

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 without delay.

If you have sold or otherwise transferred all of your shares in Talisman First Venture Capital Trust PLC, you should pass this document, but not the accompanying Proxy Form, 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

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03870187)

RECOMMENDED PROPOSAL FOR THE CANCELLATION OF THE COMPANY'S SHARE PREMIUM ACCOUNT AND NOTICE OF GENERAL MEETING

Notice of a General Meeting of the Company to be held at 9-13 St Andrew Street, London EC4A 3AF at 10.30 a.m. on 1 September 2010 is set out at the end of this document. The proposal described in this document is conditional upon passing of the resolution to be proposed at the General Meeting. Shareholders are requested to complete and return their Proxy Form as soon as possible. To be valid, Proxy Forms for use at the General Meeting must be completed and returned in accordance with the instructions printed thereon to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 10.30 a.m. on 27 August 2010.

EXPECTED TIMETABLE

Last time and date for receipt of proxies	10.30 a.m. on 27 August 2010
Time and date of General Meeting	10.30 a.m. on 1 September 2010
Estimated date of Court Hearing	20 October 2010
Estimated effective date	21 October 2010

TALISMAN FIRST VENTURE CAPITAL TRUST PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03870187)

Directors:

Jonathan Carr
Stephen Barclay
Brian May
William Nixon

Registered Office:

5th Floor
9-13 St Andrew Street
London
EC4A 3AF

23 July 2010

Dear Shareholder

Recommended proposal for the cancellation of the Company's share premium account

1. Introduction

The Board of your Company is proposing that the share premium account of the Company be cancelled (the "**Cancellation**"). The Cancellation requires shareholder approval and the confirmation of the Court after a court hearing. The purpose of this document is to set out the background to and reasons for the proposed Cancellation. The Board unanimously recommends that you vote in favour of the special resolution to be proposed at the General Meeting to be held at 10.30 a.m. on 1 September 2010, notice of which is set out at the end of this document.

2. Background to and reasons for the Cancellation

As shareholders will be aware, the Company currently does not have any distributable reserves; in fact, the Company has carried forward losses.

Under UK companies legislation, the Company may pay dividends only out of distributable reserves. In addition, should the Company wish to purchase its own shares, such purchase may be funded only through distributable reserves or the proceeds of a fresh issue of shares made for the purpose of such purchase.

Following a review, your Board now considers it sensible to cancel the whole of the Company's share premium account to eliminate the carried forward losses and create distributable reserves. Such reserves will be available for the payment of dividends, for the purchase of the Company's own shares, and for any other corporate purposes, including the payment of costs associated with the Cancellation. Any shares bought back might be cancelled or might be held as treasury shares.

The Cancellation therefore allows the Company to return funds to shareholders and gives the Company a degree of flexibility in doing so. Accordingly, the Board believes that creating distributable reserves through the Cancellation is in the best interest of the Company and its shareholders as a whole and is most likely to promote the success of the Company for the benefit of its shareholders as a whole.

3. The Cancellation

For the reasons set out above, the Board proposes cancelling the Company's share premium account (which currently stands at £2,389,095).

UK companies legislation provides that a company may reduce its capital, including its share premium account, by special resolution (provided that there is nothing in the Company's articles of association prohibiting it from doing so) and subject to confirmation by the Court.

If the required special resolution is approved by shareholders, the Company will, as soon as practicable, apply to the Court for an appropriate Court order (the "**Application**"). It is expected that the Court order confirming the Cancellation will be made at a final hearing of the Application on 20 October 2010. The Cancellation will become effective on the Registrar of Companies registering the order confirming the Cancellation (the "**Effective Date**"), which is expected to be shortly thereafter. It is proposed that the reserve arising on the Cancellation becoming effective will be a fully distributable special reserve that can be used for the payment of dividends, for the purchase of the Company's own shares, for the offset of capital losses and for any other corporate purposes, including the payment of costs associated with the Cancellation.

The Court will be concerned to ensure that the interests of creditors of the Company as at the Effective Date are not prejudiced. The Company will seek to obtain the consent of its creditors at the Effective Date to the Cancellation, including that of Maven Capital Partners UK LLP, the Company's investment manager. It is anticipated that the Company will provide such protection for creditors who do not consent to the Cancellation by crediting sums to a blocked trust bank account for the benefit of such non-consenting creditors or by such other means as may be required by the Court and is consistent with the object for which the Cancellation is proposed, namely to create distributable reserves. However, the Directors of the Company reserve the right not to proceed with the Application in the event that they judge the creditor protection required by the Court to be unduly onerous or otherwise contrary to the Company's commercial interests.

There can be no guarantee that the Court will confirm the Cancellation, but the Company has obtained legal advice that there are good prospects that the Court will do so.

4. Action to be taken by shareholders

The proposed Cancellation is subject to shareholder approval. A notice convening a General Meeting of the Company to pass the special resolution to approve the Cancellation, which is to be held at 10.30 a.m. on 1 September 2010 at the offices of Maven Capital Partners UK LLP at 9-13 St Andrew Street, London EC4A 3AF, is set out at the end of this document. The special resolution requires a three-quarters majority of those shareholders voting in order to be passed.

Whether or not you intend to be present at the General Meeting, shareholders are requested to complete and return the accompanying Proxy Form in accordance with the instructions printed thereon, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event no later than 10.30 a.m. on 27 August 2010. The completion and return of the Proxy Form will not preclude you from attending the General Meeting and voting in person should you so wish.

5. Recommendation

Your Board believes that the Cancellation is in the best interest of the Company and its shareholders as a whole and is most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, the Directors recommend that shareholders vote in favour of the special resolution to be proposed at the General Meeting, as they intend to do in respect of their own beneficial shareholdings amounting, in aggregate, to 287,500 ordinary shares.

Yours faithfully

Jonathan Carr

Chairman

NOTICE OF GENERAL MEETING

TALISMAN FIRST VENTURE CAPITAL TRUST PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03870187)

Notice is hereby given that a General Meeting of Talisman First Venture Capital Trust PLC will be held at 10.30 a.m. at the offices of Maven Capital Partners UK LLP, 9-13 St Andrew Street, London EC4A 3AF on 1 September 2010 to consider and, if thought fit, pass the following resolution which will be proposed as a special resolution.

SPECIAL RESOLUTION

THAT the amount standing to the credit of the share premium account of the Company at the date of the final hearing of the "Application" (as defined in the accompanying circular to shareholders dated 23 July 2010) be cancelled.

By Order of the Board

Maven Capital Partners UK LLP
Company Secretary

Dated: 23 July 2010

Registered Office

5th Floor
9-13 St Andrew Street
London
EC4A 3AF

Notes:

Website giving information regarding the General Meeting

1. Information regarding the General Meeting (the "**Meeting**"), including the information required by section 311A of the Companies Act 2006, is available from www.mavencp.com/talismanfirst.

Entitlement to attend and vote

2. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act 2006, to have the right to attend and vote at the Meeting referred to above a member must first have his or her name entered in the Company's register of members by a time not less than 48 hours before the time fixed for the Meeting (or, in the event that the Meeting is adjourned, on the register of members 48 hours before the time of the adjourned Meeting). Changes to entries on that register after that time (or, in the event that the Meeting is adjourned, on the register of members less than 48 hours before the time of any adjourned Meeting) shall be disregarded in determining the rights of any members to attend and vote at the Meeting referred to above.

Attending in person

3. The Meeting will be held at Maven Capital Partners UK LLP, 9-13 St Andrew Street, London EC4A 3AF. If you wish to attend the Meeting in person, you are recommended to attend at least 15 minutes before the time appointed for holding of the Meeting to allow time for registration.

Total number of shares and voting rights

4. As at 20 July 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consisted of 5,309,102 Ordinary Shares, carrying one vote each. Therefore, the total number of voting rights in the Company as at 20 July 2010 is 5,309,102. The website referred to in Note 1 will include information on the number of shares and voting rights.

Appointment of proxies

5. If you are a member of the Company at the time set out in Note 2 above you are entitled to appoint a proxy to exercise all or any of your rights to attend and to speak and vote on your behalf at the Meeting. You can only appoint a proxy using the procedures set out in these Notes and the Notes to the Proxy Form.
6. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company, but must attend the Meeting to represent you.
7. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
8. A "Vote Withheld" is not a vote in law, which means that the vote will not be counted in the calculation of votes "For" and "Against" the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using a hard copy Proxy Form

9. Details of how to appoint the Chairman of the Meeting or another person using the Proxy Form are set out in the Notes to the Proxy Form. If you wish your proxy to speak at the Meeting on your behalf you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to him. A hard copy Proxy Form, which may be used to make such appointment and give proxy instructions, accompanies this Notice. To appoint more than one proxy, you will need a separate Proxy Form in relation to each appointment. Please state clearly on each Proxy Form the number of shares in relation to which the proxy is appointed. If you do not have a Proxy Form and believe that you should have one, or if you require additional forms, please contact Maven Capital Partners UK LLP on 0141 306 7400.
10. To be valid, any hard copy Proxy Form or other instrument appointing a proxy must be completed, signed and received by post or (during normal business hours only) by hand at the Company's registrar, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.30 a.m. on 27 August 2010.
11. 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 proxies through CREST

12. 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 (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
13. 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 ("**EUI**") 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 the issuer's agent (Capita Registrars; ID: RA10) by 10.30 a.m. on 27 August 2010. No such message received through the CREST network after this time will be accepted.
14. 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 Application Host) from which the issuer's agent is 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.
15. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instruments. 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
16. 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.

Changing proxy instructions and termination of proxy appointments

17. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
18. When 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 Maven Capital Partners UK LLP on 0141 306 7400.
19. If you submit more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence.
20. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - (a) by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars at the address given in Note 10 above. 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; or
 - (b) if you make use of the electronic CREST proxy facility, you may amend or revoke your proxy appointment by following the instructions in the CREST Manual on the Euroclear website www.euroclear.com/CREST.
21. In all cases, the revocation notice must be received by Capita Registrars no later than 10.30 a.m. on 27 August 2010. 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.

Nominated persons

22. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
23. A Nominated Person's main point of contact in terms of their investment in the Company remains the relevant member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to personal details of their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.
24. The statement of the rights of members in relation to the appointment of proxies in Note 5 above does not apply to Nominated Persons. The rights described in that paragraph can be exercised only by members of the Company.

Corporate representatives

25. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Communication

26. Except as provided above, members who have general queries about the Meeting should write to, email or telephone the Company Secretary at the following contact points, and only these:
 - (a) Maven Capital Partners UK LLP, Sutherland House, 149 St. Vincent Street, Glasgow G2 5NW
 - (b) Tel: 0141 306 7400
 - (c) Email: enquiries@mavencp.com
27. Under section 319A of the Companies Act 2006, the Company must answer any questions you ask relating to the business being dealt with at the Meeting unless:
 - (a) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company of the good order of the Meeting that the question be answered.

