

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this circular or as to the action you should take, you should immediately seek your own advice from a stockbroker, bank manager, solicitor, accountant, or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom or, if you are resident elsewhere, another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your shares, please pass this circular together with the accompanying proxy form to the purchaser or transferee, or to the person who arranged the sale or transfer, so that they can pass this circular and proxy form to the person who now holds the shares.

Lupus Capital plc

(Lupus Capital or the Company)

(incorporated and registered in England and Wales under number 02806007)

NOTICE OF GENERAL MEETING

Notice of a General Meeting of Lupus Capital to be held at One Bunhill Row, London, EC1Y 8YY on 11 December 2007 at 11.30 am is set out at the end of this circular.

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 2 to 5 of this circular and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting.

Shareholders will find enclosed with this circular a form of proxy for use in connection with the General Meeting. To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company's registrars by no later than 11.30 am on 9 December 2007. The form of proxy can be returned to the address on the back of the proxy form using the reply paid service, or delivered by post or by hand to Capita Registrars, The Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Completion and return of a form of proxy will not preclude shareholders from attending and voting at the General Meeting should they choose to do so. Further instructions relating to the form of proxy are set out in the notice of the General Meeting.

Lupus Capital plc

(incorporated and registered in England and Wales under number 02806007)

Registered Office:

Crusader House
145 - 157 St John Street
London
EC1V 4RU

16 November 2007

To all Lupus Capital shareholders

Notice of General Meeting

Dear shareholder,

I am pleased to write to you with details of a General Meeting which we are holding at One Bunhill Row, London, EC1Y 8YY on 11 December 2007 at 11.30 am. The formal notice of the General Meeting is set out on pages 6 to 8 of this circular.

If you would like to vote on the resolutions but cannot attend the General Meeting, please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 11.30 am on 9 December 2007.

An explanation of each of the seven resolutions being proposed at the General Meeting is provided below. The full text of each resolution is set out on pages 6 to 8 of this circular.

Resolutions 1, 2, 3 and 4 will be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 5, 6 and 7 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolutions 1 and 7: Consolidation of share capital and proceeds of sale of fractional entitlements

The Directors are proposing, under article 51 of the Company's Articles of Association (the **Articles**), to consolidate the share capital of the Company from ordinary shares of 0.5 pence nominal value to ordinary shares of 5 pence nominal value.

If Resolution 1 is approved, the consolidation will be effected at 5.00 pm on 11 December 2007 (the **Record Date**). At the Record Date each holding of ten 0.5 pence shares would be consolidated into one 5 pence share. The existing issued share capital of 1,372,115,334 ordinary shares of 0.5 pence would therefore become 137,211,533 ordinary shares of 5 pence.

Any issue as to what constitutes a holding for these purposes will be determined by the Directors in their absolute discretion. It is intended that holdings in a CREST account and a non-CREST account in the same name, and holdings where the name and address of the person concerned are not identical in all respects in the Register of Members of the Company will be treated as separate holdings. It is likely that if you receive more than one copy of this document you will be treated as having more than one holding for these purposes.

Article 52 of the Articles provides that any fractional entitlements of the 5 pence ordinary shares resulting from the consolidation shall be aggregated and sold, with the net proceeds of such sale distributed to the shareholders who would otherwise be entitled to the fractional entitlements. However, on the basis of the market price for an ordinary share in the Company at the date of publication of this circular, the maximum amount which would be payable to any shareholder would be less than 90 pence. Consequently, the Directors are proposing, in Resolution 7, that the Company retains such proceeds of sale as the costs associated with the distribution of any entitlement would be disproportionate to the amounts which shareholders would otherwise receive.

There would be an ultimate remaining fraction upon consolidation of the issued share capital which would be purchased by a person nominated by the Directors and transferred to the Company for no consideration before its cancellation.

Share certificates in respect of holdings of 5 pence nominal shares would be despatched by 19 December 2007. Upon receipt of your new share certificate, the old certificate would no longer be valid and should be destroyed. Shareholders who hold their shares in CREST would automatically have their accounts updated to shares of 5 pence nominal value on 12 December 2007.

The consolidation would not adversely affect the rights of shareholders in any way. The 5 pence ordinary shares would have the same rights as the existing 0.5 pence ordinary shares, including proportionate dividend, voting and other rights. Trading in the consolidated 5 pence shares would commence on 12 December 2007. The shares would be traded on the Alternative Investment Market of the London Stock Exchange in the same manner as before the consolidation.

In order to reflect the consolidation of the Company’s issued share capital, the authorised but unissued ordinary shares in the Company would also be consolidated at the Record Date, from 427,884,666 ordinary shares of 0.5 pence to 42,788,466 ordinary shares of 5 pence. The capital of the Company would be reduced by the cancellation of the resulting fraction.

The Board believes that the consolidation of shares to a larger denomination is consistent with the practice of comparable market participants. The consolidation may also enable the shares to be more easily traded and to be administered more efficiently.

Expected Timetable	
Latest time by which shareholders must be registered in Register of Members to attend and vote at the General Meeting	6.00 pm on 7 December 2007
Latest time and date for proxy forms and proxy instructions made via CREST to reach registrars	11.30 am on 9 December 2007
General Meeting	11.30 am on 11 December 2007
Consolidation of share capital (Record Date)	5.00 pm on 11 December 2007
CREST accounts credited with 5 pence nominal value shares	12 December 2007
Admission of 5 pence nominal value shares	8.00 am on 12 December 2007
Trading commences in 5 pence nominal value shares	8.00 am on 12 December 2007
New share certificates for 5 pence nominal shares despatched	19 December 2007
All references in this document to times are to UK time.	

Resolution 2: Scrip dividends

Shareholder approval is being sought, under article 142 of the Articles, to permit the Company to offer scrip dividends as an alternative to cash dividends over the next five years. If the resolution is approved, shareholders could elect to receive new ordinary shares instead of cash dividends (including interim, special and final dividends) if the Company deems it appropriate to offer scrip dividends in relation to a distribution. Shareholders would be provided with details of the proposed scrip dividend scheme in advance of the next dividend declaration in order to make their election.

Shareholders who elect to receive dividends in the form of new ordinary shares would increase their shareholding in the Company without incurring dealing costs. When shareholders elect to receive new shares instead of cash, the Company benefits from retaining the cash that would otherwise have been paid out.

Resolution 3: Electronic communications

The Directors are proposing that the Company be authorised to communicate with shareholders electronically. If this resolution is approved, the Company would contact each shareholder to seek their consent to receiving email communications instead of postal communications. If a shareholder does not consent to receiving email communications, he or she would continue to receive postal communications.

The Company would also contact each shareholder individually and ask if he or she consents to the Company communicating with them via its website. This means that the Company could supply documents and information to shareholders by making such documents and information available on the Company's website and notifying shareholders that it is so available. Notification of the publication of documents or information on the Company's website would be provided to shareholders either electronically or by hard copy, depending on whether the shareholder had consented to receiving email instead of postal communications as outlined in the preceding paragraph.

Any shareholder who did not respond to the Company's request for consent to communicate with him or her via the Company's website within 28 days would be deemed to have consented. Even if a shareholder fails to respond, and is taken to agree to website publication, he or she can ask for a hard copy of any documents from the Company at any time. Similarly, even if a shareholder has agreed (or is deemed to have agreed) to website communication, he or she may revoke that agreement at any time by giving notice to the Company.

By communicating electronically with shareholders the Company would save on both the cost and time involved with the administration of the Company. The use of electronic communications would also be of benefit to the environment by reducing the amount of documents produced by the Company.

Resolutions 4 and 5: Authority to allot shares and disapplication of pre-emption rights

If Resolution 1 is approved, the consequent change to the Company's share capital will require that the Directors seek renewal of their authority to allot shares and power to permit non pre-emptive issues of ordinary shares, in order that the authority and power may be exercised in relation to the consolidated 5 pence shares. The authority to allot and the disapplication of pre-emption rights are contained in Resolutions 4 and 5 respectively. They are largely the same as the authority to allot and disapplication resolutions which shareholders approved at the Company's Extraordinary General Meeting on 19 April 2007.

The allotment authority is sought in respect of up to £2,286,859 nominal value of share capital (which equates to approximately one third of the Company's issued ordinary share capital). The authority is in substitution for existing authorities. The disapplication of pre-emption rights is sought in connection with any rights issue generally, and in respect of any allotment for cash, or sale for cash of any shares which the Company may hold in treasury, of up to £343,028 nominal value of ordinary share capital (representing approximately 5% of the Company's issued ordinary share capital).

The Directors have no present intention of exercising the above authority but consider it desirable that they should have the flexibility to issue shares from time to time to enable the Company to take advantage of business opportunities as they arise. Resolution 4 would provide authority to allot for the next five years and Resolution 5 would grant disapplication of the specified pre-emption rights until the earlier of 11 December 2008 or the close of the next Annual General Meeting.

Resolution 6: Purchase of own shares for cash

The Directors are proposing, under section 166 of the Companies Act 1985, to seek authority for the Company to purchase a maximum of 20,568,008 ordinary shares of the Company representing 14.99% of the ordinary shares that would be in issue after the proposed consolidation of share capital. Authority is being sought to make on-market purchases. The price paid for each share would not be less than the nominal value of 5 pence per share nor more than 105% of the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such ordinary shares were purchased.

Any purchases would be financed out of distributable profits and the Directors would not make purchases unless the expected effect of the purchase would be to increase the earnings per share of the remaining shares and unless they believed that the purchase would generally be in the best interests of shareholders.

In the event that shares are purchased, they would either be cancelled (and the number of shares in issue would be reduced accordingly) or up to 10% of the ordinary share capital would be retained by the Company as treasury shares. Shares held in treasury could be re-issued to shareholders as part of a scrip dividend scheme subject to the approval of Resolution 2 above.

Recommendation

The Directors consider that all the resolutions to be put to the General Meeting are in the best interests of the Company and its shareholders as a whole. Your Board intends to vote in favour of them and unanimously recommends that you do so as well.

Purchase by the Company of small shareholdings

Subject to the passing of Resolutions 1 and 6 above, the Directors will offer to shareholders with holdings of fewer than 9,000 ordinary shares of 5 pence nominal value after consolidation, the opportunity to sell the entirety of their holding to the Company (the **Offer**). The Company will set up a free postal share dealing service with Capita IRG Trustees Limited whereby members with small shareholdings can, for a limited period only, sell the entirety of their holdings in the Company and the Company will pay any commission due on the transaction. Any shares sold subject to the Offer would be sold at market price on the day that the sale is executed. If the market price exceeds 105% of the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the trade, the Company would be unable to purchase the relevant holdings and the shares would be sold on the market.

Full terms and conditions of the Offer, together with the necessary forms and pre-paid envelopes, will be despatched to relevant shareholders in due course. The Offer will only be open to UK resident shareholders who do not hold their shares in CREST.

In the event that shareholders agree to sell their shares to the Company, the shares would either be cancelled (and the number of shares in issue would be reduced accordingly) or up to 10% of the ordinary share capital would be retained by the Company as treasury shares. Shares held in treasury could be re-issued to shareholders as part of a scrip dividend scheme subject to the approval of Resolution 2 above.

The Board believes that the purchase by the Company of shareholdings of fewer than 9,000 ordinary shares of 5 pence nominal value would provide a cost-efficient exit route for those shareholders who wish to sell their shares and also increase the administrative efficiency of the Company.

Yours sincerely,

Greg Hutchings

Chairman

Lupus Capital plc

(Lupus Capital or the Company)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Lupus Capital will be held at One Bunhill Row, London, EC1Y 8YY on 11 December 2007 at 11.30 am for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1, 2, 3 and 4 will be proposed as ordinary resolutions and Resolutions 5, 6 and 7 will be proposed as special resolutions:

1. THAT, in accordance with articles 51 and 52 of the Company's Articles of Association (the **Articles**), the ordinary share capital of the Company, consisting of ordinary shares of 0.5 pence nominal value, be consolidated into ordinary shares of 5 pence nominal value at 5.00 pm on 11 December 2007 (the **Record Date**) on the basis that:
 - (A) the issued share capital of 1,372,115,334 ordinary shares of 0.5 pence nominal value be consolidated into 137,211,533 ordinary shares of 5 pence nominal value at the Record Date, whereby each holding of ten ordinary shares of 0.5 pence nominal value be consolidated into one ordinary share of 5 pence nominal value;
 - (B) any fractions of the ordinary shares of 5 pence nominal value arising upon the consolidation referred to in 1(A) above shall be aggregated and sold on the market by a person nominated by the Directors, acting as agent for the relevant shareholders and that subject to the passing of Resolution 7 below, the aggregate proceeds shall be retained by the Company;
 - (C) the ultimate fraction remaining upon the aggregation referred to in 1(B) above shall be purchased by a person nominated by the Directors and then transferred to the Company upon which the fraction shall be cancelled and the issued share capital of the Company reduced accordingly;
 - (D) the authorised but unissued ordinary share capital of 427,884,666 ordinary shares of 0.5 pence nominal value be consolidated into 42,788,466 ordinary shares of 5 pence nominal value at the Record Date, whereby ten ordinary shares of 0.5 pence nominal value be consolidated into one ordinary share of 5 pence nominal value; and
 - (E) the fraction of an ordinary share of 5 pence nominal value arising upon the consolidation referred to in 1(D) above shall be cancelled by the Company and the authorised but unissued share capital of the Company reduced accordingly.
2. THAT the Company be authorised pursuant to article 142 of the Articles, to offer holders of ordinary shares the right to elect to receive further shares of that class instead of cash in respect of all or part of dividends declared by the Company within five years of the date of this resolution, if the Company deems it appropriate to offer scrip dividends in relation to a given distribution.
3. THAT the Company may send or supply documents or information to members by making them available on a website or other electronic means.
4. THAT the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985 (the **Act**)) up to an aggregate nominal amount of £2,286,859 provided that this authority shall expire on 11 December 2012, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
5. THAT, subject to the passing of Resolution 4, the Directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by Resolution 4 and/or where such allotment constitutes an allotment of equity securities by virtue of section 94(3A) of the Act, as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

- (A) the allotment of equity securities in connection with a rights issue, open offer or any other preemptive offer in favour of ordinary shareholders (excluding any shareholder holding shares as treasury shares) and in favour of holders (excluding any holder holding shares as treasury shares) of any other class of equity security in accordance with the rights attached to such class where the equity securities respectively attributable to the interests of such persons on a fixed record date are proportionate (as nearly as may be) to the respective numbers of equity securities held by them, or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever); and
- (B) the allotment (otherwise than pursuant to 5(A) above) of equity securities up to an aggregate nominal value of £343,028,

and shall expire on the earlier of 11 December 2008 or the close of the next Annual General Meeting of the Company save that the Company may make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

6. THAT, subject to the passing of Resolution 1 above, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 5 pence nominal value of the Company provided that:

- (A) the maximum number of ordinary shares of 5 pence nominal value hereby authorised to be purchased is 20,568,008 (representing 14.99% of the Company's issued ordinary share capital after the consolidation of share capital effected pursuant to Resolution 1 above);
- (B) the minimum price, exclusive of any expenses, which may be paid for an ordinary share is 5 pence;
- (C) the maximum price, exclusive of any expenses, which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased;
- (D) any ordinary shares purchased pursuant to this authority shall be cancelled, or, if the Directors so determine, held as treasury shares;
- (E) the authority hereby confirmed shall expire on 11 December 2008; and
- (F) the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make the purchases of ordinary shares in pursuance of such a contract as if such authority had not expired.

7. THAT, notwithstanding article 52 of the Articles, the proceeds of sale arising from the aggregation and sale of the fractional entitlements as referred to in Resolution 1 above, shall be retained by the Company.

By order of the Board

Cavendish Administration Limited
Company Secretary
16 November 2007

Registered Office
Crusader House
145 - 157 St John Street
London
EC1V 4RU

Registered in England and Wales No. 02806007

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 meeting. A shareholder may appoint more than one proxy in relation to the General Meeting 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. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Lupus Capital's registrars, Capita Registrars, on 0870 162 3121 or on +44 (0)20 8639 3399 if you are calling from outside the United Kingdom.
2. A pre-paid form of proxy is enclosed. To be valid, forms of proxy (together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority) must either be:
 - (i) posted using the reply paid service so that the form of proxy and any other relevant document reaches the address on the proxy form (Capita Registrars, Proxies, PO Box 25, Beckenham, Kent, BR3 4BR); or
 - (ii) delivered by post or by hand to the offices of Capita Registrars, The Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU,by no later than 11.30 am on 9 December 2007.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 10 below) will not prevent a shareholder attending the General Meeting and voting in person if he or she wishes to do so.
4. In the case of a corporation, the form of proxy must be executed under its common seal or the hand of an officer or attorney duly appointed.
5. 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 or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. To be entitled to attend and vote at the General Meeting (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 6 pm on 7 December 2007 (or, in the event of any adjournment, by no later than 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. As at 16 November 2007 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 1,372,115,334 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 16 November 2007 are 1,372,115,334.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed 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.
10. 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'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, Capita Registrars (ID RA10) by 11.30 am on 9 December 2007. 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.
11. 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 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, 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.
12. 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.