

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own independent 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 resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred part only of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares will, on Admission, rank in full for all dividends or other distributions declared, made or paid in respect of Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the Existing Ordinary Shares. It is expected that dealings in the Placing Shares will commence at 8.00 a.m. on 24 October 2011.

A copy of this document, along with other information required to be provided under the AIM Rules for Companies, is available from the Company's website at [www.heliusenergy.com](http://www.heliusenergy.com).

## **HELIUS ENERGY PLC**

*(Incorporated and registered in England and Wales with registered number 5745512)*

### **Proposed Placing of 40,946,142 New Ordinary Shares at 16 pence per share and Notice of General Meeting**

**This document should be read as a whole. Your attention is drawn to the letter to Shareholders from the Chairman of Helius Energy plc ("Helius" or the "Company") which is set out in Part 1 of this document which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.**

**Notice of the General Meeting of the Company to be held at the offices of Burges Salmon LLP, Chancery Exchange, 10 Furnival Street, London EC4A 1AB at 11.00 a.m. on Friday 21 October 2011 is set out at the end of this document.**

The Form of Proxy to be used in connection with the Resolutions to be proposed at the General Meeting is enclosed. Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by Capita Registrars Limited, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and in any event no later than 11.00 a.m. on Wednesday 19 October 2011 (or in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). If you are a member of CREST you may be able to use the CREST electronic proxy appointment service. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by no later than 11.00 a.m. on Wednesday 19 October 2011 (or in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

A summary of the action to be taken by Shareholders is set out in paragraph 7 of Part 1 of this document and in the accompanying Notice of General Meeting. The completion and return of the Form of Proxy will not prevent you from attending the General Meeting and voting in person if you so wish.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor. This document provides you with information about the Placing, but does not invite you to participate. This document does not constitute, and the Company is not making, an offer to the public of transferable securities within the meaning of sections 85 and 102B of FSMA nor does it constitute an admission document drawn up in accordance with the AIM Rules for Companies. This document is therefore not an approved prospectus for the purposes of section 85 of FSMA, and has not been prepared in accordance with the prospectus rules of the FSA and as such neither its contents nor its issue have been approved by the FSA or by any authority which would be a competent authority for the purposes of any legislation that implements the EU Prospectus Directive.

The Placing Shares have not been, and will not be, registered under the United States Securities Act 1933 (as amended) or under the applicable securities laws of Canada, Japan, Australia or South Africa. Accordingly the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Japan, Australia or South Africa. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons who receive this document should inform themselves about and observe the laws governing those jurisdictions. Any failure to comply with any restrictions may constitute a breach of securities laws of any such jurisdictions.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting as nominated adviser, financial adviser and broker to the Company in relation to the Placing and Admission and is not acting for any other persons in relation to the Placing and Admission. Numis Securities Limited is acting exclusively for the Company and for no one else in relation to the matters described in this document and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities Limited, or for providing advice in relation to the contents of this document or any matter referred to in it. The responsibilities of Numis Securities Limited as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person, in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this document, or otherwise.

No liability is accepted by Numis Securities Limited nor does it make any representation or warranty, express or implied, in relation to, the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing and Admission and accordingly Numis Securities Limited disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document or any such statement. Numis Securities Limited has not authorised the contents, or any part, of this document. Numis Securities Limited may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Ordinary Shares (including the Placing Shares) and/or related instruments for its own account for the purposes of hedging its underwriting exposure or otherwise. Except as required by applicable law or regulation, Numis Securities Limited does not propose to make any public disclosure in relation to any such transactions.

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## Expected Timetable of Principal Events

|   |  |
|---|--|
| Latest time and date for receipt of Forms of Proxy                              | 11.00 a.m. on 19 October 2011                              |
| General Meeting   | 11.00 a.m. on 21 October 2011                              |
| Admission and first day of dealing in the Placing Shares on AIM                 | 8.00 a.m. on 24 October 2011                               |
| CREST stock accounts credited with the Placing Shares                           | as soon as reasonably practicable after<br>24 October 2011 |
| Definitive share certificates for the Placing Shares despatched (as applicable) | By 7 November 2011   |

### Notes:

- (1) Each of the times and dates in the above timetable are subject to change at the absolute discretion of the Company and Numis Securities. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service.
- (2) All references in this document are to London times unless otherwise stated.

## Placing Statistics

|  |               |
|--|---------------|
| Issue Price  | 16 pence      |
| Number of Ordinary Shares in issue at the date of this document    | 91,574,157    |
| Number of Placing Shares   | 40,946,142    |
| Number of Ordinary Shares in issue immediately following Admission | 132,520,299   |
| Estimated gross proceeds of the Placing                            | £6,551,383    |
| Estimated net proceeds of the Placing                              | £6.27 million |

## Part 1

# LETTER FROM THE CHAIRMAN OF HELIUS ENERGY PLC

## HELIUS ENERGY PLC

(Incorporated and registered in England and Wales with registered number 5745512)

Directors  
John Seed (Non-Executive Chairman)  
Angus MacDonald (Non-Executive Director)  
Adrian Bowles (Chief Executive Officer)  
Alan Lyons (Chief Financial Officer)  
Christopher Corner (Commercial Director)

Registered office  
242 Marylebone Road  
London  
NW1 6JL

5 October 2011

To Shareholders and, for information only, to the holders of Options

### **Proposed Placing of 40,946,142 New Ordinary Shares at 16 pence per share and Notice of General Meeting**

#### **1. INTRODUCTION**

The Board announced today that it proposes to raise approximately £6.55 million (approximately £6.27 million net of expenses) by way of a placing of 40,946,142 New Ordinary Shares at 16 pence per share, which represents a premium of 14.3 percent to the closing price of 14 pence per Ordinary Share on 4 October 2011 (being the latest practicable date on which the price could be ascertained prior to publication of this document). The Placing is being carried out on a non pre-emptive basis to institutional and other investors and is being arranged and fully underwritten by Numis Securities pursuant to and conditional upon the terms of the Placing Agreement. Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will occur on 24 October 2011.

On 14 April 2011, the Company announced the successful financing of its 7.2 MWe biomass project in Rothes, Morayshire (the "CoRDe Project"). As part of that financing, the Company made an equity investment of £7.85 million in the CoRDe Project, (comprised of its equity investment and its development costs contribution which was converted to equity). The CoRDe Project is now in the construction phase and is expected to enter commercial operation in the second quarter of 2013.

The net proceeds of the Placing (the "Net Proceeds") will be used to strengthen the Company's balance sheet, following its investment in the CoRDe Project, and to provide additional working capital to enable it further to develop its portfolio and to seek to secure:

- project level funding for the Company's consented 100 MWe biomass plant in Avonmouth (the "Avonmouth Project"); and
- planning consent for a 100 MWe biomass plant in Southampton (the "Southampton Project").

The Placing is conditional, *inter alia*, on:

- the passing (without any amendment not approved by Numis Securities) of Resolutions 1 and 2 at the General Meeting to be held at the offices of Burges Salmon LLP, Chancery Exchange, 10 Furnival Street, London EC4A 1AB on Friday 21 October 2011 at 11.00 a.m.;

- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- admission of the Placing Shares to trading on AIM becoming effective by 8.00 a.m. on 24 October 2011 (or such later time and date as the Company and Numis Securities may agree, not being later than 8.00 a.m. on 7 November 2011).

Further details of the Placing are set out in paragraph 4 of this letter. The Resolutions are set out in the Notice of General Meeting at the end of this document.

The purpose of this document is to provide you with details of the Placing, to explain the reasons for the Placing, to explain why the Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole, and to recommend that you vote in favour of the Resolutions at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, totalling in aggregate 33,540,630 Ordinary Shares, representing approximately 36.6 percent of the Existing Issued Ordinary Share Capital.

## **2. UPDATE ON THE CORDE PROJECT**

The Company announced the successful financing of the CoRDe Project on 14 April 2011. The total projected cost of construction of the CoRDe Project is approximately £60.5 million. In addition to the Company's equity investment of £7.85 million (comprised of its equity investment and its development costs contribution which was converted to equity), the CoRDe Project has been financed by a non-recourse senior debt facility of £42.4 million, with £1 million of development funding being provided by The Combination of Rothes Distillers Limited and the balance being provided by Rabo Project Equity B.V. (a wholly owned subsidiary of Rabobank Group). The project is currently in construction with site works underway and major equipment orders placed. The Directors expect that construction of the CoRDe Project will be completed in the second quarter of 2013. It will then represent the Company's first ongoing revenue and cash generating asset. The following key milestones are being targeted:

- boiler house equipment delivery and erection – November 2011;
- turbine delivery – August 2012;
- commencement of commissioning – October 2012;
- synchronisation/power generation – November 2012;
- performance tests – February 2013; and
- commercial handover – April 2013.

## **3. REASONS FOR THE PLACING AND USE OF PLACING PROCEEDS**

On 12 July 2011, the Company announced that it would be undertaking a detailed review of its options to determine the most appropriate way to maximise the substantial potential value from the Company's portfolio of assets. That review has been completed and it has been agreed that the immediate priority for the Company is to undertake the Placing to progress its immediate and longer term pipeline of projects and to continue to seek to add value through the development process.

The Directors believe that the funding package negotiated for the CoRDe Project demonstrates the ability of the Company to secure both project finance and project level equity for biomass projects. While the Company will continue to review its project pipeline and funding options, the Net Proceeds will be used to provide additional working capital to enable the Company to further develop its portfolio and to seek to secure project level funding for the Avonmouth Project and planning consent for the Southampton Project.

*(a) The Avonmouth Project*

The Company intends to use part of the Net Proceeds to continue to develop the consented biomass power project at Avonmouth and to seek to secure a funding package for the project on a project finance basis similar to that achieved in respect of the CoRDe Project.

The Company will seek to secure a development fee in respect of the Avonmouth Project and to retain an equity interest in the project either by way of an equity investment by the Company or as a free carry of equity. The Company will also seek to secure management fees for the construction and operation of the Avonmouth Project.

In order to secure the financing package, it will be necessary, amongst other things, to finalise contracts for the supply of fuel, agree finance and equity documentation and agree contracts for the engineering, procurement and construction of the project. While the number of variables and a degree of dependence on third parties makes accurate predictions difficult, the proposed outline timetable in respect of the Avonmouth Project is as follows:

- financial close – second quarter of 2012;
- commencement of construction – second quarter of 2012; and
- taking-over of power plant – second quarter of 2015.

*(b) The Southampton Project*

The Company intends to use part of the Net Proceeds to fund the process to seek to secure a Development Consent Order in respect of the proposed biomass power project at Southampton. The next steps in respect of the Southampton Project include the preparation and submission of an application for a Development Consent Order to the Infrastructure Planning Commission. In parallel with that process, Helius will seek to develop contracts for the supply of fuel, agree finance and equity documentation and agree contracts for the engineering, procurement and construction of the project.

The Company seeks to identify and mitigate material risks to the business at an early stage. Examples of specific material risks faced by the Group include the possibility of delay to the Avonmouth Project, potentially due to matters outside its control (such as the need to evaluate and assess new government policy which is not yet in the public domain) and the possibility of delay in delivery, or cancellation, of the Stallingborough biomass project which the Company sold to RWE Innogy in 2008, each of which could result in a delay in receipt of revenue by the Company and/or, in the case of Avonmouth, an increase in expected project costs. If, within the next twelve months, the Company has not secured an appropriate funding structure for the Avonmouth Project, which results in a development fee or similar payment to the Company, or realised the deferred consideration payment on the Stallingborough project, it may be required to raise additional funding or alternatively to delay or curtail its development plans and expenditure.

#### **4. DETAILS OF THE PLACING**

Pursuant to the terms of the Placing Agreement, Numis Securities has, as agent for the Company, conditionally placed, with institutional and other investors, the New Ordinary Shares at the Issue Price to raise approximately £6.55 million (approximately £6.27 million net of expenses). The Placing has been fully underwritten by Numis Securities.

The Issue Price represents a premium of approximately 14.3 percent to the closing middle market price of 14 pence per Ordinary Share as at 4 October 2011 (being the latest practicable date on which the price could be ascertained prior to the publication of this document). The Placing Shares will represent approximately 44.7 percent of the Existing Issued Ordinary Share Capital and approximately 30.9 percent of the Enlarged Issued Ordinary Share Capital.

The Placing Shares will be issued credited as fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares (including the right to receive all dividends or other distributions declared, made or paid thereon following Admission).

The Placing Agreement contains warranties and indemnities given by the Company to Numis Securities which are customary for a placing of this nature. Under the Placing Agreement, the Company has agreed to pay to Numis Securities a fixed sum together with a commission based on the aggregate value of certain of the Placing Shares placed at the Placing Price and the costs and expenses of the Placing together with any applicable VAT. Helius has also agreed to pay a commission to Ashberg Limited and/or Narec Capital Limited based on the aggregate value of certain of the Placing Shares placed at the Placing Price.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will occur on 24 October 2011.

The Placing is conditional on, *inter alia*, the following conditions being satisfied by no later than 8.00 a.m. on 24 October 2011 (or such later time and date, being no later than 8.00 a.m. on 7 November 2011, as the Company and Numis Securities may agree):

- (1) the passing (without any amendment not approved by Numis Securities) of Resolutions 1 and 2 at the General Meeting;
- (2) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- (3) admission of the Placing Shares to trading on AIM becoming effective.

It is expected that CREST accounts will be credited with New Ordinary Shares on the day of Admission and that share certificates in respect of New Ordinary Shares (where applicable) will be dispatched by post (at Shareholders' risk) by 7 November 2011.

#### **5. PROPOSED DIRECTOR APPOINTMENT**

The Company seeks to maintain proper standards of corporate governance for a Company admitted to trading on AIM. In order to ensure that the composition of the Board remains balanced, and that appropriate levels of independent scrutiny are maintained, the Company intends to appoint a new independent non-executive Director. Such appointment is likely to take effect after the Placing has completed.

## **6. GENERAL MEETING**

A General Meeting of the Company, notice of which is set out at the end of this document, is to be held at 11.00 a.m. on Friday 21 October 2011 at the offices of Burges Salmon LLP, Chancery Exchange, 10 Furnival Street, London EC4A 1AB. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions to approve the Placing. The Placing is conditional on both of the Resolutions as set out in the Notice of General Meeting being passed without any amendment not approved by Numis Securities.

A summary and explanation of the Resolutions is set out below. Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting at the end of this document.

### **Resolution 1:**

#### ***Authority to allot shares***

This ordinary resolution will grant the Directors authority to allot 40,946,142 Ordinary Shares for the purposes of the Placing. The authority given by this Resolution will expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the date falling fifteen months from the passing of this Resolution. This specific authority will be additional to that given to the Directors at the Company's annual general meeting held on 29 March 2011.

### **Resolution 2:**

#### ***Disapplication of pre-emption rights***

Conditional on the passing of Resolution 1, the purpose of this special resolution is to disapply the pre-emption rights provisions of section 561 of the Companies Act in respect of the Ordinary Shares to be allotted pursuant to Resolution 1 in connection with the Placing as it is proposed that the Placing Shares be allotted for cash other than on a pre-emptive basis. The authority given by this Resolution will expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the date falling fifteen months from the passing of this Resolution. This authority will be in addition to that contained in the special resolution passed at the annual general meeting of the Company held on 29 March 2011.

## **7. ACTION TO BE TAKEN**

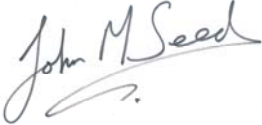
You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's registrars, Capita Registrars Limited, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 11.00 a.m. on Wednesday 19 October 2011. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars Limited (CREST Participant ID: RA10) so that it is received by no later than 11.00 a.m. on Wednesday 19 October 2011, being 48 hours (excluding non-working days) before the time appointed for holding the General Meeting. The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish.

If you are in any doubt as to how to complete the Form of Proxy (or CREST Proxy Instruction), please contact Capita Registrars Limited on 0871 664 0300 within the UK (calls cost 10 pence per minute plus network extras) or +44 208 639 3399 from overseas. Lines are open 8.30 a.m. to 5.30 p.m. Capita Registrars Limited will not be able to provide advice on the merits of the proposals set out in this document, or give any financial advice. For financial advice, you will need to contact your own independent professional adviser.

## 8. RECOMMENDATION TO SHAREHOLDERS

The Directors believe that the Placing is in the best interests of the Company and its Shareholders as a whole and accordingly the Directors unanimously recommend that you vote in favour of the Resolutions at the General Meeting, as your Directors intend to do in respect of their own beneficial holdings totalling 33,540,630 Ordinary Shares, representing approximately 36.6 percent of the Existing Issued Ordinary Share Capital.

Yours faithfully,

A handwritten signature in black ink that reads "John M Seed". The signature is written in a cursive style with a long horizontal flourish underneath the name.

**John Seed**  
Chairman

## Definitions

The following definitions apply throughout this document and the Form of Proxy, unless the context requires otherwise:

|   |  |
|---|--|
| <b>Admission</b>                              | admission of the Placing Shares to trading on AIM becoming effective under Rule 6 of the AIM Rules for Companies;  |
| <b>AIM</b>                                    | the Alternative Investment Market operated by the London Stock Exchange;   |
| <b>AIM Rules for Companies</b>                | the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;  |
| <b>AIM Rules for Nominated Advisers</b>       | the rules of AIM as set out in the publication entitled 'AIM Rules for Nominated Advisers' published by the London Stock Exchange from time to time;   |
| <b>Board or Directors</b>                     | the directors of the Company as at the date of this document;  |
| <b>Chairman</b>                               | the chairman of the Board as at the date of this document;   |
| <b>Companies Act</b>                          | the Companies Act 2006;  |
| <b>CREST</b>                                  | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations);  |
| <b>CREST Proxy Instruction</b>                | an order for a proxy appointment or instruction made using CREST;  |
| <b>CREST Regulations</b>                      | the Uncertificated Securities Regulations 2001;  |
| <b>Development Consent Order</b>              | a Development Consent Order pursuant to the Planning Act 2008;   |
| <b>Enlarged Issued Ordinary Share Capital</b> | the issued ordinary share capital of the Company immediately following the completion of the Placing, assuming unless otherwise stated that none of the Options in existence as at 4 October 2011 (being the latest practicable date prior to publication of this document) have been exercised; |
| <b>EU Prospectus Directive</b>                | Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003;   |
| <b>Existing Issued Ordinary Share Capital</b> | the issued ordinary share capital of the Company as at 4 October 2011 (the latest practicable date prior to publication of this document);   |
| <b>Existing Ordinary Shares</b>               | the Ordinary Shares in issue as at 4 October 2011 (the latest practicable date prior to publication of this document);   |
| <b>Form of Proxy</b>                          | the form of proxy relating to the General Meeting;   |
| <b>FSA</b>                                    | the Financial Services Authority;  |
| <b>FSMA</b>                                   | the Financial Services and Markets Act 2000, as amended;   |
| <b>Helius or Company</b>                      | Helius Energy plc, a company incorporated in England and Wales with registered number 5745512 and having its registered office at 242 Marylebone Road, London, NW1 6JL;  |
| <b>General Meeting</b>                        | the general meeting of the Company convened for 11.00 a.m. on Friday 21 October 2011 to approve the Resolutions, notice of which is set out at the end of this document (or any adjournment thereof);  |
| <b>Group</b>                                  | the Company and/or its subsidiaries (as defined in Sections 1159 and 1160 of the Companies Act);   |
| <b>Issue Price</b>                            | 16 pence per New Ordinary Share;   |
| <b>London Stock Exchange</b>                  | London Stock Exchange plc;   |
| <b>MWe</b>                                    | Megawatt electrical;   |
| <b>New Ordinary Shares</b>                    | the new Ordinary Shares to be issued pursuant to the Placing;  |
| <b>Notice of General Meeting</b>              | the notice of General Meeting set out at the end of this document;   |
| <b>Numis Securities</b>                       | Numis Securities Limited, a company incorporated in England and Wales with registered number 2285918 and having its registered office at 10 Paternoster Square, London, EC4M 7LT;  |
| <b>Options</b>                                | options granted by the Company over unissued Ordinary Shares pursuant to employee share option schemes and rights to subscribe for shares pursuant to employee and non-executive long term incentive plans put in place by the Company;  |

|                                       |   |
|---------------------------------------|---|
| <b>Ordinary Shares</b>                | ordinary shares of 1 penny each in the capital of the Company;  |
| <b>Participant ID</b>                 | the identification code or membership number used in CREST to identify a particular CREST Member or CREST Participant;  |
| <b>Placing</b>                        | the proposed placing of the New Ordinary Shares described in further detail in paragraph 3 of Part 1 of this document;  |
| <b>Placing Agreement</b>              | the conditional placing agreement dated 5 October 2011 and entered into between Numis Securities and the Company relating to the Placing;   |
| <b>Placing Shares</b>                 | the New Ordinary Shares to be allotted and issued to placees pursuant to the Placing;   |
| <b>Regulatory Information Service</b> | has the meaning given in the AIM Rules for Companies;   |
| <b>Resolutions</b>                    | the resolutions to be proposed at the General Meeting which are described in paragraph 6 of Part 1 of this document and which are set out in full in the Notice of General Meeting; |
| <b>Shareholders</b>                   | the holders of Ordinary Shares; and   |
| <b>UK or United Kingdom</b>           | the United Kingdom of Great Britain and Northern Ireland.   |

All references to “pounds”, “pounds sterling”, “sterling”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom.

## Part 2

### Notice of General Meeting

## Helius Energy plc

*(Incorporated and registered in England and Wales with registered number 5745512)*

**NOTICE IS HEREBY GIVEN** that a General Meeting of Helius Energy plc (the "Company") will be held at the offices of Burges Salmon LLP, Chancery Exchange, 10 Furnival Street, London EC4A 1AB at 11.00 a.m. on Friday 21 October 2011 for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolution 1 will be proposed as an Ordinary Resolution and Resolution 2 will be proposed as a Special Resolution:

#### Ordinary Resolution

1. THAT the directors of the Company be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act"), in addition to any existing authority to the extent unused, to exercise all the powers of the Company to allot ordinary shares in the Company or grant rights to subscribe for or to convert any security into ordinary shares in the Company on, and subject to, such terms as the directors may determine. The authority hereby conferred shall, subject to section 551 of the Act, be for a period commencing on the date of the passing of this Resolution and expiring at the conclusion of the next annual general meeting of the Company or on the date falling fifteen months from the passing of this Resolution (whichever is the earlier) unless reviewed, varied or revoked by the Company in general meeting and the maximum nominal amount of ordinary shares which may be allotted pursuant to such authority shall be £409,461.42. The directors shall be entitled under such authority or any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require ordinary shares in the Company to be allotted after the expiry of such authority and the directors may allot ordinary shares in pursuance of such offer or agreement as if such authority had not expired.

#### Special Resolution

2. THAT, in addition to all existing authorities to the extent unused, the directors of the Company be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560(1) of the Act) pursuant to the authority conferred by Resolution 1 above wholly for cash as if section 561(1) of the Act did not apply to such allotment, provided that the power hereby conferred shall be limited to the allotment of equity securities up to an aggregate nominal amount of £409,461.42 in connection with the Placing (as such term is defined in the circular to the Company's shareholders dated 5 October 2011) and the power granted by this Resolution shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the date falling fifteen months from the passing of this Resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Dated: 5 October 2011

**By order of the Board**  
**William J. Ingram Hill**  
*Company Secretary*

Notes:

1. Resolution 1 is proposed as an Ordinary Resolution. This means that for the Resolution to be passed, more than half of the votes cast on such Resolution must be in favour of such Resolution. Resolution 2 is proposed as a Special Resolution. This means that for this Resolution to be passed, at least three-quarters of the votes cast on such Resolution must be in favour of such Resolution.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. If a member appoints more than one proxy in relation to the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which the member is the registered holder will be apportioned to the blank proxy form.
3. To appoint as a proxy a person other than the chairman of the meeting, a member must insert the proxy's full name in the box on the proxy form. If a member signs and returns a proxy form with no name inserted in the box, the chairman of the meeting will be deemed to be the member's proxy. Where a member appoints as a proxy someone other than the chairman, the member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. If a member wishes a proxy to make any comments on the member's behalf, the member will need to appoint someone other than the chairman and give them the relevant instructions directly.
4. A member which is a corporation is entitled to appoint one or more corporate representatives to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member. If a member which is a corporation appoints more than one corporate representative in relation to the meeting, each representative must exercise the rights attached to a different share or shares held by that member. In the case of a member which is a corporation, the proxy form must be executed under the corporation's common seal or signed on its behalf by a duly authorised officer of the corporation or an attorney for the corporation.
5. A form of proxy is enclosed. To be valid, the form of proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and deposited at the office of the Company's registrars, Capita Registrars Limited, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours (excluding non-working days) before the time for holding the meeting (or any adjourned meeting). Completion of a form of proxy does not preclude a member from attending and voting in person at the meeting if (s)he so wishes.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered in the Company's register of members at 6 p.m. on Wednesday 19 October 2011 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes in the Company's register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting. If the meeting is adjourned, the time which is 48 hours before the time fixed for the adjourned meeting shall apply for the purpose of determining the entitlement of members to attend and vote at the adjourned meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on Friday 21 October 2011 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
9. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.