

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolutions to be voted on at a General Meeting of the Company to be held at 11.00 a.m. on 4 January 2008. If you are in any doubt as to what action you should take, you should immediately seek your own advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. This document does not constitute an offer for sale of any Ordinary Shares.

Copies of this document will be available free of charge, until 4 January 2008, at 66 Heyford Park, Upper Heyford, Bicester, Oxfordshire OX25 5HD during normal business hours (Saturdays, Sundays and public holidays excepted).

If you have sold or transferred all of your registered holding of Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Your attention is drawn to the letter from the Chairman of the Company in Part I of this document and to the recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

TRANSENSE TECHNOLOGIES PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 1885075)

**PROPOSED SUBSCRIPTION FOR
17,895,472 ORDINARY SHARES AT 23 PENCE PER SHARE,
BOARD CHANGES,
PROPOSED GRANTS OF OPTIONS TO THE NEW DIRECTORS
AND
NOTICE OF GENERAL MEETING**

Notice of a General Meeting of the Company, to be held at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL at 11.00 a.m. on 4 January 2008, is set out in Part II of this document.

Shareholders will find enclosed a Form of Proxy for use at the General Meeting. However, a proxy may also be appointed for CREST members, by using the CREST electronic proxy appointment service. To be valid, any instrument appointing a proxy must be received by the Company's registrars, Capita Registrars at PO Box 25, Beckenham, Kent BR3 4BR in accordance with the instructions printed on it as soon as possible and, in any event, so as to arrive no later than 11.00 a.m. on 2 January 2008, being 48 hours before the time appointed for the holding of the General Meeting.

Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Subscription Shares will commence at 8.00 a.m. on 7 January 2008.

The distribution of this document and the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document and the accompanying Form of Proxy come should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Despatch of this document	10 December 2007
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 2 January 2008
General Meeting	11.00 a.m. on 4 January 2008
Admission and dealings in the Subscription Shares expected to commence on AIM	8.00 a.m. on 7 January 2008

Please note that each of the times and dates set out above are subject to change. If any of the above times or dates change, the revised times or dates will be notified to Shareholders by announcement on a Regulatory Information Service.

TRANSACTION STATISTICS

Number of Existing Ordinary Shares	57,911,666
Subscription Price per Subscription Share	23 pence
Number of Subscription Shares to be issued pursuant to the Subscription	17,895,472
Number of Ordinary Shares in issue following Admission* (the Enlarged Share Capital)	75,807,138
Subscription Shares as a percentage of the Enlarged Share Capital	23.61 per cent.
Gross proceeds receivable by the Company	£4,115,958.56

**assuming no exercise of options under the Share Option Schemes*

DEFINITIONS

The following definitions apply throughout this document and the Form of Proxy unless the context requires otherwise:

“2006 Act”	Companies Act 2006
“Act”	Companies Act 1985 (as amended)
“Admission”	admission to trading on AIM of the Subscription Shares becoming effective
“AIM”	AIM, an exchange regulated market operated by the London Stock Exchange
“Articles”	articles of association of the Company in force as at the date of this document
“Bishop”	Bishop Technology Group Limited
“Bishop Transaction”	the aborted acquisition by the Company of Bishop and associated fundraising, further details of which are set out in the admission document sent to Shareholders on 22 October 2007
“Board” or “Directors”	the existing directors of the Company, being David Kleeman, James Perry, Ray Lohr, Howard Pearl, Graham Eves, Melvyn Segal and Rodney Westhead
“Company” or “Transense”	Transense Technologies plc, a company incorporated in England and Wales under registered number 1885075
“Connected Persons”	has the meaning given to it in sections 252 to 254 of the 2006 Act
“CREST”	a relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations)
“CREST Manual”	CREST manual published by Euroclear, as amended or updated from time to time
“Enlarged Share Capital”	the number of Ordinary Shares in issue immediately following Admission, as enlarged by the issue of the Subscription Shares and assuming that there is no exercise of options under the Share Option Schemes
“Euroclear”	Euroclear UK & Ireland Limited, the Operator of CREST
“Existing Ordinary Shares”	the existing 57,911,666 Ordinary Shares in issue at the date of this document
“Form of Proxy”	proxy form for Shareholders accompanying this document for use at the General Meeting
“FSA”	UK Financial Services Authority
“FSMA”	Financial Services and Markets Act 2000, as amended
“General Meeting”	general meeting of the Company to be held at 11.00 a.m. on 4 January 2008 (or any adjournment of it), notice of which is set out in Part II of this document
“London Stock Exchange”	London Stock Exchange plc

“New Directors”	David Kleeman and Melvyn Segal
“Options”	the options to be granted to the New Directors as described in paragraph 3 of Part I of this document
“Option Agreements”	option agreements relating to the grant of the Options entered into between the New Directors and the Company, conditional upon Shareholder approval of Resolution 2
“Ordinary Shares”	ordinary shares with a nominal value of 10 pence each in the capital of the Company
“Registrars”	Capita Registrars, PO Box 25, Beckenham, Kent BR3 4BR
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
“Resolution 1”	the resolution to be proposed at the General Meeting and marked as “Resolution 1”, in the form set out in Part II of this document
“Resolution 2”	the resolution to be proposed at the General Meeting and marked as “Resolution 2”, in the form set out in Part II of this document
“Resolutions”	Resolution 1 and Resolution 2
“Share Option Schemes”	the Transense Technologies plc 2005 Unapproved Discretionary Share Option Scheme, the Transense Technologies plc 2004 Enterprise Management Incentive Share Option Plan and the Transense Technologies plc 2005 Enterprise Management Incentive Share Option Plan
“Shareholders”	holders of Ordinary Shares
“Subscription”	the conditional subscriptions of Ordinary Shares pursuant to the Subscription Agreements
“Subscription Agreements”	the conditional agreements between the Company and certain of its Shareholders and others relating to the subscription of Ordinary Shares at the Subscription Price
“Subscription Price”	23 pence per Ordinary Share
“Subscription Proceeds”	the £4,115,958.56 million proposed to be raised by the Company pursuant to the Subscription
“Subscription Shares”	the 17,895,472 new Ordinary Shares proposed to be issued by the Company pursuant to the Subscription Agreements
“UK”	the United Kingdom of Great Britain and Northern Ireland

Unless otherwise indicated, all references in this document to “pounds sterling”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom.

PART I

LETTER FROM THE CHAIRMAN OF TRANSENSE TECHNOLOGIES PLC

(Incorporated in England and Wales with registered number 1885075)

Directors:

David Kleeman *(Non-Executive Chairman)*
James Perry *(Deputy Chairman)*
Ray Lohr *(Technical Director)*
Howard Pearl *(Finance Director)*
Graham Eves *(Commercial Director)*
Melvyn Segal *(Executive Director)*
Rodney Westhead *(Non-Executive Director)*

Registered Office:

36 Elder Street
London
E1 6BT

10 December 2007

To the holders of Ordinary Shares and, for information only, holders of options over Ordinary Shares

Dear Shareholder

Proposed Subscription for 17,895,472 new Ordinary Shares at 23 pence per Ordinary Share, Board changes, proposed grant of options over Ordinary Shares to the New Directors and Notice of General Meeting

1. Introduction

Your Board is pleased to inform you that the Company announced on 10 December 2007 that it had conditionally agreed to issue in aggregate 17,895,472 new Ordinary Shares to certain Shareholders of the Company and others at a price of 23 pence per share pursuant to the Subscription Agreements. If the conditions to the Subscription Agreements (including the passing of Resolution 1 at the General Meeting) are satisfied, the Company will raise £4,115,958.56 (gross of expenses).

The Subscription Proceeds are required to fund the Company's working capital requirements. **In the absence of the Subscription, other sources of funding would have to be pursued. Alternative sources of funding, if they are available at all, are likely to be expensive and onerous for the Company. Should the Subscription not proceed, and no alternative financing were available within a relatively short period of time, the Company would face a working capital shortfall which would have a material adverse effect on the Company's operations and could lead to the Company having to cease trading in the near term.**

The purpose of this document is to explain the background to and reasons for the Subscription and to explain why the Board considers the Subscription to be in the best interests of the Company and its Shareholders, notwithstanding the dilution of the Shareholders. This document also contains details of the Option Agreements, pursuant to which it is proposed that the Options be granted to the New Directors, subject to Shareholder approval of Resolution 2.

2. Background to and reasons for the Subscription

Shareholders will be aware that over the Summer months, negotiations took place with the shareholders of Bishop, an Australian-based global technology licensing company, for the Company to acquire Bishop. After exhaustive discussions and extensive analysis of Bishop and its subsidiary and joint venture companies, the Board originally agreed in principle to acquire all of the shares of Bishop for approximately A\$20 million (equal to approximately £8.5 million at the time), to be satisfied wholly in cash. It was proposed that the Company would, as part of the transaction, carry out a placing of Ordinary Shares with institutions and other

investors to raise the money to fund the cash consideration for the Bishop Transaction and also to raise a further £7 million for the on-going working capital of the Company, as enlarged by the Bishop Transaction.

While the presentations were being made by the Company to prospective investors in connection with the proposed fundraising, the Company's share price fell from over 67.5 pence per Ordinary Share to 35 pence per Ordinary Share. At this point, it became apparent that it would only be possible to raise approximately £5.7 million at a placing price of 23 pence per Ordinary Share. Under the circumstances, the Bishop shareholders agreed that the consideration for the Bishop Transaction could be satisfied entirely in Ordinary Shares valued at the proposed placing price of 23 pence per Ordinary Share.

A number of Shareholders in the Company were concerned that the issue of Ordinary Shares to the Bishop shareholders and the associated fundraising would result in a level of dilution that was unacceptable to them. It was also the opinion of this group of Shareholders that the Company should maintain its current business model and perceived the Bishop Transaction as a move away from that strategy.

At a general meeting of the Company held on 16 November 2007, a majority of votes cast by the Company's Shareholders were voted against the resolution to approve the Bishop Transaction and associated fundraising. Following this, arrangements for the Subscription were quickly put into place, demonstrating certain Shareholders' belief that the Company should continue as a stand alone company. The Company is now seeking Shareholders' approval of the Subscription.

3. Board changes

On 10 December 2007, the following changes were made to the Board:

- Peter Woods retired as Chairman of the Board and I was appointed by the Board as the new Non-Executive Chairman;
- Jim Perry, formerly CEO of the Company, moved to the role of Deputy Chairman;
- Tony Baldry retired as Non-Executive Director; and
- Melvyn Segal was appointed as a new part-time Executive Director.

The role of CEO has been left vacant for the time being, until the Company finds a suitable candidate.

The terms of the New Directors' written arrangements with the Company as Executive Director and Non-Executive Chairman, respectively are as follows:

- I will be paid £50,000 per annum (through my services company). My appointment is for an initial period of one year and, after this initial period of one year, is terminable by either party on one months' notice;
- Mr Segal will be paid £50,000 per annum and will give a time commitment of two days per week until a new CEO is found. After this, he will be paid £25,000 per annum and will give a time commitment of one day per week. His appointment is for an initial period of one year but can be terminated by at any time by either party on one months' notice; and
- the agreements contain provisions for immediate termination by the Company in certain circumstances, including a serious breach of the agreement, bankruptcy, being disqualified from holding office as a director, bringing the Company into disrepute or breach of his fiduciary duties. In the event of such early termination, there are no provisions for payment by the Company in lieu of notice or by way of compensation to the relevant New Director.

Details of the background of the New Directors are set out in the Appendix to this document.

Subject to the approval by Shareholders of Resolution 2 at the General Meeting, it is proposed that:

- I will be granted options over 100,000 Ordinary Shares at an exercise price of 23 pence per Ordinary Share; and

- Mr Segal will be granted options over 80,000 Ordinary Shares at an exercise price of 23 pence per Ordinary Share.

There are no conditions on the exercise of the Options, save that they will not be able to be exercised within 12 months of the date of grant. The Options do not lapse on either New Director ceasing to be a director of the Company. The Option Agreements include standard anti-dilution provisions.

In accordance with the Company's Articles, both of the New Directors will stand for re-election at the Company's next AGM, in 2008.

4. Current trading and Board review

Current trading and prospects of the Company were set out in the admission document for the Bishop Transaction sent to Shareholders on the 22 October 2007.

The Lear project review discussions have now been postponed until the New Year and a meeting with senior Michelin management at Michelin's headquarters to discuss progress has been provisionally booked for the end of January 2008. Meanwhile, the Company continues to work closely with Honeywell International Inc., particularly on torque application projects. On 12 November 2007, Honeywell's Automation and Control Solutions Division published a document for its Investor Meeting in which the Company's pressure and torque technologies featured prominently as "step-out" technologies for industrial and transportation applications. The Directors continue to speak to another prospective licensee in relation to pressure and torque surface acoustic wave devices, although no legal documents have yet been agreed.

The Board, as reconstituted, intends to review the Company's existing strategy, and to consider the various means of securing, in the shorter term, a consistent and growing stream of revenue generation. In the light of this, early consideration will be given to the allocation of board responsibilities, reporting methods and authorisations. I hope to be able to provide an indication of the initial outcome of the Board's review when the 2007 results are announced.

5. Details of the Subscription

The Company proposes to raise gross proceeds of £4,115,958.56 through the issue of in aggregate 17,895,472 Subscription Shares to certain shareholders of the Company and others under the terms of the Subscription Agreements. All of the Subscribers agreed to subscribe for more than the equivalent of €50,000 worth of Ordinary Shares. The outstanding conditions to the Subscription Agreements are Resolution 1 being passed at the General Meeting and Admission. The Subscription Agreements will terminate if Admission does not occur by 11 January 2008.

The Subscription Price is the same price at which the aborted fundraising for the Bishop Transaction was to have taken place and represents a 28.13 per cent. discount to the closing price of 32 pence per Ordinary Share on 7 December 2007, being the last trading day prior to the issue of this document. The Subscription Shares will represent 23.61 per cent. of the Enlarged Share Capital.

The Shareholders who are parties to the Subscription Agreements have irrevocably undertaken to vote the Ordinary Shares that they already hold (amounting, in aggregate to 17,787,143 Ordinary Shares) in favour of Resolution 1, as have the Directors.

The Subscribers have agreed to provide to the Company information as is reasonably requested in relation to the Financial Services Authority's Money Laundering Rules, the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003. If, after a reasonable time after request of further verification of identity (and in any event, prior to the allotment of the Subscription Shares) the Company has not received evidence satisfactory to it, the Company may, in its absolute discretion, refuse to issue the Subscription Shares to the Subscriber.

The Subscription is being made on a non pre-emptive basis as the time and costs associated with a pre-emptive offer to Shareholders are considered by the Directors to be excessive. The making of a pre-emptive offer to Shareholders would require the production of a prospectus, which would have to comply with the Prospectus Directive and be vetted and approved by the FSA.

The Subscription Shares will rank *pari passu* with the existing Ordinary Shares save that they will rank in full for any dividends and distributions paid or made in respect of the Ordinary Shares after the date of issue.

Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission of the Subscription Shares will become effective and that dealings in the Subscription Shares will commence at 8.00 a.m. on 7 January 2008.

The names of the persons subscribing for the Subscription Shares, their current interest in the Company's Ordinary Shares and their interest immediately following the Subscription are as follows:

<i>Subscriber name</i>	<i>Interest in Existing Ordinary Shares</i>		<i>Subscription Shares</i>	<i>Interest in Enlarged Share Capital</i>	
	<i>(number)</i>	<i>(per cent.)</i>		<i>(number)</i>	<i>(per cent.)</i>
J P Lobbenberg (see Note 1) and M D Wood	680,000	1.1742	4,347,826	5,027,826	6.6324
Active Capital Trust plc	3,516,968	6.0730	1,300,000	4,816,968	6.3542
W G Lansdale	201,622	0.3482	160,000	361,622	0.4770
P C Jewell	100,000	0.1727	160,000	260,000	0.3430
L M Gordon	411,860	0.7112	200,000	611,860	0.8071
Vertical Investments Inc.	66,130	0.1142	358,273	424,403	0.5598
M Segal	450,000	0.7770	250,000	700,000	0.9234
Curmi and Partners Ltd	800,000	1.3814	1,800,000	2,600,000	3.4298
Rickerbys Nominees Limited	298,942	0.5162	1,086,956	1,385,898	1.8282
B T Matthews and J Matthews	446,838	0.7716	200,000	646,838	0.8533
Smith and Williamson Nominees Limited A/C	906,120	1.5647	252,478	1,158,598	1.5283
C Pace	684,500	1.1820	160,000	844,500	1.1140
Z Adams	1,585,000	2.7369	434,783	2,019,783	2.6644
B A Benton	550,000	0.9497	175,000	725,000	0.9564
HSBC Bank Malta plc as custodian of Global Capital Funds SICAV plc RRIGDF	240,000	0.4144	160,000	400,000	0.5277
Hargreaves Lansdown Nominee's Limited	951,366	1.6428	873,991	1,825,357	2.4079
Winterflood Securities Limited	(see Note 2)	(see Note 2)	500,000	500,000	0.6596
H G D Storey-MacIntosh	740,000	1.2778	434,782	1,174,782	1.5497
P Osbond	60,000	0.1036	250,000	310,000	0.4089
C J Hickman	62,479	0.1079	161,000	223,479	0.2948
D M Allenby	800,202	1.3818	434,783	1,234,985	1.6291
R J F Russell	275,210	0.4752	215,000	490,210	0.6467
P S Blok	500,000	0.8634	500,000	1,000,000	1.3191
Rowan Dartington Nominees	0	0.0000	160,000	160,000	0.2111
N McDonald Sutherland	400	0.0007	500,000	500,400	0.6601
C Gardiner	660,130	1.1399	650,000	1,310,130	1.7282
J Porter	49,000	0.0846	179,000	228,000	0.3008
A J Ernill	285,000	0.4921	160,000	445,000	0.5870
Henderson Global Investor Ltd	2,123,376	3.6666	1,425,000	3,548,376	4.6808
C E G Cozens	275,000	0.4749	250,000	525,000	0.6925
Fiske Nominees Limited	67,000	0.1157	156,600	223,600	0.2950
Total	17,787,143	30.7143	17,895,472	35,682,615	47.0703

Note 1: P Lobbenberg and his Connected Persons currently have an interest in 3,669,436 Ordinary Shares. Following the Subscription, P Lobbenberg and his Connected Persons will have an interest in 8,017,262 Ordinary Shares.

Note 2: Winterflood Securities Limited is a market maker in the Ordinary Shares and, as a result, its holding of Ordinary Shares fluctuates on a continuous basis. Winterflood Securities Limited has confirmed that it does not have an interest in Ordinary Shares which is required to be disclosed.

6. Use of the Subscription Proceeds

The Company intends to use the Subscription Proceeds for general working capital purposes. Based on the Directors' current estimates, in the absence of any unforeseen circumstances, following the Subscription the Company should have sufficient working capital for at least the next two years.

7. General Meeting

Set out in Part II of this document is a notice convening the General Meeting to be held at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL at 11.00 a.m. on 4 January 2008. A Form of Proxy to be used in connection with the General Meeting is enclosed. The purpose of the meeting is to consider and (if thought fit) pass the Resolutions.

The passing of Resolution 1 will authorise the Company to proceed with the Subscription. Specifically, it proposes to:

- (i) increase the authorised share capital of the Company from £7,000,000 to £8,789,547.20 by the creation of an additional 17,895,472 New Ordinary Shares, representing an increase of approximately 25.56 per cent. of the current authorised share capital;
- (ii) authorise the Directors, for the purposes of section 80 of the Act, to allot relevant securities up to an aggregate nominal amount of £1,789,547.20 pursuant to the Subscription, such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company; and
- (iii) disapply the statutory provision of section 89 of the Act to allow the Subscription Shares to be issued for cash other than on a pre-emptive basis.

The passing of Resolution 2 will authorise the Company to grant the Options to the New Directors. Specifically, it proposes to:

- (i) increase the authorised share capital of the Company by the creation of an additional 180,000 new Ordinary Shares, to £8,807,547.20, representing a further increase of approximately 0.26 per cent. of the current authorised share capital at the date of this document;
- (ii) authorise the Directors, for the purposes of section 80 of the Act, to allot relevant securities up to an aggregate nominal amount of £18,000 pursuant to the proposed grant of the Options to the New Directors, such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company; and
- (iii) disapply the statutory provision of section 89 of the Act to allow the grant of options over, in aggregate, 180,000 Ordinary Shares to the New Directors.

Resolution 2 is conditional on the passing of Resolution 1 at the General Meeting by the appropriate majority.

8. Action to be taken

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to attend the General Meeting, you are asked to either:

- (a) complete the Form of Proxy in accordance with the instructions printed thereon and return it, together with any power of attorney or other authority under which it is signed or notarially certified or an office copy thereof, to the Company's Registrars, Capita Registrars, at PO Box 25, Beckenham, Kent

BR3 4BR as soon as possible and, in any event, so that it is received no later than 11.00 a.m. on 2 January 2008; or

- (b) if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described below.

Completion and return of the Form of Proxy or appointment of a proxy through CREST will not prevent you, as a Shareholder, from attending the General Meeting and voting in person should you wish to do so.

Shareholders should be aware that, if Resolution 1 is not passed and/or Admission does not take place, the Subscription Proceeds will not be received by the Company. The Subscription Proceeds are required to secure the Company's financing requirements for the near term in order to fund the Company's working capital requirements.

9. Shares held in uncertificated form - electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10), by 11.00 a.m. on 2 January 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.

10. Noble & Company Limited

Noble & Company Limited ("**Noble**") has today provided the Board with notice of its intention to step down as nominated adviser and broker to the Company, which will become effective at a date to be agreed between Noble and the Company. The Company is currently discussing with another nominated adviser its appointment to the Company.

11. Recommendation

The Board is of the opinion that the Subscription, the grant of the Options to the New Directors and the passing of the Resolutions are in the best interests of Shareholders as a whole and, accordingly, recommends that Shareholders vote in favour of both of the Resolutions.

The Directors in their capacity as Shareholders have irrevocably undertaken to vote in favour of Resolution 1 in respect of their own beneficial holdings amounting to, in aggregate, 2,909,692 Ordinary Shares representing approximately 5.02 per cent. of the Company's Existing Ordinary Shares. In addition, the Shareholders who are parties to the Subscription Agreements have irrevocably undertaken to vote the Ordinary Shares that they already hold in favour of Resolution 1, which amount to, in aggregate, 17,787,143 Ordinary Shares, representing approximately 30.71 per cent. of the Company's Existing Ordinary Shares.

Yours sincerely

David Kleeman
Chairman

PART II

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Transense Technologies plc (the “**Company**”) will be held at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL at 11.00a.m. on 4 January 2008.

SPECIAL RESOLUTIONS

RESOLUTION 1

THAT:

- (A) the authorised share capital of the Company be increased from £7,000,000 to £8,789,547.20 by the creation of an additional 17,895,472 ordinary shares of 10 pence each ranking *pari passu* in all respects with the existing ordinary shares of 10 pence in the capital of the Company;
- (B) for the purposes of section 80 of the Companies Act 1985 (the “**Act**”) (and so that expressions used in this resolution shall bear the same meanings as in the said section 80) and without prejudice to any existing authority pursuant to this section:
 - (i) the Directors be and are hereby authorised generally and unconditionally to exercise all or any powers of the Company to allot relevant securities up to an aggregate nominal amount equal to £1,789,547.20 for the purpose of the Subscription (as defined in the Circular dated 10 December 2007, of which this notice forms part (the “**Circular**”)) and to such persons and at such times and on such terms as they think proper, such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company; and
 - (ii) the Company be and is hereby 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 the said period 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 1; and
- (C) without prejudice to any existing authority pursuant to section 95 of the Act, the Directors be and are empowered in accordance with section 95 of the Act to allot equity securities (as defined in section 94 of the Act) of the Company for cash, pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by paragraph B of this Resolution 1 as if section 89(1) and sub-sections (1) - (6) of section 90 of the Act did not apply to any such allotment, provided that the power conferred by this Resolution 1 shall be limited to the allotment of 17,895,472 Ordinary Shares pursuant to the Subscription (as defined in the Circular) and this power, unless renewed, varied or revoked, shall expire at the conclusion of the next annual general meeting of the Company but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

RESOLUTION 2

THAT, subject to Resolution 1 being passed:

- (A) the authorised share capital of the Company be increased from £8,789,547.20 to £8,807,547.20 by the creation of an additional 180,000 ordinary shares of 10 pence each ranking *pari passu* in all respects with the existing ordinary shares of 10 pence in the capital of the Company;
- (B) for the purposes of section 80 of the Act (and so that expressions used in this resolution shall bear the same meanings as in the said section 80) and without prejudice to existing authority pursuant to this section:
 - (i) the Directors be and are hereby authorised generally and unconditionally to exercise all or any powers of the Company to allot relevant securities up to an aggregate nominal amount equal to £18,000 for the purpose of the Option Agreements (as defined in the Circular) such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company; and
 - (ii) the Company be and is hereby 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 the said period 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 2; and
- (C) without prejudice to any existing authority pursuant to section 95 of the Act, the Directors be and are empowered in accordance with section 95 of the Act to allot equity securities (as defined in section 94 of the Act) of the Company for cash, pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by paragraph B of this Resolution 2 as if section 89(1) and sub-sections (1) - (6) of section 90 of the Act did not apply to any such allotment, provided that the power conferred by this Resolution 2 shall be limited to the grant of options to subscribe for, in aggregate, 180,000 Ordinary Shares pursuant to the Option Agreements (as defined in the Circular) and this power, unless renewed, varied or revoked, shall expire at the conclusion of the next annual general meeting of the Company but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

BY ORDER OF THE BOARD

WATLINGTON SECURITIES LIMITED

(Company Secretary)

Dated: 10 December 2007

Registered office: Transense Technologies plc, 36 Elder Street, London E1 6BT

Notes:

- (i) A member entitled to attend and vote at the Meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and vote in his place. A proxy need not be a member of the Company.
- (ii) To appoint a proxy you may:
 - (a) use the Form of Proxy enclosed with this notice of General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the same, must be deposited by 11.00 a.m. on 2 January 2008 at the offices of Capita Registrars, Proxies Department, PO Box 25, Beckenham, Kent BR3 4BR;

- (b) if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in paragraph 9 of Part I of the Circular accompanying the notice of General Meeting; or
- (c) submit your vote electronically via the Registrar's website - log on to www.capitashareportal.com and follow the on-screen instructions.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent you from attending and voting in person.

- (iii) Pursuant to regulation 41 of the Regulations, only shareholders registered in the register of members of the Company as at 11.00 a.m. on 2 January 2008 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 48 hours before the time and date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (iv) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (v) Copies of the Subscription Agreements and the Option Agreements are available for inspection at the offices of Transense Technologies plc at 66 Heyford Park, Bicester, Oxfordshire OX25 5HD, during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the conclusion of the General Meeting and will be available for inspection at the place of the General Meeting for at least 15 minutes prior to and during the Meeting.

APPENDIX

Background of the New Directors

David Kleeman

David George Kleeman (65) is Chairman of Fayrewood plc, an AIM-listed company, and of ComputerLinks AG, which is listed on the Frankfurt Stock Exchange. He was a solicitor in private practice for seventeen years, specialising in corporate finance. Since 1985, he has been a professional investor and has provided funding to a number of companies in a variety of industries. He holds consultancies and directorships in both public and private companies and has held several Government appointments, including chairman of a Health Authority, a Board Member and later Deputy Chairman of NHS Logistics, and a Board Member of the Housing Corporation for eight years.

Mr Kleeman holds or has held the following directorships and partnerships within the five years prior to the date of this announcement:

Current directorships/partnerships

Banque Magnetique SA (France)
Beyond Technologies Limited (Israel)
CCR Data Limited
ComputerLinks AG (Germany)
Daman Financial Services Limited
Fayrewood Holdings Limited
Fayrewood Overseas Holdings BV
Fayrewood plc
Genesis Housing Group Limited
JPL Portfolio Management Limited
Michelangelo Recruitment Services Limited
Michelangelo Search Limited
Vitae Search Limited
Wordbank Limited
Zycko Limited

Previous directorships/partnerships

Audient plc
DPA Investments plc
Elevate East Lancashire Limited
Expotus Limited
The Stag and Huntsman Inn Limited
The Vitae Group Limited
Sauce Organics Limited

Melvyn Segal

Melvyn Segal (53) qualified as a Chartered Accountant in 1979. He is currently a partner at Arram Berlyn Gardner, a firm of Chartered Accountants, and is currently responsible for the firm's finances, the partnership taxation and assisting with client development. Prior to this, he was an assistant manager at BDO Stoy Hayward. Mr Segal was also a Director of ABG Financial Management Limited until 2005, when he was involved in the sale of this company to AIM-listed First Artists plc.

Mr Segal is Non-Executive Financial Director at Impex Lighting Limited, a lighting distribution business. His role includes identifying acquisitions and managing the process.

He is also involved in various charitable causes, including holding the role of Honorary Treasurer of FHU Charity, which has over £20 million in funds.

Mr Segal holds or has held the following directorships and partnerships within the five years prior to the date of this announcement:

Current directorships/partnerships

Arram Berlyn Gardner
Bodafose Limited
Impex (Glassware) Limited
Impex Lighting Limited
Smithbrook Limited
Totalbroad Limited

Previous directorships/partnerships

ABG Corporate Finance Ltd
ABG Marketing Consultancy Ltd
Arram Berlyn Gardner LLP
Optimal Wealth Management Ltd
(formerly ABG Financial
Management Limited)
This is Another Company plc

Neither of the New Directors:

- (i) has any unspent convictions in relation to indictable offences;
- (ii) has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his assets;
- (iii) has been a director of any company which, whilst he was such a director or within 12 months after his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with the company's creditors generally or with any class of creditors of any company or had an administrator or an administrative or other receiver appointed;
- (iv) has been a partner in any partnership which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any partnership voluntary arrangement;
- (v) has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; nor
- (vi) has received any public criticisms, official public incriminations and/or sanctions by statutory or regulatory authorities (including recognised professional bodies) or has ever been disqualified by a court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Neither Mr Kleeman nor any of his Connected Persons currently has any interests in the share capital of the Company. Mr Segal, together with his Connected Persons, holds 450,000 Ordinary Shares, representing 0.78 per cent. of the Existing Share Capital. In addition, Mr Segal has subscribed for a further 250,000 Ordinary Shares pursuant to the Subscription. As referred to in paragraph 3 of Part I of this document, it is proposed that Messrs Kleeman and Segal be granted the Options pursuant to the Options Agreements subject to Resolution 2 being approved by Shareholders.