

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are unsure of what action you should take, we recommend that you consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or transferred all your Ordinary Shares in Talisman First Venture Capital Trust PLC, please send this document, together with the accompanying Annual Report and form of proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

TALISMAN FIRST VENTURE CAPITAL TRUST PLC

**NOTICE OF ANNUAL GENERAL MEETING
AND RECOMMENDED PROPOSALS
FOR CONTINUATION AS A VENTURE CAPITAL TRUST
AND FOR THE CONSOLIDATION OF THE ORDINARY SHARE CAPITAL
OF THE COMPANY**

CONTENTS

	Page
Definitions	3
Letter from the Chairman	4
Appendix - General Information	8
Notice of Annual General Meeting.....	10

EXPECTED TIMETABLE

21 August 2006	Latest time and date for receipt of forms of proxy - 10.00 am
23 August 2006	Annual General Meeting of the Company - 10.00 am
23 August 2006	Record date for Share Consolidation - 5.00pm
24 August 2006	CREST accounts updated to reflect holdings of New Ordinary Shares of 50p each
24 August 2006	Dealings commence in respect of New Ordinary Shares of 50p each
24 August 2006	Sale of fractional entitlements, if relevant
1 September 2006	Issue of certificates in respect of New Ordinary Shares of 50p each
1 September 2006	Payment of proceeds from sale of fractional entitlements, if relevant

DEFINITIONS

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

ABBREVIATION	MEANING
"Aberdeen Asset Managers" or "Manager"	Aberdeen Asset Managers Limited
"Annual General Meeting" or "AGM"	the Annual General Meeting of the Ordinary Shareholders of the Company to be convened at 10.00 a.m. on 23 August 2006, and any adjournment thereof
"Annual Report"	the Annual Report and Financial Statements of the Company for the year ended 31 March 2006
"Articles of Association" or "Articles"	the articles of association of the Company at the date of this circular
"Board" or "Directors"	the Directors of the Company
"Capita Registrars"	a trading division of Capita IRG Plc
"Chairman's Letter"	the letter from the Chairman of the Company to the Shareholders of the Company starting on page 4 of this Circular
"Company" or "Talisman First VCT"	Talisman First Venture Capital Trust PLC
"Consolidation" or "Share Consolidation"	the proposed consolidation of the Company's share capital
"NAV"	the net asset value of the Company
"New Ordinary Shares"	ordinary shares of 50p each in the capital of the Company, following the Share Consolidation
"Notice" or "Notice of Meeting"	the notice convening the AGM set out at the end this Circular
"Ordinary Shares"	ordinary shares of 10p each in the capital of the Company, prior to the Share Consolidation
"Ordinary Shareholder" or "Shareholders"	a holder for the time being of Ordinary Shares
"Record Date"	23 August 2006
"Shares"	Ordinary Shares and New Ordinary Shares
"UK Listing Authority"	The Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"VCT" or "venture capital trust"	a venture capital trust as defined by section 842AA of the Income and Corporation Taxes Act 1988, as amended



TALISMAN FIRST VENTURE CAPITAL TRUST PLC

(Incorporated in England and Wales under the Companies Act 1985 with company number 3870187)

Directors:

Jonathan D Carr (Chairman)

Stephen J Barclay

Brian O J May

William R Nixon

24 July 2006

Dear Shareholder

RECOMMENDED PROPOSALS FOR CONTINUATION AS A VENTURE CAPITAL TRUST AND FOR THE CONSOLIDATION OF THE ORDINARY SHARE CAPITAL OF THE COMPANY

Annual General Meeting

The Annual General Meeting of the Company will be held at 10.00 am on 23 August 2006 in the offices of Aberdeen Asset Managers Limited at One Bow Churchyard, London EC4M 9HH. The Notice of Meeting is set out at the end of this document.

In relation to the standard items of Ordinary and Special Business which are put to each Annual General Meeting, and as proposed in Resolutions numbered 1 to 9, an explanation of these Resolutions and related matters can be found on page 7 and in the Annual Report which is enclosed with this Circular: specific page references are provided in the Notice of Meeting, which can be found on pages 10 to 12 of this document.

In addition, your attention is drawn to two further Resolutions, numbered 10 and 11, to consider and, if appropriate, approve the continuation of the Company as a venture capital trust and the proposed consolidation of the Company's share capital. Explanations of these Resolutions are provided below.

Continuation of the Company

The Company's Articles of Association provide that the Board shall, at the AGM to be held in 2006, propose an Ordinary Resolution to the effect that the Company shall continue in being as a venture capital trust. Accordingly, an Ordinary Resolution, numbered 10, is included in the Notice of Meeting on pages 10 to 12 of this document. For the Resolution not to be passed, the majority of the votes cast at the AGM must be against it. If the Resolution is not passed, the Board shall, within 12 months, convene an Extraordinary General Meeting to propose a Special Resolution for the reorganisation or reconstruction of the Company and, if that Resolution is not passed, a Special Resolution to wind up the Company voluntarily. If the Shareholders resolve that the Company is to continue as a venture capital trust, a similar resolution that the Company shall continue in being as a venture capital trust will be proposed at every third subsequent AGM, commencing with the AGM to be held in 2009, and the same provisions outlined in the previous sentence shall again apply.

In considering the continuation of the Company as a venture capital trust, the Directors would draw Shareholders' attention to the following:

- should Shareholders elect at an Extraordinary General Meeting that the Company be wound up voluntarily, such a decision will result in the crystallisation of any capital gains deferred by Shareholders at the point when they first invested;
- the costs of liquidation would reduce the amount available to Shareholders;
- it is unlikely that the unlisted portfolio can be realised at its book value in the short term; and
- the level of liquidity in the AIM or OFEX quoted stocks, or in stocks which are not traded on any recognised investment exchange, may mean that, in order to realise the holdings, assets would have to be disposed of in a forced sale, possibly in a falling market or in an economic downturn, and this would reduce the proceeds available to Shareholders.

Should Shareholders decide that the Company should not continue as a venture capital trust, the Board would then have to consider whether to recommend liquidation or, perhaps, the reconstruction of the Company into a vehicle that would not be bound by VCT legislation and that could have a wider investment remit, even if still invested in unlisted securities, and there could be a greater degree of liquidity in the Company's shares. However, this would not be the same type of investment vehicle that Shareholders originally subscribed to, many of whom may have done so for the purposes of tax planning, and the Board believes that the continuation of the Company as a venture capital trust will be beneficial to Shareholders as it allows them to:

- participate fully in the long-term recovery prospects for the Company, as evidenced by increases in NAV in the last two six-month reporting periods;
- continue to have access to the asset class at a time when there are an increasing number of opportunities emanating from the recently appointed fund management team; and
- retain their existing capital gains tax and income tax benefits.

In addition, it should be noted that one of the key attractions of investing in a venture capital trust was the opportunity for investors to defer capital gains tax liabilities. In considering the vote to continue, Shareholders should be aware that, if the Resolution to continue as a venture capital trust is not passed, the Company will ultimately lose its venture capital trust status for tax purposes. This would mean that the tax advantage of sheltering capital gains would cease and that capital gains tax liabilities may arise. Shareholders should also be aware that a decision to reject the proposal that the Company continue as a venture capital trust may set in train a disposal of the portfolio and a subsequent winding up of the Company, which would expose them to the significant risk that the value achieved for their assets may not be sufficient to meet any capital gains tax liabilities due on a capital gain deferred at the point of initial investment.

The Board believes that the long term continuation of the Company as a venture capital trust is in the best interests of Shareholders as a whole and recommends to Shareholders that they vote in favour of the continuation resolution at the AGM.

Proposed Consolidation of share capital

The Company has an issued share capital comprising 26,545,500 Ordinary shares of 10p each, which were issued during April and May 2000 at an application price of 20p per share and an effective initial NAV per share of 19p. The majority of the venture capital trusts which make up the Company's peer group issued shares at 100p on application, with an initial NAV per share of around 95p. As at 19 July 2006, the latest practicable date prior to the issue of this Circular, the mid-market price of the Company's shares was 5p and the most recently published NAV per share, as at 31 March 2006, was 10p. At such a low absolute value, any movement in the share price can have a significant impact on the market capitalisation of the Company and the bid-offer spread can be disproportionate to the share price to the detriment of Shareholders. Also, the Directors have become increasingly aware that the Company does not compare readily with its peers and this has become even more evident as the Company's NAV has increased significantly, with little attention having been paid to this by market commentators and other bodies that provide statistical analysis of the VCT sector.

The Directors propose that the Company should consolidate its share capital whereby every five Ordinary Shares of 10p each is converted into one New Ordinary Share of 50p. This will have the effect of placing the Company's shares on a comparable basis to the peer group and allow for the recent improvement in NAV to be reflected more favourably. A consolidation of the Company's share capital requires approval by Shareholders in General Meeting and, accordingly, an Ordinary Resolution, numbered 11, is included in the Notice of Meeting on pages 10 to 12 of this document.

The Consolidation Resolution contemplates the creation of fractional entitlements. These will arise when the numbers of Ordinary Shares held by any Shareholder prior to the Consolidation are not divisible by five. For example, 96 Ordinary Shares will become, upon Consolidation, 19 New Ordinary Shares and one fractional entitlement. It is the Board's intention to avoid, as far as possible, any fractional entitlements arising on the Consolidation for two main reasons:

Firstly, Article 37 of the Company's Articles permits the sale in the market of fractional entitlements, following which the Company will remit the net sale proceeds to relevant Shareholders. Article 37, however, also provides that where the net sale proceeds for a particular Shareholder are less than £3.00, the proceeds will, in nearly every case, be retained by the Company. As the maximum amount any Shareholder would receive on the sale of his or her fractional entitlements is the value of one New Ordinary Share, no Shareholder is likely to receive any proceeds from the sale of his or her fractional entitlements.

Secondly, the dealing and administrative costs of selling fractional entitlements would be considerably higher than the sale proceeds. The sale of fractional entitlements would, therefore, be not only unremunerative for Shareholders, but also uneconomic for the Company. Accordingly, the Board proposes the following two steps to eliminate the likelihood of fractional entitlements arising:

- (a) Under Article 37 of the Articles, the Board has the power to issue to a member credited as fully paid up, by way of capitalisation, the minimum number of Ordinary Shares which when the Consolidation takes place will leave that member holding a whole number of New Ordinary Shares. The Board may utilise the reserves of the Company, including the share premium account (whether or not those reserves are available for distribution), in paying up any shares issued under this authority and a resolution by the Board to issue shares under this authority will take effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to Article 131. The Board proposes to exercise this authority on the Record Date of 23 August 2006 (the date of the AGM) so that, prior to the Consolidation taking effect, each Shareholder will hold a total number of Ordinary Shares which is divisible by five. As at 19 July 2006, the last practicable date prior to the issue of this Circular, only five Shareholders held numbers of Ordinary Shares not divisible by five, and require the issue to themselves of a total of ten Ordinary Shares to ensure that they each hold a number of Ordinary Shares that is divisible by five. At a nominal value of 10p and an actual value of 20p per Ordinary Share, the aggregate amount of the Company's share premium account to be applied in issuing the necessary additional Ordinary Shares to these Shareholders will, therefore, not be more than £1.00. No separate application will be made to the UK Listing Authority for these additional Ordinary Shares to be admitted to the Official List or to the London Stock Exchange for them to be admitted to trading. Instead, they will be included in the applications to be made for the New Ordinary Shares following the AGM.
- (b) The Board also requests all Shareholders not to trade in Ordinary Shares in the period from the date on which Shareholders receive this Circular and the Notice to the expected record date of 23 August 2006. The reason for this request is that, if a Shareholder was to transfer to a third party a number of Ordinary Shares that was not divisible by five at a point where there was insufficient time to enter the new Shareholder on to the Company's register of members before the Record Date, the Board may not have sufficient time to issue the requisite numbers of Ordinary Shares under the authority summarised in (a) above to eliminate any fractional entitlements arising on the Consolidation. The Board has decided, upon advice from the Company's broker, not to seek to suspend trading in the Ordinary Shares prior to the AGM. **In these circumstances, however, the Board requests that Shareholders do not trade in the Ordinary Shares prior to the Record Date for the Consolidation and Shareholders' assistance in this regard would be greatly appreciated.**

Notwithstanding these steps, the Consolidation Resolution has been left to address the issue of fractional entitlements in the event that some unforeseen event occurs which would cause fractional entitlements to arise for both the issued and unissued Ordinary Share capital.

If approved, this Consolidation will not affect the rights currently enjoyed by Shareholders or materially affect the proportion of the Company's issued share capital that they hold but should, it is anticipated, benefit the Company and Shareholders as a body. The effect of the Consolidation will be that Shareholders on the Register of the Company at 5.00 pm on the Record Date, which is expected to be 23 August 2006 (or any other such date and time as the Directors may determine), will, on the implementation of the Consolidation, exchange five Ordinary Shares of 10p each in the Capital of the Company for one New Ordinary Share of 50p in the Capital of the Company and so on for any other number of Ordinary Shares held. The proportion of issued share capital held by each Shareholder following the Consolidation, excluding any fractional entitlements, will not be materially changed. Other than carrying a different nominal value, each New Ordinary Share carries the same rights as an existing Ordinary Share, including any rights to future dividends.

Application will be made to the UK Listing Authority for the New Ordinary Shares to be admitted to the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading and the Share Consolidation will be conditional on the New Ordinary Shares being so admitted. Subject to the Consolidation being approved by Shareholders, it is anticipated that the New Ordinary Shares will be admitted to listing and that dealings in the New Ordinary Shares will commence on 24 August 2006 with new SEDOL and ISIN numbers being issued. Share certificates in respect of the New Ordinary Shares are expected to be sent on 1 September 2006 to those Shareholders who hold their shares in certificated form and these will replace existing certificates for Ordinary Shares, which should be destroyed. Pending the receipt of new share certificates, transfers of New Ordinary Shares held in certificated form will be certified against the Register of the Company. Shareholders who hold their shares in uncertificated form through CREST are expected to have their CREST accounts adjusted to reflect their new entitlement on 24 August 2006.

For the purposes of UK taxation of chargeable gains, a Shareholder should not consider the Consolidation to represent a disposal of all or part of their holding of existing Ordinary Shares. The New Ordinary Shares should be deemed to represent the same asset as, and having been acquired at the same time and at the same aggregate cost as, the holding of existing Ordinary Shares from which they derive. On a subsequent disposal of the whole or part of the New Ordinary Shares comprised in their holding following the Consolidation, a Shareholder may, dependent upon their individual circumstances, be subject to a tax charge.

A Shareholder who receives proceeds from the sale of a fractional entitlement should, in practice, not be treated as having made a disposal of all or part of his or her holding of existing Ordinary Shares. Instead, on any subsequent disposal, the proceeds from the sale of the fractional entitlement would normally be deducted from the base cost of the New Ordinary Shares, or added to the proceeds of the subsequent disposal.

Any Shareholder with concerns over the implications for the status of his or her shareholding is recommended to consult an independent professional adviser.

Other Resolutions

Other Resolutions to be considered at the Annual General Meeting represent items of Ordinary and Special Business that would normally be considered at each annual meeting of Shareholders and these may be summarised as follows:

Resolution 1 asks Shareholders to receive the Directors' Report and audited Financial Statements for the year ended 31 March 2006, which are incorporated in the Annual Report enclosed with this Circular, and Resolution 2 seeks Shareholder approval of the Directors' Remuneration Report, which is also incorporated in the Annual Report.

Resolutions 3 and 4 respectively propose the re-election of Mr B O J May and Mr W R Nixon.

Mr May retires by rotation at the Annual General Meeting and, being eligible, offers himself for re-election. Mr W R Nixon, who was appointed as a Director on 21 February 2006, retires and seeks re-election at the Annual General Meeting, being the first such meeting following his appointment.

The Auditors, CLB Littlejohn Frazer, have expressed their willingness to remain in office. Resolution 5 proposes the re-appointment of CLB Littlejohn Frazer as the Company's Auditors and Resolution 6 seeks to renew the Directors' authority to fix the remuneration of the Auditors.

Resolution 7 in the notice of Annual General Meeting, will be put to Shareholders to give the Company authority to purchase in the market a maximum of 14.99% of the Shares in issue (3,979,170 Ordinary Shares, or 795,834 New Ordinary Shares if Resolution 11 becomes unconditionally effective) at 31 March 2006. This authority will expire on the date of the next Annual General Meeting or, if earlier, after a period of 15 months from the date of passing of the Resolution. Purchases of Shares will be made within guidelines established from time to time by the Board, but only if it is considered that such purchases would be to the advantage of the Company and its Shareholders taken as a whole. Purchases will be made in the market for cash only at prices below the lower of the prevailing NAV per Ordinary Share or New Ordinary Share or 105 per cent of the average of the middle market quotations for the Shares over the five business days immediately preceding the date of purchase. The minimum price that may be paid is 10p per Ordinary share or 50p per New Ordinary Share. In making purchases, the Company will deal only with member firms of the London Stock Exchange and all Shares which are purchased will be cancelled.

Resolution 8 in the Notice of Annual General Meeting will be put to Shareholders for their approval for the Company to issue up to an aggregate nominal amount of £265,455 (representing 10% of the total issued share capital at 31 March 2006). Further issues of new Ordinary shares may only be made at a premium to NAV per Ordinary or New Ordinary Share, thus ensuring existing holders will not be disadvantaged by such issues. The proceeds of any issue may be used to purchase the Company's Ordinary or New Ordinary Shares in the market or to fund further investments in accordance with the Company's investment policy. This authority will expire on the date of the next Annual General Meeting or, if earlier, after a period of 15 months from the date of passing of the Resolution. When shares are to be allotted for cash, Section 89(1) of the Companies Act 1985 provides that existing Shareholders have pre-emption rights and that the new shares are offered first to such Shareholders in proportion to their existing holdings. However, Resolution 9 will, if passed, give the Directors power to allot for cash, Ordinary shares or New Ordinary Shares up to an aggregate nominal amount of £265,455 (representing 10% of the total issued share capital at 31 March 2006) as if Section 89(1) does not apply. The authority will also expire on the date of the next Annual General Meeting or, if earlier, after a period of 15 months from the date of passing of the Resolution. The Company will not use this authority in connection with a rights issue.

Action to be taken

You will find enclosed with this Circular a form of proxy for use at the Annual General Meeting. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it in accordance with instructions printed thereon so that it is received as soon as possible by Capita Registrars and in any event not later than 10.00 am on 21 August 2006. Completion and return of a form of proxy will not prevent you from attending the AGM and voting should you wish to do so.

Board's recommendation and intentions

The Board believes that the proposals described in this Circular and in the Annual Report are in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of all Resolutions to be proposed at the Company's Annual General Meeting as the Directors intend to do in respect of their own beneficial holdings of 650,000 Ordinary Shares in total, representing approximately 2.449% of the issued share capital of the Company.

Yours faithfully

Jonathan D Carr

Chairman

APPENDIX

GENERAL INFORMATION

1. Directors

1.1 The Directors at the date of this Circular are:

Jonathan D Carr (Chairman and Independent Non-Executive Director)

Stephen J Barclay (Independent Non-Executive Director)

Brian O J May (Independent Non-Executive Director)

William R Nixon (Non-Executive Director)

2. Directors' and other interests

2.1 At the close of business on 19 July 2006, being the latest practicable date prior to the publication of this Circular, the total issued share capital of the Company was 26,545,500 Ordinary Shares.

2.2 The table below shows the interests of Directors and their families and the interests of persons connected with them (within the meaning of Section 346 of the Companies Act 1985) in the issued share capital of the Company as at the close of business on 19 July 2006, being the latest practicable date prior to the publication of this Circular, and the percentage then held of the voting rights exercisable on a poll at a general meeting of the Company:

Director	Ordinary Shares of 10p	Percentage of ordinary capital
Jonathan D Carr	50,000	0.188
Stephen J Barclay	375,000	1.413
Brian O J May	225,000	0.848
William R Nixon	—	—
Total	650,000	2.449

2.3 Mr Nixon is head of the Growth Capital Team in the Private Equity Division of Aberdeen Asset Managers Limited and is an employee of Aberdeen Asset Management PLC, which provides company secretarial and administration services to the Company and is the parent company of the Manager.

2.4 As at 19 July 2006, being the latest practicable date prior to the publication of this Circular, the following persons have notified the Company, in accordance with sections 198 to 208 of the Companies Act 1985, of interests that represent 3 per cent. or more in the issued ordinary share capital of the Company.

Shareholder	Ordinary Shares of 10p	Percentage of ordinary capital
Mr E Lovett-Turner, Mr N Lovett-Turner and Miss A Lovett-Turner	1,500,000	5.7%
The Corporation of Lloyds	1,000,000	3.8%
Mr R G Lagden and Mrs E V Lagden	1,000,000	3.8%
Pershing Keen Nominees Limited	988,500	3.7%

2.5 None of the Directors has or has had any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which were effected by the Company during either the current or immediately preceding financial year, or during an earlier financial year and remain in any respect outstanding or unperformed.

However, some of the Directors of the Company and members of their close families have invested in some of the companies in which the Company has invested and these interests are disclosed as follows:

Investment	No. of connected Directors	Related party investment cost
		at 19 July 2006
		£'000
Avanti Screenmedia plc	1	28
Bank Restaurant Group Plc	1	30
Interactive Digital Solutions plc	1	35
Patersons Consulting Limited	1	20
	1	20*
Spectral Fusion Technologies Limited	1	82

* Convertible loan notes

2.6 There are no service contracts in existence between the Company and any of the Directors nor are any such contracts proposed.

3. Material contracts

3.1 Save as disclosed in the prospectus issued by the Company in 27 March 2000, the Company has not entered into any contract which is either:

- (a) a material contract (not being a contract entered into in the ordinary course of business); or
- (b) a contract (not being a contract entered into in the ordinary course of business) entered into by the Company which contains any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of this Circular.

4. Documents available for inspection

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays and Sundays excepted) at One Bow Churchyard, London EC4M 9HH from the date of this Circular up to and including date of the AGM and at the place of the AGM for 15 minutes prior to the meeting and during the meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the audited accounts of the Company for the financial year ended 31 March 2006; and
- (e) this Circular.

TALISMAN FIRST VENTURE CAPITAL TRUST PLC

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at One Bow Churchyard, London EC4M 9HH at 10.00 am on 23 August 2006 for the purpose of considering and, if thought fit, passing the following resolutions (in the case of resolutions 1 to 6, 8, 10 and 11 as Ordinary Resolutions and in the case of resolutions 7 and 9, as Special Resolutions):

ORDINARY BUSINESS

1. To receive the Directors' Report and audited Financial Statements for the year ended 31 March 2006.
2. To approve the Directors' Remuneration Report.
3. To re-elect Mr B O J May as a Director.
4. To re-elect Mr W R Nixon as a Director.
5. To re-appoint CLB Littlejohn Frazer as Auditors.
6. To authorise the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following Resolution as a Special Resolution:

THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 166 of the Companies Act 1985 ("the Act") to make one or more market purchases (within the meaning of Section 163(3) of the Act) of Ordinary Shares of 10p each in the capital of the Company provided always that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 3,979,170 (or 795,834 shares if Resolution 11 becomes unconditionally effective and five Ordinary Shares are converted into one New Ordinary Share) representing 14.99% of the Company's issued Ordinary share capital as at 31 March 2006;
- (b) the minimum price which may be paid for an Ordinary Share shall be 10p per share (or 50p per New Ordinary Share if Resolution 11 becomes unconditionally effective);
- (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the lower of: (i) Net Asset Value per share and; (ii) 105 per cent of the average of the middle market quotations for an Ordinary Share taken from, and calculated by reference to, the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the Ordinary Shares are purchased; and
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on the expiry of fifteen months from the passing of this Resolution, save that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed wholly or partly after such expiry (and reference to Ordinary Shares in paragraph (c) and in this paragraph (d) shall apply also to New Ordinary Shares if Resolution 11 becomes unconditionally effective).

8. To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

THAT the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to exercise all the powers of the company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £265,455 (representing 10% of the Company's issued share capital on 31 March 2006) during the period expiring (unless previously revoked, varied, or extended by the Company in general meeting) on the date of the next Annual General Meeting or on the expiry of fifteen months from the passing of this Resolution, whichever is the first to occur, save that the Company may make offers or agreements before such expiry which would or might require relevant securities to be allotted after such expiry.

9. To consider and, if thought fit, pass the following Resolution as a Special Resolution:

THAT, subject to passing of Resolution 8 set out above, the Directors be and are hereby empowered, pursuant to Section 95 of the Companies Act 1985 ("the Act"), to allot equity securities (as defined in Section 94 of the Act) pursuant to the authority given in accordance with Section 80 of the Act by Resolution 8 as if Section 89(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) during the period expiring on the earlier of the date of the next Annual General Meeting of the Company or on the expiry of fifteen months from the passing of this resolution, whichever is the first to occur, but so that this power shall enable the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after the expiry of this power; and
- (b) up to an aggregate nominal amount of £265,455 (representing 10% of the Company's issued share capital on 31 March 2006).

10. To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

THAT the Company be continued as a venture capital trust.

11. To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

THAT, subject to and conditional upon admission of the New Ordinary Shares to the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange becoming effective, all of the Ordinary Shares of 10p each in the Capital of the Company which at 5.00 pm on 23 August 2006 (or such other date and time as the Directors of the Company may determine) are shown in the books of the Company as authorised shall:

- (a) in the case of all Ordinary Shares of 10p each that are unissued, be consolidated into New Ordinary Shares of 50p each in the capital of the Company (each being an unissued New Ordinary Share) on the basis of one New Ordinary Share for every five unissued Ordinary Shares, provided that where such consolidation results in a fraction of an unissued New Ordinary Share, that number of Ordinary shares which would constitute such a fraction shall be cancelled pursuant to Section 121(2)(e) of the Companies Act 1985; and
- (b) in the case of all Ordinary Shares that are in issue, be consolidated into New Ordinary Shares of 50p each in the capital of the Company (each being an issued New Ordinary Share) on the basis of one New Ordinary Share for every five issued Ordinary Shares, provided that where such consolidation results in a member being entitled to a fraction of a New Ordinary Share, such fraction shall be aggregated with the fractions of New Ordinary Shares to which other members of the Company may be entitled and the Directors of the Company be and hereby are authorised to sell (or appoint any other person to sell) on behalf of the relevant members, all of the New Ordinary Shares representing such fractions at the best price obtainable, and to distribute the proceeds of sale (net of any commissions, dealing costs and administrative expenses) in due proportion among the relevant members entitled thereto (save that any fraction of a penny which would otherwise be payable shall be rounded down) and that any Director of the Company (or any person appointed by the Directors of the Company) be and hereby is authorised to execute an instrument of transfer in respect of such Shares on behalf of the relevant members and to do all acts and things that the Directors consider necessary or expedient to effect the transfer of such Shares to, or in accordance with the directions of, any buyer of such Shares.

By order of the Board

Aberdeen Asset Management PLC

Secretary

One Bow Churchyard

Cheapside

London EC4M 9HH

24 July 2006

Notes:

1. No Director has any contract of service with the Company.
2. The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, has specified that only those Shareholders on the register of members of the Company as at 10.00 a.m. on 21 August 2006 shall be entitled to attend or vote at the aforesaid AGM in respect of the number of Shares registered in their name at that time. Changes to entries on the relevant register of members after 10.00 a.m. on 21 August 2006 shall be disregarded when determining the rights of any person to attend or vote at the AGM.
3. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and on a poll to vote instead of him/her. A reply-paid form of proxy for your use is enclosed.
4. A proxy need not be a member. Appointment of a proxy need not preclude a member from attending and voting at the AGM should he/she subsequently decide to do so.
5. Instruments of proxy and the power of attorney or other authority should be sent to the Registrar of the Company, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive not later than 10.00 am on 21 August 2006.
6. The Register of Directors' Interests is kept by the Company in accordance with Section 325 of the Companies Act 1985 and will be open for inspection at the AGM.

Details of all Resolutions are provided on pages 4 to 7 of this Circular and in the enclosed Annual Report in accordance with Listing Rule 13.1.6.

The Directors' Remuneration Report, referred to in Resolution 2, is on pages 19 and 20 of the Annual Report. Details of Resolutions 3 to 9 are shown in the Directors' Report, as incorporated in the Annual Report, as follows:

Resolutions 3 and 4	Page 17 Directors (the biographies of the Directors are detailed on pages 2 and 3 of the Annual Report)
Resolutions 5 and 6	Page 18 Auditors
Resolution 7	Page 16 Purchase of Ordinary Shares
Resolutions 8 and 9	Page 17 Issue of New Ordinary Shares

Details of Resolutions 10 and 11 are shown in pages 4 to 6 of this Circular and in the Directors' Report, as incorporated in the Annual Report, as follows:

Resolution 10	Page 16 Continuation of the Company
Resolution 11	Page 16 Proposed Share Consolidation

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