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## **Sigma Capital Group plc**

*(Incorporated in England & Wales under the Companies Act 1985, Registered No.3942129)*

### *Directors*

B H Hadfield (Non-executive Chairman)  
G F Barnet (Chief Executive Officer)  
N D Crabb (Chief Investment Officer)  
M D Cole (Finance Director and Company Secretary)  
M S Hogarth (Investment Director)

### *Registered Office*

6<sup>th</sup> Floor, Bucklersbury House  
83 Cannon Street  
London EC4N 8ST

14 June 2007

To Shareholders and, for information only, Option Holders

Dear Shareholder

### **INVESTMENT IN SIGMA BY WEST COAST CAPITAL AND EXTRAORDINARY GENERAL MEETING**

Following the announcement released by the Company on 11 June 2007, I am writing to you to explain the background to the convening of an extraordinary general meeting of the Company (the "EGM"), which will be held at 2.00 p.m. on 10 July 2007 at 6<sup>th</sup> Floor, Bucklersbury House, 83 Cannon Street, London EC4N 8ST. The notice of the meeting is set out on page 3 of this document.

#### **Investment in Sigma by West Coast Capital**

I am pleased to advise that on the terms and subject to the conditions of a placing agreement entered into on 11 June 2007 between the Company and West Coast Capital through a subsidiary, TBH Investments Limited ("WCC"), (the "Placing Agreement"), WCC has agreed to invest £2,429,148 in the Company through a subscription (the "Placing") for 4,858,297 new ordinary shares of £0.01 each at a price of 50 pence per share (the "Placing Shares"), conditional upon, *inter alia*, the passing of certain shareholder resolutions to be proposed at the EGM and the approval of the Financial Services Authority ("FSA"). The approval of the FSA is required as WCC will, following the Placing, control more than 10 per cent. of the Company's FSA regulated subsidiary. The FSA was notified of the Placing today and has three months from this date to notify WCC of its decision. The Placing Shares rank *pari passu* with the existing issued ordinary shares of £0.01 each and application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM.

The Company has also been notified that on 11 June 2007, WCC acquired 3,809,674 existing ordinary shares of £0.01 each in the capital of the Company ("Ordinary Shares"), representing 9.9 per cent. of Sigma's issued share capital, from certain shareholders of the Company. Assuming the Placing proceeds, WCC will therefore hold in aggregate 8,667,971 Ordinary Shares, representing 20 per cent. of the issued share capital of the Company, as enlarged by the issue of the Placing Shares. On the same day, the Company was notified that, in order to facilitate WCC's acquisition of a significant stake in the Company, Neil Crabb, its Chief Investment Officer, had sold 1,102,501 Ordinary Shares, representing 2.9 per cent of Sigma's issued share capital, at a price of 50 pence per share. Following this sale, Mr Crabb now holds 7,289,687 Ordinary Shares, representing 18.94 per cent of the Company's issued share capital.

West Coast Capital is a private equity partnership established in February 2001 and owned and funded by retail entrepreneur Sir Tom Hunter and corporate advisers Jim McMahon and Paul Davidson. West Coast Capital is a partnership established in Scotland which invests mainly in the retail and property sectors, often co-investing with other major investors and institutions.

### **Sigma Sustainable Energy Fund II**

Earlier today it was announced that each of WCC and Scottish and Southern Energy plc, through its subsidiary SSE Venture Capital Limited, ("SSE") had agreed to invest £10.0 million and Bank of Scotland Corporate, through its subsidiary Uberior Oil & Gas Limited, had agreed to invest £12.5 million into the Sigma Sustainable Energy Fund II. The Company has agreed to invest £2.5 million of its own funds alongside, giving an aggregate investment of £35.0 million. This means that the Sigma Sustainable Energy Fund II has achieved its first close. The Sigma Sustainable Energy Fund II will remain open for a period of one year from the first close and the intention is to continue to seek further investors during that period. The Company intends to invest the net proceeds of the Placing to meet its limited partnership commitments to its investment funds.

### **Appointment of non-executive director**

The Company is also pleased to announce the appointment of David Sigsworth to the Board as a non-executive director which will take effect following the Company's Annual General Meeting on 19 June 2007. David, who was until 2005 the Executive Director of SSE with responsibility for Generation and Supply, has agreed to be Chairman of the Sigma Sustainable Energy Fund II.

### **Extraordinary General Meeting**

Existing shareholders are protected under UK law against dilution of their shareholding through statutory pre-emption rights which provide that existing shareholders must be offered unissued shares in the first instance before shares can be made available to third parties. To that end (and in order to accommodate the investment by WCC) the Board is recommending that the following resolutions be proposed and passed at the EGM:

#### **Resolution 1: Authority to allot securities (Ordinary Resolution)**

Resolution 1 seeks to give the directors of the Company authority to allot a maximum of £48,582.97 of unissued ordinary share capital (which equates to 4,858,297 unissued ordinary shares of £0.01 each in the capital of the Company) but this authority will be limited to the allotment of 4,858,297 Ordinary Shares of £0.01 each in the capital of the Company to WCC pursuant to the terms of the Placing Agreement.

The authority conferred by this resolution will expire on the first anniversary of the passing of this resolution.

#### **Resolution 2: Disapplication of pre-emption rights (Special Resolution)**

Resolution 2 seeks to give the directors of the Company power to allot a maximum of £48,582.97 of unissued ordinary share capital (which equates to 4,858,297 unissued ordinary shares) for cash without first being required to offer such shares to existing shareholders but this authority is limited to the allotment of 4,858,297 Ordinary Shares of £0.01 each in the capital of the Company to WCC pursuant to the terms of the Placing Agreement.

The Company has received irrevocable undertakings to vote in favour of Resolutions 1 and 2 above at the EGM from those Directors who hold shares in Sigma and certain existing shareholders of the Company in relation to in aggregate 26,786,379 Ordinary Shares representing approximately 69.6 per cent. of the Company's issued share capital.

The form of proxy for use at the EGM is enclosed with this letter. You are asked to complete and return it to the Company secretary as soon as possible and in any event so as to be received not less than 48 hours before the time of the EGM. The completion and return of a form of proxy will not prevent you from attending the EGM and voting in person should you wish to do so.

### **Recommendation**

**Your Board believes that the resolutions to be proposed at the EGM are in the best interests of the Company and the shareholders of the Company as a whole and unanimously recommends that you vote in favour of them as your directors have irrevocably undertaken to do in respect of their own beneficial shareholdings amounting in aggregate to 14,939,705 ordinary shares representing 38.8 per cent. of the Company's issued share capital.**

Yours sincerely

**B H Hadfield**  
Chairman

**Sigma Capital Group plc**  
**(Registered Number: 03942129)**  
**(the "Company")**

**NOTICE OF AN EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an extraordinary general meeting of the Company will be held at 2.00 p.m. on 10 July 2007 at 6<sup>th</sup> Floor, Bucklersbury House, 83 Cannon Street, London EC4N 8ST for the purposes of considering and if thought fit, passing the following resolutions, which shall be proposed as ordinary and special resolutions as indicated below:

**Ordinary Resolution:**

1. That, in addition to any existing authority under section 80 of the Companies Act (the "Act"), the directors be and they are hereby generally and unconditionally authorised, pursuant to section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £48,582.97 such authority to expire on the first anniversary of the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, provided always that this authority is limited to the allotment of 4,858,297 ordinary shares of £0.01 each in the capital of the Company to TBH Investments Limited pursuant to the placing agreement entered into between the Company and TBH Investments Limited on 11 June 2007. The Company be and is authorised to make prior to the expiry of such period any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority and the directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution.

**Special Resolution:**

2. That, in addition to any existing power under section 95 of the Act, the directors of the Company be and they are hereby empowered pursuant to section 95(1) of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred by the ordinary resolution set out in paragraph 1 above as if section 89(1) of the Act did not apply to the allotment.

Date: 14 June 2007

Registered Office:  
6<sup>th</sup> Floor  
Bucklersbury House  
83 Cannon Street  
London  
EC4N 8ST

By Order of the Board

Marilyn Dawn Cole  
Secretary

Notes:

1. A member who is entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, to vote on his behalf. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and/or voting in person at the meeting. A form of proxy for use at the meeting is enclosed and, if used, should be lodged, together with any power of attorney or other authority (if any) under which it is signed, at the address stated thereon, so as to be received not less than 48 hours before the time of the meeting.

2. The Company, pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, hereby specifies that only those shareholders registered on the Register of Members of the Company as at 2.00 p.m. on 8 June 2007 shall be entitled to attend or vote at the meeting in respect of shares registered in their name at that time. Changes to entries on the Register of Members after 2 p.m. on 8 June 2007 shall be disregarded in determining the rights of any person to attend or vote at that meeting, notwithstanding any provisions in any enactment, the articles of association of the Company or other instrument to the contrary.
3. Copies of the directors' service contracts and the Register of the directors' and their families' interests in the Company's shares will be available for inspection at the Registered Office of the Company during normal business hours, from the date of this notice until the date of the meeting, and at the place of the meeting for a period of 15 minutes prior to the meeting and during the continuance thereof.