

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action to take, you are recommended immediately to seek your own professional advice from your stockbroker, solicitor, accountant or other financial adviser duly authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising upon investments in shares and other securities.

If you have sold or otherwise transferred all of your ordinary shares in Cap Energy Limited, you should send this document, together with the accompanying Forms of Proxy, at once 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.

CAP ENERGY LIMITED

(Registered in England and Wales with Company No. 05351398)

Directors

Timothy Hearley (Chairman)
Lina Haidar (Chief Executive Officer)
Alexander Haly (Non-Executive)
Pierantonio Tassini (Chief Operating Officer)

Registered Office

25 Dover Street
London W1S 4LX
United Kingdom

8 November 2013

Dear Shareholder,

**Reduction of Share Capital and Re-registration as a Public Limited Company
Cancellation of Deferred Shares**

The purpose of this letter is to provide you with a brief summary and explanation of the resolutions proposed by Cap Energy Limited ("**Cap**" or the "**Company**") as set out in the attached notices convening two separate General Meetings ("**GMs**") of the Company ("**Notices of GM**"). It is proposed that the first General Meeting be held at 10.00am on 27 November 2013 (the "**Reduction Meeting**") and the second General Meeting be held at 10.00am on 12 December 2013 (the "**Re-Registration Meeting**").

As the Company continues to grow, it will be restricted from raising finance publicly due to its current status as a private limited company and therefore the Board has resolved that the Company take steps to re-register itself as a public limited company.

In order to re-register as a public limited company, it is a key requirement that the Company has positive net assets based on the tests set out in the Companies Act 2006. In order to meet these tests, the Company must first carry out a reduction of the amount standing to the credit of the Company's share premium account to create a positive reserve (which is treated as realised profit), which can then be used to set off the Company's historic accumulated losses. The Company's share premium account is now sufficient for this purpose following the issue of the new ordinary shares of 5 pence each on the conversion of existing loan notes

of the Company and the additional subscriptions for new ordinary shares which were announced on 3 October 2013.

Both this reduction of share capital and the re-registration as a public limited company require the approval of shareholders.

In addition, in order to clean up the Company's share capital, the Board are also proposing that the Company's 7,917,649 deferred shares in issue ("**Deferred Shares**"), which were created pursuant to the capital reorganisation of the Company in 2012 and which have minimal value, be cancelled pursuant to the terms of the Company's articles of association (the "**Articles**").

The Company would like to propose the following Special Resolutions at the Reduction Meeting:

Resolution 1

Resolution 1 proposes to reduce the amount standing to the credit of the Company's share premium account from £3.43 million to zero, with the amount so reduced being credited to a reserve. This reduction is intended to enable the Company to meet the positive net assets test set out in the Companies Act 2006 for the purpose of re-registering as a public limited company.

Resolution 2

In order to effect the proposed reduction of capital and cancellation of the Deferred Shares without the need to obtain the sanction of the court (as is permitted by the Companies Act 2006), Resolution 2 proposes a minor change to the Articles to remove the reference to the court process being involved in the share capital reduction required prior to cancellation.

Resolution 3

Resolution 3 authorises the reduction of capital on, and cancellation of, the Deferred Shares.

Subject to the passing of the Special Resolutions at the Reduction Meeting, the Company would also like to propose the following Special Resolutions at the Re-Registration Meeting:

Resolution 1

Resolution 1 proposes that the Company be re-registered as a public limited company.

Resolution 2

Resolution 2 amends the Articles to reflect the Company's new name on re-registration, remove reference to the Deferred Shares, and make a few other consequential amendments in keeping with the Company's new status as a public limited company.

Share certificates will remain valid following the re-registration and change of name.

Timetable

The expected timetable of events if the Special Resolutions are passed by shareholders at the GMs is as follows:

- Expected date for the reduction of share premium and cancellation of deferred shares – 27 November 2013.
- Expected date for the re-registration as a public limited company – 12 December 2013.

Shareholder Voting

All Shareholders registered as holding ordinary shares of the Company at 6pm on 25 November 2013 or, if adjourned, 6pm on the day that is the second day prior to the date of the adjourned meeting (not including any day that is not a business day) shall be entitled to attend the GMs and vote on the Special Resolutions proposed.

Action to be taken by Shareholders

Attached to the Notices of GM accompanying this letter are two Proxy Forms for use by Shareholders. All Shareholders are invited and encouraged to attend the GMs or, if they are unable to attend in person, to complete, sign and return the Proxy Forms to the Company. Lodgement of a Proxy Form will not preclude the Shareholder from attending and voting at the GMs in person.

Shareholders can either deliver the Proxies by hand, by mail, by facsimile or as an attachment by email.

Recommendation

The Board believes that the Special Resolutions are fair and reasonable and in the best interests of the Company and Shareholders alike, and therefore recommends you to vote in favour of them as the directors have undertaken to do in respect of the 2.3 million ordinary shares held by them, representing 8.24% of the Company's issued share capital. In addition, Global Energy Trade Limited (which is owned and controlled by Lina Haidar and Alexander Haly, both directors and shareholders of the Company) holds 23.17 million ordinary shares, representing 82.74% of the Company's issued share capital as at the date hereof has also undertaken to vote in favour of all of the Special Resolutions.

Yours sincerely,

Timothy Hearley
Chairman

NOTICE OF GENERAL MEETING

CAP ENERGY LIMITED

*(Registered in England and Wales with Company No 05351398)
(the "Company")*

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Fox Williams LLP, Solicitors, Ten Dominion Street, London, EC2M 2EE at 10.00 a.m. on 27 November 2013 for the purposes of considering and, if thought fit, passing the following special resolutions:

SPECIAL RESOLUTIONS

1. THAT the share premium account of the Company be reduced from £3.43 million to nil, and the amount by which the share premium account is so reduced be credited to a reserve.
2. THAT the Company's articles of association be amended by deleting the words "(subject to the confirmation of the court in accordance with the Act)" where they appear in Article 2.10(g).
3. THAT the issued deferred share capital of the Company be reduced from £39,588 to nil by cancelling and extinguishing all of the issued deferred shares of £0.005 each in the Company, each of which is fully paid up, and the amount by which the share capital is so reduced be credited to a reserve.

BY ORDER OF THE BOARD:

**Timothy Hearley,
Chairman**

For and on behalf of Cap Energy Limited

Dated: 8 November 2013

Registered office:
Cap Energy Limited
25 Dover Street
London W1S 4LX

Notes

1. A shareholder entitled to attend and vote at the General Meeting may appoint a proxy to attend, speak and vote instead of that shareholder. A proxy need not be a shareholder of the Company but must attend the meeting in person. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share held by the appointing shareholder. A proxy can only be appointed through the submission of the validly executed Form of Proxy accompanying this Notice.

2. To be effective, the Form of Proxy must be completed and lodged with the Company's registrars, SLC Registrars whose address is at Thames House, Portsmouth Road, Esher, Surrey KT10 9AD, no later than 10.00 am on 25 November 2013 together with the original of any power of attorney or other authority under which the Form of Proxy is signed. In the case of a corporation, the Form of Proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. Completion and return of the Form of Proxy enclosed herewith will not prevent a shareholder from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or withhold from voting at his/her discretion. Your proxy will vote (or withhold from voting) as he/she thinks fit in relation to any other matter which is put before the meeting.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those members registered in the Register of Members of the Company at 6 p.m. on 25 November 2013 (or if the General Meeting is adjourned, members entered on the Register of Members of the Company not later than 48 hours before the time fixed for the adjourned General Meeting) shall be entitled to attend, speak and vote at the General Meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the Register of Members of the Company after 6 p.m. on 25 November 2013 shall be disregarded in determining the rights of any person to attend, speak or vote at the Meeting.
6. Except as provided above, members who have general queries about the meeting should write to the Company Secretary at the address of our registered office. You may not use any electronic address provided either in this notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF GENERAL MEETING

CAP ENERGY LIMITED

*(Registered in England and Wales with Company No 05351398)
(the "Company")*

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Fox Williams LLP, Solicitors, Ten Dominion Street, London, EC2M 2EE at 10.00 a.m. on 12 December 2013 for the purposes of considering and, if thought fit, passing the following special resolutions:

SPECIAL RESOLUTIONS

1. THAT the Company be re-registered as a public company under the Companies Act 2006 by the name of Cap Energy plc.
2. THAT the Company's articles of association be amended as follows:
 - 2.1. by amending the name of the Company to 'Cap Energy plc' where it appears;
 - 2.2. by deleting the definition of "Deferred Shares" where it appears in article 1.2;
 - 2.3. by amending the definition of "Ordinary Shares" where it appears in article 1.2 by replacing "0.5 pence" with "5 pence";
 - 2.4. by replacing the definitions of "PLUS" and "PLUS Rules" where they appear in article 1.2 with respectively ""ISDX Growth Market" means the primary market for unlisted securities operated by ICAP Securities & Derivatives Exchange Limited" and ""ISDX Rules" means the ISDX Growth Market - Rules for Issuers";
 - 2.5. by deleting "and the Deferred Shares" where it appears in article 2.2;
 - 2.6. by deleting article 2.10 (Deferred Shares) in its entirety; and
 - 2.7. by replacing "PLUS" where it appears in article 26.2(d) with "ISDX Growth Market".

BY ORDER OF THE BOARD:

Timothy Hearley,
Chairman

For and on behalf of Cap Energy Limited

Dated: 8 November 2013

Registered office:
Cap Energy Limited
25 Dover Street
London W1S 4LX

Notes

1. A shareholder entitled to attend and vote at the General Meeting may appoint a proxy to attend, speak and vote instead of that shareholder. A proxy need not be a shareholder of the Company but must

attend the meeting in person. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share held by the appointing shareholder. A proxy can only be appointed through the submission of the validly executed Form of Proxy accompanying this Notice.

2. To be effective, the Form of Proxy must be completed and lodged with the Company's registrars, SLC Registrars whose address is at Thames House, Portsmouth Road, Esher, Surrey KT10 9AD, no later than 10.00 am on 10 December 2013 together with the original of any power of attorney or other authority under which the Form of Proxy is signed. In the case of a corporation, the Form of Proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. Completion and return of the Form of Proxy enclosed herewith will not prevent a shareholder from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or withhold from voting at his/her discretion. Your proxy will vote (or withhold from voting) as he/she thinks fit in relation to any other matter which is put before the meeting.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those members registered in the Register of Members of the Company at 6 p.m. on 10 December 2013 (or if the General Meeting is adjourned, members entered on the Register of Members of the Company not later than 48 hours before the time fixed for the adjourned General Meeting) shall be entitled to attend, speak and vote at the General Meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the Register of Members of the Company after 6 p.m. on 10 December 2013 shall be disregarded in determining the rights of any person to attend, speak or vote at the Meeting.
6. Except as provided above, members who have general queries about the meeting should write to the Company Secretary at the address of our registered office. You may not use any electronic address provided either in this notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

FORM OF PROXY

Proxy form for use by Shareholders of Cap Energy Limited

at the General Meeting to be held at 10:00 a.m. on 27 November 2013

As a shareholder of Cap Energy Limited you have the right to attend, speak at and vote at the General Meeting. If you cannot, or do not want to, attend the Meeting but still want to vote, you can appoint someone to attend the Meeting and vote on your behalf. That person is known as a "proxy". You can use this Form of Proxy to appoint the Chairman of the Meeting, or someone else, as your proxy. Your proxy does not need to be a shareholder of the Company. However, if your proxy is not a shareholder, he or she cannot speak at the Meeting except to demand or join in demanding a poll.

I/We (name in full)(in BLOCK CAPITALS)

of.....

being (a) member(s) of the Company entitled to attend and vote at meetings, hereby appoint the Chairman of the Meeting or(see Note 1) as my/our proxy to attend and, on a poll, to vote for me/us on my/our behalf at the General Meeting of the Company to be held on 27 November 2013, and at any adjournment thereof.

Please clearly mark the boxes below to instruct your proxy how to vote.

RESOLUTION	FOR	AGAINST	VOTE WITHHELD
1. To reduce the Company's share premium account.			
2. To amend the Company's articles of association.			
3. To cancel the Company's deferred shares.			

Please indicate with an "X" in the appropriate box opposite the resolutions how you wish your votes to be cast. (See Note 4 below)

Dated.....

Signature.....

- 1 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
- 2 If you wish to appoint as a proxy a person other than the Chairman of the Meeting (who need not be a member), please delete the words "the Chairman of the Meeting" and insert the name of the other person. All alterations made to this Proxy Form must be initialled by the signatory.
- 3 The completion and return of this Proxy Form will not prevent you from attending in person and voting at the Meeting should you subsequently decide to do so.
- 4 A member may appoint more than one proxy to attend. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the one which is lastly validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was lastly validly delivered, none of them shall be treated as valid in respect of that share.
- 5 If you wish your proxy to cast all of your votes for or against a resolution you should insert an "X" in the appropriate box. If you wish your proxy to cast only certain votes for and certain votes against, insert the relevant number of shares in the appropriate box. In the absence of instructions, your proxy may vote or abstain from voting as he or she thinks fit on the specified resolutions and, unless instructed otherwise, may also vote or abstain from voting as he or she thinks fit on any other business (including on a motion to amend a resolution, to propose a new resolution or to adjourn the Meeting) which may properly come before the Meeting.
- 6 The "Vote Withheld" option is provided to enable you to instruct your proxy to abstain from voting on a particular resolution. A "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" or "Against" a resolution. The "Discretionary" option is provided to enable you to give discretion to your proxy to vote or abstain from voting on a particular resolution as he or she thinks fit.
- 7 This Proxy Form must be signed by the shareholder or his/her attorney. Where the shareholder is a corporation, the signature must be under seal or signed by a duly authorised representative. In the case of joint shareholders, any one shareholder may sign this Proxy Form. The vote of the senior joint shareholder (whether in person or by proxy) will be taken to the exclusion of all others, seniority being determined by the order in which the names stand in the register of members in respect of the joint shareholding.
- 8 To be valid, this Proxy Form (together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially or in some other way approved by the Board of Directors) must be deposited at the offices of the Company's registrars, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD, no later than 10.00 a.m. on 25 November 2013 or, if appropriate, 48 hours before the time appointed for the holding of the Meeting. If adjourned, faxed Proxy Forms must be sent to SLC Registrars using +44(0)1372 463620 whilst email Proxy Forms must be sent to slc@davidvenus.com.

FORM OF PROXY

Proxy form for use by Shareholders of Cap Energy Limited

at the Annual General Meeting to be held at 10:00 a.m. on 12 December 2013

As a shareholder of Cap Energy Limited you have the right to attend, speak at and vote at the General Meeting. If you cannot, or do not want to, attend the Meeting but still want to vote, you can appoint someone to attend the Meeting and vote on your behalf. That person is known as a "proxy". You can use this Form of Proxy to appoint the Chairman of the Meeting, or someone else, as your proxy. Your proxy does not need to be a shareholder of the Company. However, if your proxy is not a shareholder, he or she cannot speak at the Meeting except to demand or join in demanding a poll.

I/We (name in full)(in BLOCK CAPITALS)

of.....

being (a) member(s) of the Company entitled to attend and vote at meetings, hereby appoint the Chairman of the Meeting or(see Note 1) as my/our proxy to attend and, on a poll, to vote for me/us on my/our behalf at the General Meeting of the Company to be held on 12 December 2013, and at any adjournment thereof.

Please clearly mark the boxes below to instruct your proxy how to vote.

RESOLUTION	FOR	AGAINST	VOTE WITHHELD
1. To re-register the Company as a public limited company under the name Cap Energy plc.			
2. To amend the Company's articles of association.			

Please indicate with an "X" in the appropriate box opposite the resolutions how you wish your votes to be cast. (See Note 4 below)

Dated.....

Signature.....

1 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.

- 2 If you wish to appoint as a proxy a person other than the Chairman of the Meeting (who need not be a member), please delete the words “the Chairman of the Meeting” and insert the name of the other person. All alterations made to this Proxy Form must be initialled by the signatory.
- 3 The completion and return of this Proxy Form will not prevent you from attending in person and voting at the Meeting should you subsequently decide to do so.
- 4 A member may appoint more than one proxy to attend. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the one which is lastly validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was lastly validly delivered, none of them shall be treated as valid in respect of that share.
- 5 If you wish your proxy to cast all of your votes for or against a resolution you should insert an “X” in the appropriate box. If you wish your proxy to cast only certain votes for and certain votes against, insert the relevant number of shares in the appropriate box. In the absence of instructions, your proxy may vote or abstain from voting as he or she thinks fit on the specified resolutions and, unless instructed otherwise, may also vote or abstain from voting as he or she thinks fit on any other business (including on a motion to amend a resolution, to propose a new resolution or to adjourn the Meeting) which may properly come before the Meeting.
- 6 The “Vote Withheld” option is provided to enable you to instruct your proxy to abstain from voting on a particular resolution. A “Vote Withheld” is not a vote in law and will not be counted in the calculation of the proportion of the votes “For” or “Against” a resolution. The “Discretionary” option is provided to enable you to give discretion to your proxy to vote or abstain from voting on a particular resolution as he or she thinks fit.
- 7 This Proxy Form must be signed by the shareholder or his/her attorney. Where the shareholder is a corporation, the signature must be under seal or signed by a duly authorised representative. In the case of joint shareholders, any one shareholder may sign this Proxy Form. The vote of the senior joint shareholder (whether in person or by proxy) will be taken to the exclusion of all others, seniority being determined by the order in which the names stand in the register of members in respect of the joint shareholding.
- 8 To be valid, this Proxy Form (together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially or in some other way approved by the Board of Directors) must be deposited at the offices of the Company's registrars, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD, no later than 10.00 a.m. on 10 December 2013 or, if appropriate, 48 hours before the time appointed for the holding of the Meeting. If adjourned, faxed Proxy Forms must be sent to SLC Registrars using +44(0)1372 463620 whilst email Proxy Forms must be sent to slc@davidvenus.com.