

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities before taking any action. The whole of this document should be read. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should carefully consider the section entitled “Risk Factors” set out in Part III of this document.**

If you have sold or transferred all of your registered holding of Ordinary Shares and Warrants on or before the Record Date please forward this document and the accompanying documents as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other party through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

If you have sold or transferred only part of your registered holding of Ordinary Shares and/or Warrants on or before the Record Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not comprise a prospectus in accordance with the Prospectus Rules and, pursuant to section 85 of the Financial Services and Markets Act 2000 (as amended), has not been drawn up in accordance with the Prospectus Rules. This document has not been approved by the Financial Services Authority or by any other authority in any jurisdiction.

The Company’s Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the Subscription Shares and the Bonus Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings for normal settlement in the Subscription Shares and the Bonus Shares will commence, at 8.00 a.m. on 20 December 2011. The Subscription Shares and Bonus Shares will not be dealt in, or on, any other recognised investment exchange and no other such application will be made.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the Subscription Shares or the Bonus Shares to the Official List. The Subscription Shares and the Bonus Shares will not be dealt on any other recognised investment exchange and no other such application will be made.



*(Incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 1885075)*

## **PROPOSED FUNDRAISING TO RAISE UP TO APPROXIMATELY £2.54 MILLION**

### **NOTICE OF A GENERAL MEETING OF SHAREHOLDERS**

### **NOTICE OF A MEETING OF WARRANTHOLDERS**

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Notice of the General Meeting to be held at 10.00 a.m on 15 December 2011 at which the resolutions required to effect the Fundraising are to be proposed is set out at the end of this document. All Shareholders are urged to complete and return the enclosed Form of Shareholder Proxy, whether or not they intend to be present at the meeting, in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event so as to be received by the Company’s registrars, Capita Registrars, at their offices at PXS, 34 Beckenham Road, Beckenham, BR3 4TU by not later than 10.00 a.m. on 13 December 2011. Completion and posting of the Form of Shareholder Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting.

Notice of the Warrantholder Meeting to be held at 10.15 a.m on 15 December 2011 (or immediately after the conclusion of the General Meeting, if later) at which the resolution required to effect the Offer is to be proposed is set out at the end of this document. All Warrantholders are urged to complete and return the enclosed Form of Warrantholder Proxy, whether or not they intend to be present at the meeting, in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event so as to be received by the Company’s registrars, Capita Registrars, at their offices at PXS, 34 Beckenham Road, Beckenham, BR3 4TU by not later than 11.00 a.m. on 13 December 2011. Completion and posting of the Form of Warrantholder Proxy will not prevent a Warrantholder from attending and voting in person at the Warrantholder Meeting.

A letter from the Chairman of the Company is set out in Part I of this document which contains a unanimous recommendation from the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting and the Warrantholder Meeting.

**The latest time for receipt of Warrant Exercise Forms and payment under the Offer is 11.00 a.m. on 13 December 2011.**

**The procedure for exercise and payment is summarised in section 3 of Part I and set out in detail in Part IV of this document.**

Hybridan, which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser and broker to the Company in connection with the Fundraising and will not be acting for any other person or otherwise be responsible to any person for providing the protections afforded to customers of Hybridan or for advising any other person in respect of the Fundraising. Hybridan is not making any representation or warranty, express or implied, and takes no responsibility for the contents of this document or for the Fundraising.

Brewin Dolphin, which is authorised and regulated in the UK by the Financial Services Authority, is acting as nominated adviser to the Company in connection with the Fundraising and will not be acting for any other person or otherwise be responsible to any person for providing the protections afforded to customers of Brewin Dolphin or for advising any other person in respect of the Fundraising. Brewin Dolphin's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company nor to any other person. Brewin Dolphin is not making any representation or warranty, express or implied, and takes no responsibility for the contents of this document or for the Fundraising.

The release, publication or distribution of this document in or outside the UK may be restricted by law. Persons who come into possession of this document should inform themselves about and observe any applicable restrictions or requirements in their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. No action has been taken by the Company or Hybridan that would permit possession or distribution of this document in any jurisdiction (including the UK) where action for that purpose is required.

**This document is sent to all Shareholders and Warrantholders, but for Shareholders and those Warrantholders who are not Eligible Warrantholders it is being sent to them for information purposes only to enable them to exercise their rights as Shareholders vis-à-vis the General Meeting and as Warrantholders vis-à-vis the Warrantholder Meeting to be held. Warrantholders who are resident or ordinarily resident in, or citizens or nationals of, jurisdictions outside the UK should read the section headed "Overseas Warrantholders" in Part IV of this document.**

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy securities to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Existing Ordinary Shares, the Subscription Shares and the Bonus Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to the Fundraising has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Fundraising. Subject to certain exceptions, the Subscription Shares and the Bonus Shares may not, directly or indirectly, be offered or sold within United States or the Excluded Territories or offered or sold to a person within the United States or the Excluded Territories. Any failure to comply with these restrictions may constitute a violation of the securities law of any jurisdiction.

It is the responsibility of any person receiving a copy of this document outside the UK to satisfy himself or herself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any government or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this document should not, in connection with the Offer, distribute or send this document into any jurisdiction when to do so would, or might contravene local securities laws or regulations.

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## EXPECTED TIMETABLE

2011

Record Date for participation in the Offer	6.00 p.m. on 18 November
Date of publication of this document and Offer opens	22 November
Last date and time for receipt of Form of Shareholder Proxy for General Meeting	10.00 a.m. on 13 December
Last date and time for receipt of Form of Warrantholder Proxy for Warrantholder Meeting	11.00 a.m. on 13 December
Closing Date for participation in the Offer and last date and time for receipt of Warrant Exercise Forms	11.00 a.m. on 13 December
General Meeting	10.00 a.m. on 15 December
Warrantholder Meeting	10.15 a.m. on 15 December
Dealings in Subscription Shares and Bonus Shares commence on AIM	8.00 a.m. on 20 December
Definitive share certificates in respect of the Subscription Shares and Bonus Shares despatched	No later than 4 January 2012

*If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders and Warrantholders by means of a Regulatory Information Service announcement. All events listed in the above timetable following the Meetings are conditional on the passing of the Resolutions at the Meetings. References to time in this document and the Notice of General Meeting and the Notice of Warrantholder Meeting are to Greenwich Mean Time.*

## KEY STATISTICS

Warrant Exercise Price	4.5 pence
Number of Ordinary Shares in issue prior to the Offer	132,242,167
Number of Ordinary Shares the subject of Warrants	56,364,967
<i>Assuming the maximum number of Warrants are exercised pursuant to the Offer, there is no Placing and no options are exercised before Admission</i>	
Number of Subscription Shares to be issued pursuant to the Offer	56,364,967
Number of Bonus Shares to be issued pursuant to the Offer	28,182,483
Total maximum number of new Ordinary Shares to be issued pursuant to the Offer	84,547,450
Number of Ordinary Shares in issue at Admission	216,789,617
Number of Ordinary Shares under option	4,190,000
Market capitalisation of the Company on Admission at the Warrant Exercise Price	£9.76 million
Percentage of the Existing Ordinary Share Capital represented by the maximum number of new Ordinary Shares to be issued pursuant to the Offer	64 per cent.
Percentage of the Enlarged Ordinary Share Capital represented by the maximum number of new Ordinary Shares to be issued pursuant to the Offer	39 per cent.
Gross proceeds of the Offer	£2.54 million

## DEFINITIONS

“Act”	Companies Act 2006 (as amended)
“Admission”	the admission of the Subscription Shares and the Bonus Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	AIM Rules for Companies published by the London Stock Exchange (as amended or reissued from time to time)
“Board” or “Directors”	the board of directors of the Company as at the date of this document, whose names are set out on page 10 of this document
“Bonus Shares”	up to 28,182,483 new Ordinary Shares to be issued free of payment but fully paid as to nominal value (1 pence) by capitalising up to £281,824.83 of the Company’s share premium account for the purposes of the Fundraising
“Brewin Dolphin”	Brewin Dolphin Limited, a subsidiary of Brewin Dolphin Holdings plc, the Company’s nominated adviser
“Capita Registrars”	a trading name of Capita Registrars Limited
“Closing Date”	the date on which the Offer will be closed being 11.00 a.m. on 13 December 2011, or such later time as the Directors and Hybridan may agree
“Company” or “Transense Technologies PLC”	Transense Technologies PLC
“EIS”	Enterprise Investment Scheme pursuant to Part 5 of the Income Tax Act 2007
“Eligible Warranholders”	Warranholders on the register of warranholders of the Company on the Record Date with addresses for service in the European Economic Area
“Enlarged Ordinary Share Capital”	the Ordinary Share capital of the Company in issue immediately following Admission
“Excluded Territories”	Australia, New Zealand, the United States, Canada, Japan and the Republic of South Africa and/or their respective territories or possessions
“Existing Ordinary Shares”	the 132,242,167 Ordinary Shares in issue at the Record Date
“Existing Ordinary Share Capital”	the Ordinary Share capital of the Company in issue at the Record Date
“Form of Shareholder Proxy”	the white form of proxy for use by Shareholders at the General Meeting
“Form of Warranholder Proxy”	the pink form of proxy for use by Warranholders at the Warranholder Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	the Offer and, if applicable, the Placing

“General Meeting”	the general meeting of the Company, convened for 10.00 a.m. on 15 December 2011, and any adjournment thereof, notice of which is set out in the Notice of General Meeting, which will consider the Shareholder Resolutions
“General Motors”	General Motors LLC
“Group”	Transense Technologies PLC and its subsidiaries
“Honeywell”	Honeywell International Inc., a US corporation duly organised and existing under laws of the State of Delaware
“Hybridan”	Hybridan LLP, a member of the London Stock Exchange
“IntelliSAW”	IntelliSAW, a trading division of the Company
“London Stock Exchange”	London Stock Exchange plc
“McLaren JDA”	the joint development agreement dated as of 5 May 2011 between the Company and McLaren Electronic Systems Limited
“Meetings”	the General Meeting and the Warrantholder Meeting
“Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Notice of Warrantholder Meeting”	the notice of Warrantholder Meeting set out at the end of this document
“Offer”	the offer to Warrantholders entitling them to one Bonus Share for every two Warrants exercised during the Offer Period being made by the Company on the terms set out in this document
“Offer Period”	the period starting 22 November 2011 and ending on the Closing Date
“Official List”	the list of all securities that have been approved by the UKLA for trading on a UK regulated market
“Ordinary Shares”	ordinary shares in the capital of the Company having a nominal value of 1 pence
“Placing”	a potential placing of new Ordinary Shares with new and/or existing shareholders: (a) to the extent that the Offer is not fully subscribed for an amount up to the balance of the shortfall or (b) to the extent that the Offer does not proceed for an amount up to £2.54 million, and in either case on terms overall no more favourable than those offered to Warrantholders pursuant to the terms of the Offer
“Placing Shares”	new Ordinary Shares issued pursuant to the Placing (if any)
“Receiving Agent”	Capita Registrars
“Record Date”	the record date for participation in the Offer, being 6.00 p.m. on 18 November 2011
“Resolutions”	the Shareholder Resolutions and the Warrantholder Resolution
“Shareholder”	a holder of Ordinary Shares from time to time
“Shareholder Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice of General Meeting

“Subscription Shares”	up to 56,364,967 new Ordinary Shares to be issued pursuant to the Offer
“Translogik”	Translogik Limited, a subsidiary of the Company
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“Warrantholder”	a holder of Warrants from time to time
“Warrants”	the warrants to subscribe for Ordinary Shares at the Warrant Exercise Price on the terms and conditions set out in the Warrant Instrument
“Warrant Exercise Form”	the exercise form attached to a Warrantholder’s Warrant certificate
“Warrant Exercise Price”	4.5 pence per Subscription Share
“Warrant Instrument”	the Warrant Instrument dated 1 June 2010 constituting the Warrants
“Warrantholder Meeting”	the meeting of Warrantholders, convened for 10.15 a.m. on 15 December 2011 (or immediately after conclusion of the General Meeting, if later) and any adjournment thereof, notice of which is set out in the Notice of Warrantholder Meeting, which will consider the Warrantholder Resolution
“Warrantholder Resolution”	the resolution to be proposed at the Warrantholder Meeting, details of which are set out in the Notice of Warrantholder Meeting
“VCT”	Venture Capital Trust pursuant to Part 6 of the Income Tax Act 2007
“Vectron”	Vectron International, part of the Dover Corporation

A reference to £ is to pound sterling, being the lawful currency of the UK.

A reference to € is to the Euro, being the official currency of 17 of the 27 member states of the European Union.

## GLOSSARY

“Electrical Switchgear”	a combination of electrical disconnects, fuses and/or circuit breakers used to isolate electrical equipment
“iOS devices”	devices running the Apple iOS operating system
“IP”	Intellectual Property
“JDA”	Joint Development Agreement
“OTR”	off-the-road
“RF”	Radio Frequency
“R&D”	Research and development
“SAW”	Surface Acoustic Wave
“Smart-Grid”	technologies that provide intelligent control and monitoring of the electrical power grid

## DIRECTORS, SECRETARY AND ADVISORS

<b>Directors</b>	David Kleeman ( <i>Non-Executive Chairman</i> ) Graham Storey ( <i>Chief Executive Officer</i> ) David Ford ( <i>Executive Director</i> ) Rodney Westhead ( <i>Non-Executive Director</i> )
<b>Company Secretary and Registered Office</b>	David Ford 66 Camp Road Upper Heyford Bicester Oxon OX25 5HD
<b>Nominated Advisor</b>	Brewin Dolphin Ltd 12 Smithfield Street London EC1A 9BD
<b>Financial adviser and Broker</b>	Hybridan LLP 29 Throgmorton Street London EC2N 2AT
<b>Solicitors to the Company</b>	Charles Russell LLP 5 Fleet Place London EC4M 7RD
<b>Auditors</b>	KPMG International 8 Salisbury Square London EC4Y 8BB
<b>Registrars</b>	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA
<b>Receiving Agent</b>	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham BR3 4TU
<b>Website</b>	<a href="http://www.transense.co.uk">http://www.transense.co.uk</a>

**PART I**  
**LETTER FROM THE CHAIRMAN**

**Transense Technologies PLC**

*(Incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 1885075)*

*Directors:*

D G Kleeman (*Chairman*)\*  
H G Storey  
D M Ford  
R J Westhead \*

*Registered Office:*

66 Heyford Park  
Upper Heyford  
Bicester  
Oxon  
OX25 5HD

\* *Non Executive Director*

22 November 2011

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

Dear Shareholder and/or Warrantholder,

**PROPOSED FUNDRAISING TO RAISE UP TO APPROXIMATELY £2.54 MILLION,  
NOTICE OF A GENERAL MEETING OF SHAREHOLDERS AND  
NOTICE OF A MEETING OF WARRANTHOLDERS**

**1. Introduction**

The Company announced yesterday that it proposes to raise up to approximately £2.54 million (before expenses) by way of an Offer made to Eligible Warrantholders with an entitlement to one Bonus Share for every two Warrants exercised during the Offer Period. The Bonus Share will be issued free of payment. I am pleased to report that the Company has already received irrevocable commitments from certain Warrantholders to subscribe under the Offer for 15,243,769 Subscription Shares resulting in gross proceeds to the Company of £685,970.

The Offer is conditional in all respects on Shareholders passing the Shareholder Resolutions at the General Meeting and the Warrantholders passing the Warrantholder Resolution at the Warrantholder Meeting. If the Offer is not fully subscribed, the authorities being sought from Shareholders and Warrantholders at the Meetings to implement the Offer may at the discretion of the Board be used to effect a placing of new Ordinary Shares to new and existing shareholders for up to the balance of the shortfall on terms overall no more favourable than those being offered to Warrantholders under the Offer. Alternatively, if the Shareholder Resolutions are passed but the Warrantholder Resolution is not, the authorities given by Shareholders may be used to effect a placing of new Ordinary Shares; any such Placing would only be effected on terms overall no more favourable than those being offered to Warrantholders in the Offer. **The decision as to whether or not to proceed with a Placing has yet to be taken by the Directors and any Placing will not be underwritten.**

The net proceeds of the Fundraising will be used to further develop the Company's strategy, and in particular to accelerate the pace at which it addresses the opportunities arising within the IntelliSAW division, and for general working capital purposes.

The purpose of this document is to provide you with details of the Fundraising, to explain the background to and the reasons for the Fundraising and why the Directors recommend that Shareholders vote in favour of the Shareholder Resolutions to be proposed at the General Meeting and that Warrantholders vote in favour

of the Warrantholder Resolution to be proposed at the Warrantholder Meeting. Notices convening these two meetings can be found at the back of this document.

## **2. Background to and reasons for the Fundraising**

In September 2011, Transense announced the formation of a new trading division, IntelliSAW, to develop and market SAW based wireless sensor systems for Smart-Grid applications. IntelliSAW utilises existing technology from Transense together with proprietary SAW interrogation electronics to provide wireless temperature monitoring, initially targeted at the Electrical Switchgear market, but with potential to be expanded to wider market applications. The Company was pleased to welcome Tom Cunneen and other key members of the team, who formerly worked with Vectron, the Company's licensee, and who have worked with the technology embodied in the IntelliSAW product over the last 3 years. IntelliSAW has already received conditional orders of \$300,000 and has agreed to distribution arrangements which could lead, the Board believes, to further orders with a value in excess of \$700,000.

Existing Electrical Switchgear is increasingly burdened with more demand, and therefore the risk of failure, which can have a range of severe consequences including damage, power outages, human injury and loss of life. The Board understands that monitoring temperature is seen by market participants as highly effective and that SAW technology provides an ideal solution in a switchbox situation given its non-invasive, no-power, highly scalable and continuous monitoring characteristics. IntelliSAW's product has a high degree of accuracy, with a robust and configurable design for implementation in tough industrial environments.

A Morgan Stanley report analysing the Smart-Grid market puts current investment at \$20 billion per year increasing to over \$100 billion per year by 2030. In line with the state-of-the-art technology on offer, together with the market opportunity, the Company is seeking to grow this division by building new opportunities within the market space for its technology to generate additional near-term, and long-term, growth.

The Board believes the Company has over the last 2 years made substantial progress in opening a range of new revenue channels, and having been awarded new contracts during the period (most recently with Pirelli Brazil for its commercial vehicle tyre inspection tools), is seeking to deliver good growth from a well diversified base. Translogik, the McLaren JDA, engineering consultancy and licensee royalty income, in addition to IntelliSAW, should in the opinion of the Board all contribute to the stability of revenue generation and the Company is particularly pleased with the developing relationship with General Motors. The Board believes that supported by the proceeds from the Fundraising, the Company is well on its way to generating significant revenues from these new channels.

At 31 October 2011, the Company held net cash of approximately £700,000. In developing the IntelliSAW division, both through business development activities to enhance the already growing pipeline of opportunities together with a scale-up of production to serve the anticipated sales growth we expect to achieve, the Board has decided to seek to raise funds of up to a maximum of approximately £2.54 million (before expenses). In addition to funding the development of IntelliSAW, amounts raised will also in part cover general working capital (general operational and administrative expenditures).

The Board considered a range of options for raising funds to accelerate the development of the Company, and as part of this process consulted with the major Shareholders. These options were considered against a background of volatile and difficult market conditions for smaller companies on the AIM market. The Board concluded that the Offer provides an attractive and cost effective means to raise funds from existing investors in a manner which utilises the existing capital structure of the Company (thereby effectively limiting dilution). This has enabled the Company to already secure, subject to conditions, £685,970 of additional gross funding through irrevocable commitments.

## **3. Details of the Offer**

On and subject to the terms and conditions of the Offer, the Company invites Eligible Warrantholders to exercise their Warrants and subscribe for Subscription Shares.

The principal terms of the Offer and the procedure for exercise and payment are summarised below. However, your attention is drawn to Part IV which contains the full terms and conditions of the Offer, including the procedure for exercise and payment, which you are asked to read carefully and follow in full.

**If an Eligible Warrantholder does not wish to exercise his Warrants and apply for Subscription Shares pursuant to the Offer he should not complete or return his Warrant Exercise Form during the Offer Period.**

### 3.1 *Principal terms and conditions of the Offer*

Eligible Warrantholders may exercise, on and subject to the terms and conditions set out in this document, any whole number of Warrants at the Warrant Exercise Price. For every two Warrants exercised during the Offer Period, Eligible Warrantholders will receive one Bonus Share.

There is no minimum subscription amount.

The Bonus Shares will be issued free of payment but fully paid up to their nominal value (1 pence) by capitalising up to £281,824.83 of the amount currently standing to the credit of the Company's share premium account pursuant to section 610(3) of the Act.

The Subscription Shares and the Bonus Shares will, upon issue, rank *pari passu* in all respects with the Ordinary Shares in issue at the date of Admission, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

The allotment and issue of the Subscription Shares and the Bonus Shares will be made upon and be subject to the terms and conditions set out in this document. Eligible Warrantholders will only be entitled to participate in the Offer in accordance with the procedure summarised below and set out in full in Part IV and provided the Warrant Exercise Form is completed in accordance with the instructions printed on it.

An application will be made to the London Stock Exchange for the Subscription Shares and the Bonus Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Subscription Shares and the Bonus Shares will commence on AIM at 8.00 a.m. on 20 December 2011.

**The Offer is in all respects conditional on the passing of the Shareholder Resolutions and the Warrantholder Resolution.**

### 3.2 *Procedure for exercise and payment*

**Eligible Warrantholders wishing to exercise their Warrants in accordance with the terms of the Offer should complete their Warrant Exercise Form (attached to the Warrant certificate in their possession) in accordance with the instructions on it and post it together with the remainder of the Warrant certificate (a reply-paid envelope is enclosed with this document) or (during normal business hours only) deliver it by hand, together with a cheque or bankers' draft made payable to "Capita Registrars Limited re: Transense Technologies Plc Offer to Warrantholders A/C" and crossed "A/C payee only" for the aggregate exercise price payable for the Warrants being exercised, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU so as to arrive not later than 11.00 a.m. on 13 December 2011. After this time, Warrant Exercise Forms will continue to be accepted in accordance with the terms of the Warrant Instrument but will not be eligible for participation in the Offer.**

**A reply-paid envelope (for use in the UK only) is enclosed with this document for the return of duly completed Warrant Exercise Forms together with the remainder of the Warrant certificate and cheques or bankers' drafts.**

**If you post your Warrant Exercise Form you are recommended to use the accompanying reply-paid envelope or first class post and to allow at least four working days for delivery.**

As noted above, cheques or bankers' drafts should be made payable to "Capita Registrars Limited re: Transense Technologies Plc Offer to Warrantholders A/C" and crossed "A/C payee only".

Cheques should be drawn on the personal account to which the Eligible Warrantholder has sole or joint title to the funds. Third party cheques will not be accepted with the exception of bankers' drafts/building society cheques where the bank/building society has confirmed the name of the account holder on the back of the draft/cheque and has added their stamp. The account name must be the same as that of the Warrantholder.

### 3.3 Overseas Warrantholders

Overseas Warrantholders should read the section headed "Overseas Warrantholders" in Part IV of this document which contains important information relevant to such persons.

### 3.4 Taxation

The Company has obtained advance assurance from HM Revenue & Customs who confirmed that on the basis of information provided (i) following receipt of a properly completed form EIS1 they were able to authorise the Company to issue certificates under Section 204 Income Tax Act 2007 in respect of the new Ordinary Shares to be issued pursuant to the Fundraising; and (ii) the new Ordinary Shares will be eligible shares for the purposes of Section 285(3) Income Tax Act 2007 and may be part of a qualifying holding for the purposes of Chapter 4 of Part 6 of that statute subject to the status of any investing trust. The Directors are not aware of any subsequent change in the qualifying conditions or the Company's circumstances that would prevent the new Ordinary Shares to be issued pursuant to the Fundraising from being eligible VCT and EIS investments on this occasion. If you are in any doubt about your tax position in respect of the Offer, you should consult your own independent professional adviser.

## 4. Directors' Participation in the Offer

The table below sets out the Directors' participation in the Offer:

<i>Director</i>	<i>Holding of Existing Ordinary Shares</i>	<i>% of Existing Share Capital</i>	<i>Holding of Warrants prior to the Offer</i>	<i>Number of Warrants to be exercised</i>	<i>Number of new Ordinary Shares to be issued in the Offer</i>	<i>Holding of Ordinary Shares immediately after the Offer</i>	<i>% of Enlarged Share Capital*</i>
D G Kleeman	2,276,973	1.7%	1,801,974	801,972	1,202,958	3,479,931	1.61%
H G Storey	2,132,190	1.6%	1,111,111	1,111,111	1,666,666	3,798,856	1.75%
D M Ford	111,111	0.08%	111,111	111,111	166,666	277,777	0.13%
R J Westhead	116,111	0.09%	111,111	111,111	166,666	282,777	0.13%

\* calculated on the Enlarged Share Capital (on the assumption no outstanding options are exercised) following Admission and on the assumption the Offer is fully subscribed.

## 5. Related Party Transaction

Each of the Directors, David Kleeman, Graham Storey, David Ford and Rodney Westhead is a Warrantholder, and each of them has given an irrevocable undertaking to exercise such number of Warrants as is set out in the table above. Although a significant proportion of Shareholders are also Warrantholders, not all are, and as such the Fundraising is being treated as a related party transaction under the AIM Rules. As none of the Directors can be classed as independent (due to their participation in the Fundraising by virtue of their holding of Warrants), Brewin Dolphin, as the Company's nominated adviser, has considered this transaction alone for the purpose of the AIM Rules. Brewin Dolphin has given careful consideration to the proposed terms of the Fundraising and has concluded that its terms are fair and reasonable insofar as Shareholders are concerned.

## 6. Use of Proceeds

The proceeds of the Fundraising will be used to develop the IntelliSAW division (in both business development activities and volume production capabilities) which the Board believes has significant opportunity for growth and revenue/profit contribution and also to meet the general working capital needs of the Group.

## 7. Shareholders Resolutions

For the Fundraising to proceed, Shareholder approval is required to:

- (a) give the Directors the authority to allot the Subscription Shares, or, if the Offer is not fully subscribed or does not proceed, the Placing Shares up to a maximum nominal value of £845,474.51 and to dis-apply statutory pre-emption rights in respect thereof; and
- (b) capitalise up to £281,824.83 of the amount standing to the credit of the share premium account for the purposes of paying up in full at par up to 28,182,483 Bonus Shares and giving the Directors the authority to allot such Bonus Shares pursuant to the Fundraising.

In order to obtain the necessary Shareholder approvals, a General Meeting of the Company to be held at which the Shareholder Resolutions will be proposed.

A notice convening the General Meeting to be held at the offices of Brewin Dolphin, 12 Smithfield Street, London EC1A 9BD at 10.00 a.m. on 15 December 2011 is set out at the end of this document.

## 8. Action to be taken by Shareholders

A reply-paid envelope (for use within the UK only) is enclosed for use at the General Meeting. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the enclosed Form of Shareholder Proxy to the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible but in any event so as to arrive not later than 10.00 a.m. on 13 December 2011. The completion and return of the Form of Shareholder Proxy will not preclude you from attending the General Meeting and voting in person should you subsequently wish to do so.

If you are also a Warranholder you should also read paragraphs 9 and 10 and take the action set out in paragraph 10 below.

## 9. Warranholder Resolution

For the Offer to proceed, Warranholder approval is being sought to disapply clause 6 of the Warrant Instrument.

Clause 6 of the Warrant Instrument relates, *inter alia*, to the allotment of fully paid Ordinary Shares by way of capitalisation of reserves (such as the share premium account) to holders of Ordinary Shares. The clause provides that in certain circumstances, the number of Warrants should be increased in due proportion to the adjustment in ordinary share capital effected by the capitalisation. The Board do not believe the provisions of clause 6 are intended to apply to capital raisings such as the Offer, but because the Offer involves the issue of Bonus Shares and most Warranholders also hold Ordinary Shares, the Board has been advised that the Offer might be said to fall within the scope of clause 6. In light of this, and because the Board consider it makes no commercial sense to adjust the number of Warrants in connection with the Offer, the Offer is conditional on Warranholders disapplying the provisions of clause 6 in respect of the Offer.

In order to disapply clause 6 of the Warrant Instrument in respect of the Offer (and the Placing) the Warranholder Meeting is to be held at which the Warranholder Resolution will be proposed. **If Shareholders pass the Shareholder Resolutions but Warranholders do not pass the Warranholder Resolution, then the Board will be authorised to effect the Placing only.**

A notice convening the Warranholder Meeting to be held at the offices of Brewin Dolphin, 12 Smithfield Street, London EC1A at 10.15 a.m. (or immediately after conclusion of the General Meeting, if later) on 15 December 2011 is set out at the end of this document.

## **10. Action to be taken by Warranholders**

### ***In respect of the Warranholder Meeting***

A reply-paid envelope (for use within the UK only) is enclosed for use at the Warranholder Meeting. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the enclosed Form of Warranholder Proxy to the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible but in any event so as to arrive not later than 11.00 a.m. on 13 December 2011. The completion and return of the Form of Warranholder Proxy will not preclude you from attending the Warranholder Meeting and voting in person should you subsequently wish to do so.

### ***In respect of the Offer***

Warranholders wishing to participate in the Offer are referred to the procedure for exercise and payment set out in detail in Part IV of this document.

## **11. Further Information**

Your attention is drawn to the Risk Factors relating to the Group set out in Part III of this document, the further information concerning the Group set out in Part II of this document, and the terms and conditions of the Offer set out in Part IV of this document.

## **12. Recommendation**

**The Directors consider that the Fundraising will promote the success of the Company for the benefit of its members as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Shareholder Resolutions at the General Meeting and Warranholders to vote in favour of the Warranholder Resolution at the Warranholder Meeting and recommend, as they intend to do in respect of their own holdings.**

The Directors have received irrevocable undertakings from Warranholders and Shareholders (including themselves):

- (i) to vote in favour of the Shareholder Resolutions in respect of 32,776,055 Ordinary Shares representing 24.8 per cent. of the Existing Ordinary Share Capital;
- (ii) to vote in favour of the Warranholder Resolution in respect of 19,735,586 Warrants representing 35.0 per cent. of the existing Warrants; and
- (iii) to exercise Warrants and subscribe for Subscription Shares under the Offer with aggregate subscription proceeds of £685,970.

Yours faithfully

David Kleeman  
*Chairman*

## PART II

### INFORMATION ON THE COMPANY

#### 1. Introduction

The Company is a technology transfer company that develops Surface Acoustic Wave (SAW), wireless, battery-less sensor systems for the automotive and industrial markets. Current applications include Tyre Pressure Monitoring Systems (TPMS) and torque systems for Electrical Power Assisted Steering (EPAS) and driveline management.

#### 2. Divisional Activity

##### *Transense*

General Motors has been identified as the end-customer for the torque drive-line 'flexplate' sensor, using the Company's patented SAW technology. The flexplate project for evaluation of Transense's SAW torque sensor technology began in 2004. Originally developed for use in eight-cylinder engines, General Motors has expanded the project to also include its four and six-cylinder family of engines. As part of this process Transense has successfully negotiated a variation of the otherwise exclusive licence to Honeywell, permitting Transense to deal directly with various named companies including General Motors' preferred Tier 1 suppliers.

The flexplate is an integral part of the vehicle powertrain control system and has the potential to improve vehicle driveability, reduce fuel consumption and improve transmission shift quality. As far as the Company is aware, this will be the first time a propulsion system has been able to measure engine torque 'live', enabling optimal control to be maintained throughout a vehicle's life. Current torque management systems rely on simulated models derived from production engine testing which can differ from the actual engine torque output over time. The new flexplate technology provides continuous real-time torque measurement allowing actual torque measurement on a per-vehicle basis for maximisation of engine efficiency.

General Motors is currently evaluating further applications of the technology for real-time vehicle control.

##### *McLaren*

The recent signing of the new McLaren JDA provides a new route to market for the Company's range of SAW sensing IP. It is also considered by the Board to be a resounding endorsement of the Group's sensing technology. The initial project is for use in a major US motorsport series and the Board are hopeful that the McLaren JDA will provide a series of joint projects over the coming years.

##### *Wind Turbine Project*

In a further new application of Transense's torque sensing solutions, the Company is now part of a consortium of nine companies (known as "IntelWind") that has begun development on a major EU funded project to improve the efficiency of wind turbines. Transense will receive a grant to develop SAW torque sensors for the large diameter shafts required for this project and the work required to integrate these sensors into the newly developed wind turbine designs. Involvement in this project came about as a result of work already underway with a major wind turbine gearbox design house. There is an increasing demand for wind turbine monitoring systems and Transense is positioning itself to exploit this emerging high value market as it develops. Additionally, the expertise gained during the technical development work on these much larger shafts has applications in many other markets, such as marine and power generation. The IntelWind consortium projects turnover accruing to Transense of €700k for the year commencing Q4 2013 rising to €2.1 million in 2017.

### *IntelliSAW*

Transense has established a new trading division, IntelliSAW. The new business has been established to develop and market SAW based wireless sensor systems for Smart-Grid applications.

Smart-Grid is the broad term used to describe technologies that provide intelligent control and monitoring of the electrical power grid. IntelliSAW leverages existing Transense IP and R&D investment and uses the Company's patented SAW interrogation electronics to provide a state-of-the-art wireless temperature monitoring system, initially targeted at the Electrical Switchgear market. Having accurate, continuous, real-time temperature data instantaneously available at key points in the power transmission network provides power companies with early warning of potential problems. Failures within the network can have catastrophic consequences, causing significant damage, power outages and potentially fatal accidents.

Currently available switchgear monitoring solutions, whether wired, infrared or RF based, all have inherent drawbacks such as the potential for arcing or flashover, lack of continuous monitoring or the requirement for batteries or other direct power sources in an inherently unsuitable environment. The IntelliSAW system addresses all these drawbacks and offers a versatile, scalable and low maintenance solution that is easier to install and commission. A Morgan Stanley report analysing the Smart-Grid market puts current investment at \$20 billion per year increasing to over \$100 billion per year by 2030.

The Board believes that the market opportunity for IntelliSAW is significant, and in line with the Company's revised strategy of seeking out new routes to market for its wireless and battery-less sensing technology to generate additional near-term income, IntelliSAW will provide another complementary revenue stream. In order for Transense to sell IntelliSAW products directly and increase its potential revenues significantly over and above those available as royalties, Transense has varied its licensing arrangements with Vectron.

As a key aspect of the IntelliSAW business the Company has been able to engage several experts in the SAW sensing field who were previously employed by Vectron, as members of the IntelliSAW team. These individuals bring strong application expertise specific to industrial markets such as Smart-Grid which will greatly assist the scalability of this business.

### *Translogik*

#### *iTrack*

Field trials of Translogik's iTrack tyre temperature and pressure monitoring system for OTR vehicles, targeted at the mining and earthmover markets are continuing. Feedback from these trials proves the value of the system to operators, and several new uses of the system for managing vehicles have been identified. We have continued to customise and improve the system at the request of our trial partners and look forward to updating Shareholders on progress in due course.

#### *Tyre Inspection tools*

Sales of the Translogik range of tyre inspection tools have continued to grow, with several repeat orders from major customers such as Goodyear Dunlop, Bridgestone Europe and Pirelli.

A new version of Translogik's iProbe, the iProbe+ is now available, including a TPMS sensor reader as standard. The iProbe+ has the ability to "wake" third party TPMS sensors, greatly expanding its potential market.

As well as broadening the product range, Translogik has been developing its partner network, and in conjunction with Budini Incorporated, a South American tyre management software developer, has developed an Apple approved application for iOS devices that integrates with all versions of the tyre inspection probe. This development work was undertaken at the request of a major tyre manufacturer, and required Translogik to attain Apple approved hardware developer status. Budini Incorporated supplies its tyre management systems to all the major tyre manufacturers in South America and provides Translogik with a major new distribution partner in the region.

### **3. Interim results**

The information contained in section 2 of this Part II is taken from the Company's interim results for the six months ended 30 June 2011. A full copy of the interim results is available on the Company's website: [www.transense.co.uk](http://www.transense.co.uk).

### **4. Events since the Interim results**

The trends that the Company experienced in the half year to 30 June 2011 have continued.

## PART III

### RISK FACTORS

**ALL THE INFORMATION SET OUT IN THIS DOCUMENT SHOULD BE CAREFULLY CONSIDERED, IN PARTICULAR THE ATTENTION OF PROSPECTIVE INVESTORS AND SHAREHOLDERS AND WARRANTHOLDERS IS DRAWN TO THE RISKS DESCRIBED BELOW. THE ORDINARY SHARES AND WARRANTS SHOULD BE REGARDED AS SPECULATIVE INVESTMENTS AND AN INVESTMENT IN EITHER OR BOTH OF THEM SHOULD ONLY BE MADE BY THOSE WITH THE NECESSARY EXPERTISE TO FULLY EVALUATE THE INVESTMENT. INVESTMENTS MAY FALL AS WELL AS RISE IN VALUE. THE DIRECTORS BELIEVE THAT THE FOLLOWING RISKS SHOULD BE CONSIDERED CAREFULLY BY INVESTORS BEFORE ACQUIRING ORDINARY SHARES AND/OR WARRANTS. PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT AN INDEPENDENT ADVISER AUTHORISED UNDER FSMA.**

If any of the following risks actually materialise, the Group's business, financial condition, and prospects could be materially and adversely affected to the detriment of the Company and its investors. In that case, the market price and liquidity of Ordinary Shares and/or Warrants could decline and all or part of an investment in the Ordinary Shares and/or Warrants could be lost.

The Directors consider the following risks to be material, but the risks listed do not necessarily comprise all those associated with an investment in the Company and the Ordinary Shares and/or Warrants. There may be additional risks that the Directors do not currently consider to be material or of which the Directors are not currently aware. No inference ought to be drawn as to the relative importance, or the likelihood of the occurrence, of any of the following risks by reference to the order in which they appear.

#### **1. Risks relating to the Group's business**

##### ***New product development***

The Company's current business plan assumes that its product roll-out programme will be delivered on time. There is a risk that certain elements of this programme could be delayed as they rely on leading edge technology developments being completed on time and to specification and market acceptance thereof. The Group may encounter delays and incur additional research and development costs over and above those anticipated or allowed for by the Directors. If the Company is unable to deliver its product roll-out programme on time and on budget, the Company may require further financing.

##### ***Volatility of operating results***

Operating results may fluctuate, which makes the Company's results difficult to predict and could cause its results to fall short of expectations. The Group's operating results may fluctuate as a result of a number of factors, many of which are outside its control. Factors that may affect the Group's operating results include increased competition; an increased level of costs as it continues to expand its product range; increased employment costs (particularly for marketing and promotional activities); slower than expected take-up by its customers of its products; increased costs of raw materials and increased production costs.

##### ***Requirement for additional capital***

The Group may be required to conduct further fundraising exercises in the future in order to develop its businesses. The amount raised pursuant to the Fundraising will determine the amount and the timing of any further fundraise. The Group's capital requirements will depend on numerous factors and most notably its revenue streams from new products. Any additional equity financing may be dilutive to Shareholders' shareholdings and debt financing, if available, may place restrictions on the Group's financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

### ***Reliance on senior management and other personnel***

The Company's future success depends in a large part upon the continued service of a number of key members of its senior management team. The loss of any of its management or key personnel could seriously harm its businesses. The competition in the Company's industry for appropriately skilled employees is intense. The Company's continued ability to compete effectively depends on its ability to attract new employees and to retain and motivate its existing employees.

### ***IntelliSAW***

The recently established IntelliSAW business is based on the Company's patented SAW technology. In order to be able to establish IntelliSAW it was necessary to reach agreement with Vectron to vary the terms of the licensing agreement with Vectron; however, Vectron remains a competitor of the IntelliSAW business.

### ***Technology risks***

The technology used in the Group's products is still evolving and is highly complex and may be subject to change. Research and development by other companies may render the Group's products in development uncompetitive.

Undetected defects could increase costs or reduce revenues. The Group's products are complex and may contain undetected defects when first introduced and problems may be discovered from time to time in existing, new or enhanced products.

The Company's success will depend on market acceptance of the Group's products and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

### ***Legislative change***

The markets in which the Group operates are subject to regulatory and legislative change. There is no assurance that such changes will not affect the viability of the Group's business and prospects.

### ***Dependent upon sales to certain customers***

Part of the Group's strategy is to license its products and/or intellectual property to large manufacturers for manufacturing, subsequent marketing and additional prototype development. Consequently, the Group is reliant on securing and maintaining relationships with such companies. There can be no assurance that the Group will be able to enter into licences or ensure that relationships will satisfactorily continue if such relationships are entered into.

The Group's strategy also involves it developing and marketing products directly to end users and through third party distributors. Consequently, the Group is reliant on securing and maintaining relationships with such parties. There can be no assurance that the Group will be able to enter into sale contracts directly with end users or distribution or similar agreements with distributors or ensure that relationships will satisfactorily continue if such relationships are entered into.

The Group does not have a wide customer base and if one of the Group's major customers were to delay market launch, cancel production of a licensed product or cease trading with the Group, revenues would be adversely affected.

### ***Intellectual property***

The success of the Group depends to some extent on its ability to protect its intellectual property and trade secrets and to avoid the risk of infringing intellectual property rights owned by others. Despite prudent steps taken by the Group to protect its proprietary rights, third parties may attempt to copy aspects of its products and seek to use information that the Group regards as proprietary. Competitors may also independently develop similar technologies or seek to recruit the Group's employees who have had access to proprietary technology, processes or operations of the Group. There is a risk that the Group's means of protecting its intellectual property rights may not be adequate and weaknesses or failures in this area could adversely affect the Group's business. There is a further risk that use of the Group's technology may infringe patents and similar rights owned by third parties and this may affect the Group's ability to use any infringing technology.

The Group cannot be certain that the steps it has taken will prevent unauthorised use of its technology, particularly in foreign countries where the laws may not protect its proprietary rights as fully as do the laws of England and Wales.

The Group cannot be certain that patents will be issued as a result of its pending applications nor can the Group be certain that any issued patents will provide adequate protection or provide the means to prevent third parties from selling products which compete with the Group's products. There is a significant risk that patents issued to the Group may be circumvented or challenged or declared invalid or unenforceable. The Group also cannot be certain that others will not develop effective competing technologies of their own.

### ***Litigation and claims***

Legal proceedings may arise from time to time in the course of the Group's business and may be necessary to determine the scope, enforceability and validity of third party rights or to establish the Group's own intellectual property rights. Some of the Group's competitors have, or are affiliated with companies having, substantially greater resources than the Group and these competitors may be able to sustain the costs of complex litigation to a greater degree and for a longer period of time. Regardless of their merit, any such claims could be time consuming to evaluate and defend, result in costly litigation, cause delays or stoppages in product development, divert management's attention and focus away from the Group's business, subject the Group to significant liabilities, require the Group to enter into costly royalty or licensing agreements, subject the Group to reputational damage or require the Group to modify or stop using the infringing technology, any of which could have an adverse effect on the Group's business, prospects, financial condition or results of operation.

### ***Competition***

Products are available which compete directly or indirectly with the Group's products. New technology, changing commercial circumstances and new entrants to the markets in which the Group operates may adversely affect its business. Many of the companies operating in the same sector as the Group are significantly larger and have significantly greater financial resources. These factors could lead to an adverse effect upon the Group's revenue and earnings.

### ***Foreign exchange risk***

Fluctuations in exchange rates between currencies in which members of the Group operate relative to pounds sterling may cause fluctuations in its financial results. The Group cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on its businesses, operating results or financial conditions.

### ***EIS/VCT status***

As noted in section 3.4 of Part I of this document, HMRC has given certain advance assurances in respect of the eligibility of the new Ordinary Shares to be issued pursuant to the Fundraising under the EIS and VCT legislation. Whilst the Directors intend, so far as possible, to conduct the activities of the Group in such a way as to allow it to maintain its status as a qualifying EIS/VCT investment, circumstances may arise where the Directors believe that the interests of the Company are not best served by acting in a way that preserves such status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder. Neither the Company nor the Directors give any warranties or undertakings that this status will not be withdrawn. Should the law regarding EIS and/or VCT treatment change, then any reliefs or qualifying status previously obtained may be lost.

### ***Contracts***

There is no guarantee that any of the contracts that the Directors anticipate signing with providers, advisers, suppliers, customers or commercial partners will be entered into despite initial indications from these parties that this will be the case and that if contracts are entered into that they will generate significant revenue. Where such contracts are conditional upon another event there is no guarantee that the contract will become unconditional. The Group's operating plan and future results could be hindered if this were to be the case

and replacement customers and suppliers of equal ability could not be found at the same cost or on the same terms.

### ***Product liability***

The activities of the Group expose it to potential product liability risks that are inherent in the development and manufacture of parts for the automotive industry. While no successful product liability claims have ever been made against the Group, and it is insured for potential product liability claims, any product liability claim brought against the Group, with or without merit, could result in the increase in the Group's product liability insurance rates or the inability to secure coverage in the future. In addition, the Group would have to pay any amount awarded by a court or agreed in a settlement in excess of its coverage limit.

## **2. Risks relating to the Company's Ordinary Shares and Warrants**

### ***Value of Ordinary Shares and liquidity***

It is likely that the Company's share price will fluctuate and may not always accurately reflect the underlying value of the Group's business and assets. The price of the new Ordinary Shares to be issued pursuant to the Fundraising may go down as well as up and investors may realise less than the original sum invested. The price that investors may realise for their holdings of new Ordinary Shares, if and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Group and others of which are extraneous.

The volume of Ordinary Shares traded in the Company fluctuates, and there may be periods when there is little demand for the Company's Ordinary Shares. This poor level of liquidity might affect adversely investors' ability to sell Ordinary Shares and the price at which they can sell those shares. The Directors are unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares.

### ***Dividends***

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends, to the discretion of the Directors, and will depend upon, among other things, the Group's earnings, financial position, cash requirements, availability of profits, as well as provisions of relevant laws or generally accepted accounting principles from time to time. For the time being the Company does not pay dividends and this is unlikely to change in the near future.

### ***Suitability***

An investment in the Company involves a high degree of risk and may not be suitable for all investors. Investors are reminded that the price at which they may realise their Ordinary Shares and the timing of any disposal of them may be influenced by a large number of factors, some specific to the Group and its proposed operations, some which may affect the sector in which the Group operates and some which relate to the operation of financial markets generally. These factors could include the performance of the Group's operations, large purchases or sales of shares in the Company, liquidity or absence of liquidity in the Ordinary Shares, legislative or regulatory changes relating to the business of the Group and general economic conditions.

The market price of the Ordinary Shares may never exceed the subscription price of the Warrants and the Warrants may expire worthless. The Warrants will not be admitted to trading on AIM or any other exchange or market and an active and liquid trading market for the Warrants may not develop.

## **3. General risks**

### ***Financial markets and global economic outlook***

The performance of the Group will be influenced by global economic conditions and, in particular the conditions prevailing in the UK. The global economy has been experiencing difficulties since 2008. The

financial markets have deteriorated dramatically in this period. This has led to unprecedented levels of illiquidity, resulting in the development of significant sovereign debt problems particularly in the Eurozone, significant problems at a number of the world's largest commercial banks, investment banks and insurance companies and considerable downward pressure and volatility in share prices. In addition, recessionary conditions have been present in the UK, as well as in other countries around the world. If these levels of market disruption and volatility continue, worsen or abate and then recur, the Company is likely to experience difficulty in securing debt finance, if required, to fund its long term development strategy. The Group may be exposed to increased counterparty risk as a result of business failures in the countries in which it operates and will continue to be exposed if counterparties fail or are unable to meet their obligations to the Group. The precise nature of all the risks and uncertainties the Group faces as a result of the current global financial crisis and global economic outlook cannot be predicted and many of these risks are outside of the Group's control.

#### ***Changes in tax and other legislation***

The information in this document is based upon current tax and other legislation and any changes in legislation or in the levels and basis of, and reliefs from, taxation may affect the value of an investment in the Company. There can be no certainty that the current taxation regime in the UK will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Group's operations, which may have a material adverse effect on the financial position of the Group. Individual tax circumstances may differ from investor to investor and persons wanting to invest are advised to seek tax advice based upon their own circumstances.

#### ***Forward looking statements***

Events in the past, or experience derived from these, or indeed present facts, beliefs or circumstances, or assumptions derived from any of these, do not predetermine the future. Hopes, aims, targets, plans or intentions contained in this document are no more than that and should not be construed as forecasts. This document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Group's plans, goals and prospects. These statements and the assumptions that underpin them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that the actual performance of the Group will not differ materially from the matters described in this document.

#### ***Admission to trading on AIM***

The Existing Ordinary Shares are, and the Subscription Shares and Bonus Shares will be, admitted to trading on AIM a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The Ordinary Shares will not be admitted to the Official List. An investment in AIM quoted shares may carry a higher risk than an investment in shares quoted on the Official List.

The investment described in this document is speculative and may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his/her personal circumstances and the financial resources available to him/her.

## PART IV

### TERMS AND CONDITIONS OF THE OFFER

#### 1. Terms and conditions of the Offer

Eligible Warrantholders may exercise, on and subject to the terms and conditions set out in this document, any whole number of Warrants at the Warrant Exercise Price. For every two Warrants exercised during the Offer Period, Eligible Warrantholders will receive one Bonus Share.

There is no minimum subscription amount.

The Bonus Shares will be issued free of payment but fully paid up to their nominal value (1 pence) by capitalising up to £281,824.83 of the amount currently standing to the credit of the Company's share premium account pursuant to section 610(3) of the Act.

The Subscription Shares and the Bonus Shares will, upon issue, rank *pari passu* in all respects with the Ordinary Shares in issue at the date of Admission, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

The allotment and issue of the Subscription Shares and the Bonus Shares will be made upon and be subject to the terms and conditions set out in this document. Eligible Warrantholders will only be entitled to participate in the Offer in accordance with the procedure set out in this document and provided the Warrant Exercise Form is completed in accordance with the instructions printed on it.

An application will be made to the London Stock Exchange for the Subscription Shares and the Bonus Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Subscription Shares and the Bonus Shares will commence on AIM at 8.00 a.m. on 20 December 2011.

**The Offer is in all respects conditional on the passing of the Shareholder Resolutions and the Warrantholder Resolution.**

#### 2. Procedure for exercise and payment

**Eligible Warrantholders wishing to exercise their Warrants in accordance with the terms of the Offer should complete their Warrant Exercise Form (attached to the Warrant certificate in their possession) in accordance with the instructions on it and post it together with the remainder of the Warrant certificate (a reply-paid envelope is enclosed with this document) or (during normal business hours only) deliver it by hand, together with a cheque or bankers' draft made payable to "Capita Registrars Limited re: Transense Technologies Plc Offer to Warrantholders A/C" and crossed "A/C payee only" for the aggregate exercise price payable for the Warrants being exercised, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU so as to arrive not later than 11.00 a.m. on 13 December 2011. After this time, Warrant Exercise Forms will continue to be accepted in accordance with the terms of the Warrant Instrument but will not be eligible for participation in the Offer.**

**A reply-paid envelope (for use in the UK only) is enclosed with this document for the return of duly completed Warrant Exercise Forms and cheques or bankers' drafts.**

Once received, Warrant Exercise Forms will be irrevocable and will not be acknowledged and receipts will not be issued for amounts paid on exercise. Capita Registrars and the Company reserve the right (but shall not be obliged) to treat any Warrant Exercise Form not strictly complying with the terms and conditions of exercise or not accompanied by a power of attorney, if required, as nevertheless valid. **If you post your Warrant Exercise Form you are recommended to use the accompanying reply-paid envelope or first class post and to allow at least four working days for delivery.**

**As noted above, cheques or bankers' drafts should be made payable to "Capita Registrars Limited re: Transense Technologies Plc Offer to Warrantholders A/C" and crossed "A/C payee only".** Cheques and bankers' drafts must be drawn in Sterling on a bank or building society in the British Isles which is either a settlement member of the Cheques & Credit Clearing Company Limited or the CHAPS & Town Clearing Company Limited or a member of the Committee of Scottish or Belfast Clearing Houses or which has arranged for its cheques and bankers' drafts to be cleared through facilities provided for the members of either of those companies or committees and must bear the appropriate sorting code in the top right hand corner. **No application will be considered unless these requirements are fulfilled. Eurocheques will not be accepted.**

**Cheques should be drawn on the personal account to which the Eligible Warrantholder has sole or joint title to the funds. Third party cheques will not be accepted with the exception of bankers' drafts/building society cheques where the bank/building society has confirmed the name of the account holder on the back of the draft/cheque and has added their stamp. The account name must be the same as that of the Warrantholder.**

### **3. Money Laundering Regulations**

To ensure compliance with the Money Laundering Regulations 2007 (the "Regulations"), it is a term of the Offer that the Receiving Agent may, at its absolute discretion, require verification of identity from any person completing a Warrant Exercise Form (the "Applicant") for more than a sterling equivalent of €15,000 and, without prejudice to the generality of the foregoing, in particular any person who either (i) tenders payment by way of a cheque or bankers' draft drawn on an account in the name of any person or persons other than the Applicant or (ii) appears to Capita Registrars to be acting on behalf of some other person. This may involve verification of the identity of any person on whose behalf the Applicant appears to be acting.

Lodging of a Warrant Exercise Form and the appropriate remittance constitutes a warranty by the Applicant that the Regulations will not be breached by the acceptance of the remittance and an undertaking to provide such evidence of identity at the time of lodging a Warrant Exercise Form or, in the absolute discretion of the Company, within a reasonable time thereafter (in each case to be determined at the absolute discretion of the Company and the Receiving Agent) as may be required to ensure compliance with the Regulations.

If satisfactory evidence of identity has not been received by Capita Registrars within a reasonable period of time, but in any case by the Closing Date, then the Warrant Exercise Form in question may be rejected, in which event the application will not proceed any further and the application monies (without interest) will be returned by cheque to the bank account on which the cheque was drawn at the Applicant's own risk.

Where possible Applicants should make payment by their own cheque. If a bankers' draft or building society cheque is used, the Applicant should:

- (a) write his/her name and address on the back of the draft or cheque and, in the case of an individual, record his/her date of birth against his/her name; and
- (b) ask the bank or building society to endorse on the reverse of the draft or cheque the full name and account number of the person whose account number is being debited and stamp such endorsement.

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of a Warrant Exercise Form (but without limiting Capita Registrars' right to require verification of identity as indicated above).

### **4. Overseas Warrantholders**

The making of the Offer to persons who are resident in, or citizens of, countries other than the European Economic Area ("Overseas Warrantholders") may be affected by the laws or regulatory requirements of the relevant jurisdictions. Such persons should satisfy themselves as to the full observance of such laws including obtaining any requisite governmental and other consents such that all requisite formalities are adhered to and they are advised to consult their professional advisers as to whether they require any

governmental or other consents or need to observe any applicable legal requirements to enable them to participate in the Offer.

Only Eligible Warrantholders may participate in the Offer and in particular no other person, and in particular no person receiving a copy of this document in any Excluded Territory, may treat the same as constituting an offer or invitation to him/her nor should he/she in any event complete their Warrant Exercise Form for the purposes of participating in the Offer unless, in the relevant territory, such an invitation or offer can lawfully be made to him/her or the Warrant Exercise Form can lawfully be completed for the purposes of participating in the Offer without compliance with any unfulfilled registration or other legal requirements. Accordingly, persons receiving this document should not send the same into any jurisdiction outside the EEA and in particular not into any Excluded Territory or any other jurisdiction where to do so would contravene local securities laws or regulations, and any copy of this document which is received in any such jurisdiction is sent for information only, is confidential and should not be copied or distributed.

The Company reserves the right to treat as invalid for the purposes of participating in the Offer any Warrant Exercise Form which appears to the Company or its agent to have been executed, effected or despatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction.

Payment under a Warrant Exercise Form for the purposes of participating in the Offer will constitute a representation and warranty that a person completing the same is not a North American Person (as defined below) or a resident of any other Excluded Territory and an agreement that such person will not offer to sell, directly or indirectly, any of the Subscription Shares and/or Bonus Shares (or any rights in respect of them) in North America or any other Excluded Territory or for the benefit of any North American Person or a resident of any other Excluded Territory. In addition, payment under a Warrant Exercise Form for the purposes of participating in the Offer will constitute a representation and warranty that the person in whose name the Subscription Shares and Bonus Shares will be registered is not a North American Person or a resident of any other Excluded Territory and that they are not exercising Warrants for the purposes of participating in the Offer for the account or benefit of a North American Person or a resident of any other Excluded Territory or with a view to the offer, sale or delivery, directly or indirectly, of any Subscription Shares and/or Bonus Shares (or any rights in respect of them) in North America or any other Excluded Territory or to a North American Person or a resident of any other Excluded Territory.

#### ***United States and Canada***

The Subscription Shares and Bonus Shares have not been and are not intended to be registered or qualified for sale under the Securities Act of 1933 (as amended) of the United States of America or for sale under the securities law of any province or territory of Canada and may not be offered, sold, renounced, transferred, delivered, assigned, exchanged or otherwise disposed of, directly or indirectly, in the United States of America or Canada (collectively “North America”) or to or for the account or benefit of any person who is a citizen or resident of North America or is a corporation, partnership or other entity created or organised in or under any law of the US or Canada (“a North American Person”).

Accordingly, unless otherwise determined by the Company and effected in a lawful manner, the receipt of a Warrant Exercise Form from any such person will be deemed to be invalid for the purposes of participating in the Offer.

#### ***Australia***

The Offer is not being made in the Commonwealth of Australia, its states, territories or possessions (“Australia”) nor will an advertisement or other offering material in relation to the Offer or the Subscription Shares or the Bonus Shares be distributed directly or indirectly in Australia. The Subscription Shares and Bonus Shares have not been and will not be available for purchase by any resident of Australia (including corporations and other entities organised under the laws of Australia but not including a permanent establishment of any such corporation or entity located outside Australia). Unless otherwise determined and effected in a lawful manner, a Warrant Exercise Form sent from or postmarked in Australia will be deemed to be invalid for the purposes of participating in the Offer.

### ***Japan***

Warrantholders who are resident in Japan should note that the Subscription Shares and Bonus Shares have not been and will not be registered under the Securities and Exchange Law of Japan. Accordingly, the Subscription Shares and Bonus Shares may not be offered, sold, transferred, taken-up or delivered in Japan and no exercise of Warrants for the purposes of participating in the Offer may be made under this document or a Warrant Exercise Form in Japan. Unless otherwise determined and effected in a lawful manner, a Warrant Exercise Form sent from or postmarked in Japan will be deemed to be invalid for the purposes of participating in the Offer.

### ***South Africa***

The Offer is not being made in the Republic of South Africa, its states, territories or possessions (“South Africa”) nor will an advertisement or other offering material in relation to the Offer or the Subscription Shares or Bonus Shares be distributed directly or indirectly in South Africa. The Subscription Shares and Bonus Shares have not been and will not be available for purchase by any resident of South Africa (including corporations and other entities organised under the laws of South Africa but not including a permanent establishment of any such corporation or entity located outside South Africa). Unless otherwise determined and effected in a lawful manner, a Warrant Exercise Form sent from or postmarked in South Africa will be deemed to be invalid for the purposes of participating in the Offer.

## **5. Admission, Settlement and Dealings**

Application will be made for the admission of Subscription Shares and Bonus Shares to trading on AIM. The result of the Offer is expected to be announced on or about 15 December 2011 and, subject to the Offer becoming unconditional in all respects, trading in the Subscription Shares and Bonus Shares is anticipated to commence on AIM for normal settlement on 20 December 2011.

## **6. Share certificates**

The Company reserves the right to allot and/or issue any Subscription Shares and Bonus Shares in certificated form. Definitive share certificates in respect of the Subscription Shares and Bonus Shares are expected to be dispatched no later than 4 January 2012.

## NOTICE OF GENERAL MEETING

### TRANSENSE TECHNOLOGIES PLC

**NOTICE IS HEREBY GIVEN** that a general meeting of the Company will be held at the offices of Brewin Dolphin, 12 Smithfield Street, London, EC1A 9BD at 10.00 a.m. on 15 December 2011 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolution 1 shall be proposed as an ordinary resolution and Resolutions 2 and 3 shall be proposed as special resolutions.

#### ORDINARY RESOLUTION

1. **THAT** in accordance with section 551 of the Act the Directors be and are hereby generally and unconditionally authorised in accordance with the Fundraising to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Act respectively up to a maximum aggregate nominal amount of £845,474.51 to such persons and at such times as they think fit provided that this authority shall:
  - 1.1 operate in substitution for and to the exclusion of any previous authority given to the Directors pursuant to section 551 of the Act to the extent unused; and
  - 1.2 expire on whichever is earlier of the conclusion of the Company's next annual general meeting following the passing of this resolution and the date which is 15 months from the date of the passing of this resolution unless such authority is renewed, varied or revoked by the Company in general meeting, save that the Company may prior to such expiry make any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and the Directors may allot such shares or grant such rights in pursuance of any offer or agreement as if the authority hereby conferred had not expired.

#### SPECIAL RESOLUTIONS

2. **THAT**, in accordance with section 610(3) of the Act up to £281,824.83, being part of the amount standing to the credit of the share premium account of the Company, be capitalised and accordingly such amount be set free for distribution pursuant to the Fundraising on the basis that it be not paid in cash but be applied in paying up in full at par up to 28,182,483 unissued Ordinary Shares of 1 pence each in the capital of the Company (the "Bonus Shares") and that the Bonus Shares may be allotted and distributed credited as fully paid up pursuant to the Fundraising in the proportion of one Bonus Share for every two new Ordinary Shares subscribed for (and any provision of article 153 of the articles of association of the Company inconsistent therewith shall be dis-applied accordingly) and that the Directors be authorised and directed to apply up to the said £281,824.83 and be generally and unconditionally authorised to allot up to the said 28,182,483 Bonus Shares pursuant to the terms of the Fundraising upon terms that such shares shall upon issue rank in all respects *pari passu* with existing Ordinary Shares then in issue.
3. **THAT**, subject to, and conditional upon, the passing of Resolution 1, the Directors be and are hereby generally and unconditionally empowered in accordance with sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred upon them by Resolution 1 as if section 561 of the Act did not apply to any such allotment, provided that this power shall operate in substitution for and to the exclusion of any previous authority given to the Directors pursuant to sections 570 or 573 of the Act to the extent unused and be limited to the allotment of equity securities in connection with the Fundraising.

The authority granted by this Resolution 3 shall expire on whichever is the earlier of the conclusion of the Company's next annual general meeting following the passing of this Resolution and the date which is 15 months from the date of the passing of this resolution unless such authority is renewed, varied or revoked by the Company in general meeting, save that the Company may prior to such expiry make any offer or agreement which would or might require such shares or rights to be allotted

or granted after the expiry of the said period and the Directors may allot such shares or grant such rights in pursuance of any offer or agreement as if the authority hereby conferred had not expired.

(Words and expressions defined in the Circular accompanying this notice shall, save where the context otherwise requires, bear the same meanings in the Resolutions set out above.)

**BY ORDER OF THE BOARD**

**D Ford**  
*Secretary*

Dated: 22 November 2011

**Notes:**

1. A person entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A white Form of Shareholder Proxy is enclosed. A proxy need not be a member of the Company. Appointment of proxies does not preclude members from attending and voting at the meeting should they wish to do so.
2. To be valid, the Form of Shareholder Proxy and any power of attorney under which it is signed, must be deposited at the office of the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU but not later than 10.00 a.m. on 13 December 2011, being 48 hours before the time of the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders of the Company on the register at 6.00 p.m. on 13 December 2011 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so 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.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Capita Registrars (whose CREST ID is RA10) by the specified latest time(s) for receipt of proxy appointments. 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 Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed.
6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
7. A member 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 or shares held by him. To appoint more than one proxy, you will need to complete a separate Form of Shareholder Proxy in relation to each appointment. Additional proxy forms for use at the General Meeting may be obtained by photocopying the enclosed Form of Shareholder Proxy. You will need to state clearly on each Form of Shareholder Proxy the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Shareholder Proxy.
8. Electronic proxy appointment is available for this meeting. If you would like to submit your form using the web-based voting facility go to [www.capitashareportal.com](http://www.capitashareportal.com). From there you can log in to your Capita Share Portal account or register for the Capita Share Portal if you have not already done so. To register, enter the Company name Transense Technologies Plc and select Register. Then enter your Investor code, postcode and surname and follow the on screen instructions. You will be able to vote immediately by selecting 'Proxy Voting' from the menu. In order to be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received no later than 48 hours before the time of the meeting.

# NOTICE OF WARRANTHOLDER MEETING

## TRANSENSE TECHNOLOGIES PLC

**NOTICE IS HEREBY GIVEN** that a meeting of Warrantholders of the Company will be held at the offices of Brewin Dolphin, 12 Smithfield Street, London EC1A 9BD at 10.15 a.m. (or immediately after conclusion of the General Meeting, if later) on 15 December 2011 for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

**THAT** clause 6 of the Warrant Instrument be disappplied in relation to the Fundraising.

(Words and expressions defined in the Circular accompanying this notice shall, save where the context otherwise requires, bear the same meanings in the Resolution set out above.)

**BY ORDER OF THE BOARD**

**D Ford**  
*Secretary*

Dated: 22 November 2011

**Notes:**

1. A person entitled to attend and vote at this meeting is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote in his/her stead. A Form of Warrantholder Proxy is enclosed. A proxy need not be a Warrantholder.
2. To be valid, the pink Form of Warrantholder Proxy and any power of attorney under which it is signed, must be deposited at the office of the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU but not later than 11.00 a.m. on 13 December 2011, being 48 hours before the time of the meeting.
3. A Warrantholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise rights attaching to different Warrants held by him. A Warrantholder may not appoint more than one proxy to exercise the rights attaching to any one Warrant. Appointment of proxies does not preclude Warrantholders from attending and voting at the meeting should they wish to do so; however the appointment of the proxy will thereupon automatically be terminated. To appoint more than one proxy, you will need to complete a separate Form of Warrantholder Proxy in relation to each appointment. Additional proxy forms for use at the Warrantholder Meeting may be obtained by photocopying in colour the enclosed Form of Warrantholder Proxy. You will need to state clearly on each Form of Warrantholder Proxy the number of Warrants in relation to which the proxy is appointed. A failure to specify the number of Warrants each proxy appointment relates to or specifying a number in excess of those held by the Warrantholder may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Warrantholder Proxy.
4. Electronic proxy appointment is available for this meeting. If you would like to submit your form using the web-based voting facility go to [www.capitashareportal.com](http://www.capitashareportal.com). From there you can log in to your Capita Share Portal account or register for the Capita Share Portal if you have not already done so. To register enter the company name Transense Technologies Plc and select Register. Then enter your Investor code, postcode and surname and follow the on screen instructions. You will be able to vote immediately by selecting 'Proxy Voting' from the menu. In order to be a valid proxy appointment, the Warrantholder's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received no later than 48 hours before the time of the meeting.

