and public holidays) from the registered office of the Company and from the offices of Share Registrars Limited for not less than one month from 8 May 2013.

CONTENTS

	Page
Definitions	2
Expected Timetable of Principal Events	4
Statistics relating to the Restructuring Proposals	5
Letter from the Chairman of CEPS PLC	6
Notice of General Meeting of CEPS PLC	11

DEFINITIONS

"Act"	the Companies Act 2006 (as amended);
"AIM Rules"	the rules for companies whose shares are traded on AIM, and their nominated advisers, as issued by the London Stock Exchange from time to time;
"AIM"	a market of that name operated by the London Stock Exchange;
"Articles"	the articles of association of the Company at the date of this Document;
"certificated" or in "certificated form"	a share or security which is not in uncertificated form (that is, not in CREST);
"Company" or "CEPS"	CEPS PLC (registered under company number 507461);
"Consolidated Shares"	the ordinary shares of £25.00 each in the Company to be created following the Consolidation and before the Subdivision;
"Consolidation"	the consolidation of each 500 Existing Ordinary Shares into a Consolidated Share;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations);
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;

"Directors"	the directors of the Company whose names are set out on page 6 of this Document;
"Document"	this document;
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST;
"Existing Ordinary Shares"	the 10,814,310 ordinary shares of 5 pence each in the capital of the Company;
"Form of Proxy"	the form of proxy accompanying this Document for use at the General Meeting;
"General Meeting"	the general meeting of the Company to be held at Engineers' House, The Promenade, Clifton Down, Bristol BS8 3NB on 10 June 2013 at 11:45 a.m. (or, if later, immediately following the conclusion of the Annual General Meeting which is scheduled to start at 11.30 a.m.), notice of which is set out at the end of this Document;
"London Stock Exchange"	London Stock Exchange plc;
"New Ordinary Shares"	the ordinary shares of 10 pence each in the Company to be created following the Subdivision;
"Record Date"	close of business on 10 June 2013;
"Resolutions"	the resolutions to be proposed at the General Meeting, details of which are set out in this Document;
"Restructuring"	the Consolidation and the Subdivision;
"Restructuring Proposals"	the proposals set out in this Document for the consolidation of the Existing Ordinary Shares into Consolidated Shares and the subdivision of Consolidated Shares into New Ordinary Shares;
"Shareholder(s)"	the holders of the Existing Ordinary Shares on the register of members of the Company on the Record Date;
"Subdivision"	the subdivision of each Consolidated Share into 250 New Ordinary Shares; and
"United Kingdom"	the United Kingdom of Great Britain and Northern Ireland.

All references in this Document to "£" or "pence" are to the lawful currency of the UK.

All references to legislation in this Document are to English legislation.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2013

Latest time and date for receipt of the Forms of Proxy	11.45 a.m. on 6 June
General Meeting	11.45 a.m. on 10 June
Record Date	10 June
Latest time and date for dealings in Existing Ordinary Shares	*4:30 p.m. on 10 June
Commencement of dealings in New Ordinary Shares	8.00 a.m. on 11 June
CREST accounts credited with New Ordinary Shares	11 June
Dispatch of definitive certificates for New Ordinary Shares (in certificated form)	On or around 14 June
Payment (where applicable) in respect of sales of New Ordinary Shares arising out of the Subdivision of aggregated fractional entitlements to Consolidated Shares	On or around 14 June

Notes:

- (1) *All transfers must be settled by this date to qualify for the Consolidation.
- (2) If you have any questions on the procedure for lodging a Form of Proxy, you should contact Share Registrars Limited, telephone 01252 821 390. Please note that Share Registrars Limited cannot provide financial advice on the merits of the Restructuring Proposals.
- (3) The dates set out in the timetable above may be subject to change.
- (4) All references to times in this Document are to London time.

STATISTICS RELATING TO THE RESTRUCTURING PROPOSALS

Number of Existing Ordinary Shares in issue at the date of this Document	10,814,310
Conversion ratio of Existing Ordinary Shares to Consolidated Shares	500 Existing Ordinary Shares : 1 Consolidated Share
Conversion ratio of Consolidated Shares to New Ordinary Shares	1 Consolidated Share : 250 New Ordinary Shares
Total number of New Ordinary Shares in issue following the Restructuring Proposals*	5,407,155
Expected number of New Ordinary Shares to be sold pursuant to the aggregation of fractional entitlements arising from the Restructuring Proposals*	36,905

* Based on the register of members of the Company as at close of business on 3 May 2013.

The ISIN code for the Existing Ordinary Shares is GB00B1L5NM36. Following the Consolidation and Subdivision, the ISIN code for the New Ordinary Shares will be GB00B86TNX04.

LETTER FROM THE CHAIRMAN OF CEPS PLC

Directors

Mr Richard Thomas Organ, *Non-Executive Chairman*
Mr Peter George Cook, *Group Managing Director*
Miss Vivien Elizabeth Langford, *Group Finance Director*
Mr David Alistair Horner, *Non-Executive Director*
Mr Geoffrey Charles Martin, *Non-Executive Director*

Registered Office

12b George Street
Bath BA1 2EH

8 May 2013

Dear Shareholder

Proposed Share Capital Reorganisation**Notice of General Meeting****1 Background to and reasons for the Restructuring Proposals**

The Directors of CEPS have today announced a proposal for the reorganisation of the share capital of the Company.

The Company currently has in issue 10,814,310 Existing Ordinary Shares which, as at the date of this letter, are held by approximately 1,051 Shareholders. The Directors are conscious that Shareholders with small numbers of Ordinary Shares may find it uneconomic to trade them. In addition, such a wide shareholder base places an administrative and cost burden on the Company which is disproportionate for a company of the size of CEPS.

The Directors consider that it is in the best interests of the Company's long term development as a public quoted company to have a more manageable number of Shareholders.

The Restructuring will reduce the number of Shareholders, which, in turn, will:

- (a) provide holders of small numbers of Existing Ordinary Shares with the opportunity to receive a cash sum for their Existing Ordinary Shares without them having to incur dealing costs which would normally apply to a conventional disposal of shares in the market; and
- (b) achieve cost savings for the Company, which currently incurs significant printing and posting costs whenever documents are sent to Shareholders.

The Restructuring Proposals are subject to Shareholders' approval at the General Meeting, notice of which is set out at the end of this Document.

The purpose of this Document is to provide Shareholders with details of the Restructuring Proposals and to explain why the Directors are recommending Shareholders to vote in favour of the Restructuring Proposals at the General Meeting.

2 The Restructuring Proposals

The Restructuring Proposals are as follows:

- **Consolidation**

The Existing Ordinary Shares will be consolidated into Consolidated Shares on the basis that every 500 Existing Ordinary Shares will become 1 Consolidated Share.

Shareholders holding a number of Existing Ordinary Shares not divisible by 500 will be entitled to fractions of Consolidated Shares. Please refer to paragraph 5 overleaf for details of how the Directors propose to deal with all such fractional entitlements.

- **Subdivision**

All of the resulting Consolidated Shares will then be subdivided into New Ordinary Shares on the basis that each Consolidated Share will become 250 New Ordinary Shares.

The Restructuring Proposals require the passing of the Resolutions at the General Meeting, which is to be held at 11:45 a.m. (or, if later, immediately following the conclusion of the Annual General Meeting which is scheduled to start at 11.30 a.m.) on 10 June 2013 at Engineers' House, The Promenade, Clifton Down, Bristol BS8 3NB. If the Resolutions are passed, the Restructuring Proposals will become effective immediately following close of business on that date.

3 Consolidation

The minimum threshold for entitlement to receive Consolidated Shares will be 500 Existing Ordinary Shares. As a result, if a Shareholder holds fewer than 500 Existing Ordinary Shares at the Record Date, he or she will not receive any Consolidated Shares, but will be entitled to a fractional entitlement to a Consolidated Share.

Any Shareholder who holds fewer than 500 Existing Ordinary Shares and wishes to retain an interest in the Company will need to acquire additional Existing Ordinary Shares so that the Shareholder's enlarged holding at the Record Date is divisible at least once by 500.

If a Shareholder holds more than 500 Existing Ordinary Shares at the Record Date, then, unless his or her shareholding is exactly divisible by 500, he or she will, following the Consolidation, own a whole number of Consolidated Shares and will be entitled to a fractional entitlement to a Consolidated Share.

4 Subdivision

The Directors believe that the Consolidation would lead to an excessively high price for each Consolidated Share and that this would adversely impact on liquidity and the ability of investors to trade in Consolidated Shares on AIM. The Directors, therefore, propose that each Consolidated Share will be subdivided into 250 New Ordinary Shares of 10 pence each.

The Record Date for the Subdivision will be the same as for the Consolidation, which is 10 June 2013.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM and dealings in the New Ordinary Shares are expected to commence on 11 June 2013.

5 Fractional entitlements to Consolidated Shares

As a result of the Consolidation, Shareholders holding a number of shares not divisible by 500 will be entitled to fractions of Consolidated Shares.

The Directors propose that all such fractional entitlements to Consolidated Shares are dealt with in the following way:

- (a) Shareholders who will have a fractional entitlement to a Consolidated Share will not be issued with any fraction of a Consolidated Share.
- (b) Instead, all such fractional entitlements to Consolidated Shares will be aggregated with all other such fractional entitlements, subdivided into New Ordinary Shares and sold in accordance with sub-paragraphs (c) to (f) below.
- (c) Upon the admission of the New Ordinary Shares to trading on AIM, the New Ordinary Shares arising out of the Subdivision of the aggregated fractional entitlements described in sub-paragraph (b) above will be sold to certain of the Directors of the Company.
- (d) The price at which the New Ordinary Shares to be sold in accordance with the arrangements described in paragraph (c) above will be the average of:
 - i. the closing mid-market price per New Ordinary Share, as derived from the AIM Appendix to the London Stock Exchange Daily Official List for 11 June 2013; and
 - ii. the highest mid-market price at which New Ordinary Shares were dealt in on 11 June 2013.
- (e) The proceeds from the sale of the New Ordinary Shares arising from the aggregated fractional entitlements to Consolidated Shares will be distributed pro rata to the relevant Shareholders save that, in accordance with article 7 of the Company's Articles, where a Shareholder is entitled to an amount which is less than £5, the amount will not be distributed to such a Shareholder, but will be donated to a charity nominated by the Directors.
- (f) Payments will be made in Pounds Sterling on a cheque drawn on a branch of a UK bank which will be posted, by first class post, to the person(s) entitled thereto at their own risk.

6 General Meeting

The Restructuring Proposals must be approved by Shareholders by ordinary resolution at the General Meeting, which is convened by the notice set out at the end of this Document. Shareholders will be entitled to attend and vote at the General Meeting in accordance with the Articles. On a poll they will have one vote per Existing Ordinary Share held as at the Record Date.

7 United Kingdom taxation in relation to the Restructuring

The comments below and on page 9 are intended as a general guide only and are based on current United Kingdom tax law and HM Revenue and Customs' published practice. The comments below and on page 9 apply only to Shareholders who are individuals resident, ordinarily resident and domiciled in the United Kingdom for tax purposes, who hold their Existing Ordinary Shares as investments and not on a trading account and are the absolute beneficial owners of such shares.

The taxation position of certain Shareholders subject to special rules, such as dealers in securities, broker dealers, companies, insurance companies and collective investment schemes, is not considered and such Shareholders who are in any doubt about their tax position or who are subject to tax in another jurisdiction outside the UK should consult their own professional advisers.

For the purposes of United Kingdom taxation, the position of each Shareholder will differ depending on whether or not they hold an exact multiple of 500 Existing Ordinary Shares.

For example, a holder of 600 Existing Ordinary Shares will be treated in accordance with paragraph (A) below in respect of 500 Existing Ordinary Shares and in accordance with paragraph (B) below in respect of 100 Existing Ordinary Shares.

(A) Treatment in respect of Existing Ordinary Shares which, following the Consolidation, give rise to whole Consolidated Shares which are subsequently subdivided into New Ordinary Shares which are held by the Shareholder in question

The Restructuring will be treated as a reorganisation of the share capital of the Company for UK tax purposes. Accordingly, the Consolidated Shares and, subsequently, the New Ordinary Shares will, for tax purposes, be treated as the same asset as the Shareholder's Existing Ordinary Shares and as having been acquired at the same time and for the same price as the Shareholder's Existing Ordinary Shares were acquired. There will be no disposal for capital gains tax purposes as a result of the Restructuring.

(B) Treatment in respect of Existing Ordinary Shares which, following the Consolidation, give rise to fractional entitlements to Consolidated Shares which are subsequently subdivided into New Ordinary Shares and then sold on behalf of the Shareholder in question

Shareholders not holding an exact multiple of 500 Existing Ordinary Shares will have, immediately following the Consolidation, a fractional entitlement to a Consolidated Share in respect of the portion of their Existing Ordinary Shares not divisible by 500 (in addition to any whole Consolidated Shares). The New Ordinary Shares arising out of the Subdivision of such fractional entitlements will then be sold on their behalf. This will constitute a disposal for tax purposes. The disposal will be subject to capital gains tax ("CGT"). This may, depending on the Shareholder's individual circumstances and the amount they paid for their shares, give rise to a chargeable gain or an allowable loss for CGT purposes.

In calculating any CGT they may have to pay on the disposal, the individual Shareholder may deduct their CGT annual allowance, if available (currently £10,900 for the 2013 – 2014 tax year), and any allowable losses. Any CGT payable on the disposal is payable through a self-assessment tax return for the tax year in which the purchase of the fractional entitlements is made and is payable by 31 January following the end of the relevant tax year (31 January 2015 for disposals in the tax year ended 5 April 2014).

8 Action to be taken

Holders of Existing Ordinary Shares will find enclosed with this Document a Form of Proxy for use by them at the General Meeting.

Whether or not you are able to attend the General Meeting, you are requested to complete the enclosed Form of Proxy and return it to Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible and, in any event, so as to arrive by 11:45 a.m. on 6 June 2013. The completion and return of a Form of Proxy will not prevent you from attending the General Meeting and voting in person if you subsequently wish to do so.

You may call Share Registrars Limited on **01252 821 390** if you have any questions about the Restructuring Proposals.

9 Share certificates

If the Restructuring Proposals are approved, new share certificates in respect of the New Ordinary Shares will be sent to relevant Shareholders whose Existing Ordinary Shares are not held in CREST, as soon as is practicable by first class post. Existing share certificates in respect of Existing Ordinary Shares will cease to be valid.

10 CREST

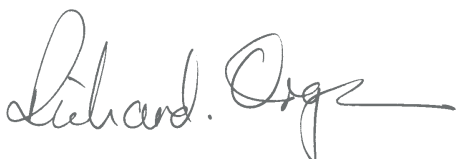
For Shareholders whose Existing Ordinary Shares are held in CREST, CREST accounts will be credited with the New Ordinary Shares on the first day of dealings in the New Ordinary Shares.

11 Recommendation

The Directors consider that the Restructuring Proposals are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole. The Directors, therefore, recommend you to vote in favour of the Resolutions.

The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings of Existing Ordinary Shares. Such shareholdings comprise 2,523,360 Existing Ordinary Shares representing approximately 23.3 per cent of the total Existing Ordinary Shares.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Richard T. Organ', with a long horizontal flourish extending to the right.

R T Organ

Non-Executive Chairman

NOTICE OF GENERAL MEETING OF CEPS PLC

Notice is hereby given that a general meeting ("**General Meeting**") of CEPS PLC (the "**Company**") will be held at 11:45 a.m. (or, if later, immediately following the conclusion of the Annual General Meeting of the Company which is scheduled to start at 11.30 a.m.) on Monday 10 June 2013 at Engineers' House, The Promenade, Clifton Down, Bristol BS8 3NB for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

- 1 THAT all of the shares of 5 pence each in the capital of the Company in issue as at 5:00 p.m. on the date upon which this Resolution is passed ("**Existing Ordinary Shares**") shall be consolidated, converted into and redesignated as new ordinary shares of £25.00 each in the capital of the Company ("**Consolidated Shares**"), at a ratio of 500 Existing Ordinary Shares to 1 Consolidated Share provided that, where such consolidation results in any shareholder being entitled to a fraction of one Consolidated Share, such fraction shall be dealt with by the directors of the Company as they see fit pursuant to their powers available to them under article 7 of the Company's articles of association.
- 2 THAT, subject to and conditional upon resolution 1 above being passed, each Consolidated Share of £25.00 each in the capital of the Company (together with any fraction of a Consolidated Share) be subdivided into new ordinary shares of 10 pence each in the capital of the Company ("**New Ordinary Shares**") at the rate of 250 New Ordinary Shares to 1 Consolidated Share.

By Order of the Board

V E Langford

Company Secretary

12b George Street

Bath BA1 2EH

Registered in England and Wales No 507461

8 May 2013

Notes

- 1 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and, on a poll, vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A proxy form, which may be used to make such appointment and give proxy instructions, accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Share Registrars Limited on 01252 821 390.
- 2 To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrars Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL or by scan and email to Share Registrars Limited at proxies@shareregistrars.uk.com, in each case no later than 11:45 a.m. on 6 June 2013.
- 3 The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 7 below) will not prevent a Shareholder attending the General Meeting and voting in person if he/she wishes to do so.
- 4 If you wish to attend the meeting in person, please attend at 11:45 a.m. (or, if later, immediately following the conclusion of the Annual General Meeting of the Company which is scheduled to start at 11:30 a.m.) on 10 June 2013 bringing appropriate identification so that you can be identified. It is recommended that you arrive at least 15 minutes before the time appointed for the General Meeting to begin.
- 5 To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 11:45 a.m. on 6 June 2013.
- 6 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this General Meeting by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Share Registrars Limited (CREST Participant ID: 7RA36), no later than 11:45 a.m. on 6 June 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
- 7 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 8 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.