

OFFER FOR BLUE OAR PLC

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FOR IMMEDIATE RELEASE

8 December 2008

EVOLVE CAPITAL PLC

**Offer by
Evolve Capital PLC
for
Blue Oar PLC**

Offer Summary

- The Board of Evolve is pleased to announce an all share offer to be made by Evolve to acquire the entire issued and to be issued share capital of Blue Oar.
- The Offer will be made on the basis of 1,025 new Evolve Shares for every 1,000 Blue Oar Shares.
- The Offer values each Blue Oar Share at 10.7625p and values the entire issued share capital of Blue Oar at approximately £17.9 million, based on the closing price of 10.5p of an Evolve Share on 5 December 2008 and represents a premium of approximately 19.6 per cent. to the closing price of 9p per Blue Oar Share on 5 December 2008, being the last Business Day prior to the announcement of the Offer.
- The Offer will be conditional, inter alia, on Evolve receiving such number of valid acceptances which, together with any other Blue Oar Shares acquired by Evolve, represent at least 51% of Blue Oar's issued share capital. At present Blue Oar Shareholders acting in concert with Evolve, including those who have signed irrevocable undertakings to accept the Offer, hold approximately 31.7 per cent. of Blue Oar's issued share capital. The Offer Document and Admission Document will be posted to Blue Oar Shareholders as soon as practicable and in any event within 28 days of the date of this announcement.
- The Offer is based on the following rationale and aims to achieve the following goals:
 - Blue Oar has substantial cash resources and given current economic and market conditions, Evolve's strategy is to prevent any unnecessary further depletion of such cash resources;
 - The Evolve Directors believe that they have identified valuable business units within the Blue Oar Group, particularly private client stockbroking, where through restructuring and applying resources, they believe the value can either be enhanced or realised;
 - The Evolve Directors believe the strength of the Rowan Dartington brand and business should be the key focus going forward; and

- As a result of the above, the Evolve Directors intend that, within 36 months of the Offer becoming or being declared unconditional and subject to any relevant legal and regulatory requirements, Rowan Dartington will be floated on the PLUS-quoted market and its shares distributed to all Evolve Shareholders.
- The FSA has consented to Evolve becoming the ultimate controlling shareholder of Blue Oar's regulated financial services businesses.
- Evolve was admitted to trading on AIM in December 2007 in order to invest in companies which are quoted on, or intending to join, the PLUS-quoted market and has made three such investments since its IPO.
- The Acquisition of Blue Oar by Evolve is a reverse takeover under the AIM Rules for Companies and therefore subject to shareholder approval at the General Meeting of Evolve, and is also subject to the waiver of an obligation under the Takeover Code to make an offer for Evolve being approved by Independent Shareholders at the General Meeting.

Edward Vandyk, Executive Director of Evolve, said:

“We believe that Blue Oar would benefit from a new strategic direction in the current economic environment. The preservation of Blue Oar's financial resources is urgently required to secure the long-term future of the business and we see the Offer as the best way to effect this. We recognise the potential uncertainty any offer can cause for a business and it was thus only after careful consideration that we determined to make the Offer, which is supported by four former directors of Blue Oar.

We believe this Offer will preserve, enhance and ultimately realise value in the enlarged group during these challenging times by curtailing the current cash outflow at Blue Oar and by restructuring and refocusing the business and, in particular, capitalising on the strength of the Rowan Dartington brand. We look forward to discussing the Offer with Blue Oar's Board.”

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This summary should be read in conjunction with and is subject to, the full text of this Announcement (including its appendices) set out below. Appendix I sets out the conditions and

further principal terms of the Offer. Appendix II of this Announcement contains the sources and bases of certain information used in this summary and in the following Announcement. Appendix III contains details of the irrevocable undertakings. Appendix IV contains definitions of certain terms used in this summary and the following Announcement.

Neither this summary nor the full text of this Announcement constitutes or forms part of an offer to purchase or subscribe for any securities. The Offer will be made solely by the Offer Document, Admission Document and (in the case of Evolve Shares held in certified form) the Form of Acceptance, which together will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART INTO ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

8 December 2008

EVOLVE CAPITAL PLC

**Offer by
Evolve Capital PLC
for the whole of the issued share capital
Blue Oar PLC
and
Waiver of obligation under Rule 9 of the
City Code on Takeovers and Mergers**

1. Introduction

The Evolve Directors are pleased to announce an all share offer to be made by Evolve to acquire the entire issued and to be issued share capital of Blue Oar.

The proposed Acquisition constitutes a reverse takeover under the AIM Rules for Companies and will therefore be subject to the approval of Evolve Shareholders in general meeting.

Certain Blue Oar Shareholders, the “Concert Party”, who have an aggregate interest in 52,842,700 Blue Oar Shares (representing 31.73 per cent. of Blue Oar’s issued share capital) are deemed to be acting in concert with Evolve. Details of these persons and their interests in Blue Oar Shares are set out in Appendix III of this Announcement. Evolve holds no Blue Oar Shares.

Irrevocable undertakings to accept (or procure the acceptance of) the Offer within five Business Days of it being posted to Blue Oar Shareholders have been received in respect of an aggregate of 22,531,000 Blue Oar Shares, representing approximately 13.53 per cent. of Blue Oar’s issued share capital. These undertakings will cease to be binding in the event of, inter alia, a higher offer which (i) represents an increase of 10 per cent. or more to the value of the Offer; or (ii) in the case of Simon Wharmby, is in cash and amounts to 13p or more per Blue Oar Share. Further details relating to the irrevocable undertakings are set out in Appendix III to this Announcement.

2. Background to and Reasons for the Offer

The Offer is based on the following rationale and aims to achieve the following goals:

- Blue Oar still has substantial cash resources and given current economic and market conditions, Evolve’s strategy is to prevent any further depletion of such cash resources;

- The Evolve Directors have identified what they believe are valuable business units within the Blue Oar Group particularly in private client stockbroking , where through restructuring and applying additional resources they believe value can either be enhanced or realised;
- The Evolve Directors believe the strength of the Rowan Dartington brand and business is such that it should be the key focus going forward; and
- As a result of the above, the Evolve Directors intend that within 36 months of the Offer becoming or being declared unconditional Rowan Dartington will be floated on the PLUS-quoted market and its shares distributed to all Evolve Shareholders.

Blue Oar reported a significant financial loss in the half year to 30 June 2008 and in the same period saw its cash resources drop by 29 per cent. (£6.7 million) from £23.1 million to £16.4 million. Its Chief Executive stated that the second half of the current financial year was unlikely to show much improvement over the first half unless market conditions changed dramatically. Given that this statement was made on 3 September 2008 and that since that time conditions have changed dramatically, for what most observers would say was for the worse, the Evolve Directors are of the view that any improvement over the first half financial results is highly unlikely.

Blue Oar had, and has, many strengths and its strong cash position is one of the key strengths that should enable it to survive a significant downturn in economic and market conditions and exploit a ‘last man standing’ position. In the current exceptional economic and market conditions, the Evolve Directors believe that this strength is more important than ever and that this is a time for conserving cash, not spending it on either expansion, acquisitions or dividends, particularly as Blue Oar’s most recently announced results show a financial loss.

The Evolve Directors have extensive experience in the financial services sector and Edward Vandyk is the former Chief Executive of Blue Oar, giving them an important insight into Blue Oar’s business and sector. It is the Evolve Directors’ belief that significant value can be released for all Blue Oar Shareholders if Blue Oar’s business is urgently restructured and refocused to curtail current losses and cash outflow so as to then enable the subsequent sale or public flotation of parts of the Blue Oar Group in due course.

For these reasons the Evolve Board believes that the Acquisition is a good investment for Evolve and for its existing shareholders. Evolve’s new shareholders, that is, those Blue Oar Shareholders who accept the Offer, will also benefit from the Evolve Board’s plans for the Blue Oar business, largely by allowing Evolve’s experienced management to oversee the re-positioning of Blue Oar’s businesses as set out above.

Further details of the strategy for the Enlarged Group are set out in paragraph 3 below.

3. Strategy for the Enlarged Group

On Admission, the Company will act as the holding company of the Blue Oar Group and its principal business will be that of an investment bank. Evolve will pursue the following strategy for Blue Oar.

In the short term, having regard to the present difficult economic outlook, Evolve will take steps to reduce Blue Oar’s operating cash outflow and stop dividend declarations until profitability

returns. The Evolve Directors' intention is to enhance and realise value by focusing Blue Oar's activities on the Rowan Dartington brand, led by private client stockbroking and fund management and utilising existing management strengths, so as to create a substantial private client stockbroker offering a limited corporate finance and institutional service, with research, to corporate clients. This will be achieved by organic growth and by acquisition but will be predicated on a financial model that breaks even as a minimum, and thus conserves cash, even in current challenging markets. As part of this process the Evolve Directors intend to undertake a strategic review of the Blue Oar Group as soon as possible.

It is intended to seek a quotation for Rowan Dartington on the PLUS-quoted market within 36 months following the Offer becoming or being declared unconditional and at the same time, subject to relevant approvals, distribute the Rowan Dartington shares to Evolve Shareholders.

The Evolve Directors currently anticipate adopting only a strategic role in relation to Blue Oar, rather than day-to-day executive management, which they envisage continuing to be conducted by the present management of Blue Oar's operating divisions.

4. The Offer

The Offer, which will be made on the terms and subject to the conditions set out below and referred to in Appendix I to this Announcement will also be subject to the full terms to be set out in the Offer Document and, in the case of certificated Blue Oar Shares, in a Form of Acceptance, will be made on the following basis:

1,025 new Evolve Shares for every 1,000 Blue Oar Shares

and so in proportion for any number of Blue Oar Shares held. Fractions of New Evolve Shares will not be allotted to Blue Oar Shareholders. Entitlements to New Evolve Shares will be rounded down to the nearest New Evolve Share.

The terms of the Offer may change and the Offer may be increased at the discretion of the Evolve Board; however, no such change is currently expected and no material change will be made to the terms of the Offer without the further approval of Evolve Shareholders.

The Offer values each Blue Oar Share at 10.7625p and values the entire issued share capital of Blue Oar at approximately £17.9 million, based on the closing price of 10.5p per Evolve Share on 5 December 2008 and represents a premium of approximately 19.6 per cent. to the closing price of 9p per Blue Oar Share on 5 December 2008, being the last Business Day prior to the commencement of the Offer Period.

The Offer will extend to all Blue Oar Shares unconditionally allotted or issued and fully paid (or credited as fully paid) on the date of the Offer and any Blue Oar Shares which are unconditionally allotted or issued and fully paid whilst the Offer remains open for acceptance or by such earlier date as Evolve may, subject to the City Code, decide, not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances.

The Offer will be extended to any holders of Blue Oar Shares unconditionally allotted or issued whilst it remains open for acceptance as a result of either the exercise of rights granted under the Blue Oar Option Schemes or otherwise.

To the extent that options under the Blue Oar Option Schemes are not exercised, appropriate proposals on terms equivalent to the Offer (and in accordance with Rule 15 of the Code) will be made in due course to Blue Oar Optionholders if the Offer becomes or is declared unconditional.

The Blue Oar Shares to which the Offer relates will be acquired by Evolve fully paid, or credited as fully paid, and free from all liens, equitable interests, mortgages, charges, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching to them, including all voting rights and the right to receive and retain all dividends and other distributions (if any) declared, made or paid on or after the date of this document.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements.

5. Information on Blue Oar

The information in this Announcement concerning Blue Oar has been extracted from publicly available sources only as Evolve has had no access to Blue Oar and its other information or documentation.

Blue Oar, founded in 1995, is the holding company of five distinct regulated financial services businesses:

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| Rowan Dartington & Co Limited | Stockbroking with a focus in South West England |
| Astaire & Partners Limited | Agency stockbroking and private client investment management |
| Blue Oar Securities PLC | Institutional investment banking |
| Blue Oar Asset Management LLP | Funds management |
| Inteq Limited | Australian based corporate advisory firm |

Blue Oar's accounts for the year ended 31 December 2007 showed income of £17.2 million (2006 £15.0 million), pre tax profits of £1.9 million (2006 £1.3 million) and net assets of £34.1 million (2006 £29.2 million). Its results for the six months to 30 June 2008 showed a loss before tax of £1.6 million on reduced turnover.

6. Information on Evolve

Evolve was incorporated in September 2007 in order to invest in equities, convertible or nonconvertible debt and/or options and warrants in companies which are quoted on, or intending to join, the PLUS-quoted market by way of an IPO.

The Evolve Directors have significant expertise in operating in publicly quoted markets both as principals and advisers and in the following sectors: financial services, leisure operations (including online), media content provision and distribution, software, health care and natural resources.

Evolve will continue to seek to invest in companies with the following characteristics:

- companies that are quoted on the PLUS-quoted market or AIM, or are currently undertaking or intend to undertake an IPO on, the PLUS-quoted market;
- companies with a market capitalisation, or anticipated market capitalisation, of less than £20 million;
- companies that operate in industries where the Evolve Directors have experience, in particular financial services, leisure operations (including online), media content provision and distribution, software, health care and natural resources;
- companies where the Company can take a minority stake and be an active investor and companies operating in the UK.

The objective of the Evolve Board is to generate capital appreciation from investments over the medium term. The Evolve Directors have a wide range of experience of investing in early stage and smaller companies and recognise that such investments can carry a significant risk whilst also providing the opportunity for significant gain. The Evolve Directors intend to minimise the risk and maximise the potential return by using the disciplines of due diligence and corporate governance involved in obtaining a public quotation and when investing, will identify how the Company will be able to realise its investment within a reasonable timeframe.

The Evolve Directors believe that the PLUS-quoted market provides an ideal opportunity for pre-IPO investment in particular as it combines the discipline included in obtaining a quotation with a cost effective and appropriately regulated market place for smaller companies. PLUS is a recognised investment exchange in the UK, operating both primary and secondary markets, with a current total market capitalisation of approximately £2.3 billion. PLUS is a relatively new stock exchange for London and the Evolve Directors will also consider the suitability of other such new markets, trading platforms or stock exchanges in the UK should others be established in the future.

Evolve has completed three investments since its admission to AIM in December 2007: Aconite Technology Limited (software), Woodspeen Training PLC (vocational training) and Pulse Group PLC (research process outsourcing).

Evolve continues to review and investigate potential investment opportunities. Its overhead base and its trading results continue to be in line with the Evolve Directors' expectations.

Evolve is currently considering an investment in an Isle of Man company called 3D Diagnostic imaging PLC ("3D"). 3D has a wholly owned subsidiary based in Scotland called CarieScan Limited, which has been established to market an innovative handheld device for the early detection of dental caries (tooth decay). Evolve has made a small loan to 3D in order to enable it to complete the acquisition of the assets and business of an AIM company which had failed earlier this year. Evolve has agreed to invest £500,000 and to underwrite a further investment in 3D up to a maximum of £500,000 as part of a more comprehensive financing of the company and it is the 3D management's current intention that 3D will join the PLUS-quoted market in the first quarter of 2009.

As a result of the Acquisition, Evolve's and Blue Oar's profits and losses and assets and liabilities will be consolidated into the earnings and balance sheet of the Enlarged Group.

7. Employees

The Evolve Directors intend to conduct a strategic review of Blue Oar following the Acquisition with a view to conserving cash and, taking a strategic role, to require existing management to take appropriate steps to improve cash flow. These steps may, regrettably, involve some redundancies.

The existing employment rights, including pension rights, of all of Blue Oar's employees and those of the Enlarged Group will be fully safeguarded upon the Offer becoming or being declared unconditional in all respects.

8. Compulsory acquisition and cancellation of trading on AIM

If the Offer becomes or is declared unconditional in all respects and if sufficient acceptances are received, Evolve intends to apply the provisions of sections 979 to 982 (inclusive) of the 2006 Act to acquire compulsorily any remaining Blue Oar Shares.

In addition, as soon as it is appropriate to do so, and subject to the conditions of the Offer having been satisfied or (if capable of waiver) waived and subject to any applicable legal or regulatory requirements, Evolve intends to procure that Blue Oar applies to the London Stock Exchange for the cancellation of the admission of Blue Oar Shares to trading on AIM. It is anticipated that should such an application be made cancellation of Blue Oar's admission to trading will take effect either: (i) no earlier than twenty Business Days after Evolve announces that all conditions to the Offer have been satisfied or (if capable of waiver) waived in the event that less than 75 per cent. valid acceptance are received pursuant to the Offer and provided Blue Oar Shareholders approve the cancellation in general meeting; or (ii) on Admission should valid acceptances be received pursuant to the Offer of 75 per cent. or more.

The cancellation of the admission to trading of Blue Oar Shares on AIM will significantly reduce the liquidity and marketability of Blue Oar Shares which are not acquired under the Offer and their value may be materially and adversely affected as a consequence.

It is proposed that, following the Offer becoming or being declared unconditional in all respects and subject to the extent of Evolve's interest in Blue Oar at the relevant time, Blue Oar will be re-registered as a private company.

9. General Meeting and Takeover Code Whitewash

Edward Vandyk and Oliver Vaughan and certain others are deemed to be acting in concert with each other and several other persons (the "Concert Party") who hold 42.36 per cent. of Evolve's issued share capital. Subject to the level of acceptances of the Offer received, if all the Concert Party accepted the Offer, they would hold between 33.99 per cent. and 55.32 per cent. of the Enlarged Share Capital. Such an increase in the Concert Party's percentage shareholding would trigger a requirement under the Takeover Code for the Concert Party to make a mandatory offer for the whole of Evolve's issued share capital, unless a waiver of this obligation is approved by the Panel and the Independent Shareholders voting on a poll at the General Meeting.

At the General Meeting of Evolve resolutions will also be proposed to approve the Acquisition, transactions with certain Evolve Directors, an increase its authorised share capital, the grant of

powers of allotment, a waiver of pre-emption rights and permit it to buy and cancel up to 14.9 per cent. of its Enlarged Share Capital. The latter could, if Evolve Shares are not purchased from the Concert Party, result in an increase in the Concert Party's percentage shareholding which could also trigger a requirement under the Takeover Code for the Concert Party to make a mandatory offer for the whole of Evolve's issued share capital unless the Panel Waiver is approved by Independent Shareholders.

10. Related Party Transaction

The acceptance of the Offer by Oliver Vaughan, Edward Vandyk and David Snow (in respect of their entire holdings of 7,821,324, 6,738,000 and 250,000 Blue Oar Shares respectively will result in them receiving 8,016,857, 6,906,450 and 256,250 New Evolve Shares respectively as consideration if the Offer becomes or is declared unconditional. These purchases of Blue Oar Shares from Oliver Vaughan, Edward Vandyk and David Snow (and their connected parties as applicable) also constitute transactions with related parties for the purpose of the AIM Rules for Companies. The Evolve Directors (other than Oliver Vaughan, Edward Vandyk and David Snow) consider, having consulted Evolve's nominated adviser, Fairfax, that the terms of these transactions are fair and reasonable insofar as Evolve Shareholders are concerned.

11. Background to and reasons for the Panel Waiver

The terms of the Acquisition and the issue of New Evolve Shares to the Concert Party give rise to certain considerations under the Takeover Code. Brief details on the Panel, the Takeover Code and the protections they afford are described below.

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeovers and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the United Kingdom and to certain categories of private companies. Evolve is such a public company and its shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required by the Panel to make a general offer in cash to all other shareholders of that company to acquire the balance of the equity share capital of the company.

Rule 9 of the Takeover Code also provides, *inter alia*, that where any person, together with persons acting in concert with him, is interested in shares carrying not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of that company's voting rights and such person, or any person acting in concert with him, acquires an interest in any additional shares, such person is normally required to make a general offer in cash to all other shareholders of that company to acquire the balance of the equity share capital of the company.

An offer under Rule 9 must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for the shares in the company by the person required to make the offer or any person acting in concert with him.

Under the Takeover Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of, or frustrate an offer for, a company to which the Takeover Code applies.

Control means an interest, or interests in shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control.

Oliver Vaughan and his children (whose Evolve Shares and Blue Oar Shares are held through Kimono Investment Holdings Limited), Edward Vandyk, his wife and his children, David Snow, William Cairns, Oliver Cairns, Thomas Vaughan, Barrie Newton and his wife, Simon Wharmby, Albany and Westminster are deemed to be acting in concert in relation to Evolve for the purposes of the Takeover Code.

A resolution is to be proposed at the General Meeting to permit the purchase and cancellation by Evolve of up to 14.9 per cent. of the Enlarged Share Capital. No purchases by Evolve of its own Ordinary Shares will be made unless such a purchase would result in an increase in earnings and/or assets per Ordinary Share and be in the best interests of Evolve Shareholders generally. The purchase and cancellation of Evolve Shares which are not held by members of the Concert Party would result in an increase in the percentage of Evolve's remaining shares in issue. If the Panel Waiver is approved, any such increase will not result in a requirement for any member of the Concert Party to make an offer under Rule 9 unless that member's personal interests are increased to 30 per cent. or more.

Further information about the Concert Party (including their relationships) is set out below and in Appendix III to this announcement.

Following the Acquisition, the Concert Party may, in aggregate, hold Evolve Shares carrying more than 50 per cent. of Evolve's voting share capital, and (for so long as they continue to be treated as acting in concert) will be able to acquire interests in further shares without incurring any further obligation under Rule 9 to make a general offer, although individual members of the Concert Party will not be able to increase their percentage interests in Evolve Shares through or between a Rule 9 threshold without Panel consent.

Should members of the Concert Party, individually or collectively come to be interested in shares carrying 30 per cent. or more of the Company's voting share capital but not hold shares carrying more than 50 per cent. of such voting rights then (for so long as they continue to be treated to be acting in concert) any subsequent increase in interest in shares by individual members or such persons collectively would be subject to the provisions of Rule 9.

The Panel Waiver will be invalidated if any member of the Concert Party acquires any interest in any Evolve Shares between the date of this document and the General Meeting.

12. Shareholdings

As at 5 December 2008, being the last practicable date prior to the publication of this Announcement the Concert Party is interested in, in aggregate, 19,590,002 Evolve Shares representing 42.4 per cent. of its existing issued share capital. The Concert Party is interested in 52,842,700 Blue Oar Shares (representing 31.7 per cent. of its issued share capital) and, if all members of the Concert Party accept the Offer, the Concert Party would receive 54,163,768 New Evolve Shares and would be interested in a total of 73,753,770 Evolve Shares. If the Offer

becomes or is declared unconditional with 51 per cent. acceptances (the minimum required under the Offer) and all members of the Concert Party accepted it, the Concert Party's aggregate interests in Evolve Shares would represent 55.3 per cent. of the Enlarged Share Capital.

However, if Evolve acquired 100 per cent. of Blue Oar pursuant to the Offer, the Concert Party's aggregate interests in Evolve Shares would represent 34.0 per cent. of the Enlarged Share Capital. Although no revision of the Offer is expected, if the Offer is increased, the above percentages would change with a decrease in the percentage of the Enlarged Share Capital being held by those members of the Concert Party with holdings in Evolve and an increase in the percentage holdings of those members of the Concert Party with holdings of Blue Oar Shares only, with no material increase in the total aggregate percentage holdings of the Concert Party. For example, if the number of New Evolve Shares offered as consideration increased by 25 per cent., the maximum percentage of the Enlarged Share Capital held by the Concert Party would increase from 55.3 per cent. to 56.3 per cent. If the Offer becomes or is declared unconditional an offer will be made to holders of Blue Oar Options which have an exercise price lower than the value of the Offer. Acceptances of any such offer to Blue Oar Optionholders will result in the issue of further Evolve Shares which may reduce the aggregate percentage of the Enlarged Share Capital represented by the holdings of the Concert Party (save to the extent that any such Blue Oar Options may be held by those three members of the Concert Party who are employed by subsidiaries of Blue Oar).

It is proposed that Evolve be authorised to buy up to 14.9 per cent. of the Enlarged Share Capital and cancel the Evolve Shares so acquired. If only 51 per cent. acceptances of the Offer are received, including full acceptance by the Concert Party, and the maximum permitted number of Evolve Shares are purchased from persons who are not members of the Concert Party, the Concert Party's total holding in Evolve would represent 65 per cent. of its remaining issued share capital. This percentage could increase further if the Offer is increased as explained above. If the Offer lapses and Evolve acquires up to 14.9 per cent. of its own shares from persons who are not members of the Concert Party and cancels them, the Concert Party would hold up to 49.8 per cent. of the remaining Evolve Shares in issue.

The Panel Waiver will be valid provided that the aggregate interest of the Concert Party in Evolve Shares does not exceed 60 per cent. of Evolve's issued share capital following an increase in the Offer and will be valid if the Offer becomes or is declared unconditional and Evolve buys in and cancels its own shares provided that the aggregate interest of the Concert Party in Evolve Shares does not exceed 70 per cent. of Evolve's remaining issued share capital.

13. Dispensation from Rule 9 of the Takeover Code in relation to the Acquisition

If New Evolve Shares are issued pursuant to the Offer, the percentage increase in the combined interests in Evolve of the Concert Party as a result of the issue of the New Evolve Shares as consideration could trigger a requirement for the Concert Party to make a general offer to all Evolve Shareholders pursuant to Rule 9 of the Takeover Code.

However, the Panel has agreed, subject to the passing of the relevant resolution by the Independent Shareholders on a poll at the General Meeting, to waive any obligation to make a general offer that would otherwise arise as a result of the proposed issues of New Evolve Shares. The Independent Shareholders are the Evolve Shareholders other than the members of the Concert Party and those persons who are otherwise interested in the Transactions.

The Panel has agreed to this waiver on the basis that the Independent Directors, having been so advised by Fairfax, believe that it is in the best interests of Evolve Shareholders for the Independent Shareholders to approve this Panel Waiver.

Fairfax has provided advice to the Independent Directors, in relation to the Transactions, in accordance with the requirements of the Takeover Code and taking into account their commercial assessments.

14. Conflicts of interest and recommendation

Oliver Vaughan and David Snow resigned as Chairman and non-executive director of Blue Oar respectively on 5 December 2008. Prior to this date Oliver Vaughan and David Snow received no information about the Offer and took no part in Evolve Board discussions, or any committee concerning, the Offer, as they may have had access to information on Blue Oar or Evolve that could be exploited by either entity and, in addition, Oliver Vaughan and David Snow could also be placed in a position where there would be conflict between their duties as a director of each entity. It was therefore resolved by the Independent Directors that Oliver Vaughan and David Snow, whilst directors of Blue Oar, were not required or entitled to attend any meetings of the Evolve Board or any committee of the Evolve Board (or receive any information relating thereto) at which the potential Offer was to be discussed. All of Oliver Vaughan, David Snow and Edward Vandyk, who was formerly Blue Oar's chief executive, have interests in Blue Oar as set out in appendix III.

The Independent Directors, having been so advised by Fairfax, consider that the Resolutions are fair and reasonable and in the best interest of Evolve Shareholders. Accordingly, the Independent Directors, unanimously recommend all Evolve Shareholders vote in favour of all the Resolutions at the General Meeting.

Edward Vandyk, Oliver Vaughan and David Snow took no part in the Evolve Board's decision to recommend Evolve Shareholders to vote in favour of the Resolutions (save for those relating to the waiver of pre-emption rights and the purchase by Evolve of its own shares) and will abstain from voting on the Resolutions (save for that relating to the waiver of pre-emption rights and purchase by Evolve of its own shares) in respect of their personal shareholdings.

In giving advice to the Independent Directors, Fairfax has taken into account the Independent Directors' commercial assessments.

The Independent Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings of 3,250,000 Evolve Shares representing approximately 7.03 per cent. of the Evolve's existing share capital.

15. Number of Evolve Shares in issue

Evolve has 46,250,002 ordinary shares of 1p each in issue as at the date of this announcement, with ISIN GB00B29WXB29. This information is given in accordance with Rule 2.10 of the Takeover Code.

16. General

The Offer Document, containing the full terms of the Offer, will be posted with the Admission Document to Blue Oar Shareholders as soon as possible, but in any event, within 28 days of today's date. The conditions to the Offer are set out in Appendix I to this Announcement and, together with certain further terms of the Offer, will also be set out in full in the Offer Document and, in the case of certificated Blue Oar Shares, in the Form of Acceptance. In deciding whether to accept the Offer, Blue Oar Shareholders should rely on the information contained in, and follow the procedures described in, the Offer Document and, if applicable, the Form of Acceptance.

The availability of the Offer to Blue Oar Shareholders not resident in or citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are citizens or in which they are resident. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of any such relevant jurisdiction.

In particular, the Offer is not being made, directly or indirectly, in, into or from or by the use of the mails of or any means or instrumentality (including, without limitation, by means of facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, or in any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer, when made, will not be capable of acceptance by any such use, means, instrumentality or facility from or within any Restricted Jurisdiction where to do so would constitute a breach of any relevant securities laws of that Restricted Jurisdiction. Accordingly, copies of this Announcement are not being, and must not be, mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction or any such other jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Evolve will retain the right to permit the Offer to be accepted and any sale of any securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. Further information in relation to overseas Blue Oar Shareholders will be set out in the Offer Document and in the Admission Document.

This Announcement does not constitute, or form part of, an offer or an invitation to purchase or subscribe for any securities. The Offer will be made solely by way of the Offer Document, Admission Document and, where appropriate, the related Form of Acceptance which together will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

Blue Oar Shareholders who accept the Offer may only rely on the Offer Document, the Admission Document and, where appropriate, the related Form of Acceptance for all the terms and the condition of the Offer. In deciding whether or not to accept the Offer in relation to their Blue Oar Shares, Blue Oar Shareholders should rely only on the information contained, and procedures described, in the Offer Document, the accompanying Admission Document and, where appropriate, the related Form of Acceptance. Blue Oar Shareholders are strongly advised to read the Offer Document being posted to them shortly, or in any event within 28 days of this Announcement, which contains important information.

Fairfax, which is authorised and regulated in the United Kingdom by the Financial Services Authority, has authorised this Announcement for the purposes of section 21 of FSMA. The principal place of business of Fairfax I.S. PLC is 46 Berkeley Square, London W1J 5AT. Fairfax is acting exclusively for Evolve and no one else in connection with the Offer and will not be responsible to anyone other than Evolve for providing the protections afforded to customers of Fairfax or for providing advice in relation to the Offer or any other matter referred to herein.

Fairfax has given its written consent to the release of this Announcement containing references to its name in the form and context in which they appear.

The Evolve Directors accept responsibility for the information contained in this Announcement. To the best of the knowledge and belief of the Evolve Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Announcement contains certain forward-looking statements with respect to (amongst other things) the financial condition, results of operations and business of the Blue Oar and certain plans and objectives of the Evolve Board. These forward-looking statements, without limitation, can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “Blue Oar”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the Evolve Directors in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements, which are not guarantees of future performance.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. Blue Oar and Evolve assume no obligation to update or correct the information contained in this Announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and service of this Announcement shall not give rise to any implication that there has been no change in the facts set out in this Announcement since such date. Nothing contained in this Announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of Blue Oar except where expressly stated.

The attention of Blue Oar Shareholders is drawn to the fact that under the Code there are certain UK dealing disclosure requirements in respect of relevant securities during an offer period. An Offer Period was deemed to have commenced on (and including) 8 December 2008 when this Announcement was released.

The disclosure requirements are set out in more detail in Rule 8 of the Code. In particular, under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or

indirectly) in one per cent. or more of any class of “relevant securities” of Blue Oar, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the Offer Period otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Blue Oar, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of Blue Oar by Evolve or Blue Oar, or by any of their respective “associates” (within the meaning of the Code), must also be disclosed by no later than 12.00 p.m. (London time) on the Business Day following the date of the relevant transaction.

A disclosure table giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8 of the Code, you should consult the Panel.

If you are in any doubt as to the application of Rule 8 to you, please contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the Panel’s website at www.thetakeoverpanel.org.uk or contact the Panel on telephone number +44 (020) 7638 0129; fax: +44 (020) 7236 7013.

This Announcement does not constitute, or form part of, an offer or invitation to purchase any securities.

APPENDIX I

Conditions and certain further terms of the Offer

The Offer is subject to and will comply with the rules and regulations of the London Stock Exchange and the FSA and the provisions of the City Code and other applicable legal or regulatory requirements. The Offer and any acceptances under it will be governed by English law and be subject to the jurisdiction of the courts of England.

The Offer, which will be made by Evolve, will be subject to the terms and condition to be set out in full in the Offer Document and, where appropriate, the Form of Acceptance, including:

- (a) valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on the first closing date of the Offer (or such later time(s) and/or date(s) as Evolve may, subject to the rules of the City Code, decide) in respect of not less than 51 per cent (or such lower percentage as Evolve may decide) in nominal value of the Blue Oar Shares to which the Offer relates, provided that this condition will not be satisfied unless Evolve and/or its wholly owned subsidiaries shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Blue Oar Shares carrying in aggregate more than 50 per cent of the voting rights then normally exercisable at a general meeting of Blue Oar, including for this purpose (except to the extent otherwise agreed by the Panel) any such voting rights attaching to any Blue Oar Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise; and for this purpose:
 - (i) the expression “Blue Oar Shares to which the Offer relates” shall be construed in accordance with Sections 979 to 982 of the 2006 Act;
 - (ii) Blue Oar Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry upon issue; and
 - (iii) valid acceptances shall be deemed to have been received in respect of Blue Oar Shares which are treated for the purposes of Section 979 of the 2006 Act as having been acquired or contracted to be acquired by Evolve by virtue of acceptances of the Offer;
- (b) the passing by Evolve Shareholders of resolutions to be proposed at a general meeting of Evolve: to approve the investment strategy, the Acquisition, a waiver of a potential obligation for certain persons to make an offer for Evolve as a result of the receipt of New Evolve Shares pursuant to the Offer and other resolutions relating to the increase in Evolve’s authorised share capital and the Evolve Directors’ powers of allotment;
- (c) no Third Party having intervened and there not continuing to be outstanding any statute, regulation or order of any Third Party in each case which would or might reasonably be expected (in any case to an extent which is material in the context of the Evolve Group or the Blue Oar Group, as the case may be, taken as a whole) to:
 - (i) make the Offer, its implementation or the acquisition or proposed acquisition by Evolve or any member of the Wider Evolve Group of any shares or other securities in, or control or management of, Blue Oar or any member of the Wider Blue Oar Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly restrain, prevent, prohibit, restrict or delay the same or impose additional conditions or obligations with respect to the Offer or such acquisition, or otherwise impede,

- challenge or interfere with the Offer or such acquisition, or require amendment to the terms of the Offer or the acquisition or proposed acquisition of any Blue Oar Shares or the acquisition of control of Blue Oar or the Wider Blue Oar Group by Evolve;
- (ii) limit or delay the ability of any member of the Wider Evolve Group or any member of the Wider Blue Oar Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Blue Oar Group or any member of the Wider Evolve Group;
 - (iii) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Evolve Group of any shares or other securities in Blue Oar;
 - (iv) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Evolve Group or by any member of the Wider Blue Oar Group of all or any portion of their respective businesses, assets or properties or limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
 - (v) except pursuant to Part 28 of the 2006 Act, require any member of the Wider Evolve Group or of the Wider Blue Oar Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of either group owned by any third party;
 - (vi) limit the ability of any member of the Wider Evolve Group or of the Wider Blue Oar Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Evolve Group or of the Wider Blue Oar Group;
 - (vii) result in any member of the Wider Blue Oar Group or the Wider Evolve Group ceasing to be able to carry on business under any name under which it presently does so; or
 - (viii) otherwise adversely affect the business, assets, profits, financial or trading position or prospects of any member of the Wider Blue Oar Group or of the Wider Evolve Group, and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated;
- (d) all notifications and filings which are necessary or are reasonably considered appropriate by Evolve having been made, all appropriate waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in each case in connection with the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control of, Blue Oar or any other member of the Wider Blue Oar Group by any member of the Wider Evolve Group or the carrying on by any member of the Wider Blue Oar Group of its business;
- (e) all Authorisations which are necessary or are reasonably considered necessary or appropriate by Evolve in any relevant jurisdiction for or in respect of the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control of, Blue Oar or any other member of the Wider Blue Oar Group by any member of the Wider Evolve Group or the carrying on by any member of the Wider Blue Oar Group of its business having been obtained, in terms and in a form reasonably satisfactory to Evolve, from all appropriate Third Parties or from any persons or bodies with whom any member of the

Wider Blue Oar Group has entered into contractual arrangements in each case where the absence of such Authorisation would have a material adverse effect on the Blue Oar Group taken as a whole and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same;

- (f) except as publicly announced by Blue Oar (by the delivery of an announcement to a Regulatory Information Service) prior to 8 December 2008 or as fairly disclosed in writing to Evolve by or on behalf of Blue Oar prior to 8 December 2008, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Blue Oar Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any circumstance, which, in each case as a consequence of the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control of, Blue Oar or any other member of the Wider Blue Oar Group by any member of the Wider Evolve Group or otherwise, could or might reasonably be expected to result in, (in any case to an extent which is or would be material in the context of the Blue Oar Group taken as a whole):
 - (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Blue Oar Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated repayment date or the ability of any member of the Wider Blue Oar Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn;
 - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Blue Oar Group or any such mortgage, charge or other security interest (wherever created, arising or having arisen) becoming enforceable;
 - (iii) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Blue Oar Group thereunder, being, or becoming capable of being terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
 - (iv) any asset or interest of any member of the Wider Blue Oar Group being or falling to be disposed of or ceasing to be available to any member of the Wider Blue Oar Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Blue Oar Group otherwise than in the ordinary course of business;
 - (v) any member of the Wider Blue Oar Group ceasing to be able to carry on business under any name under which it presently does so;
 - (vi) the creation of liabilities (actual or contingent) by any member of the Wider Blue Oar Group;
 - (vii) the rights, liabilities, obligations or interests of any member of the Wider Blue Oar Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated, adversely modified or affected; or
 - (viii) the financial or trading position or the prospects or the value of any member of the Wider Blue Oar Group being prejudiced or adversely affected, and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, could result in any of the events or circumstances which

are referred to in paragraphs (i) to (viii) of this condition (f) in any case to an extent which is or would be material in the context of the Blue Oar Group taken as a whole;

- (g) since 31 December 2007 and except as disclosed in Blue Oar's annual report and accounts for the year then ended or in Blue Oar's interim results for the six months ended 30 June 2008 or as otherwise publicly announced by Blue Oar (by the delivery of an announcement to a Regulatory Information Service) prior to 8 December 2008 or as otherwise fairly disclosed in writing to Evolve by or on behalf of Blue Oar prior to 8 December 2008 no member of the Wider Blue Oar Group having:
- (i) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities other than as between Blue Oar and wholly-owned subsidiaries of Blue Oar;
 - (ii) purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital;
 - (iii) recommended, declared, paid or made any bonus, dividend or other distribution whether payable in cash or otherwise (other than to Blue Oar or a wholly-owned subsidiary of Blue Oar);
 - (iv) made or authorised any change in its loan capital;
 - (v) (other than any acquisition or disposal in the ordinary course of business or a transaction between Blue Oar and a wholly-owned subsidiary of Blue Oar) merged with, demerged or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any undertaking and trade investments) or authorised the same (which in any case is material in the context of the Blue Oar Group taken as a whole);
 - (vi) issued or authorised the issue of, or made any change in or to, any debentures or (except in the ordinary course of business) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material in the context of the Blue Oar Group taken as a whole;
 - (vii) entered into, varied or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
 - (A) is of a long term, onerous or unusual nature or magnitude or which is or could involve an obligation of such nature or magnitude; or
 - (B) could restrict the business of any member of the Wider Blue Oar Group; or
 - (C) is other than in the ordinary course of business, and which in any case is material in the context of the Blue Oar Group taken as a whole;
 - (viii) entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Blue Oar Group otherwise than in the ordinary course of business which in any case is material in the context of the Blue Oar Group taken as a whole;
 - (ix) entered into or varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Blue Oar Group;
 - (x) taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or

- appointed any analogous person in any jurisdiction which in any case is material in the context of the Blue Oar Group taken as a whole;
- (xi) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business in any case with a material adverse effect on the Blue Oar Group taken as a whole;
 - (xii) waived or compromised any claim which is material in the context of the Blue Oar Group taken as a whole;
 - (xiii) made any alteration to its memorandum or articles of association which is material in the context of the Offer;
 - (xiv) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition (g);
- (h) since 31 December 2007 and except as disclosed in Blue Oar's annual report and accounts for the year then ended or in Blue Oar's interim results for the six months ended 30 June 2008 or as otherwise publicly announced by Blue Oar (by the delivery of an announcement to a Regulatory Information Service) prior to 8 December 2008 or as otherwise fairly disclosed in writing to Evolve by or on behalf of Blue Oar prior to 8 December 2008:
- (i) there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Blue Oar Group which in any case is material in the context of the Blue Oar Group taken as a whole;
 - (ii) no contingent or other liability of any member of the Wider Blue Oar Group having arisen or become apparent or increased which in any case is material in the context of the Blue Oar Group taken as a whole;
 - (iii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Blue Oar Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Blue Oar Group which in any case is material in the context of the Blue Oar Group taken as a whole; and
 - (iv) (other than as a result of the Offer) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Blue Oar Group which in any case is material in the context of the Blue Oar Group taken as a whole;
- (i) Evolve not having discovered:
- (i) that any financial or business or other information concerning the Wider Blue Oar Group disclosed at any time by or on behalf of any member of the Wider Blue Oar Group, whether publicly, to any member of the Wider Evolve Group or otherwise, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading and which was not subsequently corrected before 8 December 2008 by disclosure either publicly or otherwise to Evolve to an extent which in any case is material in the context of the Blue Oar Group as a whole;

- (ii) that any member of the Wider Blue Oar Group is subject to any liability (actual or contingent) which is not disclosed in Blue Oar's annual report and accounts for the financial year ended 31 December 2007 and which in any case is material in the context of the Blue Oar Group taken as a whole; or
- (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Blue Oar Group to an extent which is material in the context of the Blue Oar Group taken as a whole.

For the purpose of these conditions:

- (a) "Third Party" means any government, government department or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority (including any national anti-trust or merger control authority), court, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction;
- (b) a Third Party shall be regarded as having "intervened" if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and "intervene" shall be construed accordingly;
- (c) "Authorisations" means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals;
- (d) "Wider Evolve Group" means Evolve and its subsidiaries and subsidiary undertakings and associated undertakings (including any company in which any member of the Evolve Group is interested or any undertaking in which Evolve and such undertakings (aggregating their interests) have a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking); and
- (e) "Wider Blue Oar Group" means Blue Oar and its subsidiaries and subsidiary undertakings and associated undertakings (including any company in which any member of the Blue Oar Group is interested or any undertaking in which Blue Oar and such undertakings (aggregating their interests) have a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking).

Subject to the requirements of the Panel, Evolve reserves the right to waive all or any of the above conditions, in whole or in part, except condition (a).

Conditions (b) to (i) (inclusive) must be fulfilled, be determined by Evolve to be or remain satisfied or (if capable of waiver) be waived by midnight on the 21st day after the later of the first closing date of the Offer and the date on which condition (a) is fulfilled (or in each case such later date as Evolve may, with the consent of the Panel, decide), failing which the Offer will lapse. Evolve shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of conditions (b) to (i) (inclusive) by a date earlier than the latest date specified above for the fulfilment of that condition.

If the Panel requires Evolve to make an offer for Blue Oar Shares under the provisions of Rule 9 of the City Code, Evolve may make such alterations to the conditions of the Offer, including to condition (a), as are necessary to comply with the provisions of that Rule.

If the Offer lapses it will cease to be capable of further acceptance. Blue Oar Shareholders who have accepted the Offer and Evolve shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses.

The Offer will extend to all Evolve Shares whilst the Offer remains open for acceptance.

APPENDIX II

Bases and Sources

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

1. General

Financial information relating to Blue Oar has been extracted from the relevant published annual report and accounts of Blue Oar and/or public statements made by Blue Oar.

2. Value of the Offer

The Offer values the entire issued share capital of Blue Oar at approximately £17.9 million, based on the Offer terms of 1,025 New Evolve Shares for every 1,000 Blue Oar Shares, based on the closing price of 10.5p for an Evolve Share on 5 December 2008.

3. Share prices

The prices of Blue Oar Shares on a particular date are derived from the closing price for that date.

4. Time

All the times referred to in this Announcement are London times.

APPENDIX III

The Concert Party

Set out below is a list of persons who are deemed to be acting in concert with Evolve together with their interests in Blue Oar securities:

| Name | No. Blue Oar Shares | Approximate percentage of Blue Oar's issued share capital as at 5 December 2008 |
|---------------------------------------|---------------------|---|
| Mr and Mrs Edward Vandyk | 6,738,000 | 4.05% |
| Thomas Vandyk | 191,666 | 0.12% |
| Anoushka Vandyk | 169,444 | 0.10% |
| William Vandyk | 597,407 | 0.36% |
| Oliver Vaughan | 7,821,324 | 4.70% |
| Thomas Vaughan | 2,154,824 | 1.29% |
| Jamie Vaughan* | 5,547,666 | 3.33% |
| Jeremy Vaughan* | 5,547,666 | 3.33% |
| David Snow | 250,000 | 0.15% |
| Oliver Cairns (inc Weighbridge Trust) | 1,293,703 | 0.78% |
| Mr and Mrs Barrie Newton | 9,576,000 | 5.75% |
| Simon Wharmby | 1,655,000 | 0.99% |
| Albany Capital PLC | 5,500,000 | 3.30% |
| Westminster Enterprises Limited | <u>5,800,000</u> | <u>3.48%</u> |
| Total | <u>52,842,700</u> | <u>31.73%</u> |

*beneficial interest held through Kimono Investment Holdings Limited

In addition to the above, William Cairns, who has no interests in Blue Oar's securities is deemed to be acting in concert with Evolve.

Details of the irrevocable undertakings granted to Evolve to accept or to procure the acceptance of the Offer are as follows:

| Name | No. Blue Oar Shares | Approximate percentage of Blue Oar's issued share capital as at 5 December 2008 |
|---------------------------------|---------------------|---|
| Mr and Mrs Barrie Newton | 9,576,000 | 5.75% |
| Simon Wharmby | 1,655,000 | 0.99% |
| Albany Capital PLC | 5,500,000 | 3.30% |
| Westminster Enterprises Limited | 5,800,000 | 3.48% |

Oliver Vaughan has served on several boards and co-invested in several companies alongside his friend Edward Vandyk and they were deemed to be in concert with each other and with Thomas Vaughan and William Cairns as members of a vendor concert party created when Dealstore PLC purchased Corporate Synergy PLC in 2001.

Together with Barrie Newton and Albany and supported by Simon Wharmby, Edward Vandyk threatened to require resolutions to be added to the agenda of the next Annual General Meeting of

Blue Oar at which board changes would have been considered, leading them to be deemed by the Takeover Panel to be acting in concert in relation to Blue Oar.

Simon Wharmby is a director and shareholder in Albany and Westminster has notified Albany that it holds 29.7 per cent. of Albany's issued share capital.

Oliver Vaughan's children (Jamie and Jeremy), Edward Vandyk's children (William, Anoushka and Thomas) and William Cairns' son (Oliver) are deemed to be members of the Concert Party because of their relationships with their respective fathers.

Michael Jackson and James Noble are directors of Evolve and are deemed to be acting in concert with Evolve in relation to the Offer, but are not members of the Concert Party in relation to the Panel Waiver.

APPENDIX IV

Definitions

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

| | |
|---------------------------|---|
| “2006 Act” | the Companies Act 2006, to the extent in force; |
| “Acquisition” | the proposed acquisition of Blue Oar by Evolve to be effected by means of the Offer |
| “Admission” | admission of New Evolve Shares to be allotted to Blue Oar Shareholders who accept the Offer and the existing Evolve Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies |
| “Admission Document” | the document equivalent to a prospectus and comprising an AIM admission document to be issued by Evolve in connection with the Acquisition |
| “AIM” | the AIM market operated by the London Stock Exchange |
| “AIM Rules for Companies” | the rules of the London Stock Exchange governing the admission of securities to trading on and the regulation and operation of AIM |
| “Albany” | Albany Capital PLC |
| “Announcement” | this document made in accordance with Rules 2.5 and 2.10 of the City Code |
| “Blue Oar” | Blue Oar PLC |
| “Blue Oar Group” | Blue Oar and its subsidiaries and/or (where the context requires) any one or more of them |
| “Blue Oar Optionholder” | holders of options under the Blue Oar Option Schemes |
| “Blue Oar Shareholder” | a holder of Blue Oar Shares |
| “Blue Oar Option Schemes” | the Blue Oar share option schemes comprising the Blue Oar Share Option Plan 2002 and the Blue Oar Executive Share Incentive Plan 2006 and any similar incentive scheme established by Blue Oar |
| “Blue Oar Shares” | the existing unconditionally allotted or issued and fully paid ordinary shares of 0.1p each in the capital of Blue Oar further such shares which may be issued or unconditionally allotted and fully paid prior to the time and date on which the Offer closes or by such earlier date and time as Evolve may decide; |

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| “Business Day” | a day (excluding Saturdays) on which banks are generally open in London for transaction of normal banking business |
| “certificated” | a share or security which is not held in electronic form |
| “City Code”, “Code” or “Takeover Code” | The City Code on Takeovers and Mergers |
| “Concert Party” | the persons, who are named in Appendix III who are deemed to be acting in concert in relation to Evolve |
| “Enlarged Group” | the Evolve Group following completion of the Acquisition; |
| “Enlarged Share Capital” | the entire issued Ordinary Share capital of the Company following the issue of the New Evolve Shares |
| “Evolve” or the “Company” | Evolve Capital PLC |
| “Evolve Board” or the “Evolve Directors” | the directors of Evolve |
| “Evolve Group” | Evolve and its subsidiaries and/or (where the context requires) any one or more of them |
| “Evolve Shares” | ordinary shares of 1p each in the share capital of Evolve with ISIN: GB00B29WXB29 |
| “Evolve Shareholder” | a holder of Evolve Shares from time to time |
| “Fairfax” | Fairfax I.S. PLC |
| “Form of Acceptance” | the form of acceptance relating to the Offer |
| “FSA” | the Financial Services Authority |
| “FSMA” | the Financial Services and Markets Act 2000 (as amended) |
| “General Meeting” | a general meeting of the Company to be convened to approve the Resolutions |
| “Independent Directors” | Michael Jackson and James Noble |
| “Independent Shareholders” | the holders of existing Evolve Shares other than those members of the Concert Party and those persons who are otherwise interested in the Transactions |
| “IPO” | an initial public offering |
| “London Stock Exchange” | London Stock Exchange PLC |
| “New Evolve Shares” | the new Evolve Shares to be issued as consideration pursuant to the Offer |

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| “Offer” | the offer to be made by Evolve for the whole of the issued and to be issued share capital of Blue Oar on the terms and subject to the conditions set out in this document including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer |
| “Offer Document” | the document proposed to be posted to Evolve Shareholders containing, amongst other things, the Offer |
| “Offer Period” | the period commencing 8 December 2008 (being the date of the Announcement) until whichever of the following shall be the latest: (i) 1.00pm on the first closing date of the Offer; (ii) the date on which the Offer lapses; or (iii) the date on which the Offer becomes or is declared unconditional as to acceptances |
| “Panel” or “Takeover Panel” | The Panel of Takeovers and Mergers |
| “Panel Waiver” | the waiver to be granted by the Panel of any obligation which would otherwise be imposed on the Concert Party, either individually or collectively, under Rule 9 of the Takeover Code, as a result of the Acquisition or the purchase by Evolve of Evolve Shares |
| “PLUS” | PLUS Markets PLC and, as the context requires, markets operated by it |
| “PLUS -quoted” | the primary market for unlisted securities operated by PLUS |
| “Regulatory Information Service” | any information service authorised term time by the FSA for the purpose of disseminating regulatory announcements |
| “Restricted Jurisdiction” | the United States, Canada, Australia, the Republic of South Africa or Japan |
| “Resolutions” | the resolutions to be proposed to Evolve Shareholders at the General Meeting to approve the Acquisition, Panel Waiver, transactions between Evolve and certain Evolve Directors, an increase in authorised share capital, the granting of powers of allotment, a waiver of pre-emption rights and an authority for Evolve to purchase and cancel Evolve Shares |
| “Rowan Dartington” | means Rowan Dartington & Co Limited |
| “Transactions” | the subject matter of the Resolutions |
| “Westminster” | Westminster Enterprises Limited |