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If you have sold or otherwise transferred all of your registered holding of ordinary shares, please immediately forward this document, together with the accompanying form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of ordinary shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

NORTHERN BEAR PLC

(Registered in England and Wales under No. 5780581)

Notice of Annual General Meeting

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of Northern Bear plc which is set out on pages 2 to 3 of this document and which contains a recommendation by the Directors that you vote in favour of the Resolutions to be proposed at the Annual General Meeting referred to below.

Copies of this document are available from the Company's registered office from the date of this document until the date of the Annual General Meeting. This document will also be available for download from the Company's website: www.northern-bear.com

Notice of an Annual General Meeting of the Company, to be held at 5 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ at 10.00 a.m. on 29 October 2009, is set out on pages 4 to 8 of this document. To be valid, the enclosed Form of Proxy should be completed and returned, in accordance with the instructions printed thereon, to the Company's Registrar, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible but in any event so as to arrive no later than 48 hours before the time and date fixed for the Annual General Meeting. The completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the Annual General Meeting should he, or she, wish to do so.

DEFINITIONS

The following definitions apply throughout this document (including the notice of the Annual General Meeting) and in the accompanying Form of Proxy, unless the context requires otherwise:

"2006 Act"	the Companies Act 2006;
"Annual General Meeting" or "AGM"	the annual general meeting of the Company to be held at 10.00am on 29 October 2009 (and any adjournment thereof);
"AIM"	the market known as AIM operated by the London Stock Exchange;
"AIM Rules for Companies"	the rules applicable to companies whose securities are traded on AIM, as published by the London Stock Exchange from time to time;
"Company" or "Northern Bear"	Northern Bear plc (a company incorporated in England and Wales with registered number 5780581) whose registered office is located at Unit 1, Station House Station Road Chester-le-Street DH3 3DU;
"Directors" or "Board"	the board of directors of the Company whose names are set out on page 2 of this document, or any duly authorised committee thereof;
"Existing Articles"	the existing articles of association of the Company;
"Proxy Form"	the form of proxy (for use by Shareholders in connection with the Annual General Meeting) which accompanies this document;
"Issued Share Capital"	the issued Ordinary Shares;
"London Stock Exchange"	London Stock Exchange plc;
"New Articles"	the articles of association of the Company proposed to be adopted pursuant to Resolution 10;
"Ordinary Shares"	the ordinary shares of 1penny each in the capital of the Company;
"Resolutions"	the resolutions to be proposed at the Annual General Meeting (and reference to a "Resolution" is to the relevant resolution set out in the notice of Annual General Meeting); and
"Shareholders"	holders of Ordinary Shares.

LETTER FROM THE CHAIRMAN OF Northern Bear PLC

Directors:
H B Gold
G S L Forrest
D Jay
S Gray
G Jennings
K Soulsby
I McLean
S M Roberts

Registered and Head Office:
Station House
Station Road
Chester-le-Street
County Durham
DH3 3DU

28 September 2009

To the Shareholders and, for information only, to the holders of Options

Notice of Annual General Meeting

Dear Shareholder

1. Introduction

I am pleased to be writing to you with details of the Company's Annual General Meeting, to be held at 5 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ on 29 October 2009 at 10.00 a.m. The purpose of this document is to set out the details of the ordinary and special business which is to be put to Shareholders at the AGM and, in particular, to explain why the Directors consider the Resolutions to be in the best interests of the Company and Shareholders as a whole and to provide you with details of the AGM.

2. Annual General Meeting

Shareholders are being asked to vote on 10 Resolutions. Resolutions 1 to 6 relate to the routine business of the AGM. Resolutions 7 to 10 relate to special business. The Resolutions are summarised and explained below.

Resolution 1: Report and Accounts

Resolution 1 is to receive and consider the Directors' and Auditors' Reports and Financial Statements for the year ended 31 March 2009.

Resolutions 2 to 4: Re-election of Directors

Graham Forrest and Howard Gold are standing for re-election. Ian McLean, who was appointed on 14 November 2008, retires and is seeking election (having been appointed to the Board since the last Annual General Meeting).

Resolutions 5 and 6: Re-appointment of Auditors and remuneration

Resolution 5 is for the re-appointment of KPMG Audit Plc as auditors of the Company. Resolution 6 is to authorise the Directors to determine the remuneration of KPMG Audit Plc as auditors of the Company.

Resolutions 7 and 8: Authority to allot shares and disapply pre-emption rights

As part of its strategy, the Company assesses acquisition opportunities as they arise. The ability to issue shares for cash without the need for further shareholder approval will enable the Company to take advantage of such opportunities in a timely manner.

Accordingly, Resolution 7, which will be proposed as an ordinary resolution, renews the Directors' authority to allot up to 15,000,000 Ordinary Shares, representing 79 per cent. of the Issued Share Capital.

Resolution 8, which will be proposed as a special resolution, renews the Directors' power to allot up to 7,500,000 Ordinary Shares, representing 40 per cent. of the Issued Share Capital, for cash, without first offering such shares to existing Shareholders. This special resolution also enables the Company, in the event of a rights issue or open offer, to overcome certain practical difficulties which may arise in connection with fractional entitlements.

The authorities conferred by Resolutions 7 and 8 shall expire at the earlier of the conclusion of the Annual General Meeting held in 2010 or (if earlier) 30 September 2010.

Resolution 9: Authority for the Company to purchase its own shares

The Directors consider it would be beneficial for the Company to continue to have the power to purchase its own shares in certain circumstances. If the authority were to be granted, the Company would be able to purchase its own shares and either cancel them (so reducing the total number of Company shares in issue) or hold them as treasury shares (if the shares were purchased out of distributable profits), subject to certain limitations.

Treasury shares themselves may be cancelled, sold for cash or transferred for the purposes of employee share schemes. All rights attaching to Company shares, including voting rights and the right to receive dividends, are suspended while they are held in treasury.

Resolution 9, which will be proposed as a special resolution, authorises the Directors to purchase up to a maximum of 2,000,000 Ordinary Shares.

The maximum price per Ordinary Share payable on the exercise of the authority shall not be more than 5 per cent above the average middle market quotations for the Company shares as derived from the London Stock Exchange plc Daily Official List for the five business days prior to making any purchase. The minimum price payable shall be a Company share's nominal value, being 1 penny per Ordinary Share.

The authority will expire at the conclusion of the Annual General Meeting to be held in 2010 or (if earlier) 30 September 2010. The Directors will only implement purchases of Company shares if, after careful consideration, they are satisfied that such purchases are in the best interests of the Company and Shareholders generally and would result in an increase in expected earnings per share. Furthermore, account will be taken of the overall financial implications for the Company.

Resolution 10: Adoption of new Articles of Association

The Directors consider it would be beneficial for the Company to take advantage of changes introduced by the Companies Act 2006 on 1 October 2009 and, accordingly, the Directors are proposing (in Resolution 10) the adoption of the New Articles at the AGM.

Explanatory notes on the principal changes to the Company's existing Articles of Association ("**Current Articles**") are set out in the Appendix to this letter. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix. The New Articles, showing all the changes to the Current Articles are available for inspection, as noted on page 10 of this document.

3. Recommendations

The Directors consider that the above proposals are in the best interests of the Company and Shareholders as a whole. The Directors unanimously recommend shareholders vote in favour of the resolutions set out in the notice of AGM, as they intend to do in respect of their own beneficial holdings.

Yours sincerely

H B Gold
Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Northern Bear plc will be held at 5 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ on 29 October commencing at 10.00 a.m. for the purpose of considering and if thought fit, passing thereat or at any adjournment thereof, resolutions:

As to the ordinary business of the Company, as follows:

- 1) To receive and adopt the Company's accounts for the year ended 31 March 2009 and the reports of the Directors and Auditors thereon.
- 2) To re-elect Mr G S L Forrest, who is retiring as a director of the Company.
- 3) To re-elect Mr H B Gold, who is retiring as a director of the Company.
- 4) To re-elect Mr I McLean, who was appointed by the Board following the company's last Annual General Meeting, as a director of the Company.
- 5) To re-appoint KPMG Audit Plc as auditors.
- 6) To authorise the Directors to agree the remuneration of the auditors.

Special Business

As to special business (of which resolution 7 shall be proposed as an ordinary resolution and resolutions 8 to 10, inclusive, as special resolutions), as follows:-

- 7) That, in accordance with section 551 of the 2006 Act, the Directors be and they are hereby generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to a maximum aggregate nominal amount of £150,000.00 PROVIDED THAT:
 - a) this authority shall (unless renewed, varied or revoked by the Company) expire at the conclusion of the Annual General Meeting next held after the passing of this resolution or on 30 September 2010, whichever is the earlier; and
 - b) the Company may, before such expiry, make an offer, agreement or other arrangement which would or might require shares to be allotted or Rights to be granted after the expiry of such period and the Directors may allot shares or grant Rights in pursuance of any such offer, agreement or other arrangements as if the authority conferred hereby had not expired.
- 8) That, subject to the passing of resolution 7 above, the Directors be and they are hereby given the general power to allot equity securities (as defined in section 560 of the said 2006 Act) for cash, either pursuant to the authority conferred upon them by resolution 7 of this notice (as varied from time to time by the company in general meeting) or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment PROVIDED THAT:
 - a) this power shall be limited to:
 - i) the allotment of equity securities in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as may be) to the respective amounts of equity securities held by them subject only to such exclusions or other arrangements as the Directors may consider appropriate to deal with treasury shares, fractional entitlements, record dates or legal and practical difficulties under the laws of or the requirements of any recognised regulatory body in any territory or otherwise or as regards shares held by an approved depository or in issue in uncertified form or otherwise howsoever; and

- ii) to the allotment (otherwise than pursuant to sub-paragraph (a)(i) above) of equity securities up to an aggregate nominal value of £75,000.00; and
 - b) this power shall expire on whichever is the earlier of the conclusion of the next Annual General Meeting of the company or 30 September 2010 unless renewed or extended prior to or at such meeting; and
 - c) the Company may, before such expiry, make an offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer, agreement or arrangement as if the power conferred hereby had not expired.
- 9) That the Company be and is hereby generally authorised to make market purchases (within the meaning of Section 693(5) of the 2006 Act) of its Ordinary Shares each upon and subject to the following conditions:
- a) the maximum aggregate number of Ordinary Shares which may be purchased is 2,000,000; and
 - b) Ordinary Shares may not be purchased at a price which is more than 5 per cent. above the average of the middle market quotations for the ordinary shares as taken from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase (or at a price which is less than 1penny per Ordinary Share); and

the authority to purchase conferred by this resolution shall expire on whichever is the earlier of the conclusion of the next Annual General Meeting of the Company or 30 September 2010, save that the Company may before such expiry enter into a contract of purchase under which such purchase may be completed or executed wholly or partly after the expiration of this authority.

- 10) That:
- a) the articles of association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the 2006 Act, are to be treated as provisions of the Company's Articles of Association; and
 - b) the Articles of Association produced to the meeting and initialed by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board

G S L Forrest
Chief Executive

28 September 2009

Registered Office:
Station House
Station Road
Chester le Street
County Durham
DH3 3DU

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 members registered on the Company's register of members at:
 - a) 6.00 p.m. on 27 October 2009; or
 - b) if this Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting;shall be entitled to attend and vote at the Meeting.

Appointment of proxies

- 2) If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You 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 to represent you. Details of how to appoint the Chairman of the Meeting or another person as your 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) You may appoint more than one proxy provided each proxy is appointed to exercise 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, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. All Proxy Forms must be signed and, to be effective, must be lodged with the company's registrar so as to arrive not later than 48 hours before the time of the meeting, or in the case of an adjournment, 48 hours before the adjourned time.
- 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, your proxy will vote or abstain from voting at his or her discretion. Your 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 proxy using hard copy proxy form

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- a) completed and signed;
- b) sent or delivered to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- c) received by Capita Registrars no later than 10.00 a.m. on 27 October 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 proxy by joint members

- 9) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

- 10) To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions. Any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars:
- a) by e-mail, sent to ssd@capitaregistrars.com; or
 - b) by phone on 08716640300 (between the hours 8.30 a.m. and 5.30 p.m., Monday to Friday);
- quoting the Company's name and the date and time of the meeting and requesting another hard-copy proxy form. Calls to the telephone number set out above cost 10p per minute (plus network extras). If you submit 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

- 11) In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. 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 other 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. The revocation notice must be received by Capita Registrars no later than 10.00 a.m. on 27 October 2009. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

- 12) In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:
- a) if a corporate member has appointed the Chairman of the Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member 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
 - b) if more than one corporate representative for the same corporate member attends the Meeting but the corporate member 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, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members 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. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (a) above.

Issued shares and total voting rights

- 13) As at 6.00 p.m. on 25 September 2009, the Company's issued share capital comprised 18,967,092 Ordinary Shares. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00pm on 25 September 2009 is 18,967,092.

Documents on display

- 14) The following documents will be available for inspection at Unit 1, Station House Station Road Chester-le-Street DH3 3DU from 28 September 2009 until the time of the Meeting and for at least 15 minutes prior to the Meeting and during the Meeting:
- a) Copies of the service contracts of executive directors of the Company.
 - b) Copies of the letters of appointment of the non-executive directors of the Company.
 - c) A copy of the proposed New Articles, together with a copy of the Existing Articles marked to show the changes being proposed.

Communication

- 15) Shareholders may not use any electronic address provided either:
- a) in this notice of general meeting; or
 - b) any related documents (including the chairman's letter and proxy form);
- to communicate with the Company for any purposes other than those expressly stated.

APPENDIX

Explanatory notes on principal changes to the Company's Articles

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. It provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 10(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the Shareholders.

2. Articles which duplicate statutory provisions

Provisions in the Existing Articles which replicate provisions contained in the Companies Act 2006 are in the main to be amended to bring them into line with the Companies Act 2006.

3. 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's name.

4. 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. The 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.

5. 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.

6. **Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital**

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. The Existing Articles include these enabling provisions. 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.

7. **Provision for employees on cessation of business**

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

8. **Use of seals**

A company currently requires authority in its articles to have an official seal for use abroad. After 1 October 2009 such authority will no longer be required. Accordingly the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

9. **Suspension of registration of share transfers**

The Existing Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

10. **Vacation of office by directors**

The Current Articles specify the circumstances in which a director must vacate office. The Existing Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform.

11. **General**

Generally the opportunity has been taken to bring clearer language into the New Articles.

