

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 authorised under the Financial Services and Markets Act 2000.

1 June 2012

Dear Shareholder

**ANNUAL GENERAL MEETING of Crimson Tide plc (the "Company") on 28 JUNE 2012**

The Annual Report and Accounts for Crimson Tide plc for the year ended 31<sup>st</sup> December 2011 is now available and can be accessed via the Company's website:

**[www.crimsontide.co.uk](http://www.crimsontide.co.uk)**

Click on the "Investors" link, and then on "Documents/Reports" in the Investor Documents section.

If you have previously requested a paper version of the Annual Report and Accounts, it is included with this letter.

Enclosed is the Notice of Annual General Meeting (the "AGM") to be held at 10 Orange Street, Haymarket, London WC2H 7DQ on 28<sup>th</sup> June 2012 at 2:30pm, together with a Proxy Form enabling you to vote on the eight formal resolutions to be proposed at that meeting (the "Resolutions").

At that meeting, we shall conduct the business that routinely takes place at our AGM but will also be dealing with three additional matters which I want to bring to your attention.

Our routine business consists of (i) receiving the Report and Accounts, (ii) re-appointing our auditors, Shipleys LLP, and authorising the directors to fix their remuneration and (iii) re-appointing those Directors who retire by rotation. This year, Rowley Ager and I have to seek re-election. That business is dealt with in Resolutions 1 to 4.

In addition, consent of members is being sought for three matters that are not usually considered annually by shareholders, which is why I am writing this letter to you.

The three matters are (i) the renewal of the authority of the Directors to issue shares, including the authority to allot such shares on a non-rights issue basis, (ii) the cancellation of the Company's 15,160,482 deferred shares of 19 pence each (the "Deferred Shares") created in September 2004 and (iii) the adoption of new Articles of Association.

**RESOLUTIONS 5 & 6: RENEWAL OF THE DIRECTORS AUTHORITY TO ALLOT SHARES**

In April 2008, the shareholders granted the Directors authority to allot shares. They also granted authority for the Directors to allot shares on a non-rights issue basis. In other words, the Directors were permitted to issue shares without first offering them to shareholders (pro rata to their holdings).

The authorities were granted for the maximum period allowed by law of five years. Accordingly, the authorities will expire in April 2013.

The Directors seek your authority to allot shares, including on a non-rights issue basis, for a further five years from the date of this meeting.

Resolution 5 covers the basic authority to allot. Resolution 6 means that, such authority may be exercised on a non-rights issues basis.

These authorities allow the Company to place shares freely and/or acquire businesses for shares should the opportunity so arise.

Like Resolutions 1 to 4, Resolution 5 is an ordinary resolution meaning that it requires a simple majority to be passed. Resolution 6, like the two other resolutions that follow it, is a special resolution. It requires a 75 per cent majority in order to be passed.

#### RESOLUTION 7: THE CANCELLATION OF THE DEFERRED SHARES

The Deferred Shares were created prior to the reverse takeover of the Company (then known as A. Cohen & Co Plc) by Crimson Tide Limited in August 2006. As current shareholders who were shareholders in A. Cohen & Co Plc in September 2004 may recall, the share price for ordinary shares at that time was less than their nominal value of 20 pence. A company is not allowed to issue shares at less than their nominal value, so, in 2004, the Company was effectively prevented from issuing new shares. On 30 September 2004, a resolution was passed splitting each ordinary share of 20 pence into one new ordinary share of one penny ("Ordinary Shares") and a Deferred Share of 19 pence.

On 30 September 2004, there were 15,160,482 Ordinary Shares and 15,160,482 Deferred Shares in issue. There are now 445,486,234 Ordinary Shares and 15,160,482 Deferred Shares in issue.

The rights attaching to the Deferred Shares were designed to make them of very limited practical and economic value. They have no voting or dividend rights. They only have a right to capital once holders of Ordinary Shares have received £5 million each. The Board believes it is an appropriate moment to tidy up the Company's share capital and eliminate the administrative burden by cancelling the Deferred Shares.

The elimination of the Deferred Shares is dealt with in Resolution 7.

Not all holders of Ordinary Shares hold Deferred Shares. The cancellation of the Deferred Shares affects the holders of the Deferred Shares as a class over and above the effect on them as holders of shares generally.

Accordingly, immediately after the AGM, a class meeting of the holders of the Deferred Shares will be held to seek their consent to the cancellation of the Deferred Shares.

I have written separately to the holders of Deferred Shares about that class meeting. That letter to holders of Deferred Shares is included in the same envelope in which you will have received this letter if you hold Deferred Shares.

Cancelling the Deferred Shares is a two-stage process. First, the permission of shareholders must be obtained formally. Second, the High Court must be satisfied that the interests of creditors are protected before it will confirm this decision.

The second part of the process, seeking the High Court's confirmation, is itself split into two parts. The Company will seek a preliminary or "directions" hearing at which, amongst other things, the High Court will require that the Company advertise its intentions in the newspapers. At a second or "final" hearing, the Company will seek the High Court's confirmation of your agreement to the cancellation

of the Deferred Shares. In seeking the High Court's confirmation, it will be necessary for the Company to satisfy the High Court that the interests of its creditors are not prejudiced by the cancellation. The Board does not foresee any objections to the cancellation from its creditors and will put into place such creditor protection as the Court may require.

Assuming that the High Court makes an order confirming the cancellation, the cancellation will become effective as soon as a copy of the order is registered by the Registrar of Companies.

The Company will make an appropriate announcement, once registration has occurred.

#### RESOLUTION 8: ADOPTION OF ARTICLES

As the Company is holding a General Meeting, the opportunity is being taken to update the Company's articles of association (the "Articles") to comply with the Companies Act 2006 (the "Act") which has now been fully implemented. This is dealt with in Resolution 8.

The Company's Articles have not been updated for many years, so the opportunity is being taken to update the Articles generally in the light of custom and market practice amongst AIM listed companies as well as changes prompted by the Companies Act 2006.

The proposed new Articles and a copy of the existing Articles are available for inspection on the Company's website:

**[www.crimsonside.co.uk](http://www.crimsonside.co.uk)**

Click on the "Investors" link, and then on "Documents/Reports" in the Investor Documents section.

If you would like a hard copy of the documents, please contact the Company Secretary at Heathervale House, Vale Avenue, Tunbridge Wells, Kent, TN1 1DJ.

#### EXPECTED TIMETABLE OF EVENTS

Latest time for receipt of proxy forms	2.30 p.m. on 26 June 2012
AGM	2.30 p.m. on 28 June 2012
Class Meeting for Deferred Shares	3.00 p.m. on 28 June 2012
Directions Hearing before High Court	July 2012
Final Hearing before High Court	September 2012
Registration of court order	September 2012

#### RECOMMENDATION

The Directors consider that the Resolutions are in the best interests of the Company and the shareholders as a whole.

Accordingly, the Directors unanimously recommend shareholders to vote in favour of the Resolutions proposed for this AGM as they intend to do in respect of their own holdings.

### ACTION TO BE TAKEN BY SHAREHOLDERS

Forms of Proxy should be completed and returned so that they arrive at the offices of the Company as soon as possible and, in any event, not later than 2.30 p.m. on 26 June 2012. Completion and return of the Form of Proxy will not prevent you from attending and voting at the AGM should you so wish.

### REQUEST TO SEND OR SUPPLY DOCUMENTS AND INFORMATION VIA A WEBSITE

In accordance with the Companies Act 2006 and its Articles of Association, the Company is authorised to send or supply certain documents and information ('Documents and Information') to shareholders by making such Documents and Information available electronically via a website. The Company's means of communication with its shareholders is its website at **www.crimsonside.co.uk** (the 'Website'). The Board believes strongly that by utilising electronic communication it will deliver savings to the Company in terms of administration, printing and postage, and environmental benefits through the reduced consumption of paper and inks, as well as speeding up the provision of information to shareholders.

In order to be able to send and supply Documents and Information to shareholders in this fashion, the Company is required to ask shareholders individually to confirm their agreement to the Company sending or supplying the Documents and Information to them as a member of the Company via the website.

Accordingly, this letter constitutes a request for your agreement to the Company sending or supplying Documents and Information to you by making the same available on the Website.

If you:

- agree to the Company sending or supplying 'soft copy' Documents or Information to you (via the Website), you do not need to take any further action; or
- would prefer to receive Documents and Information in paper or 'hard copy' form rather than via the Website, you will need to let us know by completing the Electronic Communication Reply Form attached and send it to the Company Secretary at Heathervale House, Vale Avenue, Tunbridge Wells, Kent, TN1 1DJ.

If the Company does not receive a response from you within 28 days from the date of this letter, then it will be taken that you have agreed (under paragraph 10 of Schedule 5 to the Companies Act 2006) that the Company may send or supply Documents and Information to you electronically via the Website. We will notify you when Documents and Information are available to access on the website (by email if you have agreed to receive communication of the availability of Documents and Information by email) and we will provide you with:

- the address of the Website;
- the place on the Website where the Documents and Information may be accessed; and
- details of how to access Documents or Information.

Please note that there may be particular circumstances in which the Company needs to send Documents or Information to you in 'hard copy' rather than by Website publication, in which case the Company reserves the right to do so.

I look forward to meeting those of you who wish to attend the AGM. If you are unable to attend, I encourage you to complete and return the Form of Proxy so that your views are taken into account on these important subjects.

Yours sincerely,

**Barrie R. J. Whipp**  
Executive Chairman

ELECTRONIC COMMUNICATION REPLY FORM

**YOU NEED TAKE NO ACTION** if you agree to receive Documents and Information electronically via the Website but it would be especially helpful if you email:

**sharecomms@crimsontide.co.uk**

with the name of the shareholder to agree to receive notification of the availability of the Annual Report and other shareholder communications on the Company's website by email and not in the post.

Complete this Part if you do NOT consent to the supply of documents and information via the website.

I/We elect to receive documents and information in hard copy from the Company by post.

Shareholder Name: .....

Signed.....

Date.....

Shareholders may at any time change their election or request a paper copy of any shareholder communications published on the Company's website.

Please return this form to the Company Secretary at Heathervale House, Vale Avenue, Tunbridge Wells, Kent, TN1 1DJ