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This document comprises an Admission Document required by the AIM Rules and has been drawn up in accordance with the AIM Rules. This document does not contain an offer of transferable securities to the public within the meaning of section 102B to FSMA and does not require a prospectus within the meaning of section 85 of FSMA and is not a prospectus as defined in the AIM Rules.

The Directors of GETECH Group PLC, whose names appear on page 9 of this document, accept individual and collective responsibility for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for the whole of the existing issued and to be issued Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on AIM on 23 September 2005.

GETECH Group PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02891368)

Placing of 8,270,358 Ordinary Shares of 0.25p each at 39p per share

and

ADMISSION TO TRADING ON AIM

Nominated Adviser and Broker

TEATHER & GREENWOOD LIMITED

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Teather & Greenwood Limited (“Teather & Greenwood”), which is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as nominated adviser and broker to the Company (for the purpose of the AIM Rules) and no one else in connection with the Placing and the Admission and will not be responsible for providing the protections afforded to customers of Teather & Greenwood nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it. Teather & Greenwood’s responsibilities as the Company’s nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire Ordinary Shares in the Company in reliance on any part of this document.

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CONTENTS

	<i>Page</i>
Definitions	3
Glossary	6
Key information	7
Placing statistics and expected timetable	8
Directors, secretary and advisers	9
PART I The Company and its business activities	10
PART II Risk factors	19
PART III Section A – Accountants’ Report	23
 Section B – Financial Information	25
PART IV Additional information	38

DEFINITIONS

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

“Act”	the Companies Act 1985 (as amended)
“Admission”	the admission of the Ordinary Shares (including the Placing Shares) to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM market of the London Stock Exchange
“AIM Rules”	the rules for companies whose securities are traded on AIM and their nominated advisers published by the London Stock Exchange, as amended from time to time
“Articles”	the articles of association of the Company
“certificated” or “in certificated form”	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
“Combined Code”	the Principles of Good Governance and Code of Best Practice, issued by the London Stock Exchange
“Company”	GETECH Group PLC
“Covenantors”	the University and Techtran Group Limited
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Directors” or “Board”	the directors of the Company whose names are listed on page 9 of this document
“EIS”	the Enterprise Investment Scheme, as prescribed in Part VII of Chapter III of the Income and Corporation Taxes Act 1988, as amended
“EMI Options”	an enterprise management incentive granted pursuant to the rules of the EMI Scheme
“EMI Scheme”	the Company’s enterprise management incentive share option scheme under the provisions of the Income Tax (Earnings and Pensions) Act 2003, details of which are set out in paragraph 12 of Part IV of this document
“Enlarged Share Capital”	the entire issued share capital of the Company immediately following the Placing and Admission
“FSA”	the Financial Services Authority Limited, the single statutory regulator under FSMA
“FSMA”	the Financial Services and Markets Act 2000, as amended including any regulations made pursuant thereto

“Fugro”	Fugro Robertson Limited (a company incorporated in England and Wales with registered number 03006207) and its subsidiaries, from time to time
“GETECH”, “GETECH Group” or “Group”	the Company and the Subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the official list of the UK Listing Authority
“Ordinary Shares”	the ordinary shares of 0.25p each, issued and unissued, in the capital of the Company
“Placing”	the proposed conditional placing by Teather & Greenwood of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement between the Directors (1), the Company (2) and Teather & Greenwood (3), dated 22 September 2005, relating to the Placing and Admission, details of which are summarised in paragraph 10.2 of Part IV of this document
“Placing Price”	the price of 39p per Placing Share
“Placing Shares”	the 7,692,307 Ordinary Shares to be issued pursuant to the Placing
“PSEG”	the Petroleum Systems Evaluation Group
“Qualifying Employees”	an employee who devotes at least 25 hours per week or 75 per cent. of his working time to the business of the Group
“Shareholders”	holders of Ordinary Shares
“Subsidiaries”	Getech International Limited and Geophysical Technology Exploration Inc., a company incorporated in Houston, Texas
“Teather & Greenwood”	Teather & Greenwood Limited, which is authorised and regulated in the United Kingdom by the FSA
“UK GAAP”	Generally Accepted Accounting Practice in the United Kingdom
“UK Listing Authority”	a division of the FSA acting as a competent authority for the purposes of Part VI of FSMA
“ULIS”	University of Leeds Innovations Limited, a company established to manage the commercialisation of intellectual property of the University, incorporated and registered in England and Wales with company number 01002075
“Unapproved Options”	options granted by the Company under the EMI Scheme to directors, employees or consultants who are not Qualifying Employees
“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on the Company’s register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America
“University”	the University of Leeds
“Vendors”	Christine Anne Fairhead, Karen Jayne Green, Rosemary Lucy Catherine Somerton, Simon Campbell and Sherry McKenna
“Vendor Placing”	the conditional placing by Teather & Greenwood on behalf of the Vendors of the Vendor Placing Shares at the Placing Price pursuant to the Vendor Placing Agreement
“Vendor Placing Agreement”	the conditional agreement between the Vendors (1), the Company (2) and Teather & Greenwood (3) relating to the Vendor Placing, further details of which are set out in paragraph 10.4 of Part IV of this document
“Vendor Placing Shares”	578,051 Ordinary Shares to be placed pursuant to the Vendor Placing

GLOSSARY

The following glossary of terms applies throughout this document, unless otherwise stated or the context otherwise requires:

“GIS”	Geographic Information System – a digital computer software system capable of displaying and analysing multiple layers of geographical information
“Gravity”	the force of attraction between bodies because of their mass, usually measured as the acceleration of gravity. This is normally used after the Earth’s main field has been removed to enable the mapping of small variations of acceleration of gravity over the Earth’s surface to model three-dimensional subsurface mass distribution
“Magnetics”	the mapping of the magnetic field strength after the main Earth’s field component (representing around 99 per cent.) has been removed. The resulting map can be used to map the three-dimensional subsurface rock magnetisation distribution
“RAMS”	Russian AeroMagnetic Study – a GETECH study, which involves the reprocessing and limited interpretation of archive magnetic survey data covering the majority of Russia
“Sedimentary basin”	an area of subsidence in the crust of the Earth formed by tectonic activity and/or sedimentary loading in which sediments accumulate
“Seismic”	refers to a geophysical survey that collects seismic reflection data, which identifies underground geological structures by sending energy waves or sound waves into the earth and recording the wave reflections
“Tectonics”	the forces that cause the movement and deformation of the Earth’s crust on a large scale, and which also describes the resulting structures or features from these forces

KEY INFORMATION

THE FOLLOWING INFORMATION MUST BE READ IN CONJUNCTION WITH THE WHOLE OF THIS DOCUMENT INCLUDING IN PARTICULAR PART II HEADED ‘RISK FACTORS’.

Introduction

GETECH is a profitable and cash generative oil services business specialising in the compilation and analysis of gravity and magnetic data. GETECH licenses these data sets and interpretation reports to major oil, gas and mining companies to enable these companies to evaluate regional geology and thereby assist their exploration strategies. GETECH has compiled one of the most extensive commercial libraries of gravity and magnetic data. GETECH is based at the University of Leeds, and it has a subsidiary in Houston, Texas.

Financials

The following financial information has been derived from the financial information on the Group contained in Section B of Part III of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information.

	<i>31 July 2003 £'000</i>	<i>31 July 2004 £'000</i>	<i>31 July 2005 £'000</i>
Turnover	1,832	1,776	3,482
EBITDA	303	101	764
PBT	213	80	730

As at 31 July 2005, the Group had consolidated net assets of £895,440 with cash balances of £1,423,703.

Current Trading

The Group has continued through August 2005 to work on a number of non-exclusive and proprietary studies for its customers. In addition the Group continues to license magnetic and gravity data from its extensive library. Current trading is therefore in line with management's expectations.

Further financial information on the Group is provided in Section B of Part III of this document.

Reasons for the Placing

The Company intends to raise approximately £2.5 million net of expenses (excluding VAT) pursuant to the Placing. The net proceeds of the Placing will be used:

- to invest in the core data library and for working capital for the development of global gravity and magnetic data sales, allowing the Group to take the lead in selected studies and providing funds to meet advanced royalty payments to secure access to new databases and sources;
- to invest in PSEG, enlarging the operation by recruiting additional qualified staff, increasing the accommodation and equipment and committing funds to additional marketing spend; and
- together with GETECH's current cash balances, to seek opportunities for acquisitions and joint ventures both in its current areas of operation and also to expand the Group's operations further down the exploration and production process, enabling it to access a wider range of oil, gas and mining company budgets.

The Vendor Placing will also provide an opportunity for certain existing shareholders to realise part of the value of their shareholdings in the Company.

The Directors believe that Admission will:

- enhance the Group's status and profile in the industry;
- assist the Group in raising additional equity finance should this be required; and
- provide liquidity for investors through the ability to buy and sell Ordinary Shares.

PLACING STATISTICS

Placing Price	39p
Number of Ordinary Shares in issue prior to the Placing	20,000,000
Number of Placing Shares to be issued pursuant to the Placing	7,692,307
Number of Vendor Placing Shares being placed	578,051
Number of Ordinary Shares in issue immediately following Admission	27,692,307
Market capitalisation of the Company following the Placing and Admission at the Placing Price	£10,800,000
Percentage of Enlarged Share Capital being placed pursuant to the Placing	27.77 per cent.
Estimated gross proceeds of the Placing	£3,225,000
Estimated net proceeds of the Placing receivable by the Company	£2,498,000

EXPECTED TIMETABLE

Admission and dealings in the Enlarged Share Capital on AIM expected to commence	23 September 2005
CREST accounts credited for Placing Shares in uncertificated form	23 September 2005
Despatch of definitive share certificates for Placing Shares to be held in certificated form	by 7 October 2005

DIRECTORS, SECRETARY AND ADVISERS

Directors	Peter Francis Howard Stephens	<i>(Non-Executive Chairman)</i>
	Dr James Derek Fairhead	<i>(Managing Director)</i>
	Colin Glass FCA	<i>(Finance Director)</i>
	Dr Christopher Mark Green	<i>(Technical Director)</i>
	Ian William Somerton	<i>(Marketing Director)</i>
	Raymond Wolfson ACA	<i>(Non-Executive Director)</i>
	Dr David Gwyn Roberts	<i>(Non-Executive Director)</i>

all of:

University of Leeds
Leeds LS2 9JT

Company Secretary Colin Glass FCA

Registered Office Convention House
St Mary's Street
Leeds LS9 7DP

Nominated Adviser and Broker Teather & Greenwood Limited
Beaufort House
15 St Botolph Street
London EC3A 7QR

Auditors and Reporting Accountants to the Company Grant Thornton UK LLP
St John's Centre
110 Albion Street
Leeds LS2 8LA

Solicitors to the Company Walker Morris
Kings Court
12 King Street
Leeds LS1 2HL

Solicitors to the Placing Memery Crystal Solicitors
44 Southampton Buildings
London WC2A 1AP

Principal Bankers National Westminster Bank plc
PO Box 183
8 Park Row
Leeds LS1 1QT

Registrars Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA

PART I

THE COMPANY AND ITS BUSINESS ACTIVITIES

Introduction

GETECH is a profitable and cash generative oil services business specialising in the compilation and analysis of gravity and magnetic data. GETECH licenses these data sets and interpretation reports to major oil, gas and mining companies to enable these companies to evaluate regional geology and thereby assist their exploration strategies. GETECH has compiled one of the most extensive commercial libraries of gravity and magnetic data. GETECH is based at the University of Leeds and it has a subsidiary in Houston, Texas.

Background

Magnetic data can be mapped to show small variations in the Earth's magnetic field. These maps can then be analysed to show the location and depth of geological structures such as faults, rock boundaries and volcanics.

Gravity data is similar to magnetic data, except that it is used for mapping the variation of the gravity field of the Earth. Variations in the Earth's gravitational pull arise from changes in the density of rocks. The gravity field allows three-dimensional analysis of geological structures at depth. For example the gravitational field increases over anticlines (arch folds in rocks) and decreases over the top of salt domes (a plug of salt).

This information, together with other data, contributes to the evaluation of the mineral and hydrocarbon potential of a region.

GETECH licenses its magnetic and gravity datasets and interpretation reports to oil, gas and mining companies who are able to generate an image of the sub-surface geology over a potential exploration area. The Directors believe this benefits the oil, gas and mining companies by adding a greater degree of certainty before more expensive seismic exploration and drilling operations are undertaken.

History

GETECH has evolved from a University of Leeds research group, which was established in the early 1980s by Dr Derek Fairhead, currently Professor of Applied Geophysics. In 1991, this research group was renamed Geophysical Exploration Technology and it became a division of ULIS, a company established to manage the University's commercialisation of intellectual property. In 1996, Geophysical Exploration Technology Inc. was established in Houston, Texas, to strengthen and build on close contacts with major oil companies. In October 2000, GETECH was "spun-out" from the University with 80 per cent. of the equity being allocated to senior employees within GETECH and with the University retaining the remaining 20 per cent. To preserve GETECH's valuable links with the University, Dr Derek Fairhead still spends 20 per cent. of his time teaching and supervising research within the University.

GETECH has, since the mid-1980s, undertaken and continues to undertake a series of major gravity and magnetic continental scale studies, funded by oil and gas companies. These studies have integrated on a continental scale disparate exploration gravity and magnetic datasets owned by oil companies with other available data into a single unified database.

GETECH took the strategic decision in mid-2004 to develop a new division of the business, the Petroleum Systems Evaluation Group (PSEG), and recruited senior geo-scientists to manage it. PSEG uses data already held by GETECH with other data to analyse the potential petroleum systems within sedimentary basins. The aim of PSEG is to provide oil companies with a more detailed insight of where oil and gas are likely to be found within the sedimentary basins. This further analysis builds on GETECH's core competency of defining the location and structural architecture of the sedimentary basins. The Directors believe PSEG has significant growth potential due to the increasing demand for its services.

Principal Activities

GETECH has 3 principal activities:

- Global Gravity and Magnetic Data Licensing
- Interpretation Studies and Services
- PSEG

The first two activities contributed the majority of Group revenue for the year ended 31 July 2005.

1. *Global Gravity and Magnetic Data Licensing*

GETECH has compiled one of the most extensive commercial libraries of gravity and magnetic data, which is marketed and then licensed to oil, gas and mining companies. This activity has contributed the majority of Group revenue and profit since 2000 and contributed 51 per cent. of Group revenue for the year ended 31 July 2005. GETECH continues to update its data library by entering into new marketing agreements with data suppliers and therefore continues to develop new products. For example, RAMS, an ongoing GETECH study, receives funding from four of the leading oil companies totalling in excess of £1.2 million.

2. *Interpretation Studies and Services*

The Group undertakes two types of interpretation studies:

- **Non-exclusive studies**, whereby a number of companies provide the funding for the study but the ownership of the study remains with GETECH. The study is then licensed to as many clients as possible after completion. GETECH's global gravity and magnetic archive data are often incorporated within the studies. An example of such a study is the "Libya Depth to Basement Study", which used GETECH-compiled gravity and magnetic data, over 700 wells, and public domain data to undertake a geological/geophysical three-dimensional interpretation study of the basement. The study has been sold successfully for five years as oil companies either enter Libya for the first time or return after sanctions were lifted. New studies are being considered in Africa, the Middle East and South East Asia.
- **Proprietary studies**, whereby a single client commissions work. Currently, this is a relatively modest revenue earner for GETECH contributing 3 per cent. of Group revenue for the year ended 31 July 2005. The work covers processing and interpretation of both GETECH datasets and survey data provided by the client. The Directors believe that this work broadens the Group's industry relationships and generates repeat work.

GETECH provides three types of services, which include:

- **Software sales and support** of a limited range of databasing, processing and interpretation software developed by GETECH.
- **Training courses** to oil, gas and mining companies, which are part of GETECH's marketing strategy.
- **Research and development** to be undertaken and funded within set projects or as a stand-alone proprietary or group-funded study.

The Directors consider that these three types of services are an important part of the business, although they do not generally represent a significant percentage of Group revenue, as service contracts can lead to further project work. For example, a one year study has been solicited from a leading European oil company as a result of services performed by GETECH for the oil company.

3. *PSEG*

In mid-2004, GETECH decided to enhance its interpretation capability by establishing PSEG, headed by Dr John Jacques and Dr Paul Markwick. PSEG uses data already held by GETECH with other data to analyse the potential petroleum systems within sedimentary basins. The aim of PSEG is to provide oil companies with a more detailed insight of where oil and gas are likely to be found within the sedimentary basins.

The Directors believe PSEG will increase GETECH's breadth of business activity in an area where there is competition, but also considerable demand from oil companies, for such services. PSEG will build on the already established links and reputations that Dr John Jacques and Dr Paul Markwick have generated over the last 5 to 10 years.

PSEG has expanded to 5 people to date. The current focus is on proprietary studies, one of which has already been completed for a British company in South East Asia. PSEG is also promoting non-exclusive studies with one in the Gulf of Mexico having commenced, and another in the South Atlantic, which is currently being planned.

Customers

The market in which GETECH operates is dominated by the large oil companies such as Shell, ExxonMobil and BP. The nature of GETECH's core business is licensing data on an enquiry by enquiry basis. This ensures GETECH is not heavily reliant upon one customer. GETECH's largest customers over the last three years, representing 50 per cent. of income, were BP and its joint ventures, ENI, ExxonMobil, Royal Dutch Shell, Statoil and the US Government. In addition, GETECH licensed data and services to over 30 smaller oil, gas and mining companies (representing the remaining 50 per cent. of its income).

Market

The market is dependent upon the size of exploration budgets in the oil industry, which is, in turn, dependent on the existing oil production levels and future demand. An indication of this demand is the current high price of oil. Many of the oil companies have taken the decision to increase their exploration budgets as they need to locate and exploit new fields to maintain current production levels and to cope with the increasing demand from developing areas such as China.

GETECH has a range of products, including data for a large number of countries worldwide, as well as a mixture of ongoing long and short-term projects with oil and gas companies. Hence the Directors believe GETECH is well positioned to provide good value products to oil, gas and mining companies which will remain in demand even if exploration budgets were to be reduced.

Dependency on licences

Where GETECH enters into collaboration, sponsorship and supply agreements with data providers to supply and enable GETECH to integrate data for specific geographical areas, ownership of the data remains with the provider of the data and GETECH requires a licence to be able to market the data derived from the project. These licences have not always been expressly provided. Your attention is drawn to the risk factor entitled, "Collaboration agreements and ownership of underlying data" in Part II of this document.

Competitors

The Directors believe GETECH is perceived by the industry as a major supplier of regional gravity and magnetic data. GETECH's main competitor is Fugro, which is a subsidiary of Fugro N.V., an integrated oil services company. However, the Directors believe that Fugro offers no direct competition in some of GETECH's specific areas of expertise.

Another potential source of competition is from in-house teams within the larger integrated oil and gas companies accessing the data from the original data suppliers and undertaking their own interpretation. The levels of enquiries received by the Company indicate that in-house technical teams are not currently able to cope with the demands for their services.

Strategy

The Directors will continue to grow the existing core business of interpretation studies and services, and are currently considering several new areas of study in which to invest. The Directors also intend to expand the core global gravity and magnetic data licensing business, and will use a portion of the

proceeds of the Placing for working capital to manage and expand the data library. The Directors aim to take the lead role in selected studies going forward thereby reducing the need for sponsors.

The Directors believe that PSEG has major growth potential and links closely and effectively with the existing core business, expanding the services GETECH is able to offer its customers. A portion of the proceeds of the Placing will be invested in PSEG to enlarge the operation, through recruiting additional qualified staff, increasing the accommodation and equipment and committing funds to additional marketing spend.

The Directors will also look to use the existing cash balance and remaining Placing proceeds for acquisitions and joint ventures both in GETECH's current areas of operation and also to expand the Group's operations further down the exploration and production process, enabling it to access a wider range of oil, gas and mining company budgets.

Summary Financial Information

The following financial information has been derived from the financial information of the Group contained in Section B of Part III of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information.

	<i>31 July</i> <i>2003</i> <i>£'000</i>	<i>31 July</i> <i>2004</i> <i>£'000</i>	<i>31 July</i> <i>2005</i> <i>£'000</i>
Turnover	1,832	1,776	3,482
EBITDA	303	101	764
PBT	213	80	730

As at 31 July 2005, the Company had consolidated net assets of £895,440 with cash balances of £1,423,703.

Current Trading

The Group has continued through August 2005 to work on a number of non-exclusive and proprietary studies for its customers. In addition the Group continues to license magnetic and gravity data from its extensive library. Current trading is therefore in line with management's expectations.

Directors

The Board consists of 7 Directors in respect of whom brief biographies are set out below. Details of service contracts, option schemes and pension arrangements relating to the Directors are set out in paragraphs 5, 8 and 12 of Part IV of this document.

Peter Stephens (aged 49), Non-Executive Chairman

Peter was previously Head of European Equities Sales at Salomon Brothers and Credit Lyonnais. Since 2001 he has been working as a venture capitalist. He has a M.A. in Jurisprudence from Oxford University and qualified as a Barrister in 1978. He is a founding shareholder of Desire Petroleum plc and is a non-executive Director of Tristel plc, a company quoted on AIM.

Dr Derek Fairhead (aged 60), Managing Director

Derek is the founder of GETECH. Derek received a B.Sc. in Geology and Physics from Durham University, a M.Sc. in Geophysics from Newcastle University, and a Ph.D. in Geophysics from Newcastle University. He has been Managing Director of GETECH for over fourteen years, and is also the Professor of Applied Geophysics at Leeds University as well as having had over 100 papers published. Derek has an honorary Professorship at the Ocean University of Qingdao, China; was awarded the Bureau Gravimetrique International (BGI) medal "for outstanding works on the Earth's gravity" in 1994; and received the Special Commendation Award by the Society of Exploration Geophysicists in 1999. Derek has numerous contacts in the oil and gas industry and Government Ministries/Survey Departments worldwide due to his involvement with the continental data compilation studies.

Dr Christopher Green (aged 44), Technical Director

Christopher has a B.Sc. in Physics from Durham University, a M.Sc. in Geophysics from the University of Leeds, and a Ph.D. in Geophysics from the University of Leeds. He started work as a Research Assistant at the University of Leeds in 1983 and subsequently became GETECH's chief Geophysicist and Technical Director. He has developed software for the visualisation of gridded gravity, magnetic and topographic datasets, in a plate tectonic context and algorithms and techniques for the processing of altimeter data from the ERS-1 and GEOSAT satellites into free-air gravity.

Ian Somerton (aged 50), Marketing Director

Ian started his career as a Geophysicist at the British Antarctic Survey, UK, and Antarctica in 1976. During 1980-82 he worked in the Applied Geophysics Research Unit at Birmingham University before moving to Robertson Research International Limited (currently renamed Fugro). Whilst with Robertson Research International Limited, Ian was responsible for many geophysical acquisition, processing and interpretation projects. These involved overseas fieldwork in countries including, Saudi Arabia, Turkey, Portugal, Botswana, Oman, Papua New Guinea, Somalia, Libya and Yemen. Ian joined GETECH in 1994 and his current responsibilities include co-ordinating the marketing of all GETECH's products and services to oil, gas and mining companies.

Colin Glass (aged 62), Finance Director

Colin is a Chartered Accountant and a partner in Winburn Glass Norfolk Chartered Accountants. He is a founder Director of the AIM quoted Surgical Innovations Group plc which reversed into Haemocell plc in 1998. He is a non-executive Director of Coe Group plc taking the company from venture capital funding to AIM quotation through a reverse takeover. He is a non-executive Director of Straight plc which he assisted in floating on AIM in 2003. He also advised the GETECH management team in the negotiations on the spin-out from the University.

Raymond Wolfson (aged 51), Non-Executive Director

Raymond has a B.A. in Physics from Magdalen College, Oxford. He worked for thirteen years in BNFL in various management consultancy and commercial roles and then moved to Ernst and Young and qualified as a Chartered Accountant. Since 1991 he has been involved in the technology transfer company at the University of Leeds, as Finance Director and later Investment Director. He has created and been a director of various spin-out companies from the University, a significant number of which have raised funding and/or been sold. Most recently he has been responsible for managing the intellectual property created at the University of Leeds.

Dr David Roberts (aged 62), Non-Executive Director

David has a B.Sc. and a D.Sc. in geology and geophysics from Manchester University. He worked for the Institute of Oceanographic Sciences for 16 years before joining BP Exploration in 1981 as Head of the Basins Analysis group. He retired from BP in 2003 as Distinguished Exploration Advisor. David's experience at BP has given him world wide exposure to exploration in a variety of sedimentary basins and petroleum systems both onshore and offshore. He is also a Visiting Professor and fellow of Royal Holloway, University of London, the University of Southampton and IFP school in Paris. David has published more than 100 papers on a variety of geoscience topics. He is the founder and editor of Marine and Petroleum Geology and is the recipient of numerous awards and also runs his own geoscience consultancy.

Senior management

In addition to the Directors, details of the senior management of the Group are set out below:

Dr John Jacques (aged 37), Manager of PSEG

John is a Senior Structural Petroleum Geologist with 14 years of professional experience. He received a Ph.D. in Structural Geology from the University of Durham, before joining Fugro as a Structural Petroleum Geologist. During his eight years at Fugro, he worked on a non-exclusive, multi-client product designed to create a definitive global exploration database. He has taken a particular research

interest in evaluating and developing regional tectonic evolutionary models for South America, the Gulf of Mexico-Caribbean and the South Atlantic, recently publishing several papers on this subject.

Dr Paul Markwick (aged 41), Senior Petroleum Geologist

Paul has 20 years professional experience, beginning at BP in the mid 1980's. He received a Ph.D. in Geophysical Sciences from the University of Chicago, followed by post-doctoral research in the application of climate modelling to exploration at the University of Reading. In 1997, Paul joined Fugro as a Petroleum Geologist, where he was involved for seven years with several high-profile studies. He has considerable global experience, specialising in the tectonics and geology of Africa, South East Asia, Australasia and Antarctica.

Mohammed Kidwai (aged 47), Vice President US Operations

Mohammed joined GETECH in 2004 with over 20 years of petroleum industry experience. He has an M.Sc. in Geological Sciences from Karachi University and an M.Sc. from the University of Oklahoma. He started his career as a geologist and in 1989 joined Carson Services as field geoscientist and field manager collecting airborne gravity and magnetic data. He has also worked as project manager and as geoscientist on several projects in Asia, Africa, South America, the Middle East and the US. Before joining GETECH he was regional manager for the Middle East with Landmark Resources, a Landmark Graphic Corporation company.

Kevin McKenna (aged 45), Senior Geophysicist/GIS

Kevin obtained a B.Sc. in Mining Engineering and M.Sc. in Exploration Geophysics from the University of Leeds and he acted as independent Consultant Geophysicist between 1983 and 1992, in a role which involved the planning, acquisition and processing of gravity, magnetic, electrical resistivity, seismic refraction and "Very Low Frequency" surveys for a variety of clients. In 1992 he joined GETECH as a Geophysicist and is now a Senior Geophysicist and specialist in GIS applications.

Melanie Stewart (aged 27), Financial Controller

Melanie has been employed at the Company for over five years and deals with all aspects of the Company's internal accounting matters, including preparation of the monthly management accounts, under the supervision of the Finance Director. She is a Member of the Association of Accounting Technicians and is studying for membership of the Chartered Institute of Management Accountants.

Employees

GETECH employs 24 staff in total of whom 21 are based at the Group's premises on the University campus and 3 are based in Houston, Texas.

The Group contributes to defined contribution pension schemes for employees and directors. The Group's contributions are up to date.

Reasons for the Placing

The Company intends to raise approximately £2.5 million net of expenses (excluding VAT) pursuant to the Placing. The net proceeds of the Placing will be used:

- to invest in the core data library and for working capital for the development of global gravity and magnetic data sales, allowing the Group to take the lead in selected studies and providing funds to meet advanced royalty payments to secure access to new databases and sources;
- to invest in PSEG, enlarging the operation by recruiting additional qualified staff, increasing the accommodation and equipment and committing funds to additional marketing spend; and
- together with GETECH's current cash balances, to seek opportunities for acquisitions and joint ventures both in its current areas of operation and also to expand the Group's operations further

down the exploration and production process, enabling it to access a wider range of oil, gas and mining company budgets.

The Vendor Placing will also provide an opportunity for certain existing shareholders to realise part of the value of their shareholdings in the Company.

The Directors believe that Admission will:

- enhance the Group's status and profile in the industry;
- assist the Group in raising additional equity finance should this be required; and
- provide liquidity for investors through the ability to buy and sell Ordinary Shares.

Terms of the Placing

Teather & Greenwood has, as agent for the Company and pursuant to the Placing Agreement, agreed to use its reasonable endeavours to conditionally place with certain institutional and other investors a total of 7,692,307 new Ordinary Shares at the Placing Price. The Placing Shares represent approximately 27.77 per cent. of the Enlarged Share Capital immediately on Admission. The Placing Shares will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends or other distributions thereafter declared, made or paid. The Placing is conditional upon, amongst other things, Admission. The Placing is not being underwritten by Teather & Greenwood. Further details of the Placing Agreement are set out in paragraph 10.2 of Part IV of this document.

In addition, Teather & Greenwood has agreed, pursuant to the Vendor Placing Agreement, to place 578,051 existing Ordinary Shares (representing approximately 2.09 per cent. of the Enlarged Share Capital) with certain institutional and other investors on behalf of the Vendors. The Vendor Placing is conditional on Admission. Further details of the Vendor Placing Agreement are set out in paragraph 10.4 of Part IV of this document.

Application has been made for the existing issued Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence on 23 September 2005.

The Directors' interests following Admission are set out in paragraph 5 of Part IV of this document.

Lock-in Arrangements

The Directors, who will on Admission hold in aggregate 43.92 per cent. of the Enlarged Share Capital, have each agreed with Teather & Greenwood and the Company not to dispose of any interest in Ordinary Shares for a period of 12 months from the date of Admission and, for a further period of 12 months, only to dispose of such Ordinary Shares through Teather & Greenwood so as to ensure an orderly market in the share capital of the Company. These undertakings do not apply in certain specified circumstances.

In addition, the Covenantors, who will hold in aggregate 22 per cent. of the Enlarged Share Capital, have agreed not to dispose of any interest in Ordinary Shares for a period of 12 months from the date of Admission and, for a further period of 12 months, only to dispose of such Ordinary Shares through Teather & Greenwood so as to ensure an orderly market in the share capital of the Company. These undertakings do not apply in certain specified circumstances.

Corporate Governance

The Directors intend to comply with the Combined Code and the Quoted Companies Alliance Guidelines published on 13 July 2005 in such respects as are appropriate for a Company of its size, nature and stage of development. The Board comprises three Non-Executive Directors to complement the Executive Directors and to provide an independent view to the Board.

The Board has established an audit committee and a remuneration committee (each comprising the three Non-Executive Directors, who will invite other members of the Board to join meetings) with formally delegated duties and responsibilities.

The audit committee will be headed by Raymond Wolfson and will also consist of Peter Stephens and Dr David Roberts. It will meet at least twice each year and will be responsible for monitoring the quality of internal control, ensuring that the financial performance of the Company is properly measured and reported on, meeting with the auditors and reviewing reports from the auditors relating to accounting and internal controls. The Finance Director will be invited to attend meetings but the committee will meet with the auditors at least once a year without the Finance Director being present.

The remuneration committee will be headed by Peter Stephens and will also consist of Raymond Wolfson and Dr David Roberts. It will review the performance of Executive Directors and set the scale and structure of their remuneration and review the basis of their service agreements with due regard to the interests of the shareholders. Other Board members may be invited to attend meetings. The remuneration committee will also make recommendations to the Directors concerning the allocation of share options to Directors and employees. No Director is permitted to participate in discussions or decisions concerning his own remuneration. The remuneration and terms of appointment of Non-Executive Directors will be set by the Board.

The Board has also considered the guidance issued by the Institute of Chartered Accountants in England and Wales (commonly known as the Turnbull Report) concerning the internal requirements of the Combined Code. The Board intends to regularly review key business and financial risks facing the Group in the operation of its business.

The Board considers that Peter Stephens, Dr David Roberts and Raymond Wolfson are independent directors, notwithstanding any shares they hold in the Company and any cross directorships they may have previously held with each other or any other Directors.

At present the Board does not consider that the Company requires the services of a full time Finance Director and Colin Glass will be responsible to the Board for the financial reporting and control of the business. The Board will continue to monitor the situation and will appoint a full time Finance Director as and when they believe that the business requires this. The Company employs a financial controller who deals with day to day transactions including preparation of management accounts. Colin Glass will spend such time as the Board feels is necessary on the business of the Company but this will not be less than the equivalent of two days per month, an arrangement that has been in place since the spin-out from the University.

Dividend Policy

The payment of dividends will be subject to the availability of distributable reserves whilst maintaining an appropriate level of dividend cover and having regard to the need to retain sufficient funds to finance the development of the Company's activities. In the short term it is the Directors' intention to re-invest funds directly into the Company rather than to fund the payment of dividends.

Employee Share Option Scheme

In order to incentivise and retain key staff members, the Company has introduced an EMI Scheme (further details of which are set out in paragraph 12 of Part IV of this document) in order to allow selected employees to share in the success of the Group. In accordance with the relevant legislation, options granted under the EMI Scheme will only qualify as EMI Options where they are granted to Qualifying Employees of the Company. If this requirement is not met the options granted will be unapproved. All Executive Directors and employees will be eligible to participate in the EMI Scheme but share options will only be granted at the discretion of the Directors, who may attach such conditions to the exercise of any option as they see fit. The EMI Scheme provides for share options to be exercised within ten years of the date upon which they were granted, and in accordance with performance criteria relating to the employee's continuing employment and the financial performance of the Company. The aggregate market value of any shares acquired by any individual under the EMI Scheme, or any other approved scheme, is not to exceed £100,000, and the aggregate market value of the shares over which any options granted under the EMI Scheme may subsist is limited to £3,000,000.

EMI Options and Unapproved Options have been granted over 1,774,474 Ordinary Shares as at Admission, representing 6.4 per cent. of the Enlarged Share Capital. It is intended that Ordinary Shares under option pursuant to the EMI Scheme will not exceed more than 10 per cent. of the Company's issued share capital from time to time.

Enterprise Investment Scheme and Venture Capital Trusts

The Company has received provisional clearance that its shares will be a qualifying investment for the purposes of the EIS and a "qualifying company" for the purposes of investment by Venture Capital Trusts ("VCTs").

The continuing availability of EIS relief and the status of the Placing Shares as a qualifying holding for VCT purposes will be conditional, *inter alia*, on the Company continuing to satisfy the requirements for a qualifying company throughout the period of three years from the date of the investor making his investment (under EIS) and, for VCT purposes, throughout the period the Ordinary Shares are held as a "qualifying holding". Qualifying company status requires, *inter alia*, the Company to conduct its trading mainly in the UK. There are other conditions the Company has to satisfy, and in such cases the Company's status is usually closely monitored.

Investors considering taking advantage of any of the reliefs available under the EIS and VCT regimes should seek individual advice in order that they may fully understand how the rules apply in their individual circumstances.

In addition, an investor must be a qualifying investor in order to be entitled to EIS relief and it is again recommended that investors seek their own professional advice in this regard.

A claim for CGT deferral relief is made by the individual investors and/or trustees claiming the relief.

The Directors and the Company give no undertaking or guarantee whatsoever to investors that the business of the Company will be conducted in a manner which is consistent with the provisions of the EIS or VCT regimes.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Dealing Arrangements

Application has been made for the issued and to be issued Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM and it is anticipated that Admission will become effective and that dealings will commence on 23 September 2005.

Taxation

Your attention is drawn to paragraph 15 of Part IV of this document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

Further Information

Prospective investors should carefully consider the information in Part II of this document which sets out certain risk factors relating to any investment in Ordinary Shares, and Parts III and IV which provide additional information on the Group.

PART II

RISK FACTORS

If you are in any doubt about the action you should take, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom. In addition to the usual risks associated with an investment in a business at an early stage of its development, the Directors consider that the following risk factors are significant to potential investors and should be carefully considered together with all other information contained in this document, prior to investing in Ordinary Shares. Any one or more of these risks may have a material effect on the value of any investment in the Company. The risks listed do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. There may be additional risks and uncertainty that the Directors currently consider not to be material or of which they are not presently aware which may also have an adverse effect on the Group.

General

- Prior to Admission, there has been no public market in the Ordinary Shares. Whilst the Company is applying for the admission of the Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List or other exchanges.
- The future success of AIM and liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid and therefore the Ordinary Shares may be or may become difficult to sell.
- An investment in the Company may not be suitable for all recipients of this document. Accordingly investors are strongly advised to consult an independent financial adviser authorised for the purpose of FSMA who specialises in the acquisition of shares and other securities in the UK before making any decision to invest.

Share price volatility and liquidity

- The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Ordinary Shares or other securities related to the oil industry or in response to various facts and events, including variations in the Group's interim or full year operating results and business developments of the Group and/or competitors.
- The market price of the Ordinary Shares may not reflect the underlying value of the Group.
- Potential investors should be aware that the value of shares and the income from them can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share quoted on the Official List.

Dependency on key personnel

- The Group relies heavily on the performance and continued services of a small number of significant individuals, principally the executive Directors and in particular Dr Derek Fairhead who is considered to be key to the contacts and strategy of the Group. The Company holds key man insurance in respect of Dr Derek Fairhead and Dr Chris Green. The Group's business may be negatively affected by the departure of any of these individuals or any other key employees. Whilst it has entered into contractual arrangements with the aim of securing the services of the existing executive management team, the retention of their services cannot be guaranteed. There can be no guarantee that the Group will be able to continue to attract and retain quality employees.

Strategy

- There can be no certainty that the Group will be able to implement successfully the strategy set out in this document.
- The ability of the Group to implement its strategy in a competitive market requires effective planning and management control systems. The Group's future growth will depend on its ability to expand and improve operational, financial and management information and control systems in line with the Group's growth. Failure to do so could have an adverse effect on the Group's business, financial condition and results of operations.

Competition

- Competitors may be able to develop products and services that are more attractive to customers than the Group's products and services. In order to be successful in the future the Group will need to continue to finance substantial research and development activities and continue to respond promptly and effectively to the challenges of technological change in the oil and gas services industry and competitors' innovations. An inability to devote sufficient resources to research and development activities in order to achieve this may lead to a material and adverse effect on the Group's business.

Relationships with customers

- The success of the Group is, in part, dependent on building and maintaining strong relationships with a relatively small group of large oil companies. In order to be successful in the future the Group will need to continue to build and maintain strong relationships. An inability to do so may lead to a material and adverse effect on the Group's business.

Key customers

- As at 31 July 2005 some 50 per cent. of the Group's turnover was derived from 7 customers. The loss of one of these customers could have a material impact on the Group.

Commercialisation

- The Group may have to defend itself against legal proceedings which could have an adverse effect on trading performance and, in turn, future profits.
- The Group's ability to generate revenues in part depends on the efforts of third parties, over whom there is little control. New sales of the Group's products may also be subject to potential delays arising from customers' acceptance and approval processes.
- The future success of the Group depends on the ability to source datasets in new areas. It is possible that if the Group fails to secure datasets from new areas that it may fail to expand its current client base, or revenues.

Dependency on size of exploration budgets and oil prices

- The defined market in which GETECH operates, being that of the gathering and interpreting of geophysical data for the oil and gas industry, is very dependent upon the size of exploration budgets in the oil industry which is, in turn, dependent on the existing oil production levels and future demand. An indicator of existing demand is the current high price of oil. However, the price of and demand for oil (and gas) is highly dependent on a number of factors, including worldwide supply and demand levels, energy policies, weather, competitiveness of alternative energy sources, global economic and political developments and the volatile trading patterns of the commodity futures market. Future fluctuations in oil and gas prices may adversely affect the Company's revenues, business or financial condition.

Forward looking statements

- Historical facts, information gained from historic performance, present facts, circumstances and information and assumptions from all or any of these are not a guide to the future. Statements as to the Group's aims, targets, plans and intentions and any other forward looking statement referred to or contained herein are no more than that and do not comprise forecasts. Any such forward looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, outcome, financial condition, performance, achievements or findings of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements.

Collaboration agreements and ownership of underlying data

- The majority of the Company's revenue is generated from entering into (i) collaboration agreements with third parties under which the Company and the third party (the "data provider") will pool data for specific geographic areas, process it and then offer the resultant data for sale on the basis of an agreed split of revenue between the Company and the data provider and (ii) group sponsorship agreements under which the Company will seek sponsors for preparing a data report on a specific geographical area in return for providing the sponsors with a period of exclusivity to use the data in the resultant report before the Company can sell on the report to third parties, subject to the payment of rebates to the sponsors. In order for the Company to be able to sell on the data generated under either of these arrangements, it requires permission from the data provider or the sponsor. In some of the agreements entered into by the Company this has not been specifically granted. The effect of any dispute arising over ownership or use of data could result in the Company not being able to use the data collected or interpreted or the Company being involved in dealing with objections as to whether it has the right to use data. The Company may have difficulties in finding alternative sources for the data if it does not have a direct relationship with the original third party data providers. In addition, dealing with any objections over use of data would involve a cost which could potentially divert funds and resources that could otherwise be used to operate the business.
- Although the Directors believe that the data provided to the Company and the derivative products it produces will not infringe the intellectual property rights of others, third parties may assert claims that the Company have violated or infringed a particular database right or copyright or other proprietary right or confidential information belonging to them. If such assertions were found to be valid, the Company may have to obtain the data from alternative sources or reach commercial terms on the exploitation of other parties' intellectual property rights. There can be no assurance that the Company will be able to obtain alternative sources for the data or, if any licences are required, the Company will be able to obtain any such licence on commercially favourable terms, if at all. This may have a material adverse effect on the Company and its revenues.

PSEG

- PSEG is a very recent development of the Group's business and whilst the Directors believe that there is the opportunity for considerable growth in this area, this is not currently supported by orders and the success of this area of the business cannot be guaranteed. In addition, Fugro offers direct competition to the services of PSEG.

Non-exclusivity of data provider agreements

- A number of the agreements that the Company has in place with data providers to use data are not exclusive. Accordingly, there is nothing to preclude competitors from sourcing equivalent data from such data providers and providing derivative products and services which may compete with the Company's own products and services. This could materially and adversely affect the Company's business, revenue and financial position.

Dependency on third party data providers

- The Company is dependent upon a limited number of third party data providers. If the Company is unable to obtain data from these providers at a price, performance and within a timescale that is necessary to meet the Company's customers' demands, it could have a material and adverse effect on the Company's business.
- The Company's provision of Russian gravity and magnetic data and interpretation products to clients depends on the continuation of the Company's long-standing links established over approximately 14 years with the Russian data providers. However, this could be affected by changes in personnel and/or policies within the Russian Government, Ministry or Russian Academy of Sciences with regard to the Company's existing or new agreements. This could have an adverse effect on those parts of the Company's business that deal with Russian data.
- The provider of Russian gravity and magnetic data ("Russian Data") to the Company, with which the Company has had a close working relationship over approximately 14 years, has very recently advised the Company that it has come to its attention that it does not have and did not have all the necessary authorisation and/or licences to provide Russian Data to the Company. This may result in the provider of Russian Data being unable to continue to provide further Russian Data to the Company until the correct authorisations and/or licences are obtained. A failure of the Russian Data provider in obtaining the necessary authorisation and/or licences or the Company being unable to obtain relevant data from an alternative source could have a material adverse effect on the Company's business. The Directors do not believe that the historic absence of the correct authorisations and/or licences on the part of the provider of Russian Data will adversely affect the licences that the Company has granted to its customers in respect of data and/or interpretative products derived from the Russian Data it has received. However, dealing with any issues or claims that its customers may raise as a result of the absence of the correct authorisations and/or licences on the part of the Russian Data provider may involve the Company in additional costs and may have a material adverse effect on the Company's business.

Jurisdictional issues

- The Company is subject to different laws and jurisdictions world-wide. The Company has entered into agreements with data providers who may have different legal actions against the Company depending on their jurisdiction and local laws.

Political factors

- The oil industry operates worldwide in many areas of political instability. Significant events in key areas could adversely affect the Group's revenues and profits.

Currency risk

- Any income generated by the Group in the US will be subject to exchange rate fluctuations.

Although the Directors will seek to minimise the impact of the risk factors, investment in the Company should only be made by investors able to sustain a total loss of the investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA (who specialises in investments of this nature) before making a decision to invest.

PART III

SECTION A – ACCOUNTANTS’ REPORT

The Directors
GETECH Group plc
University of Leeds
LEEDS
LS2 9JT

The Directors
Teather and Greenwood Limited
Beaufort House
15 St Botolph Street
LONDON
EC3A 7QR

22 September 2005

Dear Sirs

GETECH GROUP PLC (THE “COMPANY”) AND ITS SUBSIDIARY (THE “GROUP”)

We report on the financial information set out in paragraphs 1 to 4 of Section B of Part III of the AIM Admission Document (the “Document”) issued by the Company dated 22 September 2005. This financial information has been prepared for inclusion in the Document on the basis of the accounting policies set out in note 4.1 of Section B of Part III of the Document. This report is required by the AIM rules and is given for the purpose of complying with that Schedule Two and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 4.1 to the financial information contained in Section B of Part III of the Document and in accordance with UK GAAP.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Document dated [date], a true and fair view of the state of affairs of the Group as at the dates stated and of its profits, cash flows and recognised gains and losses for the periods then ended in accordance with the basis of preparation set out in note 4.1 of Section B of Part III of the Document and in accordance with UK GAAP.

Declaration

For the purposes of Paragraph a of Schedule Two of the AIM Rules we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

PART B – FINANCIAL INFORMATION

1. PROFIT AND LOSS ACCOUNTS

	<i>Note</i>	<i>Year ended 31 July 2003 £</i>	<i>Year ended 31 July 2004 £</i>	<i>Year ended 31 July 2005 £</i>
Turnover		1,832,258	1,776,049	3,481,743
Cost of sales		<u>(415,765)</u>	<u>(478,496)</u>	<u>(1,317,375)</u>
Gross profit		1,416,493	1,297,553	2,164,368
Distribution costs		(1,474)	(4,996)	(2,839)
Administrative costs		<u>(1,234,060)</u>	<u>(1,236,092)</u>	<u>(1,464,195)</u>
Operating profit	4.2	180,959	56,465	697,334
Interest receivable		31,639	23,970	33,126
Interest payable	4.3	<u>(8)</u>	<u>(100)</u>	<u>–</u>
Profit on ordinary activities before taxation		212,590	80,335	730,460
Tax on profit on ordinary activities	4.6	<u>(32,809)</u>	<u>(51,520)</u>	<u>(196,320)</u>
Profit on ordinary activities after taxation and for the year		179,781	28,815	534,140
Dividends	4.7	<u>(50,000)</u>	<u>(50,000)</u>	<u>–</u>
Retained profit/(loss) for the year		<u><u>129,781</u></u>	<u><u>(21,185)</u></u>	<u><u>534,140</u></u>

There were no recognised gains or losses other than profit or loss for the three years ended 31 July 2005.

All the Group's activities are classed as continuing for the three years ended 31 July 2005.

2. BALANCE SHEETS

	<i>Note</i>	<i>As at 31 July 2003 £</i>	<i>As at 31 July 2004 £</i>	<i>As at 31 July 2005 £</i>
Fixed assets				
Intangible assets	4.8	2,139	1,760	1,592
Tangible assets	4.9	56,358	39,823	34,337
		<u>58,497</u>	<u>41,583</u>	<u>35,929</u>
Current assets				
Debtors	4.10	532,316	351,999	645,404
Cash at bank and in hand		952,917	799,877	1,423,703
		<u>1,485,233</u>	<u>1,151,876</u>	<u>2,069,107</u>
Creditors: amounts falling due within one year				
Trade creditors		209,094	307,811	381,153
Corporation tax		44,000	53,000	221,000
Other taxation and social security		14,555	14,180	22,095
Other creditors		8,555	–	–
Proposed dividend		50,000	50,000	–
Accruals and deferred income		743,291	322,418	585,348
		<u>1,069,495</u>	<u>747,409</u>	<u>1,209,596</u>
Net current assets		<u>415,738</u>	<u>404,467</u>	<u>859,511</u>
Total assets less current liabilities		<u>474,235</u>	<u>446,050</u>	<u>895,440</u>
Provisions for liabilities and charges				
Deferred tax	4.11	8,000	6,000	–
Warranties	4.12	5,000	–	–
		<u>13,000</u>	<u>6,000</u>	<u>–</u>
		<u>461,235</u>	<u>440,050</u>	<u>895,440</u>
Capital and reserves				
Called up share capital	4.13	100	100	94
Capital redemption reserve	4.14	–	–	6
Profit and loss account		461,135	439,950	895,340
Shareholders' funds – equity interest	4.15	<u>461,235</u>	<u>440,050</u>	<u>895,440</u>

3. CASH FLOW STATEMENTS

		<i>Year ended</i> <i>31 July</i> <i>2003</i>	<i>Year ended</i> <i>31 July</i> <i>2004</i>	<i>Year ended</i> <i>31 July</i> <i>2005</i>
	<i>Note</i>	£	£	£
Net cash (outflow)/inflow from operating activities	4.17	<u>(47,940)</u>	<u>(77,345)</u>	<u>780,647</u>
Returns on investments and servicing of finance				
Interest received		31,639	23,970	33,126
Interest paid		<u>(8)</u>	<u>(100)</u>	<u>–</u>
Net cash inflow from returns on investments and servicing of finance		<u>31,631</u>	<u>23,870</u>	<u>33,126</u>
Tax paid		<u>(120,361)</u>	<u>(45,989)</u>	<u>(32,851)</u>
Capital expenditure				
Purchase of fixed assets		<u>(44,368)</u>	<u>(3,576)</u>	<u>(28,346)</u>
Net cash outflow from capital expenditure		<u>(44,368)</u>	<u>(3,576)</u>	<u>(28,346)</u>
Equity dividends paid		<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
Financing				
Redemption of shares		<u>–</u>	<u>–</u>	<u>(78,750)</u>
Net cash outflow from financing		<u>–</u>	<u>–</u>	<u>(78,750)</u>
(Decrease)/increase in cash in the year	4.19	<u><u>(231,038)</u></u>	<u><u>(153,040)</u></u>	<u><u>623,826</u></u>

4. NOTES TO THE FINANCIAL STATEMENTS

4.1 Accounting policies

This financial information on the Group has been prepared solely for the purposes of the Document and does not constitute audited statutory accounts within the meaning of Section 240 of the Companies Act 1985.

Basis of preparation

The financial information has been prepared in accordance with applicable accounting standards and in accordance with the historical cost convention; no adjustments have been made for the effect of inflation.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertaking drawn up to the three years ended 31 July 2005. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

Revenue recognition

Turnover is recognised when the Group has gained the rights to the consideration and is stated exclusive of Value Added Tax.

Where arrangements are made for invoices to be raised in advance of the Group fulfilling its obligations then an estimate of the invoiced amounts attributable to work undertaken by the company before the balance sheet date based on the progress of the projects is included. To the extent that the invoiced amounts exceed the amounts attributable to work undertaken the deferred income is reflected in the balance sheet.

Long term contracts

Long term contract balances represent costs incurred on specific contracts, net of the amount transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover. Contract work in progress is recorded as turnover determined by reference to the value of work carried out to date. No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty. Provision is made for the full amount of foreseeable losses on contracts.

Goodwill

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, was written off to the profit and loss on acquisition.

Purchased goodwill is capitalised and amortised on a straight line basis over its estimated useful economic life.

Tangible fixed assets and depreciation

For all tangible fixed assets depreciation is calculated to write down their cost to estimated residual values by equal installments over the period of their estimated economic lives. The following rates are applied:

Fixtures, fittings, tools and equipment – 25% and 33% per annum on cost.

Lease contracts

Rentals paid under operating leases are charged against income as arising over the lease term.

Research and development

Research and development expenditure is charged to the profit and loss account as it arises.

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

Foreign currency

Where supplies are obtained or sales made on terms denominated in foreign currency, the liability or asset is reflected in the financial information at the rate of exchange ruling at the balance sheet date or at the amount to be paid where currency purchase arrangements have been made by the balance sheet date. Disparities between the amount reflected in the financial information and the amount of sterling required to settle the liability are reflected in the reported results of the subsequent period.

The financial statements of the foreign subsidiary are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to reserves.

Pension schemes

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from the Group in independently administered funds. The pension charge represents contributions payable by the Group to the schemes.

Product warranties

Provision is made to reflect the extent that costs will need to be incurred after the balance sheet date either to replace goods supplied to customers or to provide credits for customers in respect of goods invoiced before the balance sheet date. This provision is made from an appraisal of customer accounts.

4.2 Operating profit

Operating profit is arrived at after charging/(crediting):

	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Depreciation	90,022	20,388	33,801
Amortisation	203	102	199
Auditors' remuneration – for audit services	3,800	–	–
Operating leases:			
– hire of plant and machinery	1,688	1,688	1,574
– rental cost of land and buildings	61,829	61,611	50,171
Research and development of products	4,485	8,112	3,969
Exchange rate changes on accounts operated in foreign currencies	300	11,548	(38,461)
	<u>90,022</u>	<u>102,047</u>	<u>(3,039)</u>

In the opinion on the directors, disclosure of geographical markets supplied would seriously prejudice the Group and therefore they are not disclosed.

4.3 Interest payable and similar charges

	2003 £	2004 £	2005 £
Bank interest and interest on loans repayable within five years	8	100	–

4.4 Directors

	2003 £	2004 £	2005 £
Aggregate amount of emoluments	146,000	141,000	160,000
Aggregate value of company contributions to pension schemes	9,212	9,543	9,870
Number of directors to whom retirement benefits accrue under the schemes	3	3	3
Aggregate amount paid to third parties for directors' services	49,224	52,453	54,072

C Glass, a director of the company, is a partner in Winburn Glass Norfolk, Chartered Accountants, which provides services to the Group including the services of C Glass as finance director on an arms' length basis in its normal course of business. The amount charged during the year ended 31 July 2005 amounted to £34,333 (2004: £33,000; 2003: £38,500) of which £3,231 (2004: £3,231; 2003: £3,231) including VAT was unpaid at the end of the year.

J D Fairhead, a director of the company, is also a professor at the University of Leeds. The Group leases premises from the University. In the year ended 31 July 2005, the Group was charged for the services of Professor Fairhead £54,072 (2004: £52,000; 2003: £49,000).

During each year the following transactions occurred between the Group, the University of Leeds and University of Leeds Innovations Limited:

	2003 £	2004 £	2005 £
Services supplied to the Group by the University of Leeds (net of VAT)	100,321	99,731	107,841
Amount owed to the University of Leeds at the balance sheet date (including VAT)	34,493	19,529	21,897
Services supplied to the Group by University of Leeds Innovations Limited (net of VAT)	7,688	1,688	1,688
Amount owed to the Group by University of Leeds Innovations Limited at the balance sheet date (including VAT)	–	–	–

4.5 Employees

	<i>2003</i> <i>Number</i>	<i>2004</i> <i>Number</i>	<i>2005</i> <i>Number</i>
The average number employed by the Group in each year (including directors) was:	<u>24</u>	<u>27</u>	<u>25</u>
	£	£	£
The costs incurred were:			
Wages and salaries	640,726	686,795	805,091
Social security costs	60,230	64,838	77,203
Other pension costs	40,827	47,871	42,143
	<u>741,783</u>	<u>799,504</u>	<u>924,437</u>

At 31 July 2005 unpaid pension contributions amounted to £705 (2004: £705; 2003: £705).

4.6 Taxation

Based on the results for the year:

	<i>2003</i> £	<i>2004</i> £	<i>2005</i> £
UK corporation tax (Over)/under provision for the previous year	(538)	520	(18,680)
On profits of the year	<u>45,347</u>	<u>53,000</u>	<u>221,000</u>
Total current tax	44,809	53,520	202,320
Deferred tax at an average rate of 30% (2004: 23.5%; 2003: 23%)	<u>(12,000)</u>	<u>(2,000)</u>	<u>(6,000)</u>
Total deferred tax	<u>(12,000)</u>	<u>(2,000)</u>	<u>(6,000)</u>
Tax charge	<u>32,809</u>	<u>51,520</u>	<u>196,320</u>
Factors affecting the tax charge for each year:			
Profit on ordinary activities before taxation	<u>212,590</u>	<u>80,335</u>	<u>730,460</u>
Profit on ordinary activities before taxation multiplied by 30% (2004: 23.5%; 2003: 23%)	48,896	18,879	219,138
Effects of:			
Permanent differences – expenses not deductible for tax purposes	136	36,582	18,559
Permanent differences – (over)/under provision for previous year	(538)	520	(18,680)
Foreign subsidiary losses brought forward against current year profits	<u>(11,685)</u>	<u>(5,461)</u>	<u>(22,697)</u>
	36,809	50,520	196,320
Depreciation for the period in excess of capital allowances	<u>8,000</u>	<u>3,000</u>	<u>6,000</u>
Total current tax	<u>44,809</u>	<u>53,520</u>	<u>202,320</u>

A deferred tax asset exists as a consequence of a provision against recoverability of amounts due from the Company's US subsidiary. The deferred tax asset has not been included because it is uncertain when the provision will reverse. The deferred tax asset is £113,372, of which £3,812 has been used to reduce a deferred tax liability arising on the difference between net book value and tax written down value of fixed assets. In view of the uncertainty of the recoverability of this asset, the movement in the provision in 2004 and 2005 has been treated as a permanent difference for the purposes of the tax reconciliation.

4.7 Dividends

	2003 £	2004 £	2005 £
Dividends on “A” and “B” shares proposed (2004: £5.00; 2003: £5.00 per share)	<u>50,000</u>	<u>50,000</u>	<u>–</u>

4.8 Intangible fixed assets

	<i>Goodwill</i> £
Cost	
At 1 August 2002	3,055
Additions	<u>–</u>
At 31 July 2003	3,055
Adjustment	<u>(277)</u>
At 31 July 2004	2,778
Additions	<u>31</u>
At 31 July 2005	<u>2,809</u>
Amortisation	
At 1 August 2002	713
Charge for the year	<u>203</u>
At 31 July 2003	916
Charge for the year	<u>102</u>
At 31 July 2004	1,018
Charge for the year	<u>199</u>
At 31 July 2005	<u>1,217</u>
Net book amount	
At 31 July 2003	<u>2,139</u>
At 31 July 2004	<u>1,760</u>
At 31 July 2005	<u>1,592</u>

4.9 Tangible fixed assets

	<i>Fixtures, fittings, tools and equipment</i> £
Cost	
At 1 August 2002	312,565
Additions	44,368
At 31 July 2003	356,933
Additions	3,853
At 31 July 2004	360,786
Additions	28,315
At 31 July 2005	389,101
Depreciation	
At 1 August 2002	210,553
Charge for the year	90,022
At 31 July 2003	300,575
Charge for the year	20,388
At 31 July 2004	320,963
Charge for the year	33,801
At 31 July 2005	354,764
Net book amount	
At 31 July 2003	56,358
At 31 July 2004	39,823
At 31 July 2005	34,337

4.10 Debtors

	2003 £	2004 £	2005 £
Trade debtors	411,116	246,688	611,073
Corporation tax refund	–	1,469	–
Other debtors	16,555	12,909	20,484
Prepayments and accrued income	104,645	90,933	13,847
	<u>532,316</u>	<u>351,999</u>	<u>645,404</u>

4.11 Deferred tax

	2003 £	2004 £	2005 £
Accelerated capital allowances	9,000	6,000	–
Provisions not yet deductible for tax purposes	(1,000)	–	–
	<u>8,000</u>	<u>6,000</u>	<u>–</u>
At 1 August	20,000	8,000	6,000
Credit to profit and loss for the year	(12,000)	(2,000)	(6,000)
At 31 July	<u>8,000</u>	<u>6,000</u>	<u>–</u>

In deriving these amounts the anticipated rate of corporation tax to be applicable in the year ended 31 July 2005 is 30% (2004: 23.5%; 2003: 25%). No discounting for timing of future reversals is reflected in the above figures.

4.12 Warranties

	2003 £	2004 £	2005 £
At 1 August	5,000	5,000	–
Released in the year	–	(5,000)	–
At 31 July	<u>5,000</u>	<u>–</u>	<u>–</u>

Warranties are provided on products for various lengths of time. The provision recognises expected costs of warranty claims on products sold by each balance sheet date.

4.13 Share capital

	2003 £	2004 £	2005 £
Authorised			
2,000 “A” shares of £0.01 each	20	20	20
8,000 “B” shares of £0.01 each	80	80	80
90,000 undesignated shares of £0.01 each	900	900	900
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Issued, allotted and fully paid			
2,000 “A” shares of £0.01 each	20	20	20
8,000 “B” shares of £0.01 each	80	80	74
	<u>100</u>	<u>100</u>	<u>94</u>

During the year the company purchased 600 B shares of £0.01 each from the two former members for £78,750.

The “A” shares and the “B” shares rank equally for rights to dividends, their priority and the amount receivable on a winding up and voting rights. The holders of the majority of the “A” shares are entitled to appoint one person as a director to the Board (the “A” director) and at any time to require the removal or substitution of any “A” director so appointed by them.

4.14 Reserves

	<i>Capital redemption reserve</i> £	<i>Profit and loss account</i> £
At 1 August 2002	–	331,354
Retained profit for the year	–	129,781
At 31 July 2003	–	461,135
Retained loss for the year	–	(21,185)
At 31 July 2004	–	439,950
Retained profit for the year	–	534,140
Transfer to capital redemption reserve for the acquisition of 600 “B” shares	6	(6)
Amount withdrawn from reserves on the acquisition of 600 “B” shares	–	(78,744)
At 31 July 2005	6	895,340

The cumulative amount of goodwill arising from acquisitions accounted for in years ending before 23 December 1998, which has been written off to Group reserves, is £257,983.

4.15 Reconciliation of movements in shareholders’ funds

	<i>2003</i> £	<i>2004</i> £	<i>2005</i> £
Profit for the financial year	179,781	28,815	534,140
Dividends and other appropriations	(50,000)	(50,000)	–
Consideration payable for the acquisition of the Company’s “B” shares	–	–	(78,750)
Net increase/(decrease) in shareholders’ funds	129,781	(21,185)	455,390
Opening shareholders’ funds	331,454	461,235	440,050
Closing shareholders’ funds	461,235	440,050	895,440

4.16 Financial commitments

	2003 £	2004 £	2005 £
Capital expenditure:			
Contracted for	–	–	25,000

The Group is required to make payments during the twelve months following each balance sheet date as follows as a consequence of operating leases:

	<i>Land and buildings</i> 2003 £	<i>Other</i> 2003 £	<i>Land and buildings</i> 2004 £	<i>Other</i> 2004 £	<i>Land and buildings</i> 2005 £	<i>Other</i> 2005 £
Commitment expiring in one to two years	–	–	–	1,688	–	–
Commitment expiring after more than five years	39,168	–	39,168	–	41,660	–
	<u>39,168</u>	<u>–</u>	<u>39,168</u>	<u>1,688</u>	<u>41,660</u>	<u>–</u>

4.17 Net cash (outflow)/inflow from operating activities

	2003 £	2004 £	2005 £
Operating profit	180,959	56,465	697,334
Depreciation	90,022	20,388	33,801
Amortisation	203	102	199
(Increase)/decrease in debtors	15,473	181,786	(294,874)
(Decrease)/increase in creditors	(334,597)	(331,086)	344,187
Non cash movement in provision	–	(5,000)	–
Net cash (outflow)/inflow from operating activities	<u>(47,940)</u>	<u>(77,345)</u>	<u>780,647</u>

4.18 Reconciliation of net cash flow to movement in net funds

	2003 £	2004 £	2005 £
(Decrease)/increase in cash in year	<u>(231,038)</u>	<u>(153,040)</u>	<u>623,826</u>
Change in net funds resulting from cash flows	(231,038)	(153,040)	623,826
Opening net funds	1,183,955	952,917	799,977
Closing net funds	<u>952,917</u>	<u>799,877</u>	<u>1,423,703</u>

4.19 Analysis of changes in net funds

	<i>At</i>	<i>Cash flow</i>	<i>At</i>	<i>Cash flow</i>	<i>At</i>	<i>Cash flow</i>	<i>At</i>
	<i>1 August</i>	<i>in the</i>	<i>31 July</i>	<i>in the</i>	<i>31 July</i>	<i>in the</i>	<i>31 July</i>
	<i>2002</i>	<i>year</i>	<i>2003</i>	<i>year</i>	<i>2004</i>	<i>year</i>	<i>2005</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash at bank and in hand	1,183,955	(231,038)	952,917	(153,040)	799,877	623,826	1,423,703
Borrowings	—	—	—	—	—	—	—
Finance leases	—	—	—	—	—	—	—
	<u>1,183,955</u>	<u>(231,038)</u>	<u>952,917</u>	<u>(153,040)</u>	<u>799,877</u>	<u>623,826</u>	<u>1,423,703</u>

4.20 Ultimate controlling related party

The directors consider that there is no ultimate controlling related party.

PART IV

GENERAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered in England and Wales on 26 January 1994 under the Act as a private company limited by shares with the name Geophysical Exploration Technology Limited and with registration number 2891368. By a resolution passed on 6 September 2005, the Company was re-registered as a public limited company and changed its name to GETECH Group plc with effect from 12 September 2005.
- 1.2 The principal legislation under which the Company operates is the Act and the regulations made thereunder. The liability of the members of the Company is limited.
- 1.3 The Company's registered office is at Convention House, St Mary's Street, Leeds LS9 7DP (telephone number 0113 248 7211) and its head office and principal place of business is at University of Leeds, Leeds LS2 9JT.
- 1.4 The Company's telephone number at its head office and principal place of business is 0113 343 5240.
- 1.5 The Company has no administrative, management and supervisory bodies other than the Board of Directors, the remuneration committee and the audit committee, all of which have no members other than the Directors.
- 1.6 The accounting reference date of the Company is 31 July.

2. Subsidiaries

- 2.1 The Company is the ultimate holding company for the following wholly and directly owned subsidiaries:

<i>Company</i>	<i>Date of Incorporation</i>	<i>Place of Incorporation</i>
Geophysical Exploration Technology Inc.	1 April 1996	Houston, Texas, United States of America
Getech International Limited (Dormant, non-trading subsidiary)	9 October 2003	England & Wales

3. Share Capital

- 3.1 At the date of incorporation, the authorised share capital of the Company was £100 divided into 100 shares of £1 each, two of which were issued credited as fully paid to the subscribers to the Company's memorandum of association and both of which were subsequently transferred to ULIS.
- 3.2 On 4 October 2000, each issued and unissued share in the authorised share capital of the Company was subdivided into 100 ordinary shares of 1 pence each and the authorised share capital was increased from £100 to £1,000 by the creation of 90,000 ordinary shares of 1 pence each and then divided into 2,000 A shares of 1 pence each including the 200 shares then in issue ("A Shares"), 8,000 B shares of 1 pence each ("B Shares") and 90,000 undesignated shares.
- 3.3 On 5 October 2000, 1,800 A Shares and 8,000 B Shares were issued and allotted at par fully paid up to the following founders:

<i>Name</i>	<i>Number and class of Shares</i>	<i>%</i>
ULIS	1,800 A Shares	20 (including 200 A subscriber shares)
Dr Derek Fairhead	4,900 B Shares	49
Dr Christopher Green	1,000 B Shares	10
Kevin McKenna	400 B Shares	4
Ian Somerton	400 B Shares	4
Mark Odegard	400 B Shares	4
Colin Glass	300 B Shares	3
Simon Campbell	200 B Shares	2
Graham Gifford	200 B Shares	2
Robert Weber	200 B Shares	2

3.4 On 3 June 2005, the Company bought back 600 B Shares from Mark Odegard and Robert Weber, and on 1 July 2005 and 15 July 2005 Techtran Group Limited acquired 1,116 A Shares and 858 B Shares from various shareholders giving Techtran a 21 per cent. shareholding.

3.5 On 6 September 2005:

3.5.1 each of the 90,000 undesignated shares of 1 pence each were redesignated as one B Share of 1 pence each;

3.5.2 the authorised share capital was increased from £1,000 to £50,000 by the creation of 1,061,830 A Shares and 3,838,170 B Shares;

3.5.3 £49,906 of profit and loss account reserves were capitalised and applied to allot and issue, credited as paid up in full, 1,061,830 A Shares and 3,928,770 B Shares to the shareholders of the Company in proportion to their current shareholdings;

3.6 On 13 September 2005, each of Dr Derek Fairhead, Dr Christopher Green, Ian Somerton and Kevin McKenna transferred the following number of B Shares to their spouses:

Transferor	Transferee	Number of B Shares
Dr Derek Fairhead	Christine Fairhead	227,564
Dr Christopher Green	Karen Green	46,449
Ian Somerton	Rosemary Somerton	18,600
Kevin McKenna	Sherry McKenna	18,600

3.7 On 22 September 2005, and subject to Admission becoming effective, by or pursuant to a resolution of the Company passed on that date:

3.7.1 each of the authorised but unissued and issued A Shares and B Shares in the capital of the Company were redesignated as one ordinary share of 1 pence each in the capital of the Company;

3.7.2 each issued and authorised but unissued ordinary share of 1 pence each was subdivided into four ordinary shares of 0.25 pence each;

3.7.3 the authorised share capital of the Company was increased to £225,000 by the creation of 70,000,000 ordinary shares of 0.25 pence each;

3.7.4 the Directors were generally and unconditionally authorised pursuant to section 80 of the Act to exercise all and any powers of the Company to allot relevant securities (as defined in section 80 of the Act) up to an aggregate nominal amount equal to £48,222. The authority expires (unless previously renewed, varied, or revoked by the Company in general meeting) at the earlier of the conclusion of the annual general meeting of the Company following the passing of the resolution and 15 months from the date of the resolution. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require relevant securities to be allotted after expiry of the authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority had not expired; and

3.7.5 the Directors were given power pursuant to section 95 of the Act (with such power expiring at the same time as the authority referred to in paragraph 3.6.4 above (the "Section 80 Authority") to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the Section 80 Authority as if section 89(1) of the Act did not apply to any such allotment save that the power was limited to:

(a) the allotment of the Placing Shares;

(b) the allotment of equity securities pursuant to a rights issue or equivalent offers; and

(c) (otherwise than pursuant to the above) allotment for cash of equity securities up to an aggregate nominal amount of £7,366.69.

3.8 The Company's authorised and issued share capital (assuming that the subdivision into ordinary shares of 0.25p has occurred but that the EMI Options and Unapproved Options have not been exercised), at the date of this document is and immediately following the Placing and Admission (assuming full subscription) will be as follows:

	<i>At the date of this document</i>		<i>Following the Placing</i>	
	<i>Amount</i>	<i>Number of Ordinary Shares</i>	<i>Amount</i>	<i>Number of Ordinary Shares</i>
Authorised	£50,000	20,000,000	£225,000.00	90,000,000
Issued and fully paid	£50,000	20,000,000	£69,230.77	27,692,307

3.9 The Company had 2,000 A Shares and 8,000 B Shares in issue on 1 August 2004 and 2,000 A Shares and 7,400 B Shares in issue on 31 July 2005. The Company has not used more than 10 per cent. of the issued

share capital for the purchase of assets other than cash during the period 1 August 2004 up to and including 31 July 2005.

- 3.10 There are no shares in the Company which are held by, or on behalf of, the Company and none of the Company's subsidiaries holds any shares in the Company. The Company has no shares not representing capital.
- 3.11 Other than set out in paragraph 12 of this Part IV, no person has any rights or obligations to purchase the authorised but unissued capital of the Company and no person has been given an undertaking by the Company to increase its authorised capital.
- 3.12 The International Security Identification Number for the Ordinary Shares is GB00B0HZVP95. The Company's Registrars are responsible for keeping and maintaining the Company's register of members.
- 3.13 Save as set out in this document there are no options existing or agreed conditionally or unconditionally over the capital of the Company or any of the subsidiaries of the Company.
- 3.14 On completion of the Placing, the issued share capital of the Company shall be increased by 38.46 per cent.
- 3.15 The Company has no issued Ordinary Shares that are not fully paid up.
- 3.16 The Ordinary Shares have no redemption or conversion provisions.
- 3.17 The Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital. Each Ordinary Share is entitled on a *pari passu* basis with all other issued Ordinary Shares to share in any surplus on a liquidation of the Company.
- 3.18 A Shareholder is required pursuant to sections 198 to 210 of the Act to notify the Company when he acquires or disposes a material interest in shares in the capital of the Company equal to or in excess of 3% of the nominal value of that share capital.

4. Memorandum and Articles of Association

Memorandum of Association

- 4.1 The objects and purposes of the Company, which were amended by written resolution of the Company passed on 6 September 2005, are set out in full in clause 4 of its Memorandum of Association and include the carrying on of business as a holding company and as a general commercial company.

Articles of Association

- 4.2 The Articles of Association of the Company (the "Articles") which were adopted pursuant to a special resolution of the Company passed on 20 September 2005 contain provisions, *inter alia*, to the following effect:

4.2.1 *Share Capital*

The Company may by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate its share capital into shares of larger amounts than its existing shares;
- (iii) cancel any shares which have not been taken at the date of the passing of the resolution, or agreed to be taken, by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (iv) sub-divide its shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum of Association of the Company.

The Company may by special resolution reduce its share capital and any capital redemption reserve and any share premium account in any manner subject to the provisions of the Act. The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders. Subject to the provisions of the Act and the rights of holders of any class of shares, the Company may purchase its own shares, including redeemable shares.

4.2.2 *Voting*

Subject to any special terms as to voting upon which any shares for the time being may be held, on a show of hands every member who (being an individual) is present in person or by proxy not being himself a member or (being a corporation) is present by its duly appointed representative shall have one vote, and

on a poll every member present in person, or by representative, or proxy, shall have one vote for every share in the capital of the Company held by him. A proxy need not be a member of the Company. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under Section 212 of the Act, then not earlier than 14 days after service of such notice, the shares in question may be disenfranchised.

4.2.3 *AGM & EGM Procedures*

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. Subject to the provisions of the Act, the annual general meeting shall be held at such time and place as the Directors may determine.

The Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Section 368 of the Act. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except as stated by the requisition or proposed by the Board.

Subject to the provisions of the Act, an annual general meeting and a general meeting for the passing of a special resolution shall be called by at least twenty one clear days notice, and all other general meetings shall be called by at least fourteen clear days notice.

Shorter notice than that specified above may be deemed to have been given in the case of an annual general meeting by all the members entitled to attend and vote at the meeting; and in the case of any other meeting, by a majority number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

4.2.4 *Dividends*

The Company may by ordinary resolution declare dividends provided that they shall be paid in accordance with the Act and out of profits available for distribution and shall not exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified by the profits of the Company and are permitted by the Act.

Subject to the rights of persons, if any, holding shares with special dividend rights, and unless the terms of issue otherwise provide, all dividends shall be apportioned and paid pro rata according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is payable. Amounts paid or credited as paid in advance of calls shall not be regarded as paid on shares for this purpose.

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared shall, if the Directors so resolve, be forfeited and shall revert to the Company.

Where, in respect of any shares, any registered holder or any other person appearing to be interested in the shares of the Company fails to comply with any notice given by the Company under Section 212 of the Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal value of the issued shares of the relevant class, the Company may withhold dividends on such shares.

There is no fixed date on which an entitlement to a dividend arises.

4.2.5 *Variation of Rights*

All or any of the special rights for the time being attached to any class of shares for the time being forming part of the capital of the Company may, subject to the provisions of the Act, be varied or abrogated with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class, but not otherwise. To every such meeting all the provisions of the Articles of Association of the Company relating to general meetings or to the proceedings thereat shall, so far as applicable and with the necessary modifications, apply, except that the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons at least, holding or representing by proxy at least one third in nominal value of the issued shares of the class in question and that any holder of shares of the class in question present in person or by proxy may demand a poll.

4.2.6 *Transferability*

Transfers of Ordinary Shares, which are in registered form, shall be effected in the manner authorised by the Stock Transfer Act 1963. The instrument of transfer shall be signed by or on behalf of the

transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The Directors may decline, without giving any reason, to recognise any instrument of transfer unless:

- (i) the instrument of transfer (duly stamped) is deposited at the Company's registered office accompanied by the share certificate for the shares to which it relates and such other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer;
- (ii) the instrument of transfer is in respect of only one class of share;
- (iii) the instrument of transfer is in favour of not more than four transferees; and
- (iv) the instrument of transfer is in respect of a share in respect of which all sums presently payable to the Company have been paid.

Where, in respect of any shares, any registered holder or any person appearing to be interested in such shares fails to comply with any notice given by the Company under Section 212 of the Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal value of the issued shares of the relevant class, the Company may prohibit transfers of such shares or agreements to transfer any of such shares.

4.2.7 *Directors of the Company*

Unless otherwise determined by ordinary resolution, the number of directors (other than alternative directors) shall be not less than two and not more than eight. Subject to certain exceptions, a Director shall not vote (or be counted in the quorum) in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest and, if he shall do so, his vote shall not be counted.

The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed at any other number shall be two.

Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

It shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has requested the Board in writing that notices of Board meetings shall during his absence be given to him at his last known address or any other address given by him to the Company for this purpose.

Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or any other form of communications equipment.

The directors may delegate any of their powers to committees consisting of one or more directors and one or more persons co-opted to the committee by the directors. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. The meetings and proceedings of any such committee consisting of two or more directors shall be governed by the provisions of these Articles regulating the meetings and proceedings of the directors, so far as the same are applicable and are not superseded by any regulations imposed by the directors under this Article.

The remuneration paid for the services of the Directors shall not exceed £400,000 or such greater sums as determined by the Company in general meeting. The Company may remunerate a Director who serves on any committee or devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, by way of salary, lump sum, percentage of profits or otherwise as the Directors or any committee authorised by the Directors, may determine.

At each annual general meeting of the Company, one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire. A retiring Director is eligible for re-election.

Each Director (other than an alternate director) may appoint another Director or (subject to the approval of a majority of the Directors) any other person to be an alternate director of the Company, and may at any time remove an alternate director so appointed by him from office and, subject to any requisite approval, appoint another person in his place.

The Company may purchase and maintain for any Director insurance against any liability which by virtue of any law would otherwise attach to him in respect of any default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

4.2.8 *Borrowing Powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled share capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and its subsidiaries so as to ensure that the aggregate of the amounts borrowed by the Company and all its subsidiaries and remaining outstanding at any time shall not without previous sanction of an ordinary resolution of the Company exceed an amount equal to the four times the aggregate of the nominal amount of the paid up share capital of the Company and the amount shown as standing to the credit of its capital and revenue reserves as defined in the Articles but excluding certain amounts as defined therein

4.2.9 *Distribution of assets on liquidation*

If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company or any other sanction required by the Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company, those assets to be set at such values as he deems fair. The liquidator may also vest the whole or part of the assets of the Company in trustees on trust for the benefit of the members.

4.2.10 *Uncertificated Shares*

The Directors may implement such arrangements as they think fit in order for any class of shares to be held, evidenced and transferred in uncertificated form. The Company will not be required to issue a certificate to any person holding shares in uncertificated form.

5. **Directors' and Other Interests**

- 5.1 The interests of the Directors (all of which are beneficial) in the issued share capital of the Company as at 20 September 2005 (being the latest practicable business day prior to the date of this document and assuming that the subdivision into ordinary shares of 0.25p has occurred) and following the Placing (assuming full subscription thereunder) and Admission such interests being those which are required to be notified by each Director to the Company under the provisions of section 324 or 328 of the Act or which are required to be entered in the register of interests required to be maintained pursuant to section 325 of the Act or which are interests of persons connected with the Director within the meaning of section 346 of the Act, the existence of which is known or which could, with reasonable diligence, be ascertained by a Director were as follows:

<i>Name</i>	<i>Prior to the Placing</i>		<i>Following Admission</i>	
	<i>Ordinary Shares</i>	<i>%</i>	<i>Ordinary Shares</i>	<i>%</i>
	<i>Number</i>		<i>Number</i>	
Dr Derek Fairhead	9,214,892 ¹	46.07	8,822,213 ⁴	31.86
Dr Christopher Green	1,880,852 ²	9.40	1,797,080 ⁵	6.49
Colin Glass	563,828	2.82	563,828	2.04
Ian Somerton	753,192 ³	3.76	701,910 ⁶	2.53
Peter Stephens	Nil	Nil	277,718	1.00

¹ This figure includes 910,256 Ordinary Shares held by Christine Anne Fairhead who is the wife of Dr Derek Fairhead.

² This figure includes 185,796 Ordinary Shares held by Karen Jayne Green who is the wife of Dr Christopher Green.

³ This figure includes 74,400 Ordinary Shares held by Rosemary Lucy Catherine Somerton who is the wife of Ian Somerton.

⁴ This figure includes 517,577 Ordinary Shares held by Christine Anne Fairhead who is the wife of Dr Derek Fairhead.

⁵ This figure includes 102,024 Ordinary Shares held by Karen Jayne Green who is the wife of Dr Christopher Green.

⁶ This figure includes 23,118 Ordinary Shares held by Rosemary Lucy Catherine Somerton who is the wife of Ian Somerton.

- 5.2 The following EMI Options, save for those granted to Peter Stephens, Dr David Roberts, Colin Glass and Raymond Wolfson which will be Unapproved Options, over the Ordinary Shares have been granted to the Directors as at 22 September 2005 (being the last practicable date prior to publication of this document and assuming that the subdivision into ordinary shares of 0.25p has occurred):

<i>Director</i>	<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of Ordinary Shares subject to option</i>
Ian Somerton	26 August 2005	9.9p	102,128
Dr Christopher Green	26 August 2005	9.9p	102,128
Peter Stephens	22 September 2005	39p	102,128
Dr David Roberts	22 September 2005	39p	102,128
Raymond Wolfson	26 August 2005	9.9p	102,128
Colin Glass	26 August 2005	9.9p	102,128

Options are exercisable in tranches between 31 July 2008 and 10 years from the Date of Grant.

- 5.3 None of the Directors or any member of their immediate families has any interest in any financial product (including, without limitation, a contract for difference or a fixed odds bet) whose value in whole or in part is determined directly or indirectly by reference to the Placing Shares.
- 5.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 5.5 Save as disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year and which remains in any respect outstanding or unperformed.

6. Substantial Shareholders

- 6.1 At the date of this document and on Admission, as far as the Company is aware, the only persons who are directly or indirectly interested in 3 per cent. or more of the issued Ordinary Shares of the Company (assuming that the Placing is fully subscribed and that the subdivision into ordinary shares of 0.25p each has occurred):

<i>Name</i>	<i>Prior to the Placing</i>		<i>Following Admission and the Placing</i>		<i>Number of Ordinary Shares under Option</i>	<i>% of issued Share Capital assuming all options exercised</i>
	<i>Number of Ordinary Shares</i>	<i>% of issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>		
Dr Derek Fairhead	9,214,892 ¹	46.1	8,822,213 ⁵	31.9	Nil	30.0
Techtran Group Limited	4,200,000	21.0	4,200,000 ⁶	15.2	Nil	14.3
Dr Christopher Green	1,880,852 ²	9.4	1,797,080 ⁷	6.5	102,128	6.4
University	1,880,852	9.4	1,880,852	6.8	Nil	6.4
Kevin McKenna	753,192 ³	3.8	719,647 ⁸	2.6	102,128	2.8
Ian Somerton	753,192 ⁴	3.8	701,910 ⁹	2.5	102,128	2.7
Merrill Lynch Investment Management Limited	–	–	1,925,000	7.0	Nil	6.5
Framlington Investment Management Limited	–	–	925,000	3.34	Nil	3.1

¹ This figure includes 910,256 Ordinary Shares held by Christine Anne Fairhead who is the wife of Dr Derek Fairhead.

² This figure includes 185,796 Ordinary Shares held by Karen Jayne Green who is the wife of Dr Christopher Green.

³ This figure includes 74,400 Ordinary Shares held by Sherry McKenna who is the wife of Kevin McKenna.

⁴ This figure includes 74,400 Ordinary Shares held by Rosemary Lucy Catherine Somerton who is the wife of Ian Somerton.

⁵ This figure includes 517,577 Ordinary Shares held by Christine Anne Fairhead who is the wife of Dr Derek Fairhead.

⁶ IP2IPO Group plc, the holding company of Techtran Group Limited has agreed to subscribe for 385,000 Ordinary Shares pursuant to the Placing.

⁷ This figure includes 102,024 Ordinary Shares held by Karen Jayne Green who is the wife of Dr Christopher Green.

⁸ This figure includes 40,855 Ordinary Shares held by Sherry McKenna who is the wife of Kevin McKenna.

⁹ This figure includes 23,118 Ordinary Shares held by Rosemary Lucy Catherine Somerton who is the wife of Ian Somerton.

- 6.2 Save as disclosed and to the best of the knowledge of the Company, the Directors are not aware of any person or persons who either alone or, if connected jointly will (directly or indirectly) exercise or could exercise control over the Company on Admission, where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company.

7. Additional Information on the Directors

7.1 Other than directorships of Group companies, the Directors have held the following directorships or been partners in the following partnerships within the five years prior to the date of this document:

<i>Director</i>	<i>Current</i>	<i>Past</i>
Peter Stephens	Boisdale of Bishopsgate Limited Seymour UK Limited SKI Scott Dunn Limited Tristel plc Tristel Solutions Limited	Goldcrown Capital plc Goldcrown Group plc
Dr Derek Fairhead	None	None
Dr Christopher Green	None	None
Ian Somerton	None	None
Colin Glass	Anglo Israel Opportunities Limited Coe Group plc Coe Limited Customflex Limited Dortech Architectural Systems Limited Flexinet Systems Limited Masterwatch Limited Moor Allerton Securities Limited Novella Satcoms Limited Petronet Wet Stock Management Limited Smart Quantum Limited Straight plc Surgical Innovations Group plc Surgical Innovations Limited Surgical Innovations (UK) Limited Talkey UK Limited Teldent Limited Telsol Limited The Partnership Investment Fund Limited TMC Accountancy Limited Very Advanced Device Company Limited W.G. Investments Limited WM 0110 Limited Zest Media Limited	Community Assets Limited Community Properties Limited Digital Healthcare Limited Gro Properties Limited Medicals Direct Group Limited Technovent Limited Urban Planters Limited Urban Planters (Franchising) Limited Zynergy Orthopaedics Limited
Raymond Wolfson	Evidence Limited Gelectrix Limited Glucol Limited Leeds Antenatal Screening Service Limited Media Innovations Limited University of Leeds IP Limited	Applied Modelling Technologies Limited Aqua Enviro Limited Bioventures Limited Bloodhound Sensors Limited Earthco Adhesive Technologies Limited Ecertec Limited Instrumentel Limited Optiglass Devices Limited Precision Proteins Limited Rock Deformation Research Limited Spinpenny Limited Structure Vision Limited University of Leeds Innovations Limited
Dr David Roberts	Rockall Geo Sciences Limited	None

7.2 Colin Glass was a non-executive director of Zynergy Orthopaedics Limited from which he resigned in November 2001. The company was sold on 18 April 2002. On 19 July 2002 administrators were appointed to the company and a company voluntary arrangement (“CVA”) approved by creditors on 17 December 2002. The CVA failed on 7 February 2003 and the company was placed into liquidation on 27 February 2004.

7.3 Save as disclosed in paragraph 7.2 of this document, none of the Directors has:

7.3.1 any unspent convictions in relation to indictable offences;

- 7.3.2 had any bankruptcy order made against him or entered into any voluntary arrangements;
- 7.3.3 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;
- 7.3.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 7.3.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 7.3.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- 7.3.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.
- 7.4 Save as disclosed in this document, no Director has or has had any interest in any transaction which is or was significant in relation to the business of the Group and which was effected during the current or immediately preceding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.
- 7.5 The Company with the Directors will be presumed to be acting in concert under the rules of the Takeover Code issued by the Panel on Takeovers and Mergers.

8. Directors' Service Contracts and Remuneration

- 8.1 Save as disclosed in this paragraph 8 there are no existing or proposed service or consultancy agreements between any Director and the Group.
- 8.2 In the period ended 31 July 2005 the total aggregate remuneration paid and benefits-in-kind granted to the Directors was £160,000. The amounts payable to the Directors by the Group under the arrangements in force at the date of this document in respect of the year ending 31 July 2006 are estimated to be £250,761 (excluding any discretionary payments which may be made under these arrangements).
- 8.3 There will be no variation in the total emoluments of the Directors as a result of the Placing.
- 8.4 There is no arrangement under which any Director has waived or agreed to waive future emoluments.
- 8.5 The services of the Directors are provided to the Company under the following agreements:

The following Non-Executive Directors and the Finance Director entered into letters of appointment with the Company on the dates set opposite their names the main terms of which are:

<i>Date</i>	<i>Name</i>	<i>Position</i>	<i>Commencement of period of office</i>	<i>Fee</i>	<i>Termination</i>
6 September 2005	Peter Stephens	Non-Executive Chairman	1 August 2005	£20,000	initial term of 12 months terminable on 3 months notice by either party
12 September 2005	Raymond Wolfson	Non-Executive Director	1 August 2005	£7,500	initial term of 12 months terminable on 3 months notice by either party
22 September 2005	Colin Glass	Finance Director	1 August 2005	£15,000	initial term of 12 months terminable on 3 months notice by either party
22 September 2005	Dr David Roberts	Non-Executive Director	1 August 2005	£10,000	initial term of 12 months terminable on 3 months notice by either party

On 22 September 2005 the Executive Directors (other than the Finance Director) entered into service agreements with the Company, the main terms of which are:

<i>Name</i>	<i>Position</i>	<i>Commencement of employment with the Company</i>	<i>Fee (£) & Pension Contribution (%)</i>	<i>Termination</i>
Dr Derek Fairhead	Managing Director	January 1986	34,721 ¹ 3%	initial term of 12 months terminable on six months' notice to expire not earlier than 18 months from the date of the service agreement
Dr Christopher Green	Technical Director	October 1983	58,000 10%	initial term of 12 months terminable on six months' notice to expire not earlier than 18 months from the date of the service agreement
Ian Somerton	Marketing Director	November 1994	50,000 10%	initial term of 12 months terminable on six months' notice to expire not earlier than 18 months from the date of the service agreement

¹ Under the arrangements with the University, the Company pays a further £55,540 to the University for the secondment of Dr Fairhead's services to the Company. It is anticipated this arrangement will continue throughout the current period.

- 8.6 In addition to the above, the service agreements restrict the executive Directors from competing with the Company and/or soliciting customers for a period of 12 months from the date of service of notice to terminate employment. None of the employment contracts relating to the Directors referred to above contain a right to benefits (other than those due during the notice period under the contract) upon termination.

9. Employees

- 9.1 As at the date of this document, the Group has 21 employees located in the United Kingdom as follows:

	<i>Number of Employees Located in the UK</i>
Senior Management	4
Technical Staff	10
Sales and Marketing	1
Research and Development	1
Finance and Administration	2
Other Systems/Technical staff	3

- 9.2 As at the date of this document, the Group has 3 employees located in the United States as follows:

	<i>Number of Employees Located in the US</i>
Senior Management	1
Sales and Marketing	1
Finance and Administration	1

- 9.3 On 26 August 2005, Dr Derek Fairhead entered into call options with key employees for the transfer of 222 'B' Shares from his personal holding at a price of £210 per share, conditional upon Admission. Following the capitalisation of reserves that was effected on 6 September 2005 and assuming the subdivision of shares

into ordinary shares of 0.25p, these options now relate to 472,340 ordinary shares. There is a restriction on the sale of shares acquired by the employees under the option based upon length of service and Dr Derek Fairhead has the option to reacquire shares from any employee whose employment is terminated over this period at the price at which the shares were acquired.

10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Group within the two years immediately preceding the date of this document and are, or may be, material:

- 10.1 Pursuant to an engagement letter dated 27 June 2005 from Teather & Greenwood to the Company, in addition to the fees payable as referred to at paragraphs 10.2 and 10.3 below, the Company agreed to pay to Teather & Greenwood an initial fee of £15,000 plus VAT payable on signature of the engagement letter.
- 10.2 Pursuant to the Placing Agreement dated 22 September 2005 between the Company (1), the Directors (2) and Teather & Greenwood (3), conditional upon, *inter alia*, Admission taking place on or before 8.00 am on 23 September 2005 (or such later time and or date as the Company and Teather & Greenwood may agree being not later than 7 October 2005), Teather & Greenwood has agreed to use reasonable endeavours to procure subscribers for the Placing Shares proposed to be issued by the Company at the Placing Price.

The Placing Agreement contains warranties and indemnities from the Company and the Directors in favour of Teather & Greenwood (although in the case of Peter Stephens and Dr David Roberts, they are only required to give warranties on their personal information contained in the Admission Document and no indemnities), together with provisions which enable Teather & Greenwood to terminate the Placing Agreement in certain circumstances prior to Admission including, *inter alia*, where any of the warranties are found to be untrue, inaccurate or misleading in any material respect. The liability of the Directors under the Placing Agreement is limited. Under the Placing Agreement, the Company has agreed to pay Teather & Greenwood a corporate finance fee and commission.

Pursuant to the Placing Agreement, the Directors have each undertaken to Teather & Greenwood and the Company that they will not dispose of any interest in Ordinary Shares for a period of 12 months from the date of Admission and, for a further period of 12 months, only to dispose of such Ordinary Shares through Teather & Greenwood so as to ensure and orderly market in the share capital of the Company. These undertakings do not apply in certain specified circumstances.

- 10.3 A nominated adviser and broker agreement dated 22 September 2005 made between (1) the Company, (2) the Directors and (3) Teather & Greenwood pursuant to which the Company has appointed Teather & Greenwood to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Teather & Greenwood an annual fee of £30,000 plus VAT and expenses for its services as nominated adviser. The agreement contains certain undertakings and indemnities given by the Company and the Directors in respect of, *inter alia*, compliance with applicable laws and regulations. The agreement will commence on Admission and can be terminated by either party on the giving of three months' written notice, not to be given for a period of 12 months after Admission.
- 10.4 A Vendor Placing Agreement dated 22 September 2005 made between (1) Teather & Greenwood, (2) the Company and (3) the Vendors pursuant to which Teather & Greenwood has agreed to use reasonable endeavours to procure purchasers of the Vendor Placing Shares. The Vendor Placing Agreement contains certain warranties from the Vendors as to, *inter alia*, title to the Vendors Placing Shares. Pursuant to the Vendor Placing Agreement the Vendors have agreed to pay to Teather & Greenwood a commission of 4 per cent. of the aggregate value to the Vendor Placing Shares placed at the Placing Price.
- 10.5 Pursuant to a Lock-In Agreement dated 22 September 2005 between the Company (1), the University (2), Techtran Group Limited (3) and Teather & Greenwood (4), the University and Techtran Group Limited have each undertaken to Teather & Greenwood and the Company that they will not dispose of any interest in Ordinary Shares for a period of 12 months from the date of Admission and, for a further period of 12 months, only to dispose of such Ordinary Shares through Teather & Greenwood so as to ensure and orderly market in the share capital of the Company. These undertakings do not apply in certain specified circumstances.
- 10.6 Pursuant to an agreement dated 7 July 2005 between Techtran Group Limited and the Company for the provision of services relating to Admission, the Company has agreed to pay Techtran Group Limited £25,000 plus VAT conditional upon Admission.

11. Related Party Transactions

- 11.1 Colin Glass is a partner in Winburn Glass Norfolk, Chartered Accountants, which provides services to the Company on an arms length basis in its normal course of business including the services of Colin Glass as

Finance Director. The amount charged during the year ended 31 July 2005 including any fee paid for the services of Colin Glass as Finance Director amounted to £34,333 of which £3,231 including VAT was unpaid at the balance sheet date.

11.2 Dr Derek Fairhead is also a professor at the University. The Company leases premises from the University. GETECH is also charged for the services of Dr Derek Fairhead by the University. Please refer to paragraph 8.5 above.

11.3 During the year ended 31 July 2005, the following transactions between GETECH, the University and ULIS, occurred:

	£
Services supplied to the Company by the University (net of VAT)	107,841
Amount owed to the University at the Balance Sheet date, including VAT	21,897
Services supplied to the Company by ULIS	1,688

11.4 Please refer to Paragraph 10.6 above for further information on the payment of a fee by the Company to Techtran Group Limited in respect of services provided relating to Admission.

12. EMI Options

12.1 As at the date of Admission, EMI Options over a total of 1,217,025 Ordinary Shares of the Company have been granted to qualifying employees. Further Unapproved Options over a total of 557,449 Ordinary Shares of the Company have been granted to non-qualifying individuals. Details of Unapproved Options are provided at paragraph 13.

The EMI Options are granted in accordance with Chapter 9 of Part 7 and Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 and are intended to be qualifying options for the purposes of the Chapter 9 and Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 and Part 4 Schedule D of the Taxation of Chargeable Gains Act 1992.

12.2 The principal terms of the rules of the EMI Option are as follows:

12.2.1 the options are not transferable;

12.2.2 the options are subject to performance criteria based upon the option holder's continuing employment and the financial performance of the Company;

12.2.3 the option may be adjusted in the event of a capitalisation issue or upon consolidation, sub-division or reduction of the Company's share capital, or a demerger or a declaration of special dividend or any event which may affect the value of the option. The adjustments will take place by adjusting (rounded down to the nearest whole number) the number of option shares and/or the exercise price. The exercise price may not be reduced below its nominal value;

12.2.4 the option holder must indemnify the Company or any member of the Company for any liability to income tax or national insurance for which the Company is obliged to account as a result of the exercise of the option;

12.2.5 Ordinary Shares allotted under this scheme will rank *pari passu* with the Company's then existing issued Ordinary Shares (save that they will not qualify for any dividends or other distributions declared, made or paid by reference to a record date prior to the date of exercise of the option);

12.2.6 each of the options is subject to specific performance related conditions of exercise, referable to the financial performance of the Company and the continuing employment of the option holder;

12.2.7 the EMI Scheme is limited such that the number of Ordinary Shares in respect of which options to subscribe for shares is not to exceed 10 per cent. of the Ordinary Shares of the Company currently in issue.

13. Unapproved Options

The Unapproved Options are granted under the same rules as the EMI Scheme but do not qualify as EMI options by virtue of the ineligibility of the option holders.

14. Working Capital

The Directors are of the opinion that, having made due and careful enquiry and having taken into account the net proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is at least 12 months from the date of Admission.

15. Taxation

The information in this section is based on the Directors' understanding of current tax law and Inland Revenue practice. The following should be regarded as a summary and should not be construed as constituting advice. Prospective shareholders are strongly advised to take their own independent tax advice but certain potential tax benefits are summarised below in respect of an individual resident in the UK for tax purposes.

The following information is based upon the laws and practice currently in force in the UK and may not apply to persons who do not hold their Ordinary Shares as investments.

15.1 *Capital Gains tax ("CGT")*

15.1.1 Disposals

Changes were made to the rules relating to the holdings of shares from 6 April 1998 so that the "pooling" of shares (i.e. treating them as one asset) no longer applies. Therefore, any disposal of shares is usually treated on a last in, first out basis for the purposes of calculating gains that are chargeable to tax.

15.1.2 Taper Relief

On 5 April 1998, "taper relief" was introduced which applies to individual investors and trustees (but not to corporate investors). Taper relief reduces the chargeable gain assessable to CGT in relation to the period the investment is held and the scales of relief depend upon whether the investment is a "business" or "non-business" asset. The scale of relief is enhanced for those assets that qualify as "business" assets. Business assets include shares in qualifying unquoted trading companies. For these purposes, companies admitted to trading on AIM are regarded as unquoted.

During the period for which the shares are held the classification may change so that for part of the holding period, shares in the Company will be deemed to be non-business assets with the associated reduced scales of taper relief applicable. If this is the case, the taper relief would be calculated by apportioning any gain assessed on shares in the Company between the non-business and business periods with each part of the gain then attracting taper relief at the appropriate rate, for the whole of the qualifying holding period.

15.1.3 CGT Gift Relief

If shares in an AIM company, which is a trading company, or the parent company of a trading group, are transferred to a third party, other than at arm's length, the deemed capital gain can be "held over", i.e. the CGT liability is postponed until a subsequent arm's length disposal by the transferee, who effectively inherits the transferor's base cost. The relief must be claimed by both the transferor and the transferee within five years and ten months of the end of the relevant tax year in which the gift was made and the transferee must be resident or ordinarily resident in the UK and remain so for six years. If CGT gift relief is claimed, the effect of the claim is that the ownership for taper relief purposes starts again, with no taper relief in respect of the previous period of ownership being applicable.

From 10 December 2003 gift relief is not available on gifts to a trust where the donor can still receive any benefit from the trust.

15.2 *Inheritance tax ("IHT")*

Shares in qualifying AIM trading companies can attract 100 per cent. business property relief from IHT provided that the shares are held for at least two years before a chargeable transfer for IHT purposes takes place.

15.3 *Income Tax*

15.3.1 Taxation of Dividends

UK resident individual shareholders are treated as having received income of an amount equal to the sum of the dividend and its associated tax credit, the tax credit for dividends paid being 10 per cent. of the combined amount of the dividend and the tax credit (i.e. the tax credit will be one ninth of the dividend). The tax credit will effectively satisfy a UK resident individual shareholder's lower and basic rate (but not higher rate) income tax liability in respect of the dividend. UK resident individual shareholders who are subject to tax at the higher rate (currently 40 per cent.) will have to account for

additional tax. The special rate of tax set for higher rate taxpayers who receive dividends is 32.5 per cent. After taking account of the 10 per cent. tax credit, such a taxpayer would have to account for additional tax of 22.5 per cent. In determining what tax rates apply to a UK resident individual shareholder, dividend income is treated as his top slice of income.

A UK resident (for tax purposes) corporate shareholder will generally not be liable to UK corporate tax on any dividend received and will be entitled for tax purposes to treat any such dividend and the related tax credit as franked investment income.

A UK pension fund, as defined in Section 231A Income Corporation Taxes Act 1988, is restricted from claiming a repayment of the tax credit.

Shareholders not resident in the UK are generally not taxed in the UK on dividends received by them (unless, exceptionally, the investment is managed by a UK investment manager acting, broadly, on arm's length terms). By virtue of double taxation agreements between the UK and other countries, some overseas shareholders are able to claim relief for all or part of the tax credits carried by the dividends they received from UK companies. Persons who are not resident in the UK should consult their own tax advisers on the possible applicability of such provisions, the procedure for claiming repayment and what relief or credit may be claimed in respect of such tax credit in the jurisdiction in which they are resident.

15.3.2 Loss Relief

If a loss arises on the disposal of shares in a qualifying unquoted trading company, such shares being originally acquired on a subscription for new shares, the loss may be relieved against income of that year or the previous year (with priority for relief in the current year where income of both years is utilised). Any loss remaining after claiming relief against income, may be available for relief against capital gains in either the current or subsequent years.

15.4 Stamp Duty and stamp duty reserve tax

Transfers or sales of Ordinary Shares will be subject to *ad valorem* stamp duty (payable by the purchaser and generally at the rate of 50p per £100 or part thereof rounded up to the nearest £5) and an unconditional agreement to transfer such shares or if not completed by a duly stamped stock transfer form within two months of the day on which such agreement is made or becomes unconditional, then it will be subject to SDRT (payable by the purchaser and generally at 0.5 per cent. of consideration paid). However, if within 6 years of the date of the agreement an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid.

The above is a summary of certain aspects of current law and practice in the UK. A shareholder who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction other than the UK, should consult his or her professional adviser.

16. Litigation

There are no governmental, legal or arbitration proceedings in which any Group company is involved or of which any Group company is aware are pending or threatened by or against any Group company in the twelve months preceding the date of this document which may have or have had a significant effect on the Group's financial position or profitability.

17. General

17.1 It is estimated that the total expenses payable by the Company in connection with the Placing and Admission will amount to approximately £502,000 (excluding VAT) or £543,000 (including VAT).

17.2 The total net proceeds of the Placing receivable by the Company (after expenses and before VAT) is £2,498,000.

17.3 There has been no significant change in the trading or financial position of the Company since 31 July 2005.

17.4 There has been no significant change in the trading or financial position of Geophysical Technology Exploration Inc. since 31 July 2005.

17.5 As far as the Directors are aware there are no known trends, uncertainties, demands or events that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year.

- 17.6 Grant Thornton UK LLP has given and not withdrawn its written consent to the inclusion in this document of its report set out in Section A of Part III and the references thereto in the form and context in which it appears.
- 17.7 Grant Thornton UK LLP accepts responsibility in relation to this document for the report set out in Section A of Part III of this document and confirm that to the best of their knowledge (having taken all reasonable care to ensure that such is the case) the information contained in its report is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 17.8 Teather & Greenwood Limited, which is authorised and regulated by the FSA has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 17.9 Deloitte & Touche LLP, who are a member firm of the Institute of Chartered Accountants in England and Wales, were the auditors of the Company for the year ended 31 July 2003. They resigned on 28 July 2004. Grant Thornton UK LLP, who are a member firm of the Institute of Chartered Accountants in England and Wales, were appointed as auditors on 26 August 2005.
- 17.10 Save as set out in this document, there are no patents or intellectual property rights, licences or commercial or financial contracts or manufacturing processes which is material to the Group's business or profitability.
- 17.11 There have been no interruptions in the business of the Group which may have or have had in the 12 months preceding publication of this document a significant effect on the financial position of the Group.
- 17.12 The price of the Ordinary Shares issued pursuant to the Placing Agreement referred to at paragraph 10.2 represents a premium of 38.75p over the nominal value of 0.25 pence per Ordinary Share. The premium arising on the issue of all the Ordinary Shares under the Placing Agreement amounts to £2,980,769.23 in aggregate.
- 17.13 Save as disclosed in this document no payments have been made by the Group to promoters.
- 17.14 Save as disclosed in this document no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- 17.14.1 received, directly or indirectly from the Group within the 12 months preceding the date of this document; or
- 17.14.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Group on or after Admission any of the following:
- (a) fees totalling £10,000 or more;
- (b) securities of the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or
- (c) any other benefit with the value of £10,000 or more at the date of this document.
- 17.15 It is expected that definitive Ordinary Share certificates will be despatched by hand or first class post by 7 October 2005. In respect of Ordinary Shares in uncertificated form it is expected that the CREST stock accounts will be credited on 23 September 2005. The Company's registrars shall keep records relating to the issue of certificated and uncertificated shares issued by the Company.
- 17.16 The financial information relating to the Company contained in this admission document does not comprise statutory accounts for the purposes of section 240 of the Act. No other information contained in this document has been audited.
- 17.17 The amount of dividends per share for the financial periods ended 31 July 2004 and 31 July 2005, were £5 and £nil respectively.
- 17.18 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for admission been made nor are there intended to be any other arrangements for there to be dealings in the Ordinary Shares.
- 17.19 It is anticipated that the Placing Shares will be issued on 23 September 2005, the date of Admission.
- 17.20 All of the Ordinary Shares have a nominal value of 0.25 pence each and rank *pari passu* and no Shareholder has different voting rights to other Shareholders. The Ordinary Shares have been created under the Act and are to be issued in British pounds sterling.
- 17.21 As far as the Directors are aware there are no arrangements currently in place relating to the Group, the operation of which may at a subsequent date result in a change of control of the Company.

17.22 As far as the Directors are aware, the Company is not directly or indirectly controlled by any one person.

17.23 As far as the Directors are aware there are no environmental issues that may affect the Group's utilisation of its tangible fixed assets.

17.24 Save as disclosed in this document as regards for each financial year covered by the historical financial information the Company has had no principal investments and there are no principal investments in progress and there are no principal future investments on which the Board has made a firm commitment.

17.25 The Company is not aware of the existence of any takeover bid pursuant to the rules of the City Code on Takeovers and Mergers issued by the Takeover Panel, or any circumstances which may give rise to any takeover bid, and the Company is not aware of any public takeover bid by third parties for the Ordinary Shares.

18. Availability of Admission Document

Copies of this document will be available free of charge during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) until the date following one month after the date of Admission at the registered office of the Company and at the offices of Teather & Greenwood at Beaufort House, 15 St Botolph Street, London, EC3A 7QR.

Dated 22 September 2005

