

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 (“FSMA”) who specialises in advising on the acquisition of shares and other securities before taking any action. The whole of the text of this document should be read. Investment in the Company is speculative and involves a high degree of risk.

If you have sold or transferred all of your Existing Ordinary Shares, please pass this document but not the accompanying personalised Forms of Proxy for the Annual General Meeting and the General Meeting to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Application will be made for the Enlarged Issued Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Issued Ordinary Share Capital will commence on AIM on 31 December 2009.

Microcap Equities plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 03882653)
(ISIN GB0032851270)

**Proposed Capital Reorganisation,
Subscription for 307,693,000 New Ordinary Shares at 0.065p per share
Approval of a waiver of the obligations under Rule 9 of the City Code
on Takeovers and Mergers,
Adoption of new articles of association,
Change of investing policy,
Change of name to Deo Petroleum plc
and
Notices of annual general meeting and general meeting
Nominated Adviser and Broker**



Merchant John East Securities Limited

Notices convening the annual general meeting (“AGM”) and a general meeting (“GM”) of the Company to be held at the offices of Merchant John East Securities Limited, 10 Finsbury Square, London EC2A 1AD 30 December 2009 at 11.00 a.m. and 11.05 a.m., or such later time as the AGM convened for 11.00 a.m. has concluded or been adjourned, respectively are set out on pages 23 to 29 of this document. Alternatively, CREST members who wish to appoint a proxy or proxies via CREST may do so in accordance with the procedures set out in the notices of AGM and GM and Forms of Proxy for each meeting, which accompany this document. **To be valid, the Forms of Proxy for CREST Proxy instructions for use at the meetings must be completed and returned so as to be received at the offices of the Company’s registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA or via CREST not later than 11.00 a.m. in the case of the Form of Proxy for the AGM and 11.05 a.m. in the case of the Form of Proxy for the GM on 28 December 2009.** The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the meetings should you wish to do so.

The Subscription Shares will rank *pari passu* in all respects with the issued New Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the New Ordinary Shares after Admission.

Merchant John East Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and no-one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Merchant John East Securities Limited, or for providing advice in relation to the Proposals. Merchant John East Securities Limited is not making any representation or warranty, express or implied, as to the content of this document. No liability is accepted by Merchant John East Securities Limited for the accuracy of any information or opinions contained in or for the omission of any material information from this document, for which the Company and the Directors are solely responsible.

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Definitions

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

“Act”	the Companies Act 2006, as amended
“Admission”	the admission of the New Ordinary Shares in issue immediately following the Capital Reorganisation and the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AGM” or “Annual General Meeting”	the annual general meeting of the Company convened for 11.00 a.m. on 30 December 2009, notice of which is set out on pages 23 to 25 of this document
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the rules published by the London Stock Exchange relating to AIM, as amended from time to time
“Business Day”	a day on which dealings in securities may take place on the London Stock Exchange
“Capital Reorganisation”	the proposed consolidation and sub-division of every 50 Existing Ordinary Shares into one New Ordinary Share and one New Deferred Share
“Code”	The City Code on Takeovers and Mergers
“Company” or “Microcap”	Microcap Equities plc
“Concert Party” or “Investors”	Kevin Burke and David Marshall
“CREST”	the system for paperless settlement of trades and the holding of uncertificated shares administered through Euroclear UK & Ireland Limited
“Deferred Shares”	the 2,667,229 deferred shares of 24p each in the capital of the Company in issue at the date of this document
“Directors” or “Board”	the directors of the Company as set out on page 6 of this document
“Enlarged Issued Ordinary Share Capital”	330,681,200 New Ordinary Shares in issue at Admission
“Existing Ordinary Shares”	the 114,941,002 ordinary shares of 1p each in the capital of the Company in issue at the date of this document
“Form(s) of Proxy”	the forms of proxy accompanying this document for use in connection with the AGM and the GM, as appropriate

Definitions (continued)

“GM” or “General Meeting”	the general meeting of the Company convened for 11.05 a.m. (or such later time as the Annual General Meeting convened for 11.00 a.m. has concluded or been adjourned) on 30 December 2009, notice of which is set out on pages 26 to 29 of this document
“London Stock Exchange”	London Stock Exchange plc
“MJES”	Merchant John East Securities Limited
“Neville Registrars”	the trading name of Neville Registrars Limited
“New Articles”	the new articles of association of the Company proposed to be adopted at the GM, a draft of which is available for inspection as referred to in paragraph 8.6 of Part III of this document
“New Board”	the Directors and the Investors
“New Deferred Shares”	the new deferred shares of 4.99p each arising from the Capital Reorganisation
“New Ordinary Shares”	the new ordinary shares of 0.01p each in the capital of the Company arising from the Capital Reorganisation
“Panel”	the Panel on Takeovers and Mergers
“Proposals”	the Capital Reorganisation, the proposed Subscription, the Rule 9 Waiver, the adoption of the New Articles, the change of name, change of investing policy and Admission
“Resolutions”	the resolutions set out in the notice of the General Meeting on pages 26 to 29 of this document
“Rule 9 Waiver”	the agreement by the Panel to waive the obligation on the Investors to make a general offer to all Shareholders pursuant to Rule 9 of the Code subject to approval, by way of a poll vote, of the Shareholders
“Shareholders”	holders of Existing Ordinary Shares
“Subscription”	the subscription for the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional agreement dated 8 December 2009 between (1) the Company and (2) the Investors relating to the Subscription, further details of which are set out in paragraph 3.1.1 of Part III of this document
“Subscription Price”	0.065p per New Ordinary Share
“Subscription Shares”	the 307,693,000 New Ordinary Shares to be issued pursuant to the Subscription

Expected timetable of events

Despatch of this document	8 December 2009
Record date for the AGM and GM	6.00 p.m. on 8 December 2009
Latest time for receipt of Forms of Proxy for the Annual General Meeting	11.00 a.m. on 28 December 2009
Latest time for receipt of Forms of Proxy for the General Meeting	11.05 a.m. on 28 December 2009
Annual General Meeting	11.00 a.m. on 30 December 2009
General Meeting	11.05 a.m. on 30 December 2009
Record Date for the Capital Reorganisation	6.00 p.m. on 30 December 2009
Admission effective and trading expected to commence in the Enlarged Issued Ordinary Share Capital	31 December 2009
CREST accounts credited with New Ordinary Shares and Subscription Shares	31 December 2009
Share certificates in respect of the New Ordinary Shares and the Subscription Shares expected to be despatched by no later than	7 January 2010

Share capital statistics

Subscription Price per Subscription Share	0.065p
Equivalent subscription price per Existing Ordinary Share	0.013p
Number of Existing Ordinary Shares	114,941,002
Number of New Ordinary Shares in issue following the Capital Reorganisation but before the issue of the Subscription Shares	22,988,200
Subscription Shares to be issued by the Company on Admission	307,693,000
Percentage of the Enlarged Issued Ordinary Share Capital represented by the Subscription Shares	93.05 per cent.
Number of New Ordinary Shares in issue following Admission	330,681,200
ISIN following Admission	GB00B42T1X27

Part I
Letter from the Chairman

Microcap Equities plc

(Incorporated in England and Wales with registered number 03882653)

Directors

Nicolas David Antony Greenstone (*Executive Chairman*)
Rakesh Ramesh Patel (*Finance Director*)

Registered Office

Thames House
Portsmouth Road
Esher
Surrey KT10 9AD

8 December 2009

To Shareholders

Dear Shareholder,

Proposed Capital Reorganisation, Subscription, Rule 9 Waiver, adoption of the New Articles, change of investing policy and change of name

Introduction

Earlier today, the Company announced that it intends to raise £200,000 before expenses by means of a subscription for 307,693,000 New Ordinary Shares at 0.065p per New Ordinary Share, following the implementation of the Capital Reorganisation, the terms of which are set out below.

Kevin Burke and David Marshall, together the Investors, have conditionally agreed to subscribe for the Subscription Shares. The Investors have significant experience in the oil and gas sector and intend to use the Company to create an investment vehicle to operate in that sector. More information on the Investors is set out below. If Shareholders approve the Resolutions at the GM, the Investors will hold 93.05 per cent. of the Enlarged Issued Ordinary Share Capital following Admission. Since this exceeds 30 per cent. of the Enlarged Issued Ordinary Share Capital, the Investors would, in the absence of a waiver from the provisions of Rule 9 of the Code being granted by the Panel, be obliged to make a general offer for the Company. The Panel has agreed, subject to Resolution numbered 1 being passed on a poll by Shareholders at the GM, to waive this obligation.

The purpose of this letter is to give you further information regarding the matters described above and to seek your approval of the Proposals, which include the Rule 9 Waiver, at the GM. The notice of GM is set out at the end of this document.

The Company has all but exhausted its cash resources and therefore failure to pass the Resolutions will result in the Company needing to seek alternative financing agreements, which the Directors believe would be difficult to find in the current economic environment. Failure to secure alternative financing would result in the Company being unable to meet its obligations as they fall due and lead to inevitable liquidation. Therefore, the Directors believe that the Proposals afford the Company its last realistic opportunity to survive and to restart its investing business.

If the Resolutions are approved, it is the New Board's intention to undertake an additional capital raising early in the new year. The New Board intends to raise that capital at or around the Subscription Price and to give Shareholders the opportunity to participate.

Background to the Proposals and intended investing policy

The Company was incorporated in November 1999 and its share capital was admitted to trading on AIM in December of that year. The directors' original strategy was to create a business that would assist early stage

companies with their capital requirements and, in particular, to support the development of small and medium sized technology related businesses.

The level of failure in early stage technology companies caused the Company to cease its investment strategy and the original board to resign or to retire in 2003. Rakesh Patel and I joined the Board in October 2003. Apart from six investments made since 2003, the Company has had no investment activity and the Directors' attempts to identify and conclude terms for a suitable investment opportunity have been thwarted by the Company's lack of funds.

New investing policy

The core strategy of the New Board will be to take advantage of the prevailing opportunities in the oil and gas sector resulting from the resurgent price for oil and gas, underlying energy commodity fundamentals and the opportunities which currently exist for investment in the North Sea oil and gas industry. The Company intends to invest in oil and gas development projects, assets and companies to exploit these opportunities.

In particular, the Company will seek to invest in oil and gas assets with technical and/or other challenges (often referred to as 'stranded assets'), which make potential development projects less attractive to the major energy companies and where the Company may deploy its expertise to exploit the opportunity but which nevertheless have the potential to generate high returns for shareholders. The focus will be on assets with known hydrocarbon accumulations and whose development in the form of sub sea tie-backs can deliver near term production and shareholder returns within two years. Suitable assets will be acquired either in their entirety or by utilising other partnership, joint venture or farm-in arrangements, in which event the Company will actively operate them. When the Company identifies companies suitable for acquisition, the aim will be to acquire the business in entirety and integrate that with its other businesses and thereafter proactively manage a portfolio of oil and gas development projects and producing assets consistent with its core agenda of focusing on development and production. As part of its risk management strategy, the Company does not intend to invest in exploration projects. Moreover, the Company intends to focus its investing strategy in the North Sea.

The New Board has already identified and intends, as soon as possible, to appoint a highly experienced team of oil and gas industry executives with proven expertise of oil and gas project delivery in the North Sea to develop the Company's new investing policy and to implement, in the longer term, the Company's objectives of substantial shareholder returns from oil and gas development and production.

Investments in oil and gas projects are capital intensive and, therefore, the immediate strategy of the New Board will be to begin the process of raising significant additional capital for the Company. The funds raised through the Subscription will not be sufficient to allow the Company to carry out its investment policy but will be used for working capital purposes until sufficient additional capital is raised to allow the Company to implement that policy fully. The New Board will arrange to raise substantial additional capital in the form of equity or a convertible instrument as soon as practicable, in which Shareholders will be given the opportunity to participate, but has no intention to use traditional external debt in the short term. There will be no limit on the life of the Company, but, if the Company has not substantially implemented its investing policy within 18 months of Admission, it will seek the consent of its shareholders for its investing policy on an annual basis.

The AIM Rules provide that a new investing policy must be approved by Shareholders, for which purpose a resolution is being proposed at the GM.

I stress that the Company has all but exhausted its cash resources and cannot dispose of its remaining investments. It therefore cannot survive without the Subscription which will provide it with sufficient working capital for at least 12 months. It is for this reason that the Directors urge Shareholders strongly to vote in favour of the Proposals.

The Capital Reorganisation

The Company presently has 114,941,002 Existing Ordinary Shares in issue which are held by more than 1,100 shareholders. This substantial body of shareholders adds a significant cost to the overheads of the Company because of the need to produce a large number of annual accounts and also increases registrars' costs. Over 64.9 per cent. of Shareholders have holdings with a value, at the current share price, of £5 or less. Accordingly, it is proposed to consolidate the Company's share capital on the terms set out below, prior to

carrying out the Subscription. The Subscription Price (which is the equivalent of 0.013p per share prior to the Capital Reorganisation) is, however, below the present nominal value of the Existing Ordinary Shares and the Company is prohibited by law from issuing fully paid shares at a discount to the nominal, or par, value of its shares. Therefore, in order to carry out the Subscription, it is necessary to reduce the nominal value of the Company's authorised and issued Existing Ordinary Shares to an appropriate level which is less than the Subscription Price. Accordingly, the Directors have decided that a share reorganisation should be effected on the following basis:

- a) every 500 Existing Ordinary Shares will be consolidated into one new ordinary share of 500p;
- b) each of the resulting issued ordinary shares of 500p will then be subdivided by a factor of 100 into ordinary shares of 5p each;
- c) each of the issued ordinary shares of 5p resulting from the consolidation will then be subdivided into and redesignated as one New Ordinary Share and one New Deferred Share. The New Ordinary Shares will then have a nominal value of 0.01p each; and
- d) each of the unissued ordinary shares of 1p will be subdivided into 100 New Ordinary Shares.

Any fractions of issued New Ordinary Shares arising from the Capital Reorganisation will be aggregated, issued and sold for the benefit of the Company.

The rights attaching to the New Ordinary Shares will, apart for the change in nominal value, be identical in all respects to those of the Existing Ordinary Shares.

The New Deferred Shares will rank equally with the Deferred Shares and as such will have no voting rights and will not carry any entitlement to attend general meetings of the Company. They will carry only the right to participate in any return of capital to the extent of 4.99p per New Deferred Share but only after each New Ordinary Share has received in aggregate capital repayments totalling £10,000 per New Ordinary Share.

Accordingly, the New Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention, at an appropriate time, to make an application to the court for the New Deferred Shares and Deferred Shares to be cancelled.

Existing share certificates will cease to be valid following the Capital Reorganisation and new share certificates in respect of the New Ordinary Shares will be issued by 7 January 2010; no certificates will be issued in respect of New Deferred Shares.

The notice of GM set out at the end of this document contains resolutions to give effect to the proposed Capital Reorganisation, Rule 9 Waiver and to provide the Directors with the relevant authorities to issue and allot the Subscription Shares which are conditional, amongst other matters, on the passing of all the Resolutions.

The Subscription

Under the terms of the Subscription Agreement, the Investors have conditionally agreed to subscribe for 307,693,000 New Ordinary Shares at the Subscription Price, raising approximately £200,000 before expenses for the benefit of the Company. The Investors have already provided a loan of £36,000, as announced on 23 November 2009, which they propose to capitalise by subscribing for Ordinary Shares. For the avoidance of doubt, the total subscription will be for £200,000 which includes the £36,000 already provided as a loan.

The Subscription is conditional, *inter alia*, upon Admission of the Subscription Shares to trading on AIM.

The Subscription Shares, when issued and fully paid, will rank equally in all respects with the issued New Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the relevant Admission.

It is expected that Admission will become effective and dealings in the Subscription Shares and the issued New Ordinary Shares will commence on 31 December 2009.

The Subscription is also conditional upon the passing of all the Resolutions, including the passing of an ordinary resolution to approve a Rule 9 Waiver. Accordingly, the Company has convened the General Meeting, notice of which is set out at the end of this document.

Following the Capital Reorganisation and the Subscription, the Company will have 330,681,200 New Ordinary Shares in issue and admitted to trading on AIM.

Further details of the Subscription Agreement are set out in paragraph 3.1.1 in Part III of this document.

The New Board

Conditional on Admission, Kevin Burke will be appointed as executive chairman of the Company in my place and David Marshall will be appointed as chief executive officer. Rakesh Patel and I will remain on the Board as non-executive directors. Further information on Kevin Burke and David Marshall is set out below.

Kevin Burke, FCA (proposed executive chairman), aged 64, has 30 years' experience in the structuring and financing of transactions and the broader strategic development of companies in the natural resources and oil and gas sectors. He was a co-founder and executive chairman of two publicly listed companies, Dana Petroleum (Russia) Limited and Vanguard Petroleum. The latter was one of the first Western companies engaged in oil production in the West Siberian oil province of the former Soviet Union and was subsequently sold to Sibir Energy. Mr Burke was until September 2009 a non-executive director of Oilexco Incorporated which was listed on both the Toronto Stock Exchange and the Main Market of the London Stock Exchange. Prior to that, he worked in corporate finance, mergers and acquisitions and venture capital. He is a qualified chartered accountant and holds a Sloan Fellowship from the London Business School.

David Marshall (proposed chief executive officer), aged 51, has 30 years' experience in the oil and gas sector. He was until August 2009, Senior Vice President Operations and General Manager of Oilexco N.S. Exploration Limited and has previously held various managerial positions in both onshore and offshore oil and gas drilling and production operations in the UK, the Caspian region, Africa, the Middle East and Western Europe. David has worked for Hess Corporation, Monument, Lasmo and Eni. He holds a Masters Degree in Petroleum Engineering from Heriot Watt University and a Bachelor of Science Honours Degree in Civil Engineering from Glasgow University

Additional information relating to the Investors is set out in paragraph 2.8 of Part III.

Information on the Concert Party

The Concert Party comprises Kevin Aubrey Francis Burke and David Lee Marshall, further details of whom are set out above. The Concert Party can be contacted at No 1 St Swithin Row, Aberdeen AB10 6DL.

The Concert Party has confirmed to the Board that, following completion of the Proposals, it would be the Concert Party's intention that the activities of the Company be in accordance with the investment policy set out above. The Company has no employees, other than the Directors. In addition, the Company has no fixed assets. The Concert Party has, therefore, confirmed there will be no redeployment of the Company's fixed assets. In addition, it is the Concert Party's intention that, following Admission, the registered office will be changed to No 5 Old Bailey, London EC4M 7BA.

The Code

The issue of the Subscription Shares to the Concert Party gives rise to certain considerations under the Code. Brief details of the Panel, the Code and the protections they afford to Shareholders are described below.

The Code is issued and administered by the Panel. Microcap is a company to which the Code applies and its shareholders are entitled to the protections afforded by the Code.

Under Rule 9 of the Code ("Rule 9"), when: (i) a person acquires an 'interest' (as defined in the Code) in shares which, taken together with shares in which he is already interested and in which persons 'acting in concert' with him are interested (as defined in the Code), carry 30 per cent. or more of the voting rights of a company that is subject to the Code; or (ii) any person who, together with persons acting in concert with him is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the voting rights of the company subject to the

Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him, or any persons acting in concert with him, for any interest in shares in the company during the 12 months prior to the announcement of the offer, for all the remaining equity share capital of the company.

Under the Code, a concert party arises where persons acting together pursuant to an agreement or understanding, whether formal or informal, co-operate to obtain or consolidate control of that company. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

The members of the Concert Party are deemed to be acting in concert for the purposes of the Code. On Admission, the Concert Party will be interested in 307,693,000 New Ordinary Shares, representing 93.05 per cent. of the Enlarged Issued Share Capital.

A table showing the interests in New Ordinary Shares of the members of the Concert Party on Admission, subject to passing of the Resolutions, is as set out below:

	On Admission	
	Number of Ordinary Shares	Percentage of Enlarged Issued Share Capital
Kevin Burke	205,129,000	62.03
David Marshall	102,564,000	31.02
Total	307,693,000	93.05

The Panel has agreed however, subject to Resolution 1 being passed on a poll by the Shareholders at the General Meeting, to waive the obligation on the Concert Party under Rule 9 to make a general offer for the entire issued share capital of the Company which would otherwise arise as a result of the Proposals. Accordingly, approval of Shareholders on a poll to the Rule 9 Waiver is sought in Resolution 1.

No member of the Concert Party, nor any person acting in concert with them, has purchased Existing Ordinary Shares in the 12 months immediately preceding the date of this document. The waiver, to which the Panel has agreed, will be invalidated if any purchases of Existing Ordinary Shares are made by any member of the Concert Party, or any person acting in concert with them, in the period between the date of this document and the General Meeting. The Concert Party has undertaken to the Company that they will not make any such purchases of Existing Ordinary Shares.

On Admission the members of the Concert Party will be interested in shares carrying more than 50 per cent. of the voting rights of the Company and (for as long as they continue to be treated as acting in concert) would be able to acquire further shares, without incurring an obligation to make an offer to shareholders of the Company under Rule 9. David Marshall will not be able to increase his percentage interest in shares between 30 and 50 per cent. of the voting rights of the Company without Panel consent.

Annual General Meeting

The Annual General Meeting has been convened for 11.00 a.m. on 30 December 2009 at the offices of MJES, 10 Finsbury Square, London EC2A 1AD to receive the audited accounts for the year ended 31 December 2008, to re-appoint HW Fisher & Company as auditors and to re-elect Rakesh Patel as a director, who is retiring by rotation. The notice convening the AGM is set out on pages 23 to 25 of this document.

General Meeting

The General Meeting has been convened for 11.05a.m., or such later time as the AGM convened for 11.00 a.m. has concluded or been adjourned, on 30 December 2009 at the offices of MJES, 10 Finsbury Square,

London EC2A 1AD. Set out below is a summary of the resolutions, all of which are inter-conditional, which will be proposed.

The Resolutions consist of:

- (a) an ordinary resolution to approve the waiver of Rule 9 of the Code;
- (b) an ordinary resolution to authorise the Directors to allot, *inter alia*, the Subscription Shares;
- (c) an ordinary resolution to adopt the new investing policy;
- (d) a special resolution to approve the Capital Reorganisation;
- (e) a special resolution to disapply statutory pre-emption rights in respect of, *inter alia*, the allotment of the Subscription Shares;
- (f) a special resolution to adopt the New Articles; and
- (g) a special resolution to change the name of the Company to Deo Petroleum plc

The New Articles

The New Articles are available for inspection at, and copies can be requested from, the offices of MJES at 10 Finsbury Square, London EC2A 1AD during normal business hours on any weekday, Saturdays and public holidays excepted. A copy of the New Articles will also be available for inspection at the GM.

The New Articles have been drafted to reflect the fact that the Company is a public limited company with its shares admitted to trading on AIM and incorporate provisions reflecting certain changes introduced by the Act. The New Articles contain the following:

- (a) the rights and restrictions applicable to the New Ordinary Shares, Deferred Shares and New Deferred Shares;
- (b) how transfers of shares may be effected, with the New Ordinary Shares having no restrictions on transfer but the Deferred Shares and New Deferred Shares not being freely transferable;
- (c) how interim and final dividends may be declared, with final and scrip dividends requiring approval by ordinary resolution;
- (d) how the Company's share capital can be increased, reduced, consolidated, subdivided or acquired / forfeited by the Company;
- (e) provisions relating to the number of directors, with the minimum required being two, how they may be appointed, including retirement by rotation at annual general meetings, how their remuneration is to be determined, which is by the directors subject to a maximum of £750,000 when shareholder approval is required, and restrictions on voting at Board level if they have a material interest in the matter being discussed, except in certain specified circumstances;
- (f) provisions relating to the calling and holding of annual general meetings, which must be held within 15 months of the last annual general meeting, and general meetings;
- (g) provisions enabling the Company to communicate with shareholders of the Company electronically or via the Company's website subject to the shareholders of the Company being duly notified (commenting as appropriate under the Act);
- (h) provisions enabling the Company to give notice to persons to confirm their interest in shares in the Company pursuant to section 793 of the Act; and

- (i) indemnities in favour of directors, officers or employees of the Company sustained or incurred in the execution of the duties of their offices with the directors also having the power to, inter alia, purchase and maintain insurance for the benefit of directors, officers or auditors.

There are no restrictions on the directors' authority to exercise the Company's borrowing powers, given the nature of its intended business.

Change of name

Conditional on Admission, the Company will change its name to Deo Petroleum plc.

Action to be taken by Shareholders

Shareholders will find enclosed with this document Forms of Proxy for use at the AGM and GM. The Forms of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive at the Company's registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and in any event not later than 11.00 a.m. in the case of the Form of Proxy for use at the AGM and 11.05 a.m. in the case of the Form of Proxy for use at the GM on 28 December 2009. Alternatively, CREST members who wish to appoint a proxy or proxies via CREST may do so in accordance with the procedures set out in the notices of AGM and GM and the Forms of Proxy. Completion and return of the Form of Proxy or appointment of a proxy via CREST will not prevent Shareholders from attending and voting at the AGM and the GM should they so wish.

Other Information

Your attention is drawn to Part III of this document which provides additional information on the matters detailed above.

Recommendation

The Directors, who have been so advised by MJES, believe that the terms of the Proposals, including the waiver of the obligation on the Concert Party to make a general offer to Shareholders under Rule 9 of the Code, are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole. The Directors recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their aggregate shareholdings of 1,376,666 Existing Ordinary Shares, equivalent to 1.20 per cent of the Existing Ordinary Shares. In providing advice to the Directors, MJES has taken into account their commercial assessment.

Yours faithfully

Nicolas Greenstone
Executive chairman

Part II

Financial Information

Incorporation of the relevant information by reference

- a) The information listed below relating to Microcap is hereby incorporated by reference into this document.

No. Information

Source of Information

1. Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Microcap for the three years ended 31 December 2008

Microcap Annual Report & Accounts 2008, Consolidated Income Statement on page 8 and note 7 on page 15 on Taxation.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

http://www.microcapequities.plc.uk/meq/documents/2008_audited_acc/2008_audited_acc.pdf

Microcap Annual Report & Accounts 2007, Consolidated Income Statement on page 8 and note 6 on Taxation on page 15.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

http://www.microcapequities.plc.uk/meq/documents/final_acc08/final_ac08.pdf

Microcap Annual Report & Accounts 2006, Consolidated Profit and Loss account on page 13 and note 3 on Tax on Loss on Ordinary Activities on page 20.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

http://www.microcapequities.plc.uk/meq/documents/final_acc/final_acc.pdf

2. A statement of the assets and liabilities shown in the audited accounts for Microcap for the year ended 31 December 2008

Microcap Annual Report & Accounts 2008, Group Balance Sheet on page 10.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

http://www.microcapequities.plc.uk/meq/documents/2008_audited_acc/2008_audited_acc.pdf

3. A cash flow statement as provided in the audited accounts for Microcap for the year ended 31 December 2008

Microcap Annual Report & Accounts 2008, Consolidated Cash Flow Statement on page 11.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

http://www.microcapequities.plc.uk/meq/documents/2008_audited_acc/2008_audited_acc.pdf

4. Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures

Microcap Annual Report & Accounts 2008, the Principal Accounting Policies on pages 12 and 13 and Notes to the Financial Statements on pages 12 to 18. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document.

If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

http://www.microcapequities.plc.uk/meq/documents/2008_audited_acc/2008_audited_acc.pdf

Microcap Annual Report & Accounts 2007, the Principal Accounting Policies on pages 12 and 13 and Notes to the Financial Statements on pages 12 to 21. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document.

If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

http://www.microcapequities.plc.uk/meq/documents/final_08/final_ac08.pdf

Microcap Annual Report & Accounts 2006, the Principal Accounting Policies on page 9 and Notes to the Financial Statements on pages 9 to 14. If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document.

If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

http://www.microcapequities.plc.uk/meq/documents/final_acc/final_acc.pdf

The results for Microcap for the three years ended 31 December 2008, 31 December 2007 and 31 December 2006 and for the six months ended 30 June 2009 (www.microcapequities.plc.uk/meq/rn/rnsitem?id=1253893152nPRrPBA27a&t=popup) are available free of charge on the Microcap website at <http://www.microcapequities.plc.uk>.

Information in relation to 1, 2, 3 and 4 above has not been published in an inflation adjusted form. The annual reports and interim results are available in “read-only” format and can be printed from the Microcap website.

Microcap will provide within two Business Days, without charge, to each person to whom a copy of this document has been delivered, upon their written request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such document should be directed to either the Company secretary, Microcap Equities plc, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD or Merchant John East Securities Limited by telephoning 020 7628 2200.

Part III Additional Information

1. Responsibility

- 1.1 The Directors, whose names appear on page 6 of this document, accept responsibility for the information contained in this document, including the Directors' recommendation contained in Part I of this document, other than the information relating to the Concert Party. To the best of the knowledge of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 Each member of the Concert Party accepts responsibility for the information contained in this document relating to himself. To the best of the knowledge and belief of each member of the Concert Party, who has taken all reasonable care to ensure that such is the case, the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors and other interests

- 2.1 The interests, all of which are beneficial unless stated otherwise, of the Directors and the Investors as proposed directors and their immediate families and of persons connected with them, within the meaning of sections 252 and 253 of the Act, as at the date of this document and as they are expected to be upon completion of the Proposals are as follows:

Name	At the date of this document		On Admission*	
	Number of Existing Ordinary Shares	Percentage of Existing Ordinary Shares	Number of New Ordinary Shares	Percentage of Enlarged Issued Ordinary Share Capital
Nicolas Greenstone	500,000	0.44	100,000	0.03
Rakesh Patel	877,666	0.76	175,500	0.05
Kevin Burke	-	-	205,129,000	62.03
David Marshall	-	-	102,564,000	31.02

- 2.2 Except as set out in paragraph 2.1 above, at the date of this document and immediately following Admission so far as the Directors are aware, the only persons who are or will be directly, or indirectly interested in more than three per cent. of the issued share capital of the Company are as follows:

Name	At the date of this document		On Admission*	
	Number of Existing Ordinary Shares	Percentage of Existing Ordinary Shares	Number of New Ordinary Shares	Percentage of Enlarged Issued Ordinary Share Capital
Pershing Nominees Limited	26,550,929	23.70	5,310,000	1.61
Prism Nominees Limited	15,302,600	13.31	3,060,500	0.93
J M Finn Nominees Limited	8,425,000	7.33	1,685,000	0.51
TD Waterhouse Nominees (Europe) Limited	3,762,601	3.27	752,500	0.23
Dartington Portfolio Nominees Limited	3,700,000	3.22	740,000	0.22

*assuming no other New Ordinary Shares are issued other than the Subscription Shares

- 2.3 On completion of the Subscription, Nicolas Greenstone will enter into a service agreement with the Company to provide his services as a non-executive director of the Company. This agreement will be subject to termination at any time on 12 months' notice by either party at an initial fee of £10,000 per annum. The Company will be able to terminate the agreement immediately if, among other things, Mr Greenstone materially or persistently breaches the terms of the appointment. Mr Greenstone's services to the Company are currently provided under a letter of appointment dated 27 April 2009. Under that letter Mr Greenstone is entitled to certain increases in annual salary up to a maximum of £30,000 if the Company raised certain amounts of new share and/or loan capital in excess of £1,000,000. The letter does not contain provisions regarding a notice period, termination and confidentiality. This letter will be terminated on completion of the Subscription.
- 2.4 On completion of the Subscription, Rakesh Patel will enter into a service agreement with the Company to provide his services as a non-executive director of the Company. This agreement will be subject to termination at any time on 12 months' notice by either party at an initial fee of £10,000 per annum. The Company is able to terminate the agreement immediately if, among other things, Mr Patel materially or persistently breaches the terms of the appointment. Prior to the entry into of this agreement, Mr Patel's services are currently provided under a letter of appointment dated 15 January 2009 under which he is entitled to a fee of £10,000 per annum. Under that letter Mr Patel is entitled to certain increases in annual salary up to a maximum of £30,000 if the Company raised certain amounts of new share and/or loan capital in excess of £1,000,000. The letter does not contain provisions regarding a notice period, termination and confidentiality. This letter will be terminated on completion of the Subscription.
- 2.5 On completion of the Subscription, Kevin Burke will enter into a service agreement with the Company to provide his services as executive chairman of the Company. This agreement will be subject to termination at any time on 12 months' notice by either party at an initial fee of £10,000 per annum. The Company will be able to terminate the agreement immediately if, among other things, Mr Burke materially or persistently breaches the terms of the appointment.
- 2.6 On completion of the Subscription, David Marshall will enter into a service agreement with the Company to provide his services as chief executive officer of the Company. This agreement will be subject to termination at any time on 12 months' notice by either party at an initial fee of £10,000 per annum. The Company will be able to terminate the agreement immediately if, among other things, Mr Marshall materially or persistently breaches the terms of the appointment.
- 2.7 Except as disclosed in paragraphs 2.3 to 2.6 above, there are no existing or proposed service agreements, between any Director and the Company or any of its subsidiaries, whether providing for benefits upon termination of employment or otherwise, and no such agreements have been entered into, replaced or amended within the six months preceding the date of this document.
- 2.8 The directorships of the Investors, being proposed directors of the Company, currently held and held over the five years preceding the date of this document are as follows:

<i>Director</i>	<i>Current directorships</i>	<i>Past directorships</i>
Kevin Burke	None	Eastern Oil Services Limited Linkangle Limited Oilexco Inc Oilexco North Sea Limited (now called Premier Oil ONS Limited)
David Marshall	Deo Petroleum Limited	The United Kingdom Offshore Oil and Gas Industry Association Limited Oilexco North Sea Limited (now called Premier Oil ONS Limited) Oilexco N.S. Exploration Limited (now called Premier Oil Exploration ONS Limited)

- 2.9 Kevin Burke was a non-executive director of Oilexco Inc. (“Oilexco”) from August 2005 until October 2009 and its operating subsidiary Oilexco North Sea Limited (“ONSL”) from February 2005 until January 2009. David Marshall was also a director of ONSL from December 2004 to May 2009.

Oilexco was an oil and gas exploration and production company active in the United Kingdom, with producing properties, exploration and development activities located in the UK Central North Sea, specifically in the Outer Moray Firth and Central Graben areas. Oilexco operated in the United Kingdom principally through its wholly owned subsidiary, ONSL, a company registered under the laws of England and Wales. Oilexco’s shares were listed for trading on the London Stock Exchange and the Toronto Stock Exchange.

On 4 July 2008, ONSL announced that it had signed an engagement letter with respect to refinancing its debt obligations and increasing its total debt availability from US\$700 million to US\$1 billion. The credit facility was to be underwritten by a syndicate of key relationship banks lead by Royal Bank of Scotland plc, subject to standard internal credit approvals and due diligence. By October 2008, however, due to the unprecedented liquidity and volatility issues facing the credit markets, the process to financial close was delayed.

The revised facility was ultimately not secured and on 7 January 2009, ONSL was placed into administration upon application by its directors. It was subsequently sold by the administrator to Premier Oil plc for US\$505 million on 21 May 2009.

On 16 July 2009, the court ordered the liquidation of all of Oilexco’s assets and the distribution of them to creditors. The plan for the payment of creditors was approved by creditors on 15 September 2009 and approved by the court on 16 September 2009.

- 2.10 Except as disclosed above, neither of the Investors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) any bankruptcy order made against him or entered into any individual voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors’ voluntary liquidation, administration, been subject to a company 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 ceased to be a director of that company;
- (d) 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;
- (e) been the owner of any assets 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; or
- (f) been publicly criticised by any statutory or regulatory authority, including recognised professional bodies, or 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.

3. Material contracts

3.1 Microcap

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

3.1.1 *Subscription Agreement*

Pursuant to the Subscription Agreement, the Investors have agreed to subscribe for 307,693,000 New Ordinary Shares at 0.065p per share conditionally upon the passing of the Resolutions and Admission. The Company has given certain limited warranties to the Investors of the type commonly found in such agreements. Following Admission, the Investors may appoint two directors to the board of directors, one of whom will be Kevin Burke. The Investors agree to, and so far as they are able, to procure that both the Investors will, conduct all transactions with any member of the Microcap group on arm's length terms and on a normal commercial basis and to exercise the voting rights attaching to the shares which it holds in Microcap so that each member of the Microcap group is able to carry on its business independently of the Investors. The Investors will abstain from voting at any general meeting of the Company in respect of any resolution concerning any related party contract. The Investors and Microcap agree that no transaction material to the business of the relevant member of the Microcap group between any member of that group and the Investors may be entered into, amended or terminated without the prior approval of majority of the Directors. The Investors undertake to the Company to treat all unpublished information that it receives from the Company or any member of the its group which is of a price sensitive nature with appropriate confidentiality and acknowledges that information that it receives may impact on its ability to deal in the securities of the Company at certain times. The Subscription Agreement may be terminated by either of the parties for material breach of the provisions of the agreement and on the occurrence of an insolvency event.

4. **Litigation**

4.1 The Company has not been and is not involved in any governmental, legal or arbitration proceedings in the 12 months prior to the date of this document, including any such proceedings which are pending or threatened of which the Company is aware, which may have or have had in the recent past a significant effect on the Company, its financial position or profitability.

5. **Information required by the Code**

Shareholdings, arrangements and dealings:

5.1 No member of the Concert Party nor any member of their immediate families within the meaning of section 252 of the Act, any related trust nor any associate (as defined below), nor any connected persons (as defined below), nor any person acting in concert with such persons, owns or controls, or has borrowed or lent, or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any of the Company's relevant securities, nor has any such person dealt for value therein during the disclosure period or has any short position (whether conditional or absolute and whether in the money or otherwise), including a short position under a derivative or right to require any person to take delivery of any of the Company's relevant securities.

5.2 None of (i) the Directors; (ii) associates of the Company; (iii) the pension funds of the Company or of any associate of the Company; (iv) any employee benefit trust of the Company or of a company which is an associate of the Company; (v) any connected adviser to the Company or to a company which is an associate of the Company or to any person acting in concert with the Directors; (vi) any person controlling, controlled by or under the same control as any connected adviser falling within (v) above, except for an exempt principal trader or an exempt fund manager; and (vii) any person who has an arrangement of the kind referred to in Note 6 on Rule 8 of the Code with the Company or with any person who is an associate of the Company; owns or controls or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any the Company's shares or relevant securities convertible into shares or rights to subscribe for the Company's shares, options, including traded options, in respect of them and derivatives referenced to them nor has any such person dealt for value in them during the disclosure period or has any short position or right to require any person to take delivery of any of the Company's shares.

5.3 None of the Directors or anyone acting in concert with the Company has borrowed or lent any of the Company's relevant securities.

5.4 Definitions for the purposes of this paragraph 5:

(a) **“acting in concert”** has the meaning attributed to it in the Code;

- (b) “**arrangement**” includes an indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (c) “**associate**” of any company means:
- (i) its parent, subsidiaries and fellow subsidiaries, their associated companies, and companies of which any such parent, subsidiaries, fellow subsidiaries or associated companies are associated companies (for this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of “associated company” status);
 - (ii) its connected advisers and persons controlling, controlled by or under the same control as such connected advisers;
 - (iii) its directors and the directors of any company covered in (i) above (together in each case with their close relatives and related trusts); and
 - (iv) its pension funds or the pension funds of a company covered in (i) above;
- (d) “**connected adviser**” has the meaning attributed to it in the Code;
- (e) “**connected person**” has the meaning attributed to it in section 252 of the Act;
- (f) “**control**” means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;
- (g) “**dealing**” or “**dealt**” includes the following:
- (i) the acquisition or disposal of relevant securities, of the right, (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option, (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise or conversion of any relevant securities carrying conversion or subscription rights;
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (h) “**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

- (i) “**disclosure date**” means 7 December 2009, being the latest practicable date prior to the posting of this document;
- (j) “**disclosure period**” means the period commencing on 7 December 2008, being the date 12 months prior to the disclosure date and ending on the disclosure date;
- (k) “**exempt principal trader**” or “**exempt fund manager**” has the meaning attributed to it in the Code;
- (l) being “**interested**” in relevant securities includes where a person:
 - (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- (m) “**relevant securities**” means shares in Microcap or derivatives referenced to them and securities convertible into, rights to subscribe for and options, including traded options in respect of, them; and
- (n) “**short position**” means any short position, whether conditional or absolute and whether in the money or otherwise, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

5.5 No agreement, arrangement or understanding, including any compensation arrangement, exists between any Director, recent director of Microcap, Shareholder or recent shareholder of Microcap having any connection with or dependence upon, or which is conditional upon, the Subscription.

5.6 There is no agreement, arrangement or understanding between the Concert Party and any other person pursuant to which any New Ordinary Shares which they will acquire pursuant to the Subscription will be transferred.

5.7 There are no financing arrangements in place in connection with the Subscription and there are no arrangements relating to payment of interest on, repayment of, or security for any liability, (contingent or otherwise) of the Concert Party which depend to any significant extent on the business of the Company.

6. Market quotations

6.1 The following table shows the closing middle market quotations for the Existing Ordinary Shares as derived from the London Stock Exchange Daily Official List on each of the first dealing day of each month from 1 July 2009 to 7 December 2009, being the latest practicable date prior to the posting of this document;

	Price per Existing Ordinary Share
1 July 2009	0.215p
3 August 2009	0.300p
1 September 2009	0.260p
1 October 2009	0.200p
2 November 2009	0.290p
1 December 2009	0.215p
7 December 2009	0.220p

7. General

- 7.1 Except as disclosed in this document, there has been no material change in the financial or trading position of the Company since 31 December 2008, being the date to which the last audited accounts of the Company were drawn up.
- 7.2 MJES have given and not withdrawn their written consent to the inclusion in this document of references to their name on the form and context in which they respectively appear.

8. Documents

Copies of the following documents will be available for inspection during normal business hours on any weekday, Saturdays and public holidays excepted, at the offices of MJES for a period from the date of this document until the date falling one month from the date of Admission.

- 8.1 the memorandum and articles of association of Microcap;
- 8.2 the audited financial statements of Microcap for the two financial years ended 31 December 2008;
- 8.3 the service contracts referred to in paragraph 2 above;
- 8.4 the material contract referred to in paragraph 3 above;
- 8.5 the consent letter referred to in paragraph 7.2 above; and
- 8.6 a copy of the New Articles proposed to be adopted at the GM.

Copies of this document are available to the public, free of charge, at the offices of Merchant John East Securities Limited, 10 Finsbury Square, London EC2A 1AD, during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until one month from Admission.

Dated 8 December 2009

Microcap Equities plc

(Incorporated in England and Wales with registered number 03882653)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at the offices of Merchant John East Securities Limited at 10 Finsbury Square, London EC2A 1AD on 30 December 2009, at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

1 To receive the accounts and the reports for the year ended 31 December 2008 together with the reports of the directors and the auditors on them.

2 To re-appoint H W Fisher & Company as auditors until the conclusion of the next annual general meeting of the company and to authorise the directors to fix their remuneration.

3 To re-elect Rakesh Patel as a director, who is retiring by rotation in accordance with the company's articles of association.

Nicolas Greenstone
Company secretary

Registered office
Thames House
Portsmouth Road
Esher
Surrey KT10 9AD

8 December 2009

NOTES

Entitlement to attend and vote

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6.00 p.m. on 8 December 2009.

Appointment of proxies

2 As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you wish to appoint more than one proxy, please contact the Company's Registrars, Neville Registrars on 0121 585 1131 or if calling from outside the UK, on +44 121 585 1131, or write to Neville House, 18 Laurel Lane, Haleswoman, West Midlands B63 3DA for additional proxy forms and for assistance.

4 A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form or via CREST are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

5 If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy proxy form

6 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
- received by Neville Registrars no later than 11.00 a.m. on 28 December 2009.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy via CREST

7 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (formerly CRESTCo’s) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Neville Registrars (ID 7RA11) by no later than 11.00 a.m. on 28 December 2009. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

Appointment of proxy by joint members

8 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

9 To change your proxy instructions simply direct your proxy and submit new instructions using the methods set out above. Note that the cut-off time for proxies will also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars on 0121 585 1131 or if calling from outside the UK, on +44 121 585 1131. Calls to the Neville Registrars 0121 585 1131 number are charged at 10 pence per minute (including VAT) plus any of your service provider’s network extras. Calls to the Neville Registrars +44 121 585 1131 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville cannot give any legal, financial or tax advice or advice on the merits of this Proposal.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

10 In order to revoke a proxy appointment (other than a CREST Proxy appointment) you will need to inform your proxy and Neville Registrars by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. Revocation of a CREST Proxy Instruction should be made in accordance with the CREST manual.

The revocation notice must be received by Neville Registrars no later than 11.00 on 28 December 2009.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person.

Communication

- 11 Except as provided above, members who have general queries about the meeting should contact Neville Registrars on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. No other methods of communication will be accepted.

You may not use any electronic address provided either:

- in this notice of annual general meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.

Microcap Equities plc

(Incorporated in England and Wales with registered number 03882653)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at the offices of Merchant John East Securities Limited at 10 Finsbury Square, London EC2A 1AD on 30 December 2009, at 11.05 a.m. or such later time as the annual general meeting convened for 11.00 a.m. has concluded or been adjourned, for the purpose of considering and, if thought fit, passing the following resolutions, resolutions 1 and 2 being ordinary resolutions, of which resolution 1 will be taken on a poll, and resolutions 3 and 4 being special resolutions:

Ordinary resolutions

1. That subject to and conditional upon the passing of resolutions 2 to 5, the grant of a waiver by the Panel on Takeovers and Mergers, on the terms set out in the Company's circular to shareholders of which this notice forms part (the "Circular"), of the obligations that would otherwise arise pursuant to Rule 9 of the Takeover Code for the Concert Party, as defined in the Circular, to make a general offer for the ordinary share capital of the Company, as a result of any increase in the percentage of voting rights carried by the Concert Party to 93.05 per cent. arising on the issue of shares by the Company pursuant to the Subscription, as defined in the Circular, be and hereby is approved.
2. That subject to and conditional upon the passing of resolution 1 and resolutions 3 to 5, pursuant to the provisions of section 551 of the Companies Act 2006 ("the Act") the directors be and they are hereby generally and unconditionally authorised to exercise all of the powers of the Company to allot relevant securities, within the meaning of section 560(1) of the Act, up to an aggregate nominal amount of £11,022.71, and this authority, unless it is, prior to its expiry, duly revoked or varied or is renewed, shall expire on the date falling on the earlier of 15 months from the date hereof or the date of the 2010 annual general meeting of the Company, except that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
3. That the new investing policy of the Company, described on page 7 of the Circular, be approved and adopted.

Special resolutions

4. That subject to and conditional upon the passing of resolutions 1, 2, 3 and 5 with effect from 23.59 hours on the date of the passing of this resolution:
 - 4.1 every 500 issued ordinary shares of 1p each ("Existing Ordinary Shares") in the capital of the Company be consolidated into one ordinary share of 500p;
 - 4.2 each resulting issued ordinary share of 500p then be subdivided into 100 ordinary shares of 5p each;
 - 4.3 each resulting issued ordinary share of 5p then be subdivided into one new deferred share of 4.99p ("New Deferred Share") each and one new ordinary share of 0.01p ("New Ordinary Share");
 - 4.4 every unissued Existing Ordinary Share be subdivided into 100 New Ordinary Shares of 0.01p;
 - 4.5 the New Ordinary Shares will have the same rights and be subject to the same restrictions as the Existing Ordinary Shares in the Company's articles of association to be adopted pursuant to resolution 5 ("New Articles") and the New Deferred Shares will have the rights and be subject to the restrictions set out in the New Articles;

5. That, subject to and conditional upon the passing of resolutions 1 to 3 and resolution 5, the directors be and they are hereby given power in accordance with section 570 of the Act to allot equity securities for cash, within the meaning of section 560(1) of the Act, pursuant to the general authority given to them by resolution 2, as if section 561(1) of the Act did not apply to the allotment, provided that this power is limited to:

(a) the allotment of 307,693,000 New Ordinary Shares in connection with the Subscription (as defined in the Circular) at a subscription price of 0.065p; and

(b) the allotment of additional equity securities up to an aggregate nominal amount of £4,960.22;

and this authority, unless it is prior to its expiry duly revoked or varied or is renewed, will expire on the date falling on the earlier of 15 months from the date of this notice or the date of the 2010 annual general meeting of the Company, except that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

6. THAT, subject to and conditional upon the passing of resolutions 1 to 4, the existing articles of association of the Company be and are hereby replaced by the articles of association referred to in paragraph 8.6 of Part III of the Circular.

7. THAT the name of the Company be changed to “Deo Petroleum plc”.

By order of the Board

Nicolas Greenstone
Company secretary

Registered office
Thames House
Portsmouth Road
Esher
Surrey KT10 9AD

8 December 2009

NOTES

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6.00 p.m. on 8 December 2009

Poll

2. Resolution 1 will be taken on a poll of shareholders in accordance with the requirements of the Panel on Takeovers and Mergers.

Appointment of proxies

3. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you wish to appoint more than one proxy, please contact the Company's Registrars, Neville Registrars on 0121 585 1131 or if calling from outside the UK, on +44 121 585 1131, or write to Neville House, 18 Laurel Lane, Haleswoman, West Midlands B63 3DA for additional proxy forms and for assistance.

5. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form or via CREST are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

6. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy proxy form

7 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
- received by Neville Registrars no later than 11.05 a.m. on 28 December 2009.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy via CREST

8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (formerly CRESTCo’s) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Neville Registrars (ID 7RA11) by no later than 11.05 a.m. on 28 December 2009. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

Appointment of proxy by joint members

9 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

10 To change your proxy instructions simply direct your proxy and submit new instructions using the methods set out above. Note that the cut-off time for proxies will also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

11 In order to revoke a proxy appointment (other than a CREST Proxy appointment) you will need to inform your proxy and Neville Registrars by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the

company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice

The revocation notice must be received by Neville Registrars no later than 11.05 on 28 December 2009.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person.

Communication

12 Except as provided above, members who have general queries about the meeting should contact Neville Registrars on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

You may not use any electronic address provided either:

- in this notice of general meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.