

ClearDebt Group plc

(a company incorporated in England and Wales with company number 02441375)

NOTICE OF ANNUAL GENERAL MEETING

To the holders of Ordinary Shares and, for information purposes only, to the holders of Share Options and Warrants

Dear Shareholder,

The Company has today announced that it will convene its Annual General Meeting at 12 noon on 24th November 2009 at Nelson House, Park Road, Timperley, Cheshire, WA14 5BZ. The notice of this meeting (the "**Notice**") is enclosed within this document.

The purpose of certain of the resolutions contained within the Notice is to maintain the authority and empower the directors of the Company (the "**Directors**") to allot equity securities for the purposes of and pursuant to section 551 of the Companies Act 2006. The nominal value of the securities that may be allotted pursuant to the resolutions represents the normal authority levels likely to be required by the Directors for the running of the business of the Company.

Additionally the Company is seeking to update its Articles of Association in accordance with the provisions of the Companies Act 2006. A summary of such changes is enclosed within this document.

Yours faithfully

Gerry Carey FCIB
Chairman

ClearDebt Group plc

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of ClearDebt Group plc (the "**Company**") (the "**Meeting**") will be held at Nelson House, Park Road, Timperley, Cheshire, WA14 5BZ on 24 November 2009 at 12 noon for the following purposes:

ORDINARY BUSINESS

- 1 To receive and consider the audited accounts for the financial year ended 30 June 2009 and the reports of the directors and auditors therein.
- 2 To re-elect Andrew Smith, who is retiring by rotation in accordance with article 113 of the Company's articles of association, as a director of the Company and who, being eligible offers himself for re-election as a director.
- 3 To reappoint Baker Tilly UK Audit LLP as auditors of the Company and to authorise the directors to determine their remuneration.
- 4 To consider and, if thought fit, pass the following resolution numbered 4 which will be proposed as an ORDINARY RESOLUTION:

"That the directors be and are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 ("the Act"), in substitution for any existing authority, to exercise all the powers of the Company to allot equity securities (within the meaning of Section 560(1) of the Act) up to an aggregate nominal amount of £2,055,604 provided that such authority shall expire (unless previously renewed, varied or revoked by the Company in General Meeting) at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may prior to the expiry of such authority make an offer, agreement or other arrangement under which the relevant securities would be or might fall to be allotted after such expiry and the directors may allot such relevant securities pursuant to any such offer, agreement or other arrangements as if the authority conferred by this resolution had not expired."

SPECIAL BUSINESS

5 To consider and, if thought fit, to pass the following resolution numbered 5 which will be proposed as a SPECIAL RESOLUTION:

"THAT the directors be and are hereby empowered, pursuant to Section 571 of the Companies Act 2006 the "Act", to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority conferred by Resolution 4 set out in the notice of Annual General Meeting of the Company dated 2 October 2009, as if Section 561(1) of the Act did not apply to such allotment, provided that any such allotment shall be limited to:

5.1 the allotment of equity securities for cash where such securities have been offered (by rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as may be) to their holdings of ordinary shares of 2p each of the Company ("Ordinary Shares") (but on the notional assumption that the holders of loan notes convertible in to Ordinary Shares had exercised their conversion rights into Ordinary Shares in full and become the registered holders of such Ordinary Shares in full and become the registered holders of such Ordinary Shares immediately prior to the record date for such offer), but subject to the directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient to deal with fractional entitlements and legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange or otherwise; and

5.2 any other allotment (otherwise than pursuant to sub-paragraph 5.1 of this resolution) of equity securities up to the aggregate nominal value of £616,681 and shall expire (unless previously renewed, varied or revoked by the Company in General Meeting) at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution but so that the directors shall be entitled to make, at any time prior to the expiry of the power hereby conferred, any offer, agreement or other arrangement under which the relevant securities would be or might fall to be allotted after such expiry and the Directors may allot securities pursuant to such offer, agreement or other arrangement as if the powers conferred by this resolution had not expired.

6. To consider and, if thought fit, to pass the following resolution numbered 6 which will be proposed as a SPECIAL RESOLUTION:

"THAT the articles of association of the Company produced at the meeting and initialled, for identification purposes only, by the chairman be and are hereby adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

BY ORDER OF THE BOARD
DAVID EMANUEL MERTON MOND
COMPANY SECRETARY
CLEARDEBT GROUP PLC

REGISTERED OFFICE:
Nelson House, Park Road, Timperley
Cheshire WA14 5BZ
2 October 2009

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING:

ENTITLEMENT TO ATTEND AND VOTE

- 1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register of members at 12 noon on 20 November 2009, or if the Meeting is adjourned at 12 noon on the day two days prior to the adjourned Meeting, shall be entitled to attend or vote to attend or vote at the Meeting in respect of the number of shares registered in their name at the time. Changes in the register of members after 12 noon on 20 November 2009 shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

APPOINTMENT OF PROXIES

- 2 A member of the Company at the time set out in note 1 above is entitled to appoint a proxy to exercise all or any of that member's rights to attend, speak and vote at the Meeting. A proxy need not be a member of the Company. A member can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 3 A proxy does not need to be a member of the Company but must attend the Meeting. Details of how to appoint the Chairman of the Meeting, or another person, as a proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 4 A member may appoint more than one proxy provided each proxy is entitled to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. Members wishing to appoint more than one proxy should contact the Company's registrars, Neville Registrars, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA (the "**Company's Registrars**"). Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by the member on the record date will result in the proxy appointments being invalid.
- 5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy will vote or abstain from voting at his or her discretion. A proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

APPOINTMENT OF A PROXY USING HARD COPY PROXY FORM

- 6 The notes to the proxy form explain how a member may direct a proxy on how to vote on each resolution or withhold their vote.
- 7 To validly appoint a proxy using the proxy form, the form must be completed, signed and deposited at the office of the Company's Registrars no later than 12 noon on 20 November 2009. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

APPOINTMENT OF PROXIES THROUGH CREST

- 8 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 9 In order for a proxy appointment made by CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Neville Registrars (whose CREST ID is R023) by the specified 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 by CREST.
- 10 CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 11 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.

CHANGING PROXY INSTRUCTIONS

- 12 A member may change his or her proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off for receipt of proxy appointments (see above) also apply in relation to amended instructions, and amended proxy appointment received after the relevant cut-off time will be disregarded.
- 13 Where a member has appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company's Registrar.
- 14 Where a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

TERMINATION OF PROXY APPOINTMENTS

- 15 In order to revoke a proxy instruction a member will need to inform the Company by sending a signed hard copy notice clearly stating his or her intention to revoke a proxy appointment to Neville Registrars. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

- 16 The revocation notice must be received by the Company's Registrars by no later than 06.00am on 24 November 2009.
- 17 If a member attempts to revoke a proxy appointment but the revocation is received after the time specified then, subject to paragraph 18 below, the proxy appointment will remain valid.
- 18 Appointment of a proxy does not preclude a member from attending the Meeting and voting in person. If a member has appointed a proxy and attends the Meeting in person, that member's proxy appointment will automatically be terminated.

CORPORATE REPRESENTATIVES

- 19 Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars prior to the commencement of the meeting.
- 20 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that: (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives who attend and that designated corporate representative will vote on a poll. The other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure.

DOCUMENTS ON DISPLAY

- 21 Copies of the Directors' contracts of service with the Company, will be available for inspection during normal business hours on any weekday at the registered office of the Company from the date of this notice until the Meeting and on the day of the Meeting at the place of the Meeting from 15 minutes prior to its commencement until its conclusion.

COMMUNICATION

- 22 Except as provided above, members who have general queries about the Meeting should contact Neville Registrars in writing (no other methods of communication will be accepted).
- 23 A member may not use any electronic address provided in this notice of annual general meeting or provided in any related documents (including the chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

New Articles of Association

We are also asking shareholders to adopt new articles of association primarily to reflect the implementation of all the changes required by the Companies Act 2006. An explanation of the material changes between the Existing Articles and the New Articles is set out below. The New Articles and a document showing the changes from the Existing Articles shall be available by inspection at the Company's registered office from the date of this notice up to and including the date of the meeting.

1. Change of Name

Currently a company can only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the new articles enable the directors to pass a resolution to change the company name.

2. Authorised Share Capital and Unissued Shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

3. Redeemable Shares

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

4. Authority to Purchase Own Shares and Consolidate and Sub Divide Shares

Under the law currently in force a company requires specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

5. Reduction of Capital

The Company has the power to reduce its capital since 1 October 2008. This power is subject to any restriction in the Company's articles. The New Articles therefore omit any references and it adopts the position of the Act which is in line with the Government's preference for articles of association not to repeat matters dealt with by the Companies Act 2006.

6. Electronic Communications with Shareholders

The New Articles will update the provisions in relation to electronic communications whereby the Company may communicate with its members via website or email as set out in the Companies Act 2006.

7. Directors' Conflicts of Interests

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

The New Articles also contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

8. Notice Period for General Meetings

The Existing Articles specify that notice for general meetings should be 21 days. Since 1 October 2007 the notice period required for a general meeting is 14 clear days, even if a special resolution is proposed, and this is reflected in the New Articles.

9. Extraordinary General Meetings

The Existing Articles contain references to 'extraordinary general meetings'. The Companies Act 2006 only refers to annual general meetings therefore all references to extraordinary general meetings are removed in the New Articles.

10. Proxies

Proxy rights are now governed by the Companies Act 2006 and the New Articles cannot reduce the periods set out therein. Therefore the New Articles contain the proxy rights contained in the Companies Act 2006 whereby a shareholder can appoint more than one proxy at a meeting, up to a maximum of one proxy per share. The New Articles require such forms to be lodged 48 hours before the meeting (or within a specified shorter period in relation to a poll). The notice of termination of a proxy's appointment is also no longer required earlier than 48 hours before the meeting.

Chairman's Casting Vote

Since October 2007, the casting vote of the chairman of a general meeting in the event of an equality of votes on a show of hands has been ineffective. The New Articles have therefore removed all references to the Chairman's casting vote.

11. General

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business Innovation and Skills.

CLEARDEBT GROUP PLC
PROXY FOR USE AT ANNUAL GENERAL MEETING

Please insert I/We.....

full name (Please use block letters)

and address of.....

being member(s) of ClearDebt Group plc ("**Company**"), hereby appoint the chairman of the annual general meeting (the "**AGM**" or "**Meeting**") or (see note 1)

as my/our proxy to attend and, on a poll, vote for me/us and on my/our behalf at the AGM of the Company to be held at Nelson House, Park Road, Timperley, Cheshire, WA14 5BZ on 24 November 2009 at 12 noon and at any adjournment thereof.

Please mark this box to indicate that this proxy appointment is one of multiple appointments being made (see note 2).

I/we request such proxy to vote on the following resolutions as mentioned below (see note 2).

ORDINARY BUSINESS		For	Against	Withheld
1	To receive and consider the audited accounts for the year ended 30 June 2009.			
2	To re-elect Andrew Smith as a director.			
3	To reappoint Baker Tilly UK Audit LLP as auditors of the Company and to authorise the directors to determine their remuneration.			
4	To authorise the directors to allot relevant securities (for the purposes of and pursuant to section 551 of the Companies Act 2006 (the " Act ") in the circumstances set out in the notice of the Meeting.			
SPECIAL BUSINESS				
5	To authorise the directors of the Company to allot equity securities for cash otherwise than on a pre-emptive basis in the circumstances as set out in the notice of the Meeting.			
6	To authorise the adoption of new Articles of Association.			

Signature (see note 4) Dated this day of2009

Joint holders (if any) (see note (6))

Name Name

NOTES:

- (1) If you wish to appoint some other person as your proxy please insert his/her name and address, initial and strike out the words "the chairman of the annual general meeting (the "**AGM**")". A proxy need not be a member of the Company. Appointing a proxy will not preclude you from personally attending and voting at the meeting (in substitution for your proxy vote) if you subsequently decide to do so. If no name is entered, the return of this form, duly signed, will authorise the chairman of the meeting to act as your proxy.
- (2) You may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please return a separate form in relation to each proxy, clearly indicating next to the name of each proxy the number and class of shares in respect of which he is appointed. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (3) Please indicate with an X in the appropriate box how you wish your vote to be cast. Unless otherwise instructed the proxy will exercise his/her discretion as to whether to vote and, if so, how he/she will vote unless instructed otherwise. The proxy may also vote or abstain from voting as he or she thinks fit on any other business which may properly come before the meeting (including amendments to resolutions).
- (4) This form of proxy must, in the case of an individual, be signed by the appointor or his/her attorney or, in the case of a corporation, be given under its common seal or signed on its behalf by an attorney or a duly authorised officer or, if it is subject to the Companies Act 2006, in accordance with section 40 thereof.
- (5) To be valid this form of proxy and any power of attorney or other authority under which it is executed (or a duly notarised copy thereof) must be lodged with the Registrars of the Company, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time appointed for the meeting, or adjourned meeting at which it is to be used.
- (6) In the case of joint holders of a share the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the statutory register of members in respect of the share.
- (7) Any alteration in this form of proxy must be initialled by the person in whose hand it is signed or executed.
- (8) As permitted by regulation 41 of the Uncertificated Securities Regulations 2001, only those persons whose names are entered on the register of the Company at 12 noon on 20 November 2009 shall be entitled to attend and to vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.