

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying documents, at once to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

HELIUS ENERGY PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 5745512)

Notice of Extraordinary General Meeting

Notice of an Extraordinary General Meeting of the Company to be held at the offices of Pinsent Masons, CityPoint, One Ropemaker Street, London EC2Y 9AH at 10.00 a.m. on 3 September 2007, is set out at the end of this document. A Form of Proxy for use at the Extraordinary General Meeting is enclosed. **To be valid, Forms of Proxy should be completed in accordance with the instructions printed thereon and returned so as to be received by the Company's registrars, not later than 10.00 a.m. on 1 September 2007.** Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

Your attention is drawn to the letter from the Chairman of Helius Energy plc set out on pages 4 to 5 of this document, recommending you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

Daniel Stewart, which is authorised and regulated by The Financial Services Authority, is acting as nominated adviser and broker to Helius Energy plc. Daniel Stewart is not acting for any person other than Helius Energy plc and will not be responsible to anyone other than Helius Energy plc for providing the protections afforded to customers of Daniel Stewart or for providing advice in relation to the contents of this document.

CONTENTS

	<i>Page</i>
Definitions	3
Letter from Chairman of Helius Energy plc	4
Notice of Extraordinary General Meeting	6

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 1 September 2007
Extraordinary General Meeting	10.00 a.m. on 3 September 2007

DEFINITIONS

The following words and expressions have the following meanings in this document, unless the context requires otherwise:

“Admission”	the admission to trading on AIM of the Placing Shares, becoming effective in accordance with rule 6 of the AIM Rules for Companies
“AIM”	the market of that name operated by the London Stock Exchange plc
“AIM Rules”	the rules for AIM companies and their nominated advisers published by the London Stock Exchange plc from time to time
“Board” or “Directors”	the directors of the Company as at the date of this document, whose names are set out on page 4 of this document
“Helius” or the “Company”	Helius Energy plc
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 10.00 a.m. on 3 September 2007 (or any adjournment thereof) notice of which is set out at the end of this document
“Form of Proxy”	the form of proxy for use in connection with the EGM enclosed with this document
“General Capital”	General Capital Group plc or General Capital Venture Finance Limited as the context requires
“Notice of EGM”	the notice of EGM set out at the end of this document
“Ordinary Shares”	ordinary shares of 1 pence nominal value each in the capital of the Company
“Resolution”	the resolution set out in the Notice of EGM
“Daniel Stewart”	Daniel Stewart & Company plc
“Shareholders”	the holders of Ordinary Shares

HELIUS ENERGY PLC

(Registered in England and Wales under the Companies Act 1985 with registered number 5745512)

Directors:

Alex David Worrall (*Non-Executive Chairman*)
John Michael Seed (*Managing Director*)
Alan Lyons (*Finance Director*)
Dr Adrian Clive Bowles (*Technical Director*)
Christopher Mark Corner (*Commercial Director*)
Michelle Susette Morris (*Executive Director and Company Secretary*)
John Barclay Forrest (*Non-Executive Director*)
Demetri Pappadopoulos (*Non-Executive Director*)

Registered Office:

South Tees Business Centre
Puddlers Road
Middlesbrough
TS6 6TL

9 August 2007

To Shareholders and, for information only, holders of any options and/or warrants in the Company

Dear Shareholder

Extraordinary General Meeting

Introduction

You will have seen the announcements made recently by the Company in connection with the trades made by General Capital in breach of, *inter alia*, the agreements to restrict dealing in Ordinary Shares that General Capital entered into with Daniel Stewart and the Company at the time of Admission, details of which were set out in the admission document relating to the Company dated 25 January 2007.

On 31 July 2007, Helius announced that Jonathan Hill had resigned as a director of the Company.

Following discussions between General Capital and Helius, General Capital has agreed to subscribe for 1,600,000 new Ordinary Shares (being the total number of shares it sold) at a price of 36.25p per share (the average price at which it sold) thus restoring General Capital's shareholding to that prior to the share sales. Admission of the new ordinary shares to AIM is expected to be effective on 15 August 2007. Following the issue of the new ordinary shares, Helius will have 71,483,049 ordinary shares in issue.

In order to avoid dilution from the issue of the new shares, Helius is proposing, subject to shareholder approval, to buy back up to 1,600,000 of its shares in the market for subsequent cancellation. The purpose of this document is to explain the background to the proposed resolution and to seek shareholder approval at an Extraordinary General Meeting to be held on 3 September 2007 to effect the share buy-back.

The Directors recommend that you should vote in favour of the Resolution as the Extraordinary General Meeting, notice of which is set out at the end of this document, as they intend to do so in respect of their own shareholdings.

Proposed terms of the share buy back

As Helius has no distributable reserves it is only permitted to buy back Ordinary Shares out of a fresh issue of shares. The new Ordinary Shares allotted and issued to General Capital will enable the Company to carry out its proposal to buy back these shares in the market.

Helius only intends to purchase Ordinary Shares using the funds raised and no more (for the reasons stated above) and up to a maximum of 1,600,000 Ordinary Shares. Helius will not pay more than 125 per cent. of the average mid market price for Ordinary Shares for the five business days immediately preceding the date on which Helius contracts to make such purchase. If the share price rises above 36.25p per Ordinary Share, inevitably less Ordinary Shares will be purchased in the market than those allotted to General Capital. On the other hand if the share price falls below 36.25p the maximum number of Ordinary Shares to be purchased in the market will be 1,600,000 Ordinary Shares.

These will be the parameters with which your Board will purchase Ordinary Shares in the market in the 12 month period following the approval of the Resolution.

Extraordinary General Meeting

A notice is set out at the end of this document convening an Extraordinary General Meeting of the Company to be held at the offices of Pinsent Masons, Citypoint, 1 Ropemaker Street, London EC2Y 9AH at 10.00 a.m. on 3 September 2007.

At the Extraordinary General Meeting the resolution will be proposed to seek authority to buy back up to 1,600,000 Ordinary Shares in the market.

Action to be taken

A Form of Proxy is enclosed for use at the Extraordinary General Meeting. **Whether or not you propose to attend the Extraordinary General Meeting in person, Shareholders are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible to the Company's registrars, to be received by no later than 10.00 a.m. on 1 September 2007.** The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting in person if they so wish.

Recommendation

The Directors unanimously recommend that you vote in favour of all the Resolutions at the Extraordinary General Meeting, as they intend to do so in respect of their own shareholdings, which in aggregate amount to 52.39 per cent. of the Ordinary Shares in issue at the date of this document.

Yours sincerely

Alex David Worrall

Non-Executive Chairman

HELIUS ENERGY PLC
(Company Number: 5745512)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at the offices of Pinsent Masons, Citypoint, 1 Ropemaker Street, London EC2Y 9AH on 3 September 2007 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:-

RESOLUTION

That the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Companies Act 1985 (the “Act”) to make market purchases (within the meaning of Section 163(3) of the Act) of Ordinary Shares of 1p each in the Company provided that:-

- (a) the maximum number of ordinary shares which may be purchased is 1,600,000 (representing 2.24 per cent. of the Company’s issued ordinary share capital as at 9 August 2007);
- (b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share 1 pence;
- (c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is an amount equal to 125 per cent. of the average of the middle market quotations of an Ordinary Share of the Company taken from the AIM appendix to the Stock Exchange Daily List for the five business days immediately preceding the day on which the share is contracted to be purchased;
- (d) this authority shall expire within 12 months from the date of passing this resolution (unless previously renewed, varied or revoked by the Company in general meeting); and
- (e) the Company may, before such expiry, enter into one or more contracts to purchase Ordinary Shares under which such purchases may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

By Order of the Board

Michelle Susette Morris

Company Secretary

Registered office:
South Tees Business Centre
Puddlers Road
Middlesbrough
TS6 6TL

Dated 9 August 2007

NOTES

- 1 A member entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.
- 2 To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the Company’s registrars, Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU not less than 48 hours before the time for holding the Meeting. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting.

- 3 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the relevant register of members of the Company at 10.00 a.m. on 1 September 2007 shall be entitled to attend and vote at the Extraordinary General Meeting or, if the Meeting is adjourned, close of business on such date being not more than two days prior to the date fixed for the adjourned meeting. Changes to entries on the register of members after 10.00 a.m. on 1 September 2007 shall be disregarded in determining the right of any person to attend or vote at the Meeting.

