

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action you should take, you should consult your stockbroker, accountant or other independent professional advisor authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all your ordinary shares in IPSA Group PLC (the “**Company**”), please hand this document (together with the accompanying proxy form) as soon as possible to the stockbroker or other agent through whom you made the sale or transfer for transmission to the purchaser or transferee of your shares.

The Annual General Meeting is to be held at 11.00 a.m. on 26 April 2010 at the offices of IPSA Group PLC, 5th Floor, Prince Consort House, 27-29 Albert Embankment, London SE1 7TJ.

Members entitled to attend and vote at the Annual General Meeting are entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member of the Company.

To be valid the accompanying Form of Proxy for use in connection with the Annual General Meeting should be completed, signed and returned by post as soon as possible and, in any event, so as to reach the Company’s registrars, Neville Registrars Limited of Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, by no later than 11.00 a.m. on 24 April 2010. Completion and return of Forms of Proxy will not preclude holders of Ordinary Shares from attending and voting in person at the General Meeting should they so wish. For full details on proxy appointments, see the notes to the Notice of Annual General Meeting and the Form of Proxy.

LETTER FROM THE COMPANY SECRETARY OF IPSA GROUP PLC

(Registered in England and Wales with registered number 05496202)

Directors

Stephen Hargrave (*Chairman*)

Peter Earl (*Chief Executive Officer*)

Neil Bryson (*Non-Executive Director*)

Michael Cox (*Finance Director*)

Mike Eyre (*Executive Director*)

Rizelle Sampson (*Non-Executive Director*)

Elizabeth Shaw (*Chief Operating Officer*)

James West (*Non-Executive Director*)

5th Floor
Prince Consort House
27-29 Albert Embankment
London
SE1 7TJ

31 March 2010

To shareholders

Dear Shareholder,

Report and Accounts and Annual General Meeting

Copies of the report and accounts of the Company for the twelve month period ended 30 September 2009 (the “**Report and Accounts**”) are enclosed with this letter. At the end of this letter you will find a notice convening the Annual General Meeting of the Company which is to be held at 11.00 am on 26 April 2010 at 5th Floor, Prince Consort House, 27-29 Albert Embankment, London SE1 7TJ (the “**AGM**”). The business of the AGM will be to receive the Report and Accounts and to conduct the other ordinary business and special business of the Company as set out in the notice. The schedule to this letter explains the business that is proposed at the AGM.

Action to be taken

You will find enclosed with this letter a form of proxy for use in connection with the AGM. Whether or not you intend to be present at the AGM, you are asked to complete the form of proxy in accordance with the instructions printed on it so that the form may be received by the Company’s Registrars, Neville Registrars Limited of Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA as soon as possible but in any event not later than 11.00 am on 24 April 2010. Completion of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

Yours sincerely

Susan Laker

Company Secretary

SCHEDULE

EXPLANATORY NOTES TO NOTICE OF THE AGM

The Notice of Annual General Meeting contains six ordinary resolutions which require the approval of at least 50 per cent. of Shareholders who vote and one special resolution which requires the approval of at least 75 per cent. of Shareholders who vote.

Resolution 1: Report and Accounts

The directors must present to the shareholders at the AGM the accounts of the Company and the report of the directors and auditors for the year ended 30 September 2009 for approval and adoption.

Resolutions 2,3 and 4: Re-election of Directors

The directors proposed for re-election are Michael Cox, Rizelle Sampson and Elizabeth Shaw, who are due to retire by rotation.

Resolution 5: Re-appointment of Auditors and Auditor's Remuneration

Grant Thornton UK LLP ("**Grant Thornton**") has agreed to continue as the Company's auditor until the conclusion of the next general meeting at which the accounts are laid before the Company. Resolution 5 proposes the re-appointment of Grant Thornton and authorises the Board to determine the auditor's remuneration.

Resolutions 6 and 7: Authority to allot shares and disapplication of pre-emption rights

To renew powers of the Board to allot ordinary shares and disapply pre-emption rights in order to allot equity securities (Resolutions 6 and 7).

The directors under the Companies Act 2006 (the "**Act**") may only allot ordinary shares or grant rights to subscribe for ordinary shares if authorised to do so in a General Meeting or pursuant to the articles of association. The directors may also only allot ordinary shares for cash to persons who are not already shareholders of the Company if authorised to do so by the shareholders in a General Meeting or pursuant to the articles of association.

An ordinary resolution (Resolution 6) will be proposed to authorise the Board to allot the unissued share capital up to an aggregate nominal amount of £627,026.94. This represents 31,351,347 ordinary shares and is equivalent to approximately 33 per cent. of the Company's issued share capital.

The authority sought will expire on the later of the conclusion of the next annual general meeting of the Company or on the date falling 15 months from the date of the passing of Resolution 6 unless such authority is renewed, varied, or revoked by the Company in general meeting.

A special resolution (Resolution 7) will be proposed authorising the Board to allot ordinary shares for cash without first offering them to existing shareholders up to an aggregate nominal amount of £285,012.24. This sum represents 14,250,612 ordinary shares and is equivalent to approximately 15 per cent. of the Company's issued share capital. The directors will use this authority in the circumstances where it is in the best interests of the Company to issue ordinary shares for cash other than to existing shareholders. The resolution also enables the directors to modify the strict requirements for a rights issue or other pro rata offer to shareholders in circumstances where they consider it necessary or expedient.

The authority sought will expire on the later of the conclusion of the next annual general meeting of the Company or on the date falling 15 months from the date of the passing of Resolution 7 unless such authority is renewed, varied, or revoked by the Company in general meeting.

IPSA Group PLC (the "Company")

(Company No. 05496202)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at IPSA Group PLC, 5th Floor, Prince Consort House, 27-29 Albert Embankment, London SE1 7TJ at 11.00 am on the 26 April 2010 for the purpose of considering and, if thought fit, approving the following resolutions, of which resolutions 1 to 6 will be proposed as ordinary resolutions and resolution 7 as a special resolution:

ORDINARY RESOLUTIONS

1. To receive and, if approved, to adopt the Company's accounts for the financial year ended 30 September 2009 together with the directors' report and the auditor's report on those accounts;
2. To re-elect Michael Cox as a director.
3. To re-elect Rizelle Sampson as a director.
4. To re-elect Elizabeth Shaw as a director.
5. To re-appoint Grant Thornton UK LLP of Grant Thornton House, Melton Street, Euston Square, London, NW1 2EP as the Company's auditors to act as such until the conclusion of the next General Meeting at which the accounts are laid before the Company in accordance with section 437(1) of the Companies Act 2006 and to authorise the directors of the Company to fix their remuneration.
6. THAT in substitution for any existing such authority, the Directors be and are hereby generally and unconditionally authorised in accordance with the Companies Act 2006, (the "Act") to exercise all powers of the company to allot equity securities within the meaning of Section 560 of the Act up to an aggregate nominal amount of £627,026.94 provided that the authority hereby conferred shall operate in substitution for and to the exclusion of any previous authority given to the Directors pursuant to Section 551 of the Act or pursuant to section 80 of the Companies Act 1985 (as amended) and shall expire whichever is the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of this Resolution unless such authority is renewed, varied, or revoked by the Company in General Meeting save that the Company may at any time before such expiry make an offer or agreement which might require equity securities to be allotted after such expiry and the directors may allot relevant securities in pursuant of such offer or agreement as if the authority hereby conferred had not expired.

SPECIAL RESOLUTION

7. THAT subject to and conditional upon the passing of Resolution 6 above and pursuant to the authority conferred by Resolution 6 above, the Directors be and are hereby empowered pursuant to Section 570 of the Act to allot equity securities (as defined in 560 of the Act) for cash as if Section 561(1) of the Act did not apply to any such allotment PROVIDED THAT such power shall be limited to:-
 - (a) the allotment of equity securities in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective amounts of equity securities held by them subject only to such exclusions or other arrangements as the directors may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws of or the requirements of any recognised regulatory body in any territory or otherwise; and
 - (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to an aggregate nominal amount of £285,012.24;

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors pursuant to Section 570 of the Companies Act or pursuant to section 95 of the Companies Act 1985 (as amended) and shall expire on whichever is the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of this Resolution unless such power is renewed or extended in General Meeting except that the Company may before the expiry of any power contained in this Resolution make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuant to such offer or agreement as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

Registered Office

Susan Laker
Company Secretary

IPSA Group PLC
5th Floor, Prince Consort House
27-29 Albert Embankment
London
SE1 7TJ

31 March 2010

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the office of the Company's Registrars, Neville Registrars Limited of Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, in each case no later than 48 hours before the time fixed for the AGM or any adjourned AGM at which the proxy is to vote.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 7 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
4. If you wish to attend the AGM in person, please attend at 11.00 a.m. on 26 April 2010 bringing the Attendance Card so that you can be identified by the Company's registrars. It is recommended that you arrive at least 15 minutes before the time appointed for the AGM to begin.
5. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 11.00 a.m. on 24 April 2010 (or, if this AGM is adjourned, at 11.00 a.m. on the day two days prior to the adjourned AGM).
6. 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.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company's Registrars Shareholder helpline on 0121 585 1131.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.
8. 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 specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 (ID 7RA11) by 6.00 p.m. on 24 April 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp 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.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. 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.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. A copy of the register of directors' interests in the shares of the Company, the directors' service contracts and terms of appointment for the non-executive directors, the proposed changes to the existing articles of association of the Company (shown in revisions) and the terms of reference of the audit, remuneration and nomination committees are available for inspection at the Registered Office during normal business hours (Saturdays and Sundays excepted), until the AGM and at the AGM for a period of 15 minutes before the commencement until the conclusion of the AGM.

