

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), who specialises in advising on the acquisition of shares and other securities.

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

The Directors, whose names are set out on page 6 of this document, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Biome Technologies plc

(Incorporated and registered in England and Wales no. 01873702)

Capital Reduction Consolidation and Sub-Division of Existing Ordinary Shares and Notice of General Meeting

A notice convening a General Meeting of Biome Technologies plc to be held at 10.30 a.m. on 20 June 2013 at the offices of FTI Consulting, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB is set out at the end of this document. Whether or not you intend to be present at the General Meeting, you are urged to complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, so as to arrive as soon as possible and in any event by no later than 10.30 a.m. on 18 June 2013. Alternatively, Shareholders who hold their shares through CREST may appoint a proxy electronically in accordance with the procedures set out in note (4) to the Notice of General Meeting. Completion and return of Forms of Proxy or the electronic appointment of a proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Daniel Stewart & Company Plc (“Daniel Stewart”) which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as corporate adviser and broker to the Company and is not acting for any other person nor will otherwise be responsible to any person for providing the protections afforded to clients of Daniel Stewart, or for advising any other person in respect of the Proposals. Daniel Stewart’s responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire New Ordinary Shares in the Company in reliance on any part of this document.

No representation, express or implied, is made by Daniel Stewart as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Daniel Stewart has not approved the contents of, or any part of, this document and no liability whatsoever is accepted by Daniel Stewart for the accuracy of any information or opinions contained in this document or for the omission of any information.

The Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 16 July 2013.

Nothing in this document is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per Ordinary Share and/or New Ordinary Share for the current or future financial years, will necessarily match or exceed the historical published earnings per Ordinary Share. Copies of this document are available from the Company’s registered office at Starpol Technology Centre, North Road, Marchwood, Southampton, Hampshire SO40 4BL, from the date of this document to the date of the General Meeting and also from the Company’s web site: www.Biometechnologiesplc.com.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

References to defined terms

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

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

All times referred to in this document are, unless otherwise stated, references to London time.

CONTENTS

	Page
Definitions	4
Letter from the Chairman	6
Notice of General Meeting	13

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2013
Latest time and date for receipt of Forms of Proxy	10.30 a.m. on 18 June
General Meeting	10.30 a.m. on 20 June
Record Date for the Consolidation and Sub-Division	6.00 p.m. on 15 July
Effective time of the Consolidation and Sub-Division. Admission and dealings in New Ordinary Shares expected to commence on AIM	8.00 a.m. on 16 July
CREST accounts credited with New Ordinary Shares	16 July
Court hearing to confirm the Capital Reduction	17 July
Certificates in respect of the New Ordinary Shares despatched	by 31 July

If any details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

TRANSACTION STATISTICS

Existing Ordinary Shares	5,897,666,333
New Ordinary Shares in issue immediately following the Capital Reorganisation	2,427,732(*)
Nominal share value post Capital Reorganisation	5p
Proposed New ISIN	GB00B9Z1M820

(*) Note: Assumes 213,667 additional Ordinary Shares are issued prior to the Record Date

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective
“AIM”	the AIM market of the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies issued by the London Stock Exchange
“Capital Reduction”	the cancellation of the Company’s share premium account and the Deferred Shares
“Capital Reorganisation”	the reorganisation of the Company’s share capital comprising the Capital Reduction, the Consolidation and the Sub-Division
“Company” or “Biome”	Biome Technologies plc
“Consolidated Ordinary Shares”	the shares created by the Consolidation
“Consolidation”	the consolidation of 430,000 Existing Ordinary Shares into one Consolidated Ordinary Share of £430 each
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK and Ireland Limited is the Operator (as defined in CREST Regulations)
“CREST Regulations”	the Uncertified Securities Regulations 2001 (SI 2001/3775) as amended and any applicable rules made thereunder
“Daniel Stewart”	Daniel Stewart & Company plc of Becket House, 36 Old Jewry, London EC2R 8DD, the Company’s Nominated Adviser and Broker for the purposes of the AIM Rules
“Deferred Shares”	the deferred shares in the capital of the Company arising on completion of the Capital Reorganisation
“Directors” or “the Board”	the directors of Biome whose names are set out on page 6 of this document
“DTRs”	the Disclosure Rules and Transparency Rules published by the Financial Conduct Authority from time to time
“Existing Ordinary Shares”	the 5,897,666,333 Ordinary Shares of £0.001 each in issue as at the date of this document
“Form of Proxy”	the form of proxy for use in relation to the General Meeting which accompanies this document
“GM” or “General Meeting”	the general meeting of the Company convened for 10.30 a.m. on 20 June 2013 by the Notice set out in this document, to be held at the offices of FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB to consider the Resolutions
“Group”	the Company and its subsidiary undertakings
“London Stock Exchange”	London Stock Exchange plc

“New Ordinary Shares”	the ordinary shares of £0.05 each in the capital of the Company arising on the completion of the Sub-Division
“Notice”	the notice convening the General Meeting which is set out at the end of this document
“Ordinary Shares”	the ordinary shares of £0.001 each in the capital of the Company
“Proposals”	the Capital Reorganisation and the Resolutions
“Record Date”	close of business on 15 July 2013
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice
“Settlement”	the termination of the lease agreement between the Company and Oceanic Estates Ltd pertaining to two industrial buildings on the Marchwood Industrial Estate, Southampton
“Shareholders”	person(s) who is/are registered as holder(s) of Ordinary Shares from time to time
“Sub-Division”	the sub-division of each Consolidated Ordinary Share into 177 New Ordinary Shares and 177 Deferred Shares
“UK”	the United Kingdom

LETTER FROM THE CHAIRMAN

BIOME TECHNOLOGIES PLC

(Incorporated and registered in England and Wales no. 01873702)

Directors

John Standen, *Non-Executive Chairman*
Paul Mines, *Chief Executive Officer*
Michael Kayser, *Finance Director*

Registered Office

Starpol Technology Centre
North Road
Marchwood
Southampton
Hampshire
SO40 4BL

23 May 2013

Dear Shareholder,

1. Introduction

The Board has articulated previously a strategy focussed on commercialising a number of bioplastics opportunities of significant potential whilst developing the medium-term technology platform and growing Stanelco Radio Frequency business. This has been set in the context of continuing to challenge the Company's cost base and examining the corporate structure to allow flexibility for the future.

At the time of the publication of the Company's preliminary results in March 2013 it was stated that the Group's legacy long leases on three buildings in Southampton remained a significant drag on the path towards long term sustainability and the Board was exploring a number of strategies that might lessen this commitment. The Company has today announced a Settlement with the landlord in respect of leases on two of the three buildings in Southampton. This Settlement involves the surrender of those two leases for the payment of £895,000 plus VAT with no residual ongoing liabilities. The third remaining building is suitable in scale for the Company's activities for the foreseeable future and its lease has been retained. By reaching agreement on the Settlement, the Board has resolved a legacy issue for the Company which was likely to prove an ongoing operational distraction and financial drain, the quantum of which could have exceeded £3.2m over the remaining duration of the relevant leases. Further information on the Settlement is set out in this document.

As outlined previously, the Board has been assessing the potential scope for returning funds to Shareholders that may be in excess of those required in the medium term. In order to undertake any such distribution a Court-sanctioned reduction of capital would be necessary. This is because of the Group's large accumulated losses and consequent lack of distributable reserves. However, the Group has a substantial share premium account on the Company's balance sheet which could be set against the accumulated losses with Court and creditor consent. As at 31 December 2012, the accumulated losses amounted to £33,719,000 and the share premium account £37,895,000, the latter amount having built up over the last ten years as a result of share issues. As a result of entering into the Settlement, the Company is now able to undertake the Capital Reduction, subject to the approval of Shareholders at the General Meeting and the subsequent approval of the Court. If the Capital Reduction is approved by Shareholders, the Directors believe that the Company's future accounts will provide investors and market participants a clearer view of the Company's financial position, untrammelled by historic matters.

A Consolidation and Sub-Division of Existing Ordinary Shares is also proposed in this document. The purpose of the proposed Consolidation and Sub-Division is to rationalise the unusually large Shareholder base of the Company, thereby reducing the costs to the Company of administering the Shareholder base and also providing an exit for Shareholders with very small holdings and little economic interest in the Company.

Those Shareholders with shareholdings having an aggregate value of less than £280 (based upon the closing mid-market share price of an Ordinary Share on 20 May 2013 (being the latest practicable date prior to the

publication of this document)) will not be entitled to receive any New Ordinary Shares following the Capital Reorganisation. Instead, their fractional entitlements will be aggregated with those of other Shareholders and sold on their behalf. The Company will (except where prohibited under law or applicable regulation) use its cash resources to buy these shares immediately following the Capital Reduction becoming effective at the average mid-market closing price over the five days prior to such date (as adjusted to reflect the Consolidation and Sub-Division). Based on the mid-market closing price of £0.00065 per Existing Ordinary Share as at 20 May 2013, it is anticipated that the cost of buying back those shares will cost approximately £170,000. The cost of buying back these shares may increase if the market price increases before the date of the buy-back, however, the Company will not buy back all of the shares if to do so would cost more than £325,000. In this way the Company is effectively returning funds to Shareholders at market value and free of dealing costs.

The Board considers that the cash expenditure on the Settlement and Capital Reorganisation totalling approximately £1,300,000 (including costs) utilises a significant proportion of the Group's current cash resources. Accordingly, the Directors will re-assess the potential for any further distributions, taking into account the investment needs of the Group going forward. Shareholders will be kept informed of progress in this matter.

The purpose of this document is to provide you with information about the background to and the reasons for the Capital Reorganisation, to explain why the Board considers the Capital Reorganisation to be in the best interests of the Company and its Shareholders as a whole, and why the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. Background to the Capital Reorganisation

As at 20 May 2013 (being the latest practicable date prior to the publication of this document), the Company had 5,897,666,333 Existing Ordinary Shares in issue, having a mid-market price per Existing Ordinary Share at the close of business on such date of £0.00065. As at that date, the Company had 4,252 Shareholders, of which 3,878 Shareholders represented in aggregate approximately 91 per cent. of the total number of Shareholders but only approximately 3.2 per cent. of the total issued share capital of the Company. Each of these 3,878 Shareholders held fewer than 430,000 Ordinary Shares having a maximum value of approximately £280 (based upon the closing mid-market share price of an Ordinary Share on 20 May 2013), and the average holding of these Shareholders was approximately 49,116 Ordinary Shares with an average value of approximately £31.93.

The current size of the Shareholder register places a financial and administrative burden on the Company which is disproportionate to its size. Although the Company has taken advantage of the provisions of the Act which enable it to communicate with its Shareholders by electronic means (including by way of website), the Act requires Shareholders to be notified in writing when any notice or other documents, such as the Company's annual report, is posted on the website. Your Board believes that the cost of administering the Company's Shareholder register and communicating with such a large number of Shareholders (many of whom have a small interest in the Company) is to the detriment of the Company and its current Shareholders taken as a whole.

In addition, the purpose of the Capital Reorganisation is to create a share capital base which is more consistent with that of companies of a similar size and may encourage greater investor appetite for, and accordingly liquidity in, the New Ordinary Shares.

Accordingly, the Board is of the view that it would benefit the Company and Shareholders to reduce the number of Existing Ordinary Shares in issue with a resulting adjustment in the market price of such shares, by consolidating and sub-dividing the Company's share capital.

As explained further below, Shareholders holding fewer than 430,000 Existing Ordinary Shares at the Record Date will receive cash in lieu of their Existing Ordinary Shares. The Board is conscious that the ancillary dealing costs which would be incurred by Shareholders in individually realising investments of this size through market sales, coupled with the current limited liquidity of the Existing Ordinary Shares, would be prohibitive in many circumstances. Accordingly, the Capital Reorganisation provides a realisation event for such Shareholders at a significantly reduced cost.

3. The Consolidation and Sub-Division

The Consolidation

Upon implementation of the Consolidation, Shareholders on the register of members of the Company on the Record Date of the Consolidation and Sub-Division (which is 6.00 p.m. on 15 July 2013), will exchange every 430,000 Existing Ordinary Shares that they hold for one Consolidated Ordinary Share. As all existing ordinary shareholdings in the Company are proposed to be consolidated, the proportion of the issued ordinary share capital of the Company held by each Shareholder immediately before and after the Consolidation will, save for fractional entitlements, remain unchanged.

No Shareholder will be entitled to a fraction of a Consolidated Ordinary Share and where, as a result of the Consolidation, any Shareholder would otherwise be entitled to a fraction only of a Consolidated Ordinary Share in respect of their holding of Existing Ordinary Shares on the Record Date (a “**Fractional Shareholder**”), such fractions will be aggregated with the fractions of Consolidated Ordinary Shares to which other Fractional Shareholders of the Company may be entitled so as to form full Consolidated Ordinary Shares (“**Fractional Entitlement Shares**”) and, following the Sub-Division, the resulting New Ordinary Shares will be sold, as explained below.

This means that any such Fractional Shareholders will not have a resultant proportionate shareholding of Consolidated Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares, and as noted above, Shareholders with only a fractional entitlement to a Consolidated Ordinary Share (i.e. those Shareholders holding fewer than 430,000 Existing Ordinary Shares at the Record Date) will cease to be Shareholders of the Company and will receive cash in lieu of their fractional entitlements.

Accordingly, Shareholders currently holding fewer than 430,000 Existing Ordinary Shares who wish to remain a Shareholder of the Company following the Consolidation would need to increase their shareholding to at least 430,000 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice before taking any action.

The Sub-Division

Immediately following the Consolidation, each Consolidated Ordinary Share will be sub-divided into 177 New Ordinary Shares and 177 Deferred Shares.

As a result of the Sub-Division, the New Ordinary Shares will have a nominal value of £0.05 each, and the Deferred Ordinary Shares will have a nominal value of approximately £2.379 each. The Sub-Division has been structured in this way to ensure that the nominal value of each New Ordinary Share is less than the anticipated market value of those shares following the Capital Reorganisation.

The New Ordinary Shares arising from the Fractional Entitlement Shares following the Sub-Division will be sold on behalf of the relevant Fractional Shareholders. Subject to the Capital Reduction becoming effective, the Company will (unless prohibited by law or applicable regulation) use its cash resources to buy the shares immediately following the Capital Reduction becoming effective, at the average mid-market closing price over the five days prior to such date (as adjusted to reflect the Consolidation and Sub-Division). In the event that the net proceeds of purchase are three pounds (£3.00) or more per any entitled Fractional Shareholder, then such proceeds of purchase will be paid to the relevant Fractional Shareholder. However, if such net proceeds of purchase amount to less than three pounds (£3.00) per any entitled Fractional Shareholder, the costs, including the associated professional fees and expenses, that would be incurred in distributing such proceeds are likely to exceed the total net proceeds distributable to such Fractional Shareholders. The Board is therefore of the view that, as a result of the disproportionate costs in such circumstances, it would not be in the Company’s best interests to distribute such proceeds of purchase and the proceeds will instead be retained for the benefit of the Company in accordance with the Company’s articles of association and Resolution 1(i)(b).

Example

If a Shareholder holds 8,600,000 Existing Ordinary Shares at the Record Date, such Shareholder will, following the implementation of the Consolidation, hold 20 Consolidated Ordinary Shares. Immediately following the Consolidation, these 20 Consolidated Ordinary Shares will then be sub-divided pursuant to the

Sub-Division into 3,540 New Ordinary Shares and 3,540 Deferred Shares. As described further below, it is expected that the Deferred Shares will then be cancelled in the Capital Reduction, leaving the Shareholder with 3,540 New Ordinary Shares.

Resulting share capital

The issued share capital of the Company on Admission immediately following the Consolidation and Sub-Division (assuming 213,667 additional Ordinary Shares are issued between the date of this document and the Record Date) is expected to comprise 2,427,732 New Ordinary Shares.

Rights attaching to the New Ordinary Shares and the Deferred Shares

Apart from the change in nominal value of the shares caused by the Capital Reorganisation, the New Ordinary Shares arising on implementation of the Consolidation and Sub-Division will have the same rights as the Existing Ordinary Shares, including voting, dividend and other rights.

The Deferred Shares have no dividend or voting rights and limited capital rights, and will be cancelled as part of the Capital Reduction.

Effect on options etc.

The entitlements to Existing Ordinary Shares of holders of securities or instruments convertible into Ordinary Shares (such as options) are expected to be adjusted to reflect the Consolidation and Sub-Division.

4. The Court process in relation to the Capital Reduction

In order to enable the Company to purchase the New Ordinary Shares arising from the Fractional Entitlement Shares and to support the Company's ability to pay future dividends (should circumstances in the future make it desirable to do so), the Company is proposing to create distributable reserves by the cancellation of the Company's share premium account and the Deferred Shares.

As at 31 December 2012, the Company had a profit and loss account deficit of £33,719,000 and the balance standing to the credit of the Company's share premium account was £37,895,000. The Company is therefore seeking the approval of the Shareholders to cancel its share premium account and the Deferred Shares, which will increase the Company's distributable reserves, subject to the discharge of any undertakings required by the Court as explained below. If approved by the Shareholders, the Capital Reduction will require subsequent approval by the Court.

In seeking this approval, the Company will be required to give such undertakings or other form of creditor protection as the Court may require for the benefit of the Company's creditors at the date on which the cancellation of the share premium account becomes effective. These may include seeking the consent of the creditors to the cancellation or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging creditors of the Company. The consent of the Company's main creditor, being the landlord of the Company's remaining leasehold property following the Settlement, has been obtained. It is anticipated that the initial directions hearing in relation to the cancellation will take place on 4 July 2013, with the final hearing taking place on 17 July 2013 and the Capital Reduction becoming effective, following the necessary registration of the Court order at Companies House.

5. Resolutions and Notice of General Meeting

The notice convening the General Meeting for 10.30 a.m. on 20 June 2013 is set out at the end of this document.

The Resolutions set out in the Notice are as follows:

- Resolution 1 has been proposed to obtain the approval of Shareholders for the Consolidation and Sub-Division (including authorising the sale in the market of New Ordinary Shares arising from Fractional Entitlement Shares). Resolution 1 is conditional on Resolution 4 being passed.

- Resolution 2 has been proposed to obtain the approval of Shareholders for the Capital Reduction. Resolution 2 is conditional on Resolutions 1 and 4 being passed and on the approval of the Court.
- Resolution 3 has been proposed in order to grant the Directors authority to purchase the New Ordinary Shares of the Company arising from fractional entitlements in the Consolidation and Sub-Division. Resolution 3 is conditional on the Capital Reduction becoming effective.
- Resolution 4 has been proposed in order to amend the Company's articles of association to create the rights of the Deferred Shares created in the Sub-Division. Resolution 4 is conditional on Resolution 1 being passed.
- Resolution 5 has been proposed in order to grant the Directors the authority to allot New Ordinary Shares of the Company. This authority replaces the authority granted by Shareholders at the last annual general meeting of the Company, in order to reflect the Capital Reorganisation. This resolution grants the Directors authority to allot shares up to an aggregate nominal value of £41,212 representing approximately one third of the nominal value of the issued ordinary share capital of the Company following the Capital Reorganisation. In addition, in accordance with the approach taken in previous years and the guidelines issued by the Association of British Insurers, this resolution grants the directors authority to allot further equity securities up to an aggregate nominal value of £41,212, representing approximately one third of the nominal value of the issued ordinary share capital of the Company following the Capital Reorganisation. This additional authority may be only applied to fully pre-emptive rights issues. There are no treasury shares held by the Company as at the date of this notice. The directors do not have any present intention of exercising the authorities conferred by this resolution but they consider it desirable that the specified amount of authorised but unissued share capital is available for issue so that they can more readily take advantage of possible opportunities. Resolution 5 is conditional on the Capital Reorganisation becoming effective.
- Resolution 6 has been proposed in order to grant the Directors the power to allot New Ordinary Shares of the Company for cash other than on a pre-emptive basis. This authority replaces the authority granted at the last annual general meeting of the Company in order to reflect the Capital Reorganisation. The relevant circumstances are either where the allotment takes place in connection with a rights issue or the allotment is limited to a maximum nominal amount of £12,138 representing approximately ten per cent of the nominal value of the issued ordinary share capital of the Company following the Capital Reorganisation. Resolution 6 is conditional on the Capital Reorganisation becoming effective.

6. Action to be taken

You will find accompanying this document, a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are encouraged to complete the Form of Proxy and return it to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, so as to arrive as soon as possible, but in any event so as to be received no later than 10.30 a.m. on 18 June 2013. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

Completion and return of a Form of Proxy will not preclude you from attending and voting at the General Meeting if you wish.

7. Application to trading on AIM

Conditional upon the Consolidation and Sub-Division becoming effective, application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange and it is expected that Admission will be effective and trading will commence at 8.00 a.m. on 16 July 2013.

Immediately following Admission, the Company will have 2,427,732 New Ordinary Shares in issue (assuming 213,667 new Ordinary Shares are allotted before the Record Date). Since the Company holds no shares in treasury, the total number of voting rights in the Company will therefore be 2,427,732 and this

figure may therefore be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the DTRs.

8. The Settlement

The Company today announced the Settlement with the current landlord of the buildings the Company currently occupies in Southampton.

The buildings relinquished were under lease until December 2021, have a total area of 35,995 square feet and have not been used by the Company since the initial leasing arrangement in 2006. The Company's lease over its remaining property of 8,000 square feet which it continues to occupy will continue until September 2019. The remaining building is suitable in scale for the Company's activities in Southampton for the foreseeable future.

Under the terms of the Settlement, the Company will pay to the landlord the cash sum of £895,000, plus VAT, to settle all ongoing liabilities and dilapidations in relation to the two properties. In reaching agreement on the terms of the Settlement, the Company was advised by Bailey Watkins LLP, a specialist property consultancy.

This Settlement removes a gross lease obligation to the Company of at least £3,200,000 in lease, service charges, insurance, dilapidations and rates over the course of the eight years remaining on the leases for the two buildings. Whilst attempts have been made previously to mitigate these costs through sub-leasing this has resulted in minimal income in the past two years.

9. Tax

Introduction

The following statements are intended only as a general guide to the current tax position under UK taxation law and practice. Taxation law (including, without limitation, taxation levels, bases and reliefs) or its interpretation or application may change after the date of this document. These statements relate only to the UK taxation treatment of the Consolidation and Sub-Division and certain limited aspects of the UK tax position of Shareholders who are the beneficial owners of Existing Ordinary Shares and who are resident or (in the case of individuals) ordinarily resident in the UK for tax purposes and who hold their shares in the Company beneficially as an investment (and not as securities to be realised in the course of a trade). Certain holders of Existing Ordinary Shares, such as dealers in securities, insurance companies, collective investment schemes and persons who have acquired their shares by reason of their or another's employment may be taxed differently and are not considered. The following is not, and is not intended to be, an exhaustive summary of the tax consequences of acquiring, holding and disposing of Existing Ordinary Shares or New Ordinary Shares. A Shareholder who is in any doubt as to his or her tax position or is subject to tax in any jurisdiction other than the UK should consult his or her duly authorised professional adviser without delay.

CGT treatment of the Capital Reduction

The Shareholders should not be treated as making any disposal of their Existing Ordinary Shares as a result of the Capital Reduction and should not therefore be subject to any capital gains tax charge at this stage of the Capital Reorganisation.

CGT treatment of the Consolidation and Sub-Division

The proposed Consolidation and Sub-Division should constitute a reorganisation of the Company's share capital for UK capital gains tax purposes. Therefore, to the extent that a Shareholder receives Consolidated Ordinary Shares in exchange for his Existing Ordinary Shares under the proposed Consolidation, he should not generally be treated as making a disposal of any of his Existing Ordinary Shares. Similarly, to the extent that he receives New Ordinary Shares in exchange for his Consolidated Ordinary Shares under the proposed Sub-Division, he should not generally be treated as making a disposal of any of his Consolidated Ordinary Shares. Ultimately the New Ordinary Shares should (for UK capital gains tax purposes) be treated as the

same asset as, and as having been acquired at the same time and for the same aggregate cost as, the holding of Existing Ordinary Shares from which they derive.

CGT treatment of fractional entitlements

Any entitlements to fractions of Consolidated Ordinary Shares arising as a result of the Consolidation will be consolidated and purchased by the Company.

If a Shareholder holds fewer than 430,000 Existing Ordinary Shares at the time the Consolidation takes effect, he will only be entitled to receive cash under the Consolidation. As a result, he will be treated as having disposed of such Existing Ordinary Shares for UK capital gains tax purposes and he may, depending on his individual circumstances, realise a chargeable gain or an allowable loss for tax purposes.

If and to the extent that a Shareholder receives cash and New Ordinary Shares under the proposed Consolidation and Sub-Division as a result of the sale of fractional entitlements, he should not in practice be treated as having made a part disposal of his holding of Existing Ordinary Shares. Instead, he should be able to treat the cash received as a deduction from any base cost he may have in his Existing Ordinary Shares (and, accordingly, the New Ordinary Shares held after the proposed Consolidation and Sub-Division) rather than as consideration for a disposal of the Existing Ordinary Shares held representing such fractional entitlement. HMRC will generally apply this practice provided that either the cash receipt is less than £3,000 or it does not constitute more than 5 per cent. of the value of the Existing Ordinary Shares. However, this treatment is based only on current HMRC practice and may vary depending on a Shareholder's personal circumstances.

Shareholders with cash proceeds of less than three pounds (£3.00) will not receive any payment from the Company for their fractional entitlement. Such Shareholders should be treated as having disposed of their fractional entitlement for nil consideration and accordingly do not need to deduct any amount from the base cost on their Existing Ordinary Shares.

On a subsequent disposal of the whole or part of the holding of New Ordinary Shares, holders may, depending on their circumstances, be subject to tax on the amount of any chargeable gain realised.

CGT treatment of the deferred shares

The issue and subsequent cancellation of the deferred shares will be treated as a disposal for each shareholder as part of the sub-division. However, given the negligible value attributed to the deferred shares this should not realise a chargeable gain or an allowable loss for tax purposes.

Stamp taxes

No liability to stamp duty or stamp duty reserve tax will be incurred by a holder of Existing Ordinary Shares as a result of the proposed Consolidation and Sub-Division.

10. Recommendation

The Directors unanimously recommend that you vote in favour of the Resolutions, as they intend to do in respect of their own shareholdings, which in aggregate total 86,111,360 Existing Ordinary Shares representing approximately 1.46 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

John Standen

Non-Executive Chairman

NOTICE OF GENERAL MEETING

BIOME TECHNOLOGIES PLC

(Incorporated and registered in England and Wales with registered number 01873702)
(the “Company”)

NOTICE IS HEREBY GIVEN that a general meeting of the Company (the “**Meeting**”) will be held at the offices of FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB at 10.30 a.m. on 20 June 2013 to consider and, if thought fit, pass the following resolutions, of which resolutions 1, 2, 3, 4 and 6 will be proposed as special resolutions of the Company and resolution 5 will be proposed as an ordinary resolution of the Company:

1. THAT, subject to and conditional on admission of the New Ordinary Shares (as defined below) to trading on AIM, the market of that name operated by London Stock Exchange plc, becoming effective and the passing of resolution 4:
 - (i) every 430,000 ordinary shares of £0.001 each in the capital of the Company which, at 6.00 p.m. on 15 July 2013 are shown in the books of the Company to be in issue, be consolidated (the “**Consolidation**”) into one consolidated ordinary share of £430 in the capital of the Company (each a “**Consolidated Ordinary Share**”), each such Consolidated Ordinary Share having the rights and being subject to the restrictions set out in the Company’s articles of association, provided that:
 - (a) where the Consolidation results in any member being entitled to a fraction of a Consolidated Ordinary Share, such fraction shall, so far as possible, be aggregated with the other fractions of Consolidated Ordinary Shares to which other members of the Company may be entitled (each such Consolidated Ordinary Share representing such fractions being a “**Fractional Entitlement Share**”);
 - (b) the directors of the Company (a “**Director**”) be and are authorised to sell (or to appoint another person to sell) on behalf of the relevant members, all the Fractional Entitlement Shares or any New Ordinary Shares (as defined below) arising therefrom, at the best price then reasonably obtainable to any person, and to pay the purchase price (net of expenses) in due proportion among the relevant members entitled thereto (save that no amount shall be paid to any member where the individual amount of net proceeds to which any member is entitled is less than £3.00 and any fraction of a penny which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the registrar of the Company); and
 - (c) any Director (or any person appointed by the Directors) shall be and is hereby authorised on behalf of all relevant members to execute an instrument or transfer in respect of such Fractional Entitlement Shares or any New Ordinary Shares (as defined below) arising therefrom and to do all acts and things the Directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares; and
 - (ii) immediately following the Consolidation, each Consolidated Ordinary Share in issue be sub-divided into 177 ordinary shares of £0.05 each in the capital of the Company (each a “**New Ordinary Share**”) and having the rights and being subject to the restrictions set out in the Company’s articles of association and 177 deferred shares of £2.37937853 each in the capital of the Company and having the rights and being subject to the restrictions set out in resolution 4 below (each a “**Deferred Share**”) (the “**Sub-Division**”); and

2. THAT, subject to and conditional on the passing of resolutions 1 and 4:
 - (i) the share capital of the Company be and is hereby reduced by cancelling and extinguishing each Deferred Share in issue immediately following the Consolidation and Sub-Division; and
 - (ii) the share premium account of the Company be and is hereby cancelled.
3. THAT, subject to the completion of the Consolidation and Sub-Division and to the reduction of share capital and cancellation of share premium described in resolution 2 becoming effective, the Company be and is unconditionally and generally authorised for the purposes of Section 701 of the Companies Act 2006 (the “Act”) to make market purchases (within the meaning of Section 693(4) of the Act) all or any of the Fractional Entitlement Shares or any New Ordinary Shares arising therefrom, provided that:
 - (i) the minimum price which may be paid for any such share is £0.05;
 - (ii) the maximum price which may be paid for a share shall be an amount equal to the average middle market quotations for an ordinary share of the Company as derived from the AIM Appendix of the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the share is contracted to be purchased (if relevant, adjusting for the consolidation and sub-division of the ordinary shares pursuant to resolution 1 above); and
 - (iii) this authority shall, unless previously renewed, revoked or varied, expire on the date falling 6 months after the date of the passing of this resolution.
4. THAT, subject to and conditional on the passing of resolution 1 above, the articles of association of the Company be and are hereby amended by the insertion of the following as a new article 9A:

“9A Notwithstanding any provision to the contrary contained in these Articles, the rights and privileges attached to the Deferred Shares are as follows:

 - (a) the Deferred Shares shall not entitle their holders to receive any dividend or other distribution;
 - (b) the Deferred Shares shall on a return of assets in a winding up or otherwise entitle the holder only to the repayment of the amounts paid up on such shares after repayment of £10 million per Ordinary Share; and
 - (c) the holders of the Deferred Shares shall not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting.”
5. THAT, subject to and conditional on the passing of resolutions 1,2 and 4 above, and in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and they are generally and unconditionally authorised pursuant to Section 551 of the Act:
 - (i) to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “**relevant securities**”) up to an aggregate nominal amount of £41,212 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph 5(ii) below in excess of £41,212); and further
 - (ii) to allot equity securities (as defined in Section 560 of the Act) up to an aggregate nominal amount of £41,212 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph 5(i) above) in connection with an offer by way of rights issue;
 - (a) in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate

(as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and

- (b) to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever,

provided that, unless previously revoked, varied or extended, this authority shall expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company, except that the Company may at any time 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 an offer or agreement as if this authority had not expired.

- 6. THAT, if resolution 5 is passed and subject to and conditional on the passing of resolutions 1,2 and 4 above, the Directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under Section 551 of the Act conferred by resolution 5 above and/or by way of a sale of treasury shares for cash (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment provided that:

- (i) the power conferred by this resolution shall be limited to:
 - (a) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph 5(ii) of resolution 5, by way of a rights issue only):
 - (1) in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and
 - (2) to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- (b) in the case of the authority granted under paragraph 5(i) of resolution 5 and/or in the case of any sale of treasury shares for cash, the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities or sale of treasury shares up to an aggregate nominal value equal to £12,138 (representing an amount to be not more than 10 per cent. of the issued share capital (including treasury shares) of the Company); and

unless previously revoked, varied or extended, this power shall expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next AGM of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the directors may allot equity securities (and sell treasury shares) in pursuance of such an offer or agreement as if this power had not expired.

Dated 23 May 2013

Registered Office:
Starpol Technology Centre
North Road
Marchwood
Southampton
Hampshire
SO40 4BL

BY ORDER OF THE BOARD

Donna Simpson-Strange
Company Secretary

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at 6.00 p.m. on 18 June 2013 shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
2. If you wish to attend the Meeting in person, then as a registered shareholder you will be signed off against the register of members.
3. A member who is entitled to attend, speak and vote at the Meeting may appoint a proxy to attend, speak and vote instead of him. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the Meeting in order to represent you. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. Appointing a proxy will not prevent a member from attending in person and voting at the Meeting (although voting in person at the Meeting will terminate the proxy appointment). A proxy form is enclosed. The notes to the proxy form include instructions on how to appoint the Chairman of the Meeting or another person as a proxy. You can only appoint a proxy using the procedures set out in these Notes and in the notes to the proxy form.
4. CREST members who wish to appoint a proxy or proxies through the CREST proxy appointment service may do so for the Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to 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 Ltd (Participant ID: 7RA11) by the latest time(s) for receipt of proxy appointments specified in Note 5 above. 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 Neville Registrars 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.

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

5. To be valid, a proxy form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should reach the Company's registrar, Neville Registrars of Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, by no later than 10.30 a.m. on 18 June 2013.
6. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
7. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: Either by the appointment of a proxy (described in Notes 3 and 4 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Act.