

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt as to the action you should take regarding the Offer, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Blue Oar Shares, please immediately forward this document, together with the accompanying documents, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee. However, this document and the accompanying documents should not be forwarded or transmitted in or into the United States, Canada, Australia, Republic of South Africa or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction.

Fairfax, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as financial adviser to Evolve and to no one else in connection with the matters described in this document. Persons receiving this document should note that Fairfax will not be responsible to anyone other than Evolve for providing the protections afforded to customers of Fairfax nor for providing advice in relation to the Offer or any other matter referred to herein.

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. This document should be read in conjunction with the accompanying Admission Document and (if you hold Blue Oar Shares in certificated form) the Form of Acceptance. If you are a CREST sponsored member you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary TTE instruction to CREST.

**Offer by**

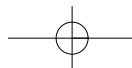
**Evolve Capital PLC**

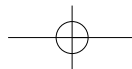
**for the whole of the issued share capital of**

**Blue Oar PLC**

The procedure for acceptance of the Offer is set out on pages 13 to 16 of this document and in the accompanying Form of Acceptance (in respect of certificated Blue Oar Shares). To accept the Offer in respect of certificated Blue Oar Shares, the Form of Acceptance must be completed, signed, witnessed (in the case of an individual) and returned together with your definitive share certificate(s) and/or other documents of title as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL by no later than 1.00 p.m. on 30 December 2008. A reply-paid envelope for use within the UK accompanies this document for your convenience. Acceptance of the Offer in respect of uncertificated Blue Oar Shares must be made electronically through CREST so that the TTE instruction settles not later than 1.00 p.m. on 30 December 2008 by following the procedure set out in paragraph 11(ii) of Part II of this document.

Copies of this document, the Admission Document and the Form of Acceptance are available, free of charge, from the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP.





## DEALING DISCLOSURE REQUIREMENTS

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent. or more of any class of “relevant securities” of Evolve or 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 Evolve or Blue Oar, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of Evolve or of Blue Oar by Evolve or Blue Oar, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (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 Takeover Panel’s website at [www.thetakeoverpanel.org.uk](http://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.

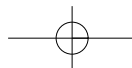
Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

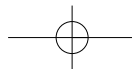
## OVERSEAS SHAREHOLDERS

The Offer is not being made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national securities exchange of, the Restricted Jurisdictions and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities from or within the Restricted Jurisdictions .

Copies of this document and any related documents are not being, and must not be, in whole or in part, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction and persons receiving this document and any related documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them, in whole or in part, in or into or from a Restricted Jurisdiction or other such jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The availability of the Offer to persons who are 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 requirements.

The New Evolve Shares have not been, nor will they be, registered under the US Securities Act or any of the relevant securities laws of any state of the United States or of Canada, Australia, South Africa or Japan. Accordingly the New Evolve Shares may not (unless an exemption under relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the Restricted Jurisdictions or for the account or benefit of any person located in a Restricted Jurisdiction or any US Person. All persons (including, without limitation, nominees, trustees and custodians) who would, or otherwise intend to, forward this document or the accompanying documents to any jurisdiction outside the United Kingdom should read the further details in this regard which are contained in paragraph 7 of Part B of Appendix I, paragraph (b) of Part C of Appendix I and paragraph (b) of Part D of Appendix I of this document before taking any action.





### ACTION TO BE TAKEN

1. If you hold any of your Blue Oar Shares in certificated form (that is, NOT in CREST), to accept the Offer in respect of those Blue Oar Shares you should complete, sign and return the Form of Acceptance **with your share certificate(s)** by post or (during normal business hours only) by hand **as soon as possible and, in any event, so as to be received by Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL no later than 1.00 p.m. on 30 December 2008.**

Further details of the procedures for the acceptance of the Offer if you hold any of your Blue Oar Shares in certificated form are set out in paragraph 11(i) of Part II and in Part C of Appendix I of this document and in the accompanying Form of Acceptance. A reply-paid envelope for use in the United Kingdom is enclosed for your convenience and may be used to return the Form of Acceptance with the certificates for your Blue Oar Shares.

2. If you hold any of your Blue Oar Shares in uncertificated form (that is, in CREST), to accept the Offer in respect of those Blue Oar Shares you should follow the procedure for Electronic Acceptance through CREST so that the TTE instruction settles **as soon as possible and, in any event, no later than 1.00 p.m. on 30 December 2008.**

Further details of the procedures for the acceptance of the Offer if you hold any of your Blue Oar Shares in uncertificated form are set out in paragraph 11(ii) of Part II and in Part D of Appendix I of this document.

If you hold your Blue Oar Shares as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction through CREST.

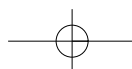
3. **Acceptances of the Offer must be received by 1.00 p.m. on 30 December 2008**  
**You are advised to read this document and the accompanying Admission Document carefully.**

**If you have any questions relating to this document or the completion and return of the Form of Acceptance, please call Share Registrars on 01252 821390 (or from outside the United Kingdom on +44 1252 821390) between 9.00 a.m. and 5.00 p.m. Monday to Friday (excluding UK public holidays). Please note that for legal reasons, Share Registrars will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Offer or to provide legal, financial or taxation advice on the contents of this document.**

### EXPECTED TIMETABLE

	2008
Offer announced	8 December
Offer posted	9 December
General Meeting of Evolve	29 December
First closing date	30 December
	2009
CREST accounts credited with New Evolve Shares*	6 January
Certificates for New Evolve Shares posted*	13 January

\*assuming that the Offer becomes unconditional on the first closing date



## DEFINITIONS

In this document, unless the context requires otherwise, the following expressions shall have the following meanings:

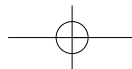
“1985 Act”	the Companies Act 1985 (as amended) and to the extent in force;
“2006 Act”	the Companies Act 2006, to the extent in force;
“Acquisition”	the proposed acquisition of Blue Oar by Evolve pursuant to the Offer;
“Admission Document”	the document comprising an AIM admission document and a document equivalent to a prospectus under paragraph 1.2.2 (2) of the Prospectus Rules relating to Evolve which accompanies this document;
“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;
“Blue Oar”	Blue Oar PLC;
“Blue Oar Board” or “Blue Oar Directors”	the directors of Blue Oar as at the date of this document;
“Blue Oar Group”	Blue Oar and its subsidiary undertakings and/or (where the context requires) any one or more of them;
“Blue Oar Option Offer”	the offer to Blue Oar Optionholders to be made by Evolve on equivalent terms to the Offer in accordance with Rule 15 of the Code;
“Blue Oar Optionholders”	holders of options under the Blue Oar Option Schemes;
“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 Securities”	Blue Oar Securities PLC;
“Blue Oar Shareholder”	a holder of Blue Oar Shares;
“Blue Oar Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 0.1p each in the capital of Blue Oar and any 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;
“Business Day”	a day on which the London Stock Exchange is open for the transaction of business;
“certificated” or “in certificated form”	a share or security which is not in uncertificated form;
“City Code” or “Code”	The City Code on Takeovers and Mergers;

“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator in accordance with which securities may be held and transferred in uncertificated form;
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Daily Official List”	the Daily Official List of the London Stock Exchange;
“Electronic Acceptance”	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;
“Enlarged Group”	the Evolve Group following completion of the Acquisition;
“Enlarged Share Capital”	the entire issued share capital of the Company following the issue of the New Evolve Shares;
“ESA instruction”	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear);
“Escrow Agent”	Share Registrars in its capacity as escrow agent (as described in the CREST manual issued by Euroclear);
“Euroclear”	Euroclear UK & Ireland Limited;
“Evolve” or “the Company”	Evolve Capital PLC;
“Evolve Directors” or “Evolve Board”	the directors of Evolve, whose names are set out in paragraph 2 of Appendix II of this document;
“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;
“Evolve Shareholder”	a holder of Evolve Shares;
“Fairfax”	Fairfax I.S. PLC;
“Form of Acceptance”	the form of acceptance relating to the Offer accompanying this document, which may only be completed by holders of Blue Oar Shares in certificated form;
“FSA”	the Financial Services Authority;
“FSMA”	the Financial Services and Markets Act 2000;
“Independent Directors”	Michael Jackson and James Noble;
“London Stock Exchange”	London Stock Exchange PLC;

“member account ID”	the identification code or number attached to any member account in CREST;
“New Evolve Shares”	the new Evolve Shares to be issued by the Company as consideration pursuant to the Offer;
“Offer”	the offer dated 9 December 2008 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 Period”	the period commencing 8 December (being the date of the announcement of the Offer) until whichever of the following shall be the latest: (i) 1.00 p.m. on 30 December 2008; (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 on Takeovers and Mergers;
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“PLUS”	PLUS Markets PLC;
“PLUS-quoted market”	a primary market operated by PLUS;
“Prospectus Rules”	the rules made by the FSA pursuant to section 84(1) of FSMA for the purposes of Part VI of FSMA;
“Regulatory Information Service”	any of the services set out in Appendix 3 to the Listing Rules of the UK Listing Authority;
“Restricted Jurisdiction”	the United States, Canada, Australia, the Republic of South Africa or Japan;
“Rowan Dartington”	Rowan Dartington & Company Limited;
“Share Registrars”	Share Registrars Limited;
“TFE instruction”	a Transfer from Escrow instruction (as defined by the CREST manual issued by Euroclear);
“TTE instruction”	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) in relation to Blue Oar Shares in uncertificated form meeting the requirements set out in paragraph 11(ii) of the Part II of this document;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United States” or “US”	the United States of America, its territories and possessions, any states of the United States and the District of Columbia;
“US person”	a US person as defined in Regulation S under the US Securities Act; and
“US Securities Act”	the US Securities Act of 1933.

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## PART I

## LETTER FROM EVOLVE CAPITAL PLC

**Evolve Capital PLC***(Registered in England and Wales No. 6383902)**Directors:*

Oliver Vaughan *Chairman*  
Edward Vandyk *Executive Director*  
Michael Jackson *Non-executive Director*  
James Noble *Non-executive Director*  
David Snow *Non-executive Director*

*Registered office:*

223a Kensington High Street  
London W8 6SG

9 December 2008

*To Blue Oar Shareholders*

Dear fellow Blue Oar Shareholder,

I am writing to you in my capacity as a Director of Evolve and as a shareholder in Blue Oar, to urge you to accept the Offer with the objective of ensuring we all preserve and subsequently receive the maximum value and benefit from our Blue Oar Shares.

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

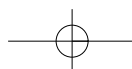
- Blue Oar still has substantial cash resources and given current economic and market conditions, Evolve's strategy is to prevent any unnecessary further depletion of such cash resources;
- The Evolve Directors believe that they have identified valuable business units within the Blue Oar Group, particularly private client stockbroking, where through restructuring and applying additional resources they believe 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.

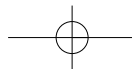
**Irrevocable Commitments**

The Offer is conditional, *inter alia*, on Evolve receiving such number of valid acceptances which represent at least 51 per cent. 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.

**History and Background**

I founded Corporate Synergy PLC (now Blue Oar Securities) in 1992 and oversaw the growth of that company and its flotation in 2002 on AIM as part of Blue Oar. As Chief Executive of Blue Oar I saw its market capitalisation grow to approximately £40 million in March 2007 (at which point I became a non-executive director until May 2007), whilst employing over 110 people. This compares with a market capitalisation of approximately £15 million immediately prior to the announcement of the Offer. Companies outgrow their founders and I believe the secret is knowing when to move on and I decided that time had come, so I recruited Andrew Monk as my successor in December 2006. My hopes were that Blue Oar would move forward utilising his skills and contacts which I did not have or aspire to.



**Current Position of Blue Oar**

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 other Evolve Directors and I 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.

**Effects of the Offer**

Whilst I or my fellow Evolve Directors intend to take no part in the day-to-day executive management of the Blue Oar Group, under Evolve's strategic direction, the operating management of Blue Oar's various business units will be required to adopt an operating and cost policy to match current economic and market conditions. This direction may well lead to a contraction in the scale of some of Blue Oar's activities, but should lead to a reduction in cash losses. Regrettably, but inevitably, there may also be some redundancies whilst keeping a staffing level that maintains service for clients.

Our intention is to realise value by focusing Blue Oar's activities on enhancing the Rowan Dartington brand, predicated on a financial model that breaks even as a minimum, and thus conserves cash, even in current challenging markets.

It is intended to seek a quotation for Rowan Dartington on the PLUS-quoted market within 36 months of the Offer becoming or being declared unconditional and at the same time, subject to legal and regulatory requirements, distribute the Rowan Dartington shares held by the Enlarged Group to Evolve Shareholders. Many employees of Rowan Dartington received Blue Oar Shares when Rowan Dartington was purchased by Blue Oar in 2006 and this process is intended to enable existing Blue Oar Shareholders to continue to enjoy the strength and ultimate value of what the other Evolve Directors and I regard as one of Blue Oar's key assets.

These arrangements will be subject to legal processes and the Evolve Directors' duty to consider any third party offers for Rowan Dartington that may be received in the meantime. Evolve undertakes however, that no sale of Rowan Dartington to a third party will be effected without the prior approval of Evolve Shareholders in general meeting, whether or not such approval is required under the AIM Rules for Companies or other regulations.

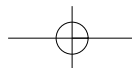
Evolve's own overall long term strategy is to generate capital appreciation from investments in companies which are quoted on, or intending to join, the PLUS-quoted market over the medium term.

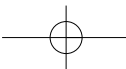
**Action to be taken**

I am keen to ensure that both Evolve and Blue Oar Shareholders preserve value and subsequently derive benefit from the current extraordinary circumstances in financial markets and I believe that accepting the Offer, as I intend to do, is the best way of preserving and enhancing value. I urge you to accept the Offer.

Yours faithfully,

Edward Vandyk  
*Executive Director*





## PART II

### THE OFFER BY EVOLVE FOR BLUE OAR

#### 1. Introduction

Evolve is offering New Evolve Shares in exchange for your Blue Oar Shares.

This Part II, together with Appendix I to this document, contains the formal Offer and should be read in conjunction with the accompanying Admission Document and (in respect of Blue Oar Shares held in certificated form only) the Form of Acceptance. The Admission Document contains further details on Evolve and Blue Oar, including the unaudited interim results of Evolve and Blue Oar for the period ended 30 June 2008, which were announced on 26 September 2008 and 3 September 2008 respectively.

Irrevocable undertakings to accept (or procure the acceptance of) the Offer 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. The terms of these undertakings are summarised in paragraph 3 below.

**Acceptances of the Offer should be received by Share Registrars either electronically or (if you hold a share certificate(s)) by returning your completed Form of Acceptance to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible and, in any event, no later than 1.00 p.m. on 30 December 2008.**

The attention of Blue Oar Shareholders who are resident in, or citizens of, territories outside the United Kingdom is drawn to paragraphs 11(i)(e) and 11(ii)(c) of this Part II and paragraph 7 of Part B of Appendix I to this document.

#### 2. The Offer

Evolve hereby offers to acquire, on the terms of and subject to the conditions set out or referred to in this document and (in respect of Blue Oar Shares held in certificated form only) in the accompanying Form of Acceptance, all the issued and to be issued share capital of Blue Oar not already owned by Evolve on the following basis:

**For every 1,000 Blue Oar Shares**

**1,025 New Evolve Shares**

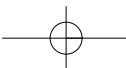
and so in proportion for any number of Blue Oar Shares held. Fractions of New Evolve Shares will not be allotted to Blue Oar Shareholders. Entitlements to New Evolve Shares will be rounded down to the nearest New Evolve Share.

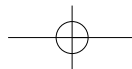
A holder of Blue Oar Shares held through a nominee should note that his entitlement in relation to fractions of New Evolve Shares will depend on his contractual arrangements with the relevant nominee.

Based on the closing price of 10.5p per Evolve Share on 5 December 2008, being the last business day before the announcement of the Offer, the Offer values each Blue Oar Share at approximately 10.7625p. This represents a premium of approximately 19.6 per cent. over the closing price of a Blue Oar Share of 9.00p at the close of business on 5 December 2008, being the last business day before the announcement of the Offer and the last practicable date prior to the publication of this document. On this basis the Offer values the entire existing issued share capital of Blue Oar at approximately £17.9 million.

The Blue Oar Shares which are the subject of the Offer will be acquired fully paid and free from all liens, charges, equitable interests, encumbrances and third party rights and together with all rights now or hereafter attaching thereto, including the right to all dividends and other distributions (if any) declared, made or paid hereafter.

The Offer is being made in accordance with the requirements of the City Code and is subject to the terms and conditions set out in Appendix I and (in respect of Blue Oar Shares in certificated form only) in the Form of Acceptance.





Full acceptance of the Offer by holders of existing Blue Oar Shares will result in the issue of up to 170,713,782 New Evolve Shares, representing approximately 78.7 per cent. of the Enlarged Share Capital. The minimum number of New Evolve Shares capable of being issued pursuant to the Offer, if the acceptance condition is satisfied, is 87,064,029. In both cases these figures assume no variation to the terms of the Offer, no further allotment of Blue Oar Shares and that no share options are exercised under the Blue Oar Option Schemes.

The first closing date of the Offer is 1.00 p.m. on 30 December 2008. In any event, the Offer must become unconditional as to acceptances by midnight on 7 February 2009.

The conditions and further terms of the Offer are set out in Appendix I to this document and in the enclosed Form of Acceptance.

The existing Evolve Shares are traded on AIM. As the Acquisition constitutes a reverse takeover for the purposes of the AIM Rules for Companies, the Company is required to apply for admission to AIM of the Enlarged Group. The New Evolve Shares will, on admission, rank *pari passu* in all respects with the existing Evolve Shares including in respect of dividends declared, made or paid on or after the date of admission.

**Completed Forms of Acceptance (in respect of Blue Oar Shares held in certificated form) should be received as soon as possible but, in any event, by no later than 1.00 p.m. on 30 December 2008. Electronic Acceptances (in respect of Blue Oar Shares held in uncertificated form) through CREST should be received as soon as possible but in any event should be made so that the TTE instruction settles by no later than 1.00 p.m. on 30 December 2008. The procedure for acceptance of the Offer is set out in paragraph 11 of this Part II and in Parts C and D of Appendix I of this document.**

**Your attention is drawn to the conditions and further terms of the Offer set out in Appendix I to this document.**

### **3. Persons deemed to be acting in concert with Evolve and irrevocable undertakings**

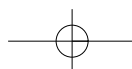
Certain Blue Oar Shareholders who have an aggregate interest in 52,842,700 Blue Oar Shares (representing 31.73 per cent. of Blue Oar's issued share capital) are deemed to be acting in concert with Evolve. Details of these persons and their interests in Blue Oar Shares are set out paragraph 4 (c)(ii) of Appendix II to this document.

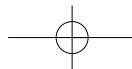
Irrevocable undertakings to accept (or procure the acceptance of) the Offer within five Business Days of it being posted to Blue Oar Shareholders have been received in respect of an aggregate of 22,531,000 Blue Oar Shares, representing approximately 13.53 per cent. of Blue Oar's issued share capital. 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 paragraph 4 (c)(iii) of Appendix II to this document.

Evolve holds no Blue Oar Shares.

### **4. Background to and reasons for the Offer**

Evolve's rationale for making the Offer and its intended effects are explained in the letter from Evolve in Part I of this document and further expanded on in the Admission Document. Further information about Evolve's strategy is set out in paragraph 5 below and its strategy for the Enlarged Group is set out in Part I of the Admission Document. In the short term, having regard to the present difficult economic outlook, Evolve intends to 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 through both organic growth and acquisition, 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. Pending the outcome of this review, Evolve has no specific plans for the redeployment of assets, office locations or employees.

## 5. Information on Evolve

Evolve was established to invest in pre-IPO businesses intending to join the PLUS-quoted market or in companies already trading on the PLUS-quoted market. In December 2007 Evolve completed the raising of some £4 million of new equity capital and on 28 December 2007 the Company's shares were admitted to trading on AIM.

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

Evolve was incorporated in September 2007 and started trading in December 2007 as a result of which it has not yet published any statutory accounts. Its interim results for the seven months ended 30 June 2008 showed a loss before and after tax of £3,971 and net assets of £3.93 million.

The objective of the Evolve Board is to generate capital appreciation from investments over the medium term. Evolve has completed three investments since its admission to AIM: Aconite Technology Limited (software); Woodspeen Training PLC (vocational training); and Pulse Group PLC (research process outsourcing). Evolve also made a small loan to 3D Diagnostic Imaging PLC ('3D') to enable it to complete the acquisition of the assets and business of an AIM company which had failed earlier in the year. Evolve has agreed to invest £500,000 and underwrite 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.

Further information regarding Evolve is set out in the Admission Document.

## 6. Information on Blue Oar

Blue Oar was founded in 1995 and is the holding company of five distinct regulated financial services businesses. Its 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. Its five businesses are:

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 stockbroker
Blue Oar Asset Management LLP	Funds management
Inteq Limited	Australian based corporate advisory firm

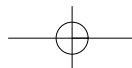
Further information regarding Blue Oar is set out in the Admission Document, Part III of which includes Blue Oar's annual reports and accounts for each of the three years ended 31 December 2007 and its interim report for the six months ended 30 June 2008.

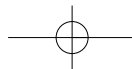
The FSA has given its consent to Evolve becoming the ultimate controlling shareholder of Blue Oar's regulated financial services businesses.

## 7. Management and employees

Edward Vandyk, who is the former Chief Executive of Blue Oar, does not intend to take part in the executive management of Blue Oar or the Blue Oar Group. If the Acquisition is effected, the existing operating management of Blue Oar's businesses are expected to continue their present roles under Evolve's strategic direction. There may be some redundancies as explained in the letter from Evolve in Part I.

The rights, including pension rights, of the Blue Oar Group employees will be fully safeguarded.





## **8. Cancellation of Blue Oar's AIM admission and compulsory acquisition**

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 of the Enlarged Share Capital to trading on AIM 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. Blue Oar Option Schemes**

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 will be made in due course to Blue Oar Optionholders in the form of the Blue Oar Option Offer if the Offer is declared unconditional.

## **10. United Kingdom Taxation**

Information regarding United Kingdom taxation is set out in paragraph 17 of Part V of the Admission Document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. Blue Oar Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

## **11. Procedure for acceptance of the Offer**

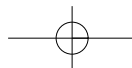
Holders of Blue Oar Shares in certificated form may only accept the Offer in respect of such shares by completing and returning the enclosed Form of Acceptance in accordance with the procedure set out in paragraph (i) below. Holders of Blue Oar Shares held in certificated form, but under different designations, must complete a separate Form of Acceptance for each designation.

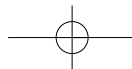
Holders of Blue Oar Shares in uncertificated form may only accept the Offer in respect of such shares by TTE instruction in accordance with the procedure set out in paragraph (ii) below and, if those shares are held under different member account IDs, should send a separate TTE instruction for each member account ID.

### **(i) Blue Oar Shares held in certificated form**

#### **(a) To accept the Offer**

To accept the Offer in respect of Blue Oar Shares held in certificated form you must complete Boxes 1 and 3, sign Box 2 and if applicable, you should also complete Boxes 4 and 5 of the





enclosed Form of Acceptance **in the presence of a witness, who should also sign in accordance with the instructions printed therein.**

(b) ***Return of Form of Acceptance***

To accept the Offer in respect of Blue Oar Shares in certificated form, all completed Forms of Acceptance, together with your share certificate(s) for such Blue Oar Shares and/or other document(s) of title, should be returned by post or by hand (during normal business hours) to Share Registrars, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL **as soon as possible but in any event so as to be received not later than 1.00 p.m. on 30 December 2008.** A reply-paid envelope is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

(c) ***Share certificates not readily available or lost***

If your Blue Oar Shares are in certificated form but your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should nevertheless be completed, signed and **returned as stated above so as to arrive not later than 1.00 p.m. on 30 December 2008,** together with any share certificate(s) and/or other document(s) of title that you have available, accompanied by a letter stating that the balance will follow or that you have lost one or more of your share certificate(s) and/or other document(s) of title.

You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible thereafter. No acknowledgement of receipt of documents will be given. In the case of loss, you should write as soon as possible to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU for a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Share Registrars as set out in paragraph 11(i)(b) above.

(d) ***Validity of acceptances***

Without prejudice to Parts B and C of Appendix I of this document, Evolve reserves the right to treat as valid any acceptance of the Offer in relation to Blue Oar Shares in certificated form which is not entirely in order or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other document(s) of title. In that event, no allotment of New Evolve Shares under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Evolve (as applicable) have been received.

(e) ***Overseas shareholders***

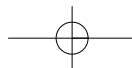
The attention of Blue Oar Shareholders holding Blue Oar Shares in certificated form and who are citizens or residents of jurisdictions outside the United Kingdom is drawn to paragraph 7 of Part B and paragraph (b) of Part C of Appendix I and to the relevant provisions of the Form of Acceptance.

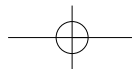
The Offer is not being made directly or indirectly in the Restricted Jurisdictions.

The New Evolve Shares have not been and will not be registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in or into a Restricted Jurisdiction. Any acceptance of the Offer by acceptors who are unable to give the warranty set out in paragraph (b) of Part C of Appendix I is liable to be disregarded.

(ii) **Blue Oar Shares in uncertificated form (that is, in CREST)**

If your Blue Oar Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the Blue Oar Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying Share Registrars (in its capacity as a CREST participant under the Escrow Agent's participant ID referred to below) as the Escrow Agent, as soon as possible **and in any event so that the TTE instruction settles not later than 1.00 p.m. on 30 December 2008. Note that settlement cannot take place on weekends or bank**





**holidays (or other times at which the CREST system is non-operational) – you should therefore ensure you time the input of any TTE instructions accordingly.**

The input and settlement of a TTE instruction in accordance with this paragraph (ii) will (subject to satisfying the requirements set out in Parts B and D of Appendix I) constitute an acceptance of the Offer in respect of the number of Blue Oar Shares so transferred to escrow.

**If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.** Only your CREST sponsor will be able to send the TTE instruction(s) to CREST in relation to your Blue Oar Shares.

After settlement of a TTE instruction, you will not be able to access the Blue Oar Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional in all respects, the Escrow Agent will transfer the Blue Oar Shares concerned to itself in accordance with paragraph (d) of Part D of Appendix I of this document.

You are recommended to refer to the CREST manual published by CREST for further information on the CREST procedures outlined below.

**You should note that CREST does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Blue Oar Shares to settle prior to 1.00 p.m. on 30 December 2008. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.**

(a) ***To accept the Offer***

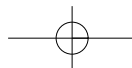
To accept the Offer in respect of Blue Oar Shares held in uncertificated form, you must send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) to CREST a TTE instruction in relation to such shares.

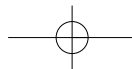
A TTE instruction to CREST must be properly authenticated in accordance with CREST's specifications for transfers to escrow and must contain the following details:

- (i) the number of Blue Oar Shares in respect of which you wish to accept the Offer to be transferred to an escrow balance;
- (ii) your member account ID;
- (iii) your participant ID;
- (iv) the participant ID of the Escrow Agent, Share Registrars, in its capacity as a CREST receiving agent, which is 7RA36;
- (v) the member account ID of the Escrow Agent, which is EVOBLU01;
- (vi) the Corporate Action ISIN number of the Blue Oar Shares which is GB0031792194;
- (vii) the intended settlement date, which should be as soon as possible and in any event no later than 1.00 p.m. on 30 December 2008;
- (viii) the Corporate Action number of the Offer, which is allocated by CREST and can be found by viewing the relevant corporate action details in CREST;
- (ix) input with standard delivery instruction priority of 80; and
- (x) contact name and telephone number inserted in the shared note field.

(b) ***Validity of acceptances***

**A Form of Acceptance which is received in respect of Blue Oar Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded.**





Holders of Blue Oar Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before that date.

(c) **Overseas shareholders**

The attention of Blue Oar Shareholders holding Blue Oar Shares in uncertificated form and who are citizens or residents of jurisdictions outside the UK is drawn to paragraph 7 of Part B and paragraph (b) of Part D of Appendix I.

The Offer is not being made directly or indirectly in or into the Restricted Jurisdictions. The New Evolve Shares have not been and will not be registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in or into a Restricted Jurisdiction. Any acceptance of the Offer by acceptors who are unable to give the warranty set out in paragraph (b) of Part D of Appendix I is liable to be disregarded.

(iii) **General**

Evolve will make an appropriate announcement if any of the details contained in paragraphs (i) or (ii) above alter for any reason.

Normal CREST procedures (including timings) apply in relation to any Blue Oar Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Blue Oar Shares or otherwise). Holders of Blue Oar Shares who are proposing so to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 30 December 2008.

**If you are in any doubt as to the procedure for acceptance, please contact Share Registrars by telephone on 01252 821390 or if calling from outside UK +44 1252 821390 or at the address in paragraph 11(i)(b) above. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

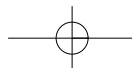
## 12. Settlement and dealings

Subject to the Offer becoming or being declared unconditional in all respects (except as provided in paragraph 7 of Part B of Appendix I in the case of certain overseas Blue Oar Shareholders) settlement of the consideration to which any Blue Oar Shareholder is entitled under the Offer will be effected by the despatch of certificates or CREST accounts credited (as applicable):

- (i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional in all respects, within 14 days of the later of such date and 30 December 2008; or
- (ii) in the case of acceptances of the Offer received, complete in all respects after the later of 30 December 2008 and the date on which the Offer becomes or is declared unconditional in all respects but while it remains open for acceptance, within 14 days of such receipt, in the following manner:

(a) **Blue Oar Shares in uncertificated form (that is, in CREST)**

Where an acceptance relates to Blue Oar Shares in uncertificated form the New Evolve Shares to which the accepting Blue Oar Shareholder is entitled will be issued in uncertificated form. Evolve will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the Blue Oar Shareholder concerned with such shareholder's entitlement to New Evolve Shares. The stock account concerned will be an account under the same participant ID and member account ID as appeared in the TTE instruction(s) concerned.



Evolve reserves the right to settle all or any part of the consideration referred to in this paragraph, for all or any accepting Blue Oar Shareholder(s), in the manner referred to in paragraph (b) below, if, for any reason, it wishes to do so.

(b) ***Blue Oar Shares in certificated form***

Where an acceptance relates to Blue Oar Shares in certificated form, the New Evolve Shares to which the accepting Blue Oar Shareholder is entitled will be issued in certificated form. Definitive certificates for the New Evolve Shares will be despatched by first-class post (or by such other method as may be approved by the Panel).

(c) ***Return of certificates and CREST transfers if the Offer lapses***

If the Offer does not become or is not declared unconditional in all respects (i) the relevant share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in Box 5 on the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address and (ii) Share Registrars will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), give TFE instructions to Euroclear to transfer all Blue Oar Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Offer to the original available balances of the Blue Oar Shareholders concerned.

All documents and remittances sent by, to, or from Blue Oar Shareholders or their appointed agents will be sent at their own risk.

Settlement of the consideration to which any Blue Oar Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Evolve may otherwise be, or claim to be, entitled against such Blue Oar Shareholder.

**13. Action to be taken**

**To accept the Offer, if you hold your Blue Oar Shares in certificated form, the accompanying Form of Acceptance must be completed, signed and witnessed (in the case of an individual) and then returned in accordance with the instructions printed thereon. Forms of Acceptance should be returned by post or by hand (during normal business hours only), together with any share certificate(s) and/or document(s) of title, to Share Registrars, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible and in any event so as to be received by no later than 1.00 p.m. on 30 December 2008. A reply-paid envelope for use in the UK only accompanies this document for your convenience.**

**If you hold your Blue Oar Shares in uncertificated form, you will need to accept the Offer electronically through CREST. You should take the action set out in paragraph 11(ii) of this Part II and ensure that the TTE Instruction settles not later than 1.00 p.m. on 30 December 2008.**

**14. Further information**

Your attention is drawn to the enclosed Admission Document and to the following Appendices which form part of this document:

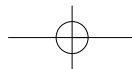
**Appendix I: Conditions and Further Terms of the Offer**

**Appendix II: Additional Information**

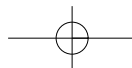
**APPENDIX I****CONDITIONS AND FURTHER TERMS OF THE OFFER****PART A: Conditions of the Offer**

The Offer is subject to the following conditions:

- (a) valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on 30 December 2009 (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 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 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 or any member of the Wider Evolve Group;
  - (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 Chapter 3 of 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; and
- (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:

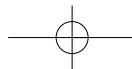
- (a) "Third Party" means any government, government department or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority (including any national anti-trust or merger control authority), court, trade agency, association, institution or professional or 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 has partially waived condition (b) as set out in the announcement of the Offer on 8 December 2008 because no resolution will be proposed at the general meeting of Evolve to approve its investment strategy. 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.

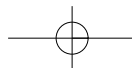
**PART B: Further terms of the Offer**

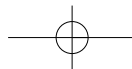
The following further terms apply to the Offer, unless the contrary is expressed or the context requires otherwise. Unless the context requires otherwise, any reference in Part B, Part C or Part D of this Appendix I and in the Form of Acceptance to:

- (i) the “Offer” includes any revision, variation, renewal or extension of the Offer;
- (ii) the “acceptance condition” means the condition set out in paragraph 1(a) of Part A of this Appendix I;
- (iii) the “Offer becoming unconditional” means the acceptance condition becoming or being declared satisfied whether or not any other condition of the Offer remains to be fulfilled and references to the Offer having become or not become unconditional shall be construed accordingly;
- (iv) “acceptances of the Offer” includes deemed acceptances of the Offer; and
- (v) the “Offer Period” means, in relation the Offer, the period commencing on 8 December 2008 until the latest of:
  - (a) 1.00 p.m. on 30 December 2008;
  - (b) the time and date when the Offer lapses; or
  - (c) the time and date when the Offer becomes unconditional.

**1. Acceptance period**

- (a) The Offer will initially be open for acceptance until 1.00 p.m. on 30 December 2008. Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 days (or such other period as the Panel may permit) from the date on which written notification of the revision is posted to Blue Oar Shareholders. Except with the Panel’s consent, no revision of the Offer may be made or posted after 24 January 2009 or, if later, the date falling 14 days before the last date the Offer can become unconditional.
- (b) The Offer, whether revised or not, shall not (except with the Panel’s consent) be capable of becoming unconditional after midnight on 7 February 2009 (or any earlier time and/or date beyond which Evolve has stated that the Offer will not be extended unless Evolve has, where permitted, withdrawn that statement or extended the Offer beyond the stated earlier date), nor of being kept open for acceptance after that time and date unless it has previously become unconditional, provided that Evolve reserves the right, with the Panel’s consent, to extend the Offer to a later time(s) and/or date(s). Except with the Panel’s consent, Evolve may not, for the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received or purchases of Blue Oar Shares made after 1.00 p.m. on 7 February 2009 (or any earlier time and/or date beyond which Evolve has stated that the Offer will not be extended unless where permitted, it has withdrawn that statement or extended the offer beyond the stated earlier date) or, if the Offer is so extended, any such later time(s) and/or date(s) as may be agreed with the Panel. If the latest time at which the Offer may become unconditional is extended beyond midnight on 7 February 2009, acceptances received and purchases of Blue Oar Shares made in respect of which relevant documents are received by Share Registrars after 1.00 p.m. on 7 February 2009 may (except where the Code otherwise permits) only be taken into account with the Panel’s agreement.
- (c) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is stated by or on behalf of Evolve that the Offer will remain open until further notice, or if the Offer will remain open beyond midnight on 7 February 2009, then not less than 14 days’ notice in writing will be given, before closing the Offer, to those Blue Oar Shareholders who have not accepted the Offer.
- (d) If a competitive situation arises after Evolve has made a “no extension” statement and/or a “no increase” statement in relation to the Offer, Evolve may, if it specifically reserved the right to do so at the time such statement was made, or otherwise with the Panel’s consent, withdraw that



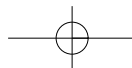


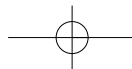
statement and extend or revise the Offer (as appropriate) provided that it complies with the requirements of the Code and, in particular, that:

- (i) it announces such withdrawal and that it is free to extend or revise the Offer (as appropriate) as soon as possible (and in any event within four Business Days of the firm announcement of the competing offer or other competitive situation) and Blue Oar Shareholders are informed in writing at the earliest practicable opportunity or, in the case of Blue Oar Shareholders with registered addresses outside the UK or whom Evolve knows to be a nominee, trustee or custodian holding Blue Oar Shares for such persons, by announcement in the UK; and
  - (ii) any Blue Oar Shareholders who accepted the Offer after the date of the “no extension” or “no increase” statement are given a right of withdrawal in accordance with paragraph 3(c) of this Part B. Evolve may, if it has reserved the right to do so, choose not to be bound by a “no increase” or a “no extension” statement if it would otherwise prevent the posting of an increased or improved offer (either as to the value or nature of the consideration offered or otherwise) which is recommended for acceptance by the Blue Oar Board or in other circumstances permitted by the Panel.
- (e) For the purpose of determining at any particular time whether the acceptance condition has been satisfied, Evolve shall be entitled to take account only of those Blue Oar Shares carrying voting rights which have been unconditionally allotted or issued before that time and written notice of allotment or issue of which, containing all the relevant details, has been received before that time by Share Registrars from Blue Oar or its agents at the address specified in paragraph 3(a) of this Part B. Telex, e-mail or facsimile transmission will not be sufficient.

## 2. Announcements

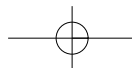
- (a) By 8.00 a.m. on the Business Day (the “relevant day”) following the day on which the Offer is due to expire or becomes unconditional or is revised or extended, as the case may be (or such later time(s) or date(s) as the Panel may agree), Evolve will make an appropriate announcement and simultaneously inform a Regulatory Information Service of the position. The announcement will also state (unless otherwise permitted by the Panel) the total number of Blue Oar Shares and rights over Blue Oar Shares (as nearly as practicable):
  - (i) for which acceptances of the Offer have been received;
  - (ii) acquired or agreed to be acquired by or on behalf of Evolve or any person acting in concert with it during the course of the Offer Period;
  - (iii) held by or on behalf of Evolve or any person acting in concert with it before the Offer Period; and
  - (iv) for which acceptances of the Offer have been received from any person acting in concert with Evolve, and will specify the percentage of the Blue Oar Shares represented by each of these figures.
- (b) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day (as defined in paragraph 2(a) of this Part B) or such later time(s) and/or date(s) as the Panel may agree. The announcement will state the next expiry date unless the Offer is then unconditional, in which case a statement may instead be made that the Offer will remain open until further notice. In computing the number of Blue Oar Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes acceptances and purchases which are not complete in all respects or which are subject to verification save that those which could not be counted towards fulfilment of the acceptance condition under Notes 4 and 5 of Rule 10 of the Code shall not (unless agreed by the Panel) be included.
- (c) In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Evolve include the release of an announcement by public relations consultants or by Fairfax to the press and the delivery by hand or telephone or facsimile or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service (unless otherwise agreed by the Panel).

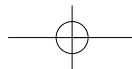




### 3. Rights of withdrawal

- (a) If Evolve, having announced the Offer to be unconditional, fails to comply by 3.30 p.m. on the relevant day (as defined in paragraph 2(a) of this Part B) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 2(a) of this Part B, an accepting Blue Oar Shareholder may (unless the Panel agrees otherwise) immediately thereafter withdraw his acceptance of the Offer by written notice received by hand or by post by Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. Alternatively, in the case of Blue Oar Shares in uncertificated form, withdrawals can also be effected in the manner set out in paragraph 3(e) of this Part B. Subject to paragraph 1(b) of this Part B, this right of withdrawal may be terminated not less than eight days after the relevant day by Evolve confirming, if that be the case, that the Offer is still unconditional, and complying with the other requirements specified in paragraph 2(a) of this Part B. If any such confirmation is given, the first period of 14 days referred to in paragraph 1(c) of this Part B will run from the date of such confirmation and compliance.
- (b) If by 1.00 p.m. on 20 January 2009 (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional, an accepting Blue Oar Shareholder may withdraw his acceptance at any time thereafter by written notice in the manner referred to in paragraph 3(a) of this Part B (or, in the case of Blue Oar Shares held in uncertificated form, in the manner set out in paragraph 3(e) of this Part B) before the earlier of (i) the time when the Offer becomes unconditional, and (ii) the final time for lodgement of acceptances of the Offer which can be taken into account in accordance with paragraph 1(b) of this Part B.
- (c) If a “no extension” statement and/or a “no increase” statement has been withdrawn in accordance with paragraph 1(d) of this Part B, any Blue Oar Shareholder who accepted the Offer after the date of the statement may withdraw his acceptance in the manner referred to in paragraph 3(a) of this Part B (or, in the case of Blue Oar Shares held in uncertificated form, in the manner set out in paragraph 3(e) of this Part B), not later than the eighth day after the date on which written notice of withdrawal of the statement is posted to Blue Oar Shareholders.
- (d) Except as provided by this paragraph 3, acceptances under the Offer shall be irrevocable. In this paragraph 3, “written notice” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Blue Oar Shareholder(s) or his/their agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to Evolve). E-mail or facsimile transmissions or copies will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to Evolve or its agents to have been sent from, a Restricted Jurisdiction will be treated as valid.
- (e) In the case of Blue Oar Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 3(a), 3(b) or 3(c) of this Part B, an accepting Blue Oar Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:
- (i) the number of Blue Oar Shares to be withdrawn, together with their ISIN number which is GB0031792194;
  - (ii) the member account ID of the accepting shareholder, together with his participant ID;
  - (iii) the member account ID of the Escrow Agent (EVOBLU01) included in the relevant Electronic Acceptance, together with the Escrow Agent’s participant ID (7RA36);
  - (iv) the transaction reference number of the Electronic Acceptance to be withdrawn;
  - (v) the intended settlement date for the withdrawal;
  - (vi) the corporate action number for the Offer; and
  - (vii) input with standard delivery instruction priority of 80.

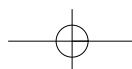




Any such withdrawal will be conditional upon Share Registrars verifying that the withdrawal request is validly made. Accordingly, Share Registrars will on behalf of Evolve reject the withdrawal by transmitting in CREST a receiving agent reject (AEAD) message or accept the withdrawal by transmitting in CREST a receiving agent accept (AEAN) message.

#### 4. Revised offer

- (a) No revision of the Offer is envisaged. However, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and such revision represents on the date on which it is announced (on such basis as Fairfax may consider appropriate) an improvement or no diminution in the value of the revised Offer compared with the consideration or terms previously offered or in the overall value received and/or retained by a Blue Oar Shareholder (under the Offer or otherwise), the benefit of the revised Offer will, subject to paragraphs 4(c), 4(d) and 7 of this Part B, be made available to any Blue Oar Shareholder who has accepted the Offer in its original or any previously revised form(s) (a “previous acceptor”). The acceptance of the Offer by or on behalf of a previous acceptor in its original or any previously revised form(s) shall, subject as provided in paragraphs 4(c), 4(d) and 7 of this Part B, be treated as an acceptance of the Offer as so revised and shall also constitute the separate appointment of Evolve and each of the Evolve Directors and Fairfax and each of its directors as his attorney and/or agent with authority (i) to accept any such revised offer on behalf of such previous acceptor, (ii) if such revised offer includes alternative forms of consideration, to make such elections for and/or accept such alternative forms of consideration in the proportions such attorney and/or agent in his absolute discretion thinks fit, and (iii) to execute on behalf of and in the name of such previous acceptor all such further documents (if any) as may be required to give effect to such acceptances and/or elections. In making any such election and/or acceptance, such attorney and/or agent shall take into account the nature of any previous acceptances made by or on behalf of the previous acceptor and such other facts or matters as he may reasonably consider relevant.
- (b) Subject to paragraphs 3(c) and 4(d) of this Part B, the powers of attorney and authorities conferred by this paragraph 4 and any acceptance of a revised Offer and/or any election(s) pursuant thereto shall be irrevocable unless and until the previous acceptor becomes entitled to withdraw his acceptance under paragraph 3 of this Part B and duly and validly does so.
- (c) The deemed acceptance referred to in paragraph 4(a) of this Part B shall not apply, and the authorities conferred by that paragraph shall not be exercised, to the extent that a previous acceptor:
- (i) in respect of Blue Oar Shares in certificated form, lodges with Share Registrars, within 14 days of the posting of the document containing the revised Offer, a Form of Acceptance in which he validly elects to receive the consideration receivable by him under such revised Offer in some other manner than that set out in his original or any previous acceptance; or
  - (ii) in respect of Blue Oar Shares in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:
    - (A) the number of Blue Oar Shares in respect of which the changed election is made, together with their ISIN number which is GB0031792194;
    - (B) the member account ID of the previous acceptor, together with his participant ID;
    - (C) the member account ID of the Escrow Agent which is EVOBLU01 included in the relevant Electronic Acceptance, together with the Escrow Agent’s participant ID which is 7RA36;
    - (D) the transaction reference number of the Electronic Acceptance in respect of which the election is to be changed;
    - (E) the intended settlement date for the changed election;
    - (F) the corporate action number for the Offer;



and, in order that the desired change of election can be effected, must include;

(G) the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon Share Registrars verifying that the request is validly made. Accordingly Share Registrars will on behalf of Evolve reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) message or a receiving agent accept (AEAN) message as appropriate.

- (d) The deemed acceptance referred to in paragraph 4(a) of this Part B shall not apply, and the authorities conferred by that paragraph shall not be exercised, if as a result thereof, the previous acceptor would (on such basis as Evolve may consider appropriate) thereby receive less in aggregate in consideration under the revised Offer than he would have received in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted by him or on his behalf. The authorities conferred by paragraph 4(a) of this Part B shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph.
- (e) Subject to paragraphs 4(c) and (d) of this Part B, Evolve reserves the right to treat an executed Form of Acceptance or TTE instruction (in respect of the Offer in its original or any previously revised form(s)) which is received (or dated) on or after the announcement of any revised Offer as a valid acceptance of the revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration. Such acceptances shall constitute an authority in the terms of paragraph 4(a) of this Part B, *mutatis mutandis*, on behalf of the relevant Blue Oar Shareholder.

#### 5. Acceptances and Purchases

Except as otherwise agreed by the Panel:

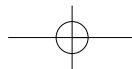
- (a) an acceptance of the Offer shall not be treated as valid for the purposes of the acceptance condition unless the requirements of Note 4 and, if applicable, Note 6 of Rule 10 of the Code are satisfied in respect of it;
- (b) a purchase of Blue Oar Shares by Evolve or its nominee(s) or, in the case of a Rule 9 offer, any person acting in concert with Evolve or its nominee will only be treated as valid for the purposes of the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 of Rule 10 of the Code are satisfied in respect of it; and
- (c) before the Offer may become unconditional, Share Registrars must have issued a certificate to Evolve which states the number of Blue Oar Shares in respect of which acceptances have been received and which comply with paragraph 5(a) of this Part B, and the number of Blue Oar Shares otherwise acquired, whether before or during the Offer Period, which comply with paragraph 5(b) of this Part B. Copies of the certificate will be sent to the Panel and to the financial advisers of Blue Oar as soon as possible after issue.

#### 6. General

- (a) Except with the Panel's consent, the Offer will lapse unless all of the conditions have been satisfied or (if capable of waiver) waived or, where appropriate, have been determined by Evolve in its reasonable opinion to be or remain satisfied in each case by midnight on 7 February 2009 or by midnight on the date which is 21 days after the date on which the Offer becomes unconditional, whichever is the later, or such later date(s) as Evolve may, with the Panel's consent, decide. If the Offer lapses for any reason, then it shall cease to be capable of further acceptance and Evolve and Blue Oar Shareholders shall cease to be bound by prior acceptances.
- (b) Except with the Panel's consent, settlement of the consideration to which any Blue Oar Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Evolve may otherwise be, or claim to be, entitled as against such Blue Oar Shareholder and will be effected in the manner described in Part II of this document.

- (c) The Offer is made on 9 December 2008 and is capable of acceptance from that date. Copies of this document, the Form of Acceptance and any related documents are available from Share Registrars, at the address set out in paragraph 3(a) of this Part B.
- (d) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires.
- (e) (i) The Offer, all acceptances of it and all elections pursuant to it, the Form of Acceptance, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between a Blue Oar Shareholder and Evolve, Fairfax or Share Registrars shall be governed by and interpreted in accordance with English law.
- (ii) Execution of a Form of Acceptance by or on behalf of a Blue Oar Shareholder will constitute his agreement that the Courts of England are (subject to paragraph 6(e)(iii) of this Part B) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Form of Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance, and for such purposes that he irrevocably submits to the jurisdiction of the English Courts.
- (iii) Execution of a Form of Acceptance by or on behalf of an accepting Blue Oar Shareholder will constitute his agreement that the agreement in paragraph 6(e)(ii) of this Part B is included for the benefit of Evolve, Fairfax and Share Registrars and accordingly, notwithstanding the exclusive agreement in paragraph 6(e)(ii) of this Part B, Evolve, Fairfax and Share Registrars shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that the accepting Blue Oar Shareholder irrevocably submits to the jurisdiction of the courts of any such country.
- (f) If the expiry date of the Offer is extended, any reference in this document and in the Form of Acceptance to 30 December 2008 shall, except in the definition of "Offer Period" and paragraph 1(a) of this Part B and where the context otherwise requires, be deemed to refer to the expiry date of the Offer as so extended.
- (g) Any omission to despatch this document or the Form of Acceptance or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to paragraph 7 of this Part B, the Offer extends to any such person and to all Blue Oar Shareholders to whom this document, the Form of Acceptance and any related documents may not be despatched and who may not receive such documents, and such persons may collect copies of those documents from Share Registrars at the address set out in paragraph 3(a) of this Part B.
- (h) If the Offer lapses:
- (i) in respect of Blue Oar Shares held in certificated form, Forms of Acceptance, share certificates and/or other documents of title will be returned by post (or by such other method as the Panel may approve) within 14 days of the Offer lapsing, at the risk of the Blue Oar Shareholder concerned, to the person or agent whose name and address is set out in the relevant Box of the Form of Acceptance or, if none is set out, to the first-named holder at his registered address (no such documents will be sent to an address in a Restricted Jurisdiction); and
- (ii) in respect of Blue Oar Shares held in uncertificated form, Share Registrars will, as soon as is reasonably practicable after the Offer lapses (or within such longer period as the Panel may permit), give TFE instructions to Euroclear to transfer all Blue Oar Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Blue Oar Shareholders concerned.

- (i) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix I or in the Form of Acceptance are given by way of security for the performance of the obligations of the Blue Oar Shareholder concerned and are irrevocable (in respect of powers of attorney in accordance with section 4 of the Powers of Attorney Act 1971 except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part B and duly does so.
- (j) Without prejudice to any other provisions of this Part B, Evolve reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places or in any manner determined by either of them or otherwise than as set out in this document or, in respect of Blue Oar Shares held in certificated form, in the Form of Acceptance.
- (k) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Blue Oar Shareholders will be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) and/or other document(s) of title will be given by or on behalf of Evolve.
- (l) Evolve reserves the right to notify any matter (including the making of the Offer) to all or any Blue Oar Shareholder(s) with (i) registered addresses outside the UK or (ii) whom Evolve knows to be nominees, trustees or custodians for such Blue Oar Shareholder(s) with registered addresses outside the UK by announcement or paid advertisement in any daily newspaper published and circulated in the UK or any part thereof, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such shareholders to receive or see such notice. All references in this document to notice in writing (other than in paragraph 3 of this Part B) shall be construed accordingly.
- (m) If sufficient acceptances are received and/or sufficient Blue Oar Shares are otherwise acquired, Evolve intends to apply the provisions of sections 979 to 982 of the 2006 Act to acquire compulsorily any outstanding Blue Oar Shares.
- (n) Evolve intends, after it announces that all of the conditions to the Offer have been satisfied or (if capable of waiver) waived, to procure the making of an application by Blue Oar to the London Stock Exchange for the cancellation of admission to trading on AIM of the Blue Oar Shares. It is anticipated that should such an application be made the cancellation will take effect either: (i) no earlier than 20 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 acceptances are received pursuant to the Offer and provided Blue Oar Shareholders approve the cancellation in general meeting or (ii) on admission of the Enlarged Share Capital to trading on AIM should valid acceptances be received pursuant to the Offer of 75 per cent. or more.
- (o) Execution of a Form of Acceptance will constitute an instruction to Evolve that, on the Offer becoming unconditional in all respects, all mandates and other instructions or notices recorded in Blue Oar's records immediately prior to the Offer becoming so unconditional in relation to Blue Oar Shares will, unless and until revoked or varied, continue in full force, *mutatis mutandis*, in relation to the New Evolve Shares allotted or issued to Blue Oar Shareholders pursuant to the Offer.
- (p) If the Panel requires Evolve to make an offer for Blue Oar Shares under the provisions of Rule 9 of the Code, Evolve may make such alterations to the conditions of the Offer as are necessary to comply with the provisions of that Rule.
- (q) All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date of this document).
- (r) In relation to any acceptance of the Offer in respect of a holding of Blue Oar Shares which are in uncertificated form, Evolve reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such



alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the Panel's consent.

- (s) For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.

#### 7. Overseas shareholders

- (a) The making of the Offer in, or to persons resident in, or to nationals or citizens of, jurisdictions outside the UK or to nominees of, or custodians or trustees for, citizens or nationals of other countries ("overseas shareholders") may be affected by the laws of the relevant jurisdictions. Such overseas shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any overseas shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such overseas shareholder will be responsible for any such issue, transfer or other taxes or other payments by whomsoever payable and Evolve (and any person acting on behalf of them) shall be fully indemnified and held harmless by such shareholder for any such issue, transfer or other taxes or duties as Evolve (and any person acting on behalf of them) may be required to pay.

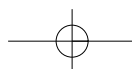
**If you are an overseas shareholder and you are in doubt about your position, you should consult your independent professional adviser in the relevant jurisdiction.**

- (b) In particular the Offer is not being made in or into and is not capable of acceptance in or from a Restricted Jurisdiction. In addition, it is not currently intended that the Offer will be made, directly or indirectly, in or into or by use of the mails or any means or instrumentality (including, without limitation, by means of facsimile or electronic transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a securities exchange of, or in or into, the United States. Accordingly, copies of this document, the Form of Acceptance and any related offering documents are not being, and must not be, mailed or otherwise distributed or sent in or into the United States.

Persons receiving such documents (including without limitation, custodians, trustees and nominees) must not mail, forward, or distribute or send them, directly or indirectly, in, into or from a Restricted Jurisdiction or use a Restricted Jurisdiction's mail or any such means or instrumentality or facility for any purpose, directly or indirectly, in connection with the Offer. Doing so may invalidate any purported acceptance of the Offer. Persons wishing to accept the Offer must not use such mails or any such means or instrumentality or facility directly or indirectly for any purpose directly or indirectly related to acceptance of the Offer.

Envelopes containing a Form of Acceptance should not be postmarked in a Restricted Jurisdiction or otherwise despatched from a Restricted Jurisdiction and all accepting Blue Oar shareholders must provide addresses outside a Restricted Jurisdiction for the receipt of certificates for the New Evolve Shares, or for the return of the Form of Acceptance, share certificates and/or other document(s) of title.

- (c) The New Evolve Shares have not been and will not be registered under the US Securities Act, or any state securities laws, nor have relevant clearances been obtained from the securities commission or similar authority of any province or territory in Canada and no prospectus has been filed or registration made under any securities laws of any province or territory of Canada, nor has a prospectus in relation to the New Evolve Shares been lodged with or registered by the Australian Securities Commission, nor have any steps been taken to enable the New Evolve Shares to be offered in compliance with applicable securities laws of the Republic of South Africa or Japan. The New Evolve Shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, US persons, or in or into Canada, Australia, the Republic of South Africa or Japan.



- (d) A Blue Oar Shareholder will be deemed not to have validly accepted the Offer if:
- (i) he puts "NO" in Box 4 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph (b) of Part C of this Appendix I;
  - (ii) having had inserted in or having completed Box 3 of the Form of Acceptance with a registered address in a Restricted Jurisdiction, he does not insert in Box 5 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer and/or any documents to be sent;
  - (iii) he inserts in Box 5 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer and/or any documents to be sent; or
  - (iv) in any case, the Form of Acceptance received from him is received in an envelope postmarked in, or which otherwise appears to Evolve or its agent to have been sent from, a Restricted Jurisdiction; or
  - (v) he makes a Restricted Escrow Transfer pursuant to paragraph 7(h) below unless he also makes a related Restricted ESA instruction which is accepted by Share Registrars.

Evolve reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part C or (as the case may be) Part D of this Appendix I could have been truthfully given by the relevant Blue Oar Shareholder and, if such investigation is made and, as a result, Evolve cannot satisfy itself that such representation and warranty was true and correct, the acceptance shall not be valid. Evolve will not issue New Evolve Shares or authorise the delivery of any documents of title in respect of New Evolve Shares in, into or from a Restricted Jurisdiction or to any person (i) who is, or who Evolve has reason to believe is, a US person or resident in Canada, Australia, the Republic of South Africa or Japan or (ii) who is unable or fails to give the representations and warranties set out in paragraph (b) of Part C or (as the case may be) Part D of this Appendix I or (iii) with a registered address in a Restricted Jurisdiction.

- (e) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related offering documents, in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including without limitation, facsimile or electronic transmission, telephone or internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such person should:
- (i) inform the recipient of such fact;
  - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - (iii) draw the attention of the recipient to this paragraph 7.
- (f) If any written notice from a Blue Oar Shareholder withdrawing his acceptance in accordance with paragraph 3 of Part B of this Appendix I is received in an envelope postmarked in, or which otherwise appears to Evolve or its agents to have been sent from, a Restricted Jurisdiction, Evolve reserves the right in its absolute discretion to treat that notice as invalid.

**Any acceptance of the Offer by Blue Oar Shareholders who are unable to give the representations and warranties set out in paragraph (b) of Part C or (as the case may be) Part D of this Appendix I is liable to be disregarded.**

- (g) These provisions and any other terms of the Offer relating to overseas shareholders may be waived, varied or modified as regards specific Blue Oar Shareholders or on a general basis by Evolve in its absolute discretion. Subject thereto, the provisions of this paragraph 7 supersede any terms of the Offer inconsistent with them. References in this paragraph 7 to a Blue Oar Shareholder include references to the person or persons executing a Form of Acceptance and, if

more than one person executes the Form of Acceptance, the provisions of this paragraph 7 shall apply to them jointly and severally.

- (h) If a Blue Oar Shareholder holding Blue Oar Shares in uncertificated form cannot give the warranty set out in (b) of Part D of this Appendix I, but nevertheless can provide evidence satisfactory to Evolve that he can accept the Offer in compliance with all relevant legal and regulatory requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both (i) a Transfer to Escrow instruction to a designated escrow balance detailed below (a "Restricted Escrow Transfer") and (ii) one or more valid ESA instructions (a "Restricted ESA instruction"). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and Evolve decides, in its absolute discretion, to exercise its right described in paragraph 7(g) of Part B of this Appendix I to waive, vary or modify the terms of the Offer relating to overseas shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1(a) of Part B of this Appendix I. If Evolve accordingly decides to permit such acceptance to be made, Share Registrars will on behalf of Evolve accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Share Registrars will on behalf of Evolve reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:
- (i) the corporate action ISIN number for the Blue Oar Shares which is GB0031792194;
  - (ii) the number of Blue Oar Shares in respect of which the Offer is to be accepted;
  - (iii) the member account ID and participant ID of the Blue Oar Shareholder;
  - (iv) the participant ID of the Escrow Agent (this is 7RA36) and its member account ID specific to a Restricted Escrow Transfer (this is EVOBLU02);
  - (v) the intended settlement date;
  - (vi) the corporate action number for the Offer; and
  - (vii) input with standard delivery instruction priority of 80.

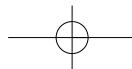
Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- (i) the corporate action ISIN number for the Blue Oar Shares which is GB0031792194;
- (ii) the number of Blue Oar Shares relevant to that Restricted ESA instruction;
- (iii) the member account ID and participant ID of the accepting Blue Oar Shareholder;
- (iv) the member account ID and participant ID of the Escrow Agent (this is 7RA36) set out in the Restricted Escrow Transfer (this is EVOBLU01);
- (v) the transaction reference number of the Restricted Escrow Transfer to which the Restricted ESA instruction relates;
- (vi) the intended settlement date;
- (vii) the corporate action number for the Offer; and
- (viii) input with standard delivery instruction priority 80.

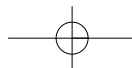
#### **PART C: Form of Acceptance**

Each Blue Oar Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Evolve and Share Registrars (so as to bind him, his personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance, whether or not any boxes are completed, shall constitute an acceptance of the Offer in respect of the number of Blue Oar Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance on and subject to the



- terms and conditions set out or referred to in this document and in the Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part B of this Appendix I, each such acceptance shall be irrevocable;
- (b) unless “NO” is put in Box 4 of the Form of Acceptance, that such Blue Oar Shareholder:
- (i) has not received or sent copies or originals of this document, the Form of Acceptance or any related offering documents in, into or from a Restricted Jurisdiction, has not utilised in connection with the Offer, directly or indirectly, the mails of or any means of instrumentality (including, without limitation, by means of facsimile or electronic transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a securities exchange of, a Restricted Jurisdiction, was outside a Restricted Jurisdiction when the Form of Acceptance was delivered and at the time of accepting the Offer, and is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction;
  - (ii) is not acquiring and will not hold any New Evolve Shares for the account or benefit of a US person or with a view to or for the purposes of the offer, sale or delivery, directly or indirectly, of any New Evolve Shares in or into a Restricted Jurisdiction;
  - (iii) the Form of Acceptance has not been mailed or otherwise sent in, into or from a Restricted Jurisdiction or signed in any of those jurisdictions and such shareholder is accepting the Offer from outside a Restricted Jurisdiction; and
  - (iv) (if such Blue Oar Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom) has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all necessary formalities and paid any issue, transfer or other taxes or duties or other payments due in such jurisdiction in connection with his acceptance of the Offer and that such acceptance will not result in Evolve or the Evolve Directors, officers, agents or employees acting in breach of any legal or regulatory requirements in such jurisdiction;
- (c) that the execution of the Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Blue Oar Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of Evolve as such shareholder’s attorney and/or agent (the attorney) and an irrevocable instruction and authorisation to the attorney:
- (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the Blue Oar Shares referred to in paragraph (a) of this Part C in favour of Evolve or such other person or persons as Evolve or its agents may direct;
  - (ii) to deliver such form(s) of transfer and/or other document(s) in the attorney’s discretion and/or the certificate(s) and/or other document(s) of title relating to such Blue Oar Shares for registration within 6 months of the Offer becoming unconditional in all respects; and
  - (iii) to do all such other acts and things as may in the attorney’s opinion be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer pursuant to the Form of Acceptance and to vest the Blue Oar Shares referred to in paragraph (a) of this Part C in Evolve or its nominee;
- (d) that, in relation to Blue Oar Shares in certificated form, the execution of the Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects and to an accepting Blue Oar Shareholder not having validly withdrawn his acceptance, an irrevocable authority and request:
- (i) to Blue Oar or its agents to procure the registration of the transfer of those Blue Oar Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of the Blue Oar Shares to Evolve or as it may direct;
  - (ii) subject to the provisions of paragraph 7 of Part B of this Appendix I, to Evolve and its agents to procure that such Blue Oar Shareholder’s name is entered on the register of members of Evolve in respect of any New Evolve Shares to which he becomes entitled



- pursuant to the Offer and to procure the issue of a definitive certificate for such New Evolve Shares;
- (iii) to Evolve and its agents to procure the despatch by post (or by such other method as the Panel may approve) of document(s) of title for any New Evolve Share(s) to which an accepting Blue Oar Shareholder is entitled, at the risk of such shareholder, to the person or agent whose name and address outside a Restricted Jurisdiction is set out in Box 1 of the Form of Acceptance, or if no name and address is set out in Box 1, to the first named holder at his registered address outside a Restricted Jurisdiction;
  - (e) that the execution of the Form of Acceptance and its delivery constitutes a separate authority to Evolve and/or the Evolve Directors within the terms of paragraph 4 of Part B of this Appendix I in respect of the Blue Oar Shares in certificated form referred to in paragraph (a) of this Part C;
  - (f) that, subject to the Offer becoming or being declared unconditional in all respects (or if the Offer will become unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Panel consents) and pending registration:
    - (i) Evolve or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Blue Oar or of any class of its shareholders) attaching to any Blue Oar Shares in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
    - (ii) the execution of a Form of Acceptance in respect of the Blue Oar Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
      - (A) constitutes an authority to Blue Oar from such Blue Oar Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of Blue Oar to Evolve at its registered office;
      - (B) constitutes an authority to Evolve or any Evolve Director to sign any consent to short notice of a general or separate class meeting as his attorney and/or agent and on his behalf and/or to attend and/or execute a form of proxy in respect of such Blue Oar Shares appointing any person nominated by Evolve to attend general and separate class meetings of Blue Oar (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and
      - (C) will also constitute the agreement of such Blue Oar Shareholder not to exercise any of such rights without the consent of Evolve and the irrevocable undertaking of such Blue Oar Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
  - (g) that he will deliver or procure the delivery to Share Registrars at the address referred to in paragraph 3(a) of Part B of this Appendix I of his share certificate(s) or other document(s) of title in respect of all Blue Oar Shares in certificated form held by him in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to Evolve in lieu thereof, as soon as possible and in any event within 6 months of the Offer becoming unconditional in all respects;
  - (h) that he is the sole legal and beneficial owner of the Blue Oar Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted or he is the legal owner of such Blue Oar Shares and he has the necessary capacity and authority to execute the Form of Acceptance;
  - (i) that the Blue Oar Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up and free from all liens, equities, charges, encumbrances and other third party rights and/or interests and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain all dividends, interests and other distributions (if any) declared, made or paid after 8 December 2008;
  - (j) that the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;

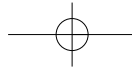
- (k) that he will do all such acts and things as shall be necessary or expedient to vest the Blue Oar Shares referred to in paragraph (a) of this Part C in Evolve or its nominee(s) or such other persons as it may decide;
- (l) that he agrees to ratify each and every act or thing which may be done or effected by Evolve or Share Registrars or any Evolve Director or any director of Share Registrars or their respective agents or Blue Oar or its agents, as the case may be, in the exercise of any of his powers and/or authorities under this document;
- (m) that the execution of the Form of Acceptance constitutes his agreement to the terms of paragraphs 6(e)(i), (ii) and (iii) of Part B of this Appendix I;
- (n) that on execution the Form of Acceptance shall take effect as a deed; and
- (o) that if any provision of Part B or Part C of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Evolve or Share Registrars or any director of any of them the benefit or authority expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents as may be required to enable Evolve and/or Share Registrars and/or any director of any of them to secure the full benefits of Part B and this Part C.

References in this Part C to a Blue Oar Shareholder shall include references to the person or persons executing a Form of Acceptance, and if more than one person executes a Form of Acceptance, the provisions of this Part C shall apply to them jointly and severally.

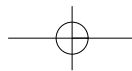
#### **PART D: Electronic Acceptance**

Each Blue Oar Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Evolve and Share Registrars (so as to bind him, his personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the Electronic Acceptance shall constitute an acceptance of the Offer in respect of the number of Blue Oar Shares in uncertificated form to which the relevant TTE instruction relates on and subject to the terms and conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part B of this Appendix I, each such acceptance shall be irrevocable;
- (b)
  - (i) that such Blue Oar Shareholder has not received or sent copies or originals of this document, the Form of Acceptance or any related offering documents, in, into or from a Restricted Jurisdiction, has not utilised in connection with the Offer, directly or indirectly, the mails of or any means of instrumentality (including, without limitation, by means of facsimile or electronic transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a securities exchange of, a Restricted Jurisdiction, was outside the United States at the time of the input and settlement of the relevant TTE instruction(s), and in respect of the Blue Oar Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction;
  - (ii) is not acquiring and will not hold any New Evolve Shares for the account or benefit of a US person or with a view to or for the purposes of the offer, sale or delivery, directly or indirectly, of any New Evolve Shares in or into a Restricted Jurisdiction; and
  - (iii) that no TTE instruction has been sent from a Restricted Jurisdiction and such Blue Oar Shareholder is accepting the Offer from outside a Restricted Jurisdiction;
- (c) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Blue Oar Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of Evolve as such shareholder's attorney and/or agent (the attorney) and an irrevocable instruction and authorisation to the attorney to do all such acts and things as may in the attorney's opinion be necessary or expedient for the purpose of or in connection with, the acceptance of the Offer and to vest the Blue Oar Shares referred to in paragraph (a) of this Part D in Evolve or its nominee;
- (d) that the Electronic Acceptance constitutes the irrevocable appointment of Share Registrars as such shareholder's attorney and an irrevocable instruction and authority to the attorney (i) subject



- to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Blue Oar Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Evolve or its agents may direct) by means of CREST all or any of the Blue Oar Shares in uncertificated form (but not exceeding the number of Blue Oar Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted) and (ii), if the Offer does not become unconditional in all respects, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), to transfer all such Blue Oar Shares to the original available balance of the accepting Blue Oar Shareholder;
- (e) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects and to an accepting Blue Oar Shareholder not having validly withdrawn his acceptance, an irrevocable authority and request:
- (i) to Evolve or its agents to issue any New Evolve Shares to which such shareholder is entitled in uncertificated form, provided that (aa) Evolve may (if, for any reason, it wishes to do so) determine that all or any of such New Evolve Shares shall be issued in certificated form and (bb) if the Blue Oar Shareholder concerned is a CREST member whose registered address is in a Restricted Jurisdiction, any New Evolve Shares to which such shareholder is entitled shall be issued in certificated form and, at the risk of such shareholder, any relevant share certificates shall be despatched to the first named holder at his registered address outside a Restricted Jurisdiction or as otherwise determined by Evolve;
- (ii) subject to the provisions of paragraph 7 of Part B of this Appendix I, to Evolve and its agents to procure that such Blue Oar Shareholder's name is entered on the register of members of Evolve in respect of any New Evolve Shares to which he becomes entitled pursuant to the Offer;
- (f) that the Electronic Acceptance constitutes a separate authority to Evolve and/or the Evolve Directors within the terms of paragraph 5 of Part B of this Appendix I in respect of the Blue Oar Shares in uncertificated form referred to in paragraph (a) of this Part D;
- (g) that, subject to the Offer becoming or being declared unconditional in all respects (or if the Offer will become unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Panel consents) and pending registration:
- (i) Evolve or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Blue Oar or of any class of its shareholders) attaching to any Blue Oar Shares in uncertificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
- (ii) an Electronic Acceptance in respect of the Blue Oar Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
- (A) constitutes an authority to Blue Oar from such Blue Oar Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of Blue Oar (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Blue Oar Shares into certificated form) to Evolve at its registered office;
- (B) constitutes an authority to Evolve or any Evolve Director to sign any consent to short notice of a general or separate class meeting as his attorney and/or agent and on his behalf and/or attend and/or execute a form of proxy in respect of such Blue Oar Shares appointing any person nominated by Evolve to attend general and separate class meetings of Blue Oar (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and
- (C) will also constitute the agreement of such Blue Oar Shareholder not to exercise any of such rights without the consent of Evolve and the irrevocable undertaking of such Blue Oar Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;



- (h) that he is the sole legal and beneficial owner of the Blue Oar Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted or he is the legal owner of such Blue Oar Shares and he has the necessary capacity and authority to effect an Electronic Acceptance;
- (i) that the Blue Oar Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up and free from all liens, equities, charges, encumbrances and other third party rights and/or interests and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and return all dividends, interests and other distributions (if any) declared, made or paid after 8 December 2008;
- (j) that he will do all such acts and things as shall be necessary or expedient to vest the Blue Oar Shares referred to in paragraph (a) of this Part D in Evolve or its nominee(s) or such other persons as it may decide and all such acts and things as may be necessary or expedient to enable Share Registrars to perform its functions as Escrow Agent for the purposes of the Offer;
- (k) that he agrees to ratify each and every act or thing which may be done or effected by Evolve or Share Registrars or any Evolve Director or any director of Share Registrars or their respective agents or Blue Oar or its agents, as the case may be, in the exercise of any of his powers and/or authorities under this document;
- (l) that if, for any reason, any Blue Oar Shares in respect of which a TTE instruction has been effected in accordance with paragraph 11 of Part II of this document are converted to certificated form, he will (without prejudice to paragraph (g)(ii)(A) of this Part D) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Blue Oar Shares as so converted to Share Registrars at the address referred to in paragraph 3(a) of Part B of this Appendix I or to Evolve at its registered office or as Evolve or its agents may direct; and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix I in relation to such Blue Oar Shares;
- (m) that the making of an Electronic Acceptance constitutes his agreement to the terms of paragraphs 6(e)(i), (ii) and (iii) of Part B of this Appendix I;
- (n) that, by virtue of the CREST Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant Blue Oar Shareholder in the terms of all the powers and authorities expressed to be given by Part B, this Part D and (where applicable by virtue of paragraph (l) above) Part C of this Appendix I to Evolve, Share Registrars and any of their respective agents;
- (o) that if any provision of Part B or Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Evolve or Share Registrars or any director of any of them the benefit or authority expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Evolve and/or Share Registrars and/or any director of either of them to secure the full benefits of Part B and this Part D.

References in this Part D to a Blue Oar Shareholder shall include references to the person or persons making an Electronic Acceptance.

## APPENDIX II

### ADDITIONAL INFORMATION

#### 1. Responsibility for information in this document

The issue of this document has been approved by the Evolve Board. The Evolve Directors, whose names are set out in paragraph 2 below, accept responsibility for the information contained in this save that the only responsibility accepted by them for the information given in relation to Blue Oar, which has been compiled from published sources, has been to ensure that such information has been correctly and fairly reproduced and presented. Subject as aforesaid, 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 document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Evolve Directors accepts responsibility accordingly.

#### 2. Directors

The Evolve Directors and their respective functions are:

Oliver Vaughan *Non-executive Chairman*  
Edward Vandyk *Executive Director*  
Michael Jackson *Non-executive Director*  
James Noble *Non-executive Director*  
David Snow *Non-executive Director*

Each of the Evolve Directors has a business address at 223A Kensington High Street, London W8 6SG, which is the registered office of Evolve.

#### 3. London Stock Exchange Market Quotations

The following table shows the middle market quotations of, respectively, an Evolve Share and a Blue Oar Share as derived from the AIM section of the Daily Official List for the first dealing day in each of the six months prior to the date of this document, on 5 December 2008 (being the last dealing day prior to the commencement of the offer period and the latest available date prior to the publication of this document):

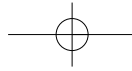
<i>Date</i> <i>(2008)</i>	<i>Evolve</i> <i>Price</i>	<i>Blue Oar</i> <i>Price</i>
2 June	10.00p	13.00p
1 July	9.50p	10.25p
1 August	9.00p	8.75p
1 September	9.00p	9.00p
1 October	9.00p	8.38p
3 November	10.50p	8.75p
1 December	10.50p	9.125p
5 December	10.50p	9.00p

#### 4. Disclosure of interests, undertakings and dealings

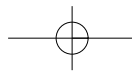
##### (a) *Definitions and references*

For the purposes of this paragraph 4:

- (i) “acting in concert” refers to persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company, and associates of Evolve are presumed to be acting in concert with Evolve for the purposes of the City Code;
- (ii) an “arrangement” includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;



- (iii) “associate” means, in relation to a company:
- (A) subsidiaries and associated companies of such company and companies of which any such subsidiaries or associated companies are associated companies (“relevant companies”);
  - (B) banks, financial and other professional advisers (including stockbrokers) to such company, as the case may be, or any relevant company, including persons controlling, controlled by or under the same control as such banks, financial or other professional advisers;
  - (C) the directors of such company or the directors of any relevant company (together in each case with their close relatives and related trusts);
  - (D) the pension funds of such company or of any relevant company;
  - (E) an investment company, unit trust or other person whose investments an associate manages on a discretionary basis, in respect of the relevant investment accounts;
  - (F) a person who owns or controls 5 per cent. or more of any class of relevant securities issued by such company, including a person who as a result of any transaction owns or controls 5 per cent. or more;
  - (G) a company having a material trading arrangement with such company, and for the purposes of this definition, a “bank” does not include a bank whose sole relationship with such company is the provision of normal commercial banking services or such activities in connection with the Offer as handling acceptances and other registration work; and
  - (H) an employee benefit trust of a relevant company;
- (iv) ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and “control” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company irrespective of whether such interest or interests give *de facto* control;
- (v) “dealing” or “dealt” includes:
- (A) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or of general control of relevant securities;
  - (B) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising or varying an option in respect of any relevant securities;
  - (C) subscribing or agreeing to subscribe for relevant securities;
  - (D) exercising or converting any relevant securities carrying conversion or subscription rights;
  - (E) acquiring, disposing of, entering into, closing out, exercising of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
  - (F) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
  - (G) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (vi) “derivative” includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
- (vii) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative;
- (viii) “interest” in relevant securities includes where a person:
- (A) owns relevant securities;
  - (B) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;



- (C) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (D) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- (ix) “Evolve securities” means any shares in the capital of Evolve or any securities convertible into or rights to subscribe for or options in respect of shares in the capital of Evolve;
- (x) “Blue Oar securities” means any shares in the capital of Blue Oar or any securities convertible into or rights to subscribe for or options in respect of shares in the capital of Blue Oar;
- (xi) “relevant securities” means Evolve securities and Blue Oar securities; and
- (xii) “disclosure period” means the period commencing on 8 December 2007 (being the date 12 months prior to the commencement of the Offer Period) and ending on 5 December 2008 (being the latest practicable date prior to the publication of this document).

(b) ***Shareholdings, interests and dealings in Evolve securities***

- (i) The interests of the Evolve Directors and their immediate families in Evolve securities are set out in paragraph 7 of Part V of the Admission Document. Save as disclosed in that paragraph 7, none of the Evolve Directors, nor their immediate families nor any person connected with an Evolve Director (within the meaning of section 252 of the 2006 Act) have any interest in Evolve securities or any of its subsidiaries, whether beneficial or non-beneficial.
- (ii) In addition to the Evolve Directors, the following persons are acting in concert, for the purposes of the City Code, with Evolve and as at the close of business on 5 December 2008 (being the latest practicable date prior to the publication of this document) had interests in Evolve Shares and percentages of the Evolve Shares in issue as follows:

<i>Name of Shareholder</i>	<i>No. of Evolve Shares</i>	<i>% of Evolve Shares</i>
William Cairns*	3,000,000	6.5
Jamie Vaughan**	1,250,000	2.7
Jeremy Vaughan**	1,250,000	2.7
Thomas Vaughan	2,500,000	5.4

\*held through Jayde Limited, a private company.

\*\*held through Kimono Investment Holdings Limited.

In addition to both the above and the Evolve Directors, the following who are deemed to be acting in concert with Evolve in relation to Blue Oar had no interest in Evolve securities as at the close of business on 5 December 2008 (being the latest practicable date prior to the publication of this document): Albany Capital PLC; Oliver Cairns; Mr and Mrs Barrie Newton; Jamie Vaughan; Jeremy Vaughan; Anoushka Vandyk; Thomas Vandyk; William Vandyk; Simon Wharmby and Westminster Enterprises Limited.

Edward Vandyk, Albany Capital PLC and Barrie Newton, supported by Simon Wharmby, 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. Edward Vandyk has served on several boards and co-invested in several companies alongside his friend Oliver Vaughan. Information about them and the other Evolve Directors is set out in the Admission Document. Their children Jamie Vaughan, Jeremy Vaughan, William Vandyk, Anoushka Vandyk and Thomas Vandyk are deemed to be acting in concert with them because of their family relationships as is Oliver Cairns who is the son of William Cairns. Barrie Newton is the ex managing director of Rowan Dartington and when it was acquired by Blue Oar he joined the Blue Oar board.

Albany Capital PLC is registered in England and Wales with number 3995223 and its shares are traded on AIM. It is an activist and pre-IPO investment company which specialises in arranging the admission of China-based companies to AIM. Its registered office is at 17 Hanover Square, London W1S 1HU. Its Directors are John McLean, Christopher James, Simon Wharmby, Christopher Mills and Timothy James. Its major shareholders are Westminster Enterprises Limited and Timothy James with 29.76 per cent. and 9.8 per cent. respectively of its issued share capital. Simon Wharmby previously worked at Blue Oar Securities and also acted in concert with Edward Vandyk and others in an attempt to obtain control of Portsmouth Harbour Ferry Company PLC. He is a director and shareholder of Albany Capital PLC. Westminster Enterprises Limited, whose directors are Colin Cahill and David Williams is a private company which has its registered office at Hilgrove House, 10 Hilgrove Street, St Helier, Jersey and is deemed to be acting in concert with the foregoing because it holds 29.7 per cent. of Albany Capital PLC's issued share capital and is therefore an "associate" of Albany Capital PLC for the purposes of the Takeover Code definition of acting in concert. 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 (Oliver Vaughan's brother) and William Cairns as members of a vendor concert party created when Dealstore PLC purchased Corporate Synergy PLC in 2001. Oliver Vaughan's sons, Jamie (who is an employee of Blue Oar's subsidiary, Inteq Limited) and Jeremy (who has just left school) are the sole beneficial owners (in equal proportions) of the Evolve Shares and the Blue Oar Shares held by Kimono Investment Holdings Limited. Kimono Investment Holdings Limited is an investment company, whose registered office is Woodbourne Hall Road Town Tortola, British Virgin Islands, owned by a trust. The trustee is HSBC Guyerzeller Trust Company AG, Spluegenstrasse 6, 8027 Zurich, Switzerland.

Evolve and the Evolve Directors are deemed to be acting in concert with each other in relation to Blue Oar. The other persons named in this paragraph (ii) are deemed to be acting in Concert with Evolve as a result of their relationships with the foregoing and have stated that they have no particular intentions for Evolve, save that Jamie Vaughan, William Vandyk and Oliver Cairns have not been consulted and have expressed no intentions for Evolve.

- (iii) The following dealings for value in Evolve securities by Evolve, persons acting in concert with Evolve, associates of Evolve or Evolve Directors and their immediate families, have taken place during the disclosure period:

<i>Date</i>	<i>Name</i>	<i>Nature</i>	<i>No. of Evolve Shares</i>	<i>Price per share</i>
28 December 2007	W Cairns*	Subscription	2,750,000	10.00p
28 December 2007	O Vaughan	Subscription	2,750,000	10.00p
28 December 2007	E Vandyk	Subscription	2,750,000	10.00p
28 December 2007	Jamie Vaughan**	Subscription	1,250,000	10.00p
28 December 2007	Jeremy Vaughan**	Subscription	1,250,000	10.00p
28 December 2007	T Vaughan	Subscription	2,500,000	10.00p
28 December 2007	M Jackson	Subscription	1,500,000	10.00p
28 December 2007	J Noble	Subscription	1,000,000	10.00p
28 December 2007	D Snow	Subscription	750,000	10.00p
30 April 2008	D Snow	Purchase	40,000	9.75p
29 September 2008	D Snow	Purchase	50,000	8.90p

\*Subscription by Jayde Limited, a private company

\*\*Subscription by Kimono Investment Holdings Limited

(c) *Shareholdings, interests and dealings in Blue Oar securities*

- (i) Evolve has no interest in any Blue Oar securities.
- (ii) The following persons are deemed to be acting in concert with Evolve and their interests in Blue Oar and approximate percentage holding in Blue Oar's issued share capital are:

<i>Name</i>	<i>No. of Blue Oar shares</i>	<i>% of Blue Oar's issued share capital</i>
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***	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	5,800,000	3.48
Total	52,842,700	31.73

\* includes 4,340,000 shares held in Edward Vandyk's personal pension fund and 350,000 in Mrs Vandyk's personal pension fund.

\*\* held through Kimono Investment Holdings Limited

\*\*\* including Weighbridge Trust.

\*\*\*\* B Newton's holding shown above includes 8,097,638 Blue Oar shares beneficially held by his wife and 195,048 held in a family trust.

- (iii) The following persons have signed irrevocable undertakings in respect of the numbers of Blue Oar Shares shown below to accept or to procure the acceptance of the Offer:

<i>Name</i>	<i>No. of Blue Oar Shares</i>	<i>Approximate percentage of Blue Oar's issued share capital as at 5 December 2008</i>
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

- (iv) As at the date of this document, save for the interests of Edward Vandyk, Oliver Vaughan and David Snow disclosed in paragraph (c)(ii) above) none of the Evolve Directors, their immediate families or any person connected with an Evolve Director (within the meaning of section 252 of the 2006 Act) have any interest in Blue Oar securities or any of the Blue Oar Group, whether beneficial or non-beneficial.

- (v) The following dealings for value in Blue Oar securities by Evolve, persons acting in concert with Evolve, associates of Evolve or Evolve Directors and their immediate families, have taken place during the disclosure period:

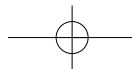
<i>Date</i>	<i>Name</i>	<i>Nature</i>	<i>No. of Blue Oar Shares</i>	<i>Price per share</i>
16 January 2008	E Vandyk	Purchase	100,000	13.25p
17 January 2008	E Vandyk	Sale	100,000	14.625p
14 March 2008	S Wharmby	Sale	250,000	19.00p
19 March 2008	E Vandyk*	Sale	3,943,547	18.50p
19 March 2008	Mrs S Vandyk	Sale	2,765,924	18.50p
19 March 2008	W Cairns	Purchase	3,209,471	18.50p
20 March 2008	E Vandyk	Sale	650,529	18.00p
28 March 2008	B Newton	Sale	8,027,150	18.00p
28 March 2008	Mrs P Newton	Purchase	8,027,150	18.00p
15 April 2008	W Cairns	Sale	175,000	16.50p
15 April 2008	W Cairns	Sale	150,000	14.50p
16 April 2008	W Cairns	Sale	250,000	14.00p
17 April 2008	W Cairns	Sale	100,000	14.00p
21 April 2008	W Cairns	Sale	150,000	14.255p
22 April 2008	W Cairns	Sale	100,000	14.625p
23 April 2008	W Cairns	Sale	300,000	14.875p
25 April 2008	W Cairns	Sale	175,000	14.442p
23 May 2008	W Cairns	Sale	100,000	13.125p
28 May 2008	W Cairns	Sale	100,000	13.25p
2 June 2008	W Cairns	Sale	250,000	13.00p
5 June 2008	W Cairns	Sale	109,471	14.00p
11 June 2008	W Cairns	Sale	250,000	14.00p
17 June 2008	O Cairns	Sale	125,315	13.50p
18 June 2008	O Cairns	Sale	100,000	13.50p
23 June 2008	O Cairns	Sale	100,000	11.875p
25 June 2008	O Cairns	Sale	50,000	10.50p
30 June 2008	O Cairns	Sale	100,000	10.25p
11 July 2008	W Cairns	Sale	2,000,000	5.00p
11 July 2008	E Vandyk*	Purchase	2,000,000	5.00p
10 September 2008	D Snow	Purchase	75,000	10.75p
12 September 2008	D Snow	Purchase	25,000	10.75p
15 September 2008	D Snow	Purchase	50,000	10.75p
15 September 2008	D Snow	Purchase	100,000	10.50p
25 September 2008	E Vandyk	Purchase	2,048,000	8.50p

\*Purchase/sale by personal pension fund

- (vi) William Vandyk, Oliver Cairns and James Vaughan are employees of companies in the Blue Oar Group and have the following options granted under the Blue Oar Option Schemes:

	<i>Number</i>	<i>Exercise price</i>
Oliver Cairns	100,000	19p
Oliver Cairns	175,000	25p
Oliver Cairns	100,000	30p
William Vandyk*	117,000	0p
William Vandyk	150,000	19p
William Vandyk	150,000	25p
William Vandyk	10,000	25p

\*39,000 exercisable when the Blue Oar share price rises to 37.5p and 78,000 exercisable when the Blue Oar share price rises to 50p



(d) **General**

Save as disclosed in this document, as at 5 December 2008 (being the latest practicable date prior to the publication of this document):

- (i) none of Evolve nor any of the Evolve Directors or their immediate families and relatives or any persons acting or deemed to be acting in concert with Evolve nor, so far as the Evolve Directors are aware, any associate of Evolve:
  - (A) had any interest in or a right to subscribe for any relevant securities;
  - (B) engaged in dealing in any relevant securities during the disclosure period;
  - (C) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, any relevant securities; or
  - (D) had borrowed or lent any relevant securities;
- (ii) neither Evolve nor any person acting in concert with Evolve nor, so far as the Evolve Directors are aware, any associate of Evolve is party to any arrangement of the kind referred to in paragraph 4(a)(ii);
- (iii) no agreement, arrangement or understanding (including any compensation arrangement) exists between Evolve or any party acting in concert with it and any of the Blue Oar Directors, recent directors of Blue Oar, shareholders or recent shareholders of Blue Oar, or any person interested or recently interested in Blue Oar securities, having any connection with, or dependence upon, the Offer.

**5. Evolve Directors' service agreements and emoluments**

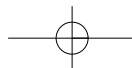
- (a) Details of the service contracts and letters of appointment of the Evolve Directors are set out in paragraph 8 of Part V of the Admission Document.
- (b) Save as disclosed in paragraph 8 of Part V of the Admission Document, there are no service contracts or letters of engagement, existing or proposed, between any Evolve Director and Evolve and no service contracts or letters of engagement have been entered into or amended by Evolve since incorporation.
- (c) There will be no variation in the emoluments received by the Evolve Directors as a consequence of the Offer.
- (d) Except as stated in paragraph 8 of Part V of the Admission Document there have been no amendments made in respect of any Evolve Directors' employment within the sixth months prior to the date of this document.
- (e) There are no arrangements providing for the payment of benefits upon the termination of employment of the Evolve Directors.
- (f) There are no arrangements for providing pension or retirement benefits to the Evolve Directors and therefore no amounts have been set aside or accrued by Evolve to provide pensions, retirement or similar benefits.

**6. Material contracts**

Your attention is drawn to the information on material contracts of Evolve which is contained in paragraph 11 of Part V in the Admission Document accompanying this document.

**7. Material changes**

Evolve has not yet published its first audited accounts. The principal changes to Evolve since incorporation are shown in the interim results for the seven months ended 30 June 2008, which are set out in Section 2 of Part II of the Admission Document. There has been no material change in the financial or trading position of Evolve since 30 June 2008 (being the date to which the interim results



of Evolve were prepared). The changes to the financial or trading position of Blue Oar between 31 December 2007 (being the date to which the last published audited accounts of Blue Oar were prepared) and the 30th June 2008 are shown in the interim results of Blue Oar which are set out in Section D of Part III of the Admission Document.

#### **8. Other information**

- (a) There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Blue Oar Shares to be acquired by Evolve pursuant to the Offer will or may be transferred to any other person, save that Evolve reserves the right to transfer any such shares to any company within the Evolve Group.
- (b) Oliver Vaughan and David Snow are Evolve Directors and were until 5 December 2008 directors of Blue Oar and their resignation from the Blue Oar Board was occasioned by the conflict of interest arising from the Offer. Save for the foregoing and save for the irrevocable undertakings to accept the Offer referred to in paragraph of Part II of this document, there is no agreement, arrangement or understanding between Evolve, an associate of Evolve or any person considered to be acting in concert with Evolve and any director or recent director or shareholder or recent shareholder of Blue Oar or any other person having any connection with or dependence on, or which is conditional on, the outcome of the Offer.
- (c) The Blue Oar Directors are: Gavin Casey, Gordon Lawson, Andrew Monk, Mark Brumby and Christopher Roberts.
- (d) Fairfax has given and has not withdrawn its written consent to the issue of this document with the inclusion therein of references to them in the form and context in which they respectively appear.
- (e) Fairfax, which is authorised and regulated by the FSA, is acting for Evolve and no-one else 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.
- (f) Fairfax has approved this document for the purposes of section 21 of FSMA.

#### **9. Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturday and Sunday excepted) at the offices of Memery Crystal LLP of 44 Southampton Buildings, London WC2A 1AP until 14 days after the Offer lapses or is declared unconditional:

- (a) the Memorandum and Articles of Association of Evolve;
- (b) the unaudited interim results of Evolve for the seven months ended 30 June 2008;
- (c) the Memorandum and Articles of Association of Blue Oar;
- (d) the audited accounts of Blue Oar for each of the three years ended 31 December 2005, 31 December 2006 and 31 December 2007 and the unaudited interim results of Blue Oar for the six months ended 30 June 2008;
- (e) the service contracts referred to in paragraph 5;
- (f) the material contracts referred to in paragraph 6;
- (g) the letter of consent referred to in paragraph 8(d);
- (h) this document;
- (i) the Admission Document;
- (j) the irrevocable undertakings to accept the Offer referred to in Part I of this document; and
- (k) the Form of Acceptance.

Dated 9 December 2008

