

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. The whole of this Document should be read, but your attention is in particular drawn to the section entitled "Risk Factors" at Part III of this Document.

If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your holding of Existing Ordinary Shares held in certificated form prior to the ex-entitlement date, please send this Document and, if appropriate, the accompanying Application Form at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction. If you have sold or otherwise transferred or sell or otherwise transfer Existing Ordinary Shares held in an uncertificated form prior to the ex-entitlement date, a claim transaction will automatically be generated by Euroclear which, on settlement will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee. Instructions regarding split applications are set out in the Application Form.

Copies of this Document are available, free of charge, at the registered office of Pure Wafer plc, at Central Business Park, Swansea Vale, Swansea SA7 0AB for the period of one month from 21 August 2009.

This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of Section 21 FSMA.

Your attention is drawn to the letter from the Independent Directors of Pure Wafer plc, being those Directors who are not Placees as defined in this Document.

Application will be made for the Open Offer Shares and the Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange ("AIM"). 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 of the United Kingdom Listing Authority. 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. **This Document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this Document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Open Offer Shares and the Placing Shares to the Official List. The Open Offer Shares and the Placing Shares will not be dealt on any other recognised investment exchange and no other such application will be made.** It is anticipated that Admission will become effective and that dealings in the Open Offer Shares and the Placing Shares will commence on AIM at approximately 8.00 a.m. on 15 September 2009.

Pure Wafer plc

(incorporated and registered in England and Wales under number 5289130)

Proposed Placing of 15,000,000 Placing Shares and Proposed Open Offer of up to 100,000,000 Open Offer Shares at an Issue Price of 2 pence per New Ordinary Share and Interim results for the 6 months ended 31 December 2008 incorporating a Notice of General Meeting

Altium Capital Limited which is authorised and regulated by the Financial Services Authority is acting exclusively for Pure Wafer plc in connection with the advice given to the Independent Directors of Pure Wafer plc.

The distribution of this Document, the Application Form and/or the transfer of Open Offer Entitlements through CREST or otherwise in jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and this Document does not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Open Offer Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document comes should inform themselves about and observe any such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

None of the Open Offer Shares or Placing Shares, the Open Offer Entitlements, this Document or the Application Form have been, or will be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States or any other Restricted Jurisdiction. 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, this Document, the Application Form, the Placing Shares, the Open Offer Shares or the Open Offer Entitlements. Accordingly, subject to certain exceptions the Placing Shares, the Open Offer Shares and the Open Offer Entitlements may not directly or indirectly be offered, sold, renounced, resold, taken up or delivered in or into the United States, Canada, Australia, Japan or any other Restricted Jurisdiction or offered to, sold to, renounced, taken up or delivered in favour of, or to, a person within the United States or a resident of Canada, Australia, Japan or any other Restricted Jurisdiction. The attention of Overseas Shareholders is drawn to the section headed "Overseas Holders" set out in paragraph 6 of Part II of this Document.

Notice of a General Meeting of Pure Wafer plc to be held at Central Business Park, Swansea Vale, Swansea SA7 0AB at 10.00 a.m. on 14 September 2009 is set out at the end of this Document. Shareholders will find attached to this Document a Form of Proxy for use at the General Meeting. To be valid, the attached Form of Proxy, completed in accordance with the instructions thereon, should be returned as soon as possible but, in any event, so as to be received by Capita Registrars, Proxy department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU at least 48 hours before the time appointed for the meeting.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 11 September 2009. The procedure for application and payment for Qualifying Shareholders is set out in paragraph 3 of Part II of this Document, and, where relevant, in the accompanying Application Form.

Cautionary note regarding forward-looking statements: This Document contains statements about Pure Wafer that are or may be “forward-looking statements”. All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, *inter alia*, the risk factors described in Part III of this Document. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of Pure Wafer. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of Pure Wafer. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Disclosure and Transparency Rules and/or the Prospectus Rules), Pure Wafer does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Pure Wafer or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors of Pure Wafer at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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DIRECTORS OF THE COMPANY

Stephen Boyd	Chairman
Peter Harrington	Chief Executive Officer
Keith Baker	Chief Operating Officer
Timothy Lowe	Group Finance Director
Giles Clarke	Non-executive Director
Eurfyl ap Gwilym	Non-executive Director
Paul Dolan	Non-executive Director

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2009
Record Date and time for the Open Offer	5.00 p.m. on 20 August
Announcement of the Open Offer	21 August
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	21 August
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Holders	24 August
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 7 September
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 8 September
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 9 September
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 11 September
Latest time and date for receipt of proxy	10.00 a.m. on 12 September
General Meeting	10.00 a.m. on 14 September
Admission and commencement of dealings of the Open Offer Shares	15 September
Open Offer Shares credited to CREST stock accounts	15 September
Despatch of definitive share certificates for Open Offer Shares	week commencing 21 September

Notes:

- (1) References to times in this Document are to London time (unless otherwise stated).
- (2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (3) The timing of the events in the above timetable and in the rest of this Document is indicative only.
- (4) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part II of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Capita Registrars on 0871 664 0321 or, if calling from outside the United Kingdom, +44 20 8639 3399, where relevant, quoting the allotment number of their Application Form.

Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's additional network charges. Calls to the Capita Registrars' +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

OPEN OFFER STATISTICS

Market price per Existing Ordinary Share ⁽¹⁾	2.75 pence
Number of Existing Ordinary Shares in issue ⁽²⁾	26,591,182
Price of each Open Offer Share	2 pence
Number of Open Offer Shares to be offered for subscription by the Company	100,000,000
Maximum proceeds of the Open Offer (before expenses)	£2,000,000
Maximum Enlarged Share Capital following Admission ⁽³⁾	141,591,182
Maximum percentage of Enlarged Share Capital represented by the Open Offer Shares ⁽⁴⁾	70.6 per cent.

Notes:

- (1) Mid-market price on AIM on 17 March 2009, at the point that Pure Wafer was suspended on AIM.
- (2) As at 20 August 2009 being the last Business Day prior to the announcement of the Open Offer.
- (3) Assuming full take up of the Open Offer and following the Placing.
- (4) Assuming full take up of the Open Offer.

DEFINITIONS

“2006 Act”	the Companies Act 2006 to the extent in force at the date of this Document
“Act”	the Companies Act 1985, as amended
“Admission”	the admission of the Placing Shares and the Open Offer Shares to trading on the AIM market of the London Stock Exchange
“Altium”	Altium Capital Limited
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies published by the London Stock Exchange in June 2009 (as amended) governing the admission to and the operation of AIM
“Application Form”	the personalised application form on which Qualifying non-CREST Holders (other than certain Overseas Shareholders) may apply for Open Offer Shares under the Open Offer
“Australia”	the Commonwealth of Australia, its states, territories or possessions
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-divisions thereof
“Capita Registrars” or “Registrars”	Capita Registrars Limited, part of the Capita Group Plc
“certificated” or “certificated form”	not in an uncertificated form
“Closing Price”	the closing middle market quotation of a share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
“Company” or “Pure Wafer”	Pure Wafer plc (registered number 5289130)
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST international Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since)
“CREST member”	a person who has been admitted by Euroclear as a system-participant (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all-CREST Personal Members)
“Directors” or “Board”	the directors of the Company whose names appear on page 3 of this Document
“Document”	this document which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“enabled for settlement”	in relation to Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions
“Enlarged Share Capital”	the issued ordinary share capital of Pure Wafer immediately following completion of the Open Offer and the Placing
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Share”	each Ordinary Share in issue as at the Record Date
“FSA”	the Financial Services Authority
“Fundraising”	together the Placing and Open Offer
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting or “GM”	the general meeting of the Company to be held at 10.00 a.m. on 14 September 2009, notice of which is set out at the end of this Document
“Group”	the Company and its subsidiaries

“Independent Directors”	Giles Clarke, Eurfyl ap Gwilym and Paul Dolan being those non-executive Directors who are not participating in the Placing
“ISIN”	International Securities Identification Number
“Issue Price”	2 pence per New Ordinary Share
“Japan”	Japan, its cities, prefectures, territories and possessions
“Listing Rules”	the Listing Rules of the UKLA made in accordance with section 73A(2) of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“New Ordinary Shares”	up to 150,000,000 new Ordinary Shares to be created subject to the Resolutions being passed at the GM
“Open Offer”	the conditional offer made by the Company to Qualifying Shareholders of Open Offer Shares on the terms and conditions set out in this Document and, where relevant, in the Application Form
“Open Offer Entitlements”	the entitlements of Shareholders to participate in the Open Offer Shares more particularly described in Paragraph 5 of Part I
“Open Offer Shares”	up to 100,000,000 Ordinary Shares to be issued pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 2p each in the capital of the Company
“Overseas Shareholders” or “Overseas Holders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
“Placees”	certain Directors and certain other senior management employees of the Group as described in paragraph 2.3 of Part V of this Document
“Placee Warrants”	those Warrants granted to the Placees by the Company described in paragraph 4 of Part I
“Placing”	the proposed issue and allotment at par of 15,000,000 New Ordinary Shares to the Placees further described in this Document
“Placing Shares”	the 15,000,000 New Ordinary Shares to be issued pursuant to the Placing
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
“Qualifying CREST Holders”	Qualifying Holders holding Existing Ordinary Shares in uncertificated form
“Qualifying Holder’s Entitlement”	a Qualifying Holder’s <i>pro rata</i> entitlement to Open Offer Shares
“Qualifying Holders” or “Qualifying Shareholders”	Shareholders whose names appear on the register of members of Pure Wafer on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this Document
“Qualifying non-CREST Holders”	Qualifying Holders holding Existing Ordinary Shares in certificated form
“RBS Warrant”	the Warrant granted to RBS by the Company described in paragraph 3 of Part I
“Receiving Agent”	Capita Registrars Limited
“Record Date”	the record date for the Open Offer, being 20 August 2009
“Resolutions”	the resolutions set out in the GM notice on page 46 of this Document
“Restricted Jurisdiction”	the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland and the Republic of South Africa
“RIS”	a regulatory information service as defined by the Listing Rules
“Securities Act”	the US Securities Act of 1933, as amended
“Shareholders” or “Pure Wafer Shareholders”	the holders of Existing Ordinary Shares in Pure Wafer
“Sterling”	pounds sterling, the basic unit of currency in the UK
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the UK Listing Authority, being the FSA acting as competent authority for the purposes of Part V of FSMA
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the share or other security confirmed as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by way of CREST
“USE”	unmatched stock event
“VAT”	value added tax

PART I

LETTER FROM THE INDEPENDENT DIRECTORS OF PURE WAFER PLC

Central Business Park
Swansea Vale
Swansea SA7 0AB

Registered Number: 5289130

21 August 2009

Dear Shareholder

Proposed Placing of 15,000,000 Placing Shares and Proposed Open Offer of up to 100,000,000 Open Offer Shares at an Issue Price of 2 pence per New Ordinary Share

1. Introduction

On 21 August 2009, the Company announced a share issue to raise up to £2.30 million (before expenses) through the issue of 15,000,000 New Ordinary Shares by way of a Placing at 2 pence per Ordinary Share to certain Directors and senior management employees and up to a further 100,000,000 New Ordinary Shares to be issued through an Open Offer at 2 pence per New Ordinary Share. The Issue Price represents a discount of approximately 27.3 per cent. to the price of 2.75 pence per share, being the price at which the Company's Ordinary Shares were suspended from trading on AIM on 17 March 2009. The Open Offer is not underwritten, and accordingly, as set out below the minimum proceeds under the Fundraising are £376,017 (before expenses).

As you will be aware, the Ordinary Shares have been suspended from trading on AIM since 17 March 2009 due to the financial difficulties experienced by the Company following challenging trading conditions and the resultant pressure on the Group's working capital and cash position whilst the Company conducted ongoing negotiations with its secured lenders.

After extensive exploration of the strategic options for the Company by your Board since that time (including exploring possible offers for the share capital of the Company), an agreement has been reached with the Company's secured lenders, subject to certain conditions, which will, in conjunction with the publication of the interim results for the 6 months period ended 31 December 2008, enable the Company to continue to trade and will enable the suspension of the Ordinary Shares on AIM to be lifted.

Alongside the agreement by the Company's secured lenders to provide additional working capital facilities and reschedule debt repayments, the Board is proposing a non pre-emptive Placing in combination with an Open Offer.

This letter sets out in more detail the background to the Company's position, the arrangements which have been agreed with the Company's secured lenders and the Resolutions to be proposed at the GM in order to implement the lenders' proposals in connection with these arrangements.

Your Board has also announced today the Company's interim results for the six month period ended 31 December 2008 (which are reproduced in Part IV of this Document) and an update on current trading (which is set out in paragraph 6 of this Part I).

The Group is operating in a very difficult industry for providers of services to semiconductor manufacturers. Without Shareholder approval for, and completion of, the Fundraising and associated debt restructuring the Group will have a significant shortfall in its working capital and ultimately could become insolvent. The Fundraising and associated debt restructuring is conditional upon the passing of the Resolutions and Admission occurring.

In addition, Shareholders should note that, although the Group has agreed revised debt facilities and standstill agreements with its secured lenders (subject only to those conditions set out below), the Group's working capital and cash position will remain under significant pressure following completion of the Fundraising, particularly should only the minimum Fundraising amount be raised of £376,017 (before expenses), after taking into account the Placing, and irrevocable commitments from Eurfyl ap Gwilym, Paul Dolan and Giles Clarke in respect of the Open Offer (including their excess applications).

Please note that, should Shareholders reject the Resolutions proposed by the Board and no other alternative equity solution is forthcoming, the Directors strongly believe that the Group will be unable to secure the ongoing support of its secured lenders, which is likely to lead to insolvency and thereafter delisting from AIM.

2. Background to and reasons for the Fundraising

Following a severe downturn in the trading performance of the Group's business, due largely to the unprecedented market conditions in the semiconductor industry coupled with the recent global economic downturn, the Company made a series of trading statements (on 5 March, 17 March and 25 March 2009) highlighting the industry challenges and the deterioration in current trading, resulting in the suspension of the trading of the Company's shares on AIM on 17 March 2009. The latest statement is set out below:

“25 March 2009.

Further to the announcement on 17 March 2009, the board of Pure Wafer plc (“Pure Wafer” or “the Company”) confirms that it continues to be in negotiations with its funders and the Company's cash and working capital position remains under significant pressure. As part of its ongoing discussions with its lenders, the Company announces that it has appointed advisers to explore various strategic alternatives for the business, including: re-financing of the business, restructuring the balance sheet, seeking an acquirer or potential equity fund raising. These strategic alternatives are designed to best assess how stakeholder value may be realised and build on Pure Wafer's position as a leading supplier of wafer reclaim services. The Company remains suspended until further notice.”

Given the downturn in trading, whilst the Group remains profitable before repayments of interest and capital and excluding depreciation, the Group's debt burden is such that it is not possible to fully service its debt obligations, which has necessitated a continuous dialogue with the Company's debt providers in order to explore alternative financing methods, including the possibility of refinancing the existing debt with alternative providers of finance, including providers of senior debt, asset financiers and regionally based funds. The Board also contacted certain existing institutional shareholders to explore whether they might support an equity fundraising.

In March 2009, external advisers were appointed to carry out a strategic review on behalf of the Board and its major secured lender, The Royal Bank of Scotland plc (“RBS”).

These advisers were engaged to look at all strategic options with an emphasis on:

- Sale of the business and assets (or share capital, if viable) of the Company
- Evaluating the value of the assets in a break-up situation
- The debt providers taking a debt for equity position which could ensure the ongoing viability of the business under a new financial structure.

The external advisers carried out a full accelerated sale process which resulted in three bidders submitting bids for the Company on a business and asset only basis. When these bids were submitted to the Company's secured lenders they were rejected as they did not meet the minimum cash payback requirements of the debt providers. The highest of the bids offered represented a level considerably below that of the outstanding secured debt carried by the Company.

This exercise clearly demonstrated that there is at present no opportunity to provide a strategic solution which would deliver immediate value for Shareholders. The Board is satisfied that all other credible ways of achieving a return for Shareholders have been explored without success.

3. Debt restructuring

In the absence of a third party offer at an acceptable level, the Company's secured debt providers concluded that a restructuring of their debt was their only realistic option to provide the opportunity for them to eventually realise more than the current break-up value of the Company's assets. The Company and its principal trading subsidiaries, Pure Wafer International Limited and Pure Wafer Inc., have therefore entered into the Standstill Agreement (as defined in paragraph 3 of Part V) with their secured lenders to refinance the business and reschedule future repayments of their secured debt.

It has also been agreed by RBS, subject to certain conditions described below, to provide an overdraft facility of £2,000,000 and to vary the existing term loan facilities with RBS. Summary details of the Group's new funding arrangements are set out in paragraph 3 of Part V.

RBS will receive an arrangement fee of £250,000 in June 2014 and each of the other secured lenders will receive an arrangement fee equal to 1 per cent. of the amount currently owed to it at the end of June 2015.

The following are conditions of those new funding arrangements and have been satisfied subject to the passing of the Resolutions and Admission:

- RBS is granted a non-dilutable warrant to subscribe at any time until 31 December 2029 for, at the nominal value of 2p per Ordinary Share, for such number of Ordinary Shares as will, immediately following such exercise in full, represent 10 per cent. of the issued share capital (assuming exercise in full of all outstanding rights to subscribe for Ordinary Shares) of the Company.
- The executive Directors, the Chairman and certain other senior management employees of the Group (being the Placees), whose on-going financial commitment is seen as essential by the Group's secured lenders, commit to invest personally in aggregate at least £250,000, by way of the Placing in New Ordinary Shares at the Issue Price.

Given the Group's ongoing challenging cash flow position, it is imperative that, if the Group is to continue to trade and the Company is to retain its listing on AIM, this restructuring is achieved as quickly as possible. The Board is seeking Shareholder approval, *inter alia*, for the Placing and Open Offer. Without such approval the ongoing survival of the Company will be in significant doubt.

4. The Placee Warrants

The Company and the Placees have agreed to enter into the Placing whereby the Company has agreed to grant the Placees warrants which will enable the Placees, by subscribing for additional Ordinary Shares, between two and seven years from the date of Admission, to increase their aggregate holding following exercise such that the Placees hold a number of Ordinary Shares equivalent to a maximum of 25 per cent. of the issued share capital immediately following Admission ("Placee Warrants") after taking into account New Ordinary Shares issued pursuant to the Placing (with the exception of 2,500,000 New Ordinary Shares being subscribed for by Stephen Boyd) and Existing Ordinary Shares already held by the Placees.

The Placee Warrants provide the Placees, *pro rata* to their participation in the Placing (with the exception of the Chairman, Stephen Boyd, who will only be issued with Placee Warrants in regards two thirds (66.6%) of his Placing participation) with rights to subscribe, at the nominal value of 2p per Ordinary Share, for such number of Ordinary Shares in aggregate as will result in the Placees holding, in aggregate, a maximum of 25 per cent. of the fully diluted share capital of the Company immediately after Admission after taking into account New Ordinary Shares issued pursuant to the Placing (with the exception of 2,500,000 New Ordinary Shares being subscribed for by Stephen Boyd) and Existing Ordinary Shares already held by the Placees. The Placing is only being made available to certain directors and senior management employees who the secured lenders believe it is essential to be financially committed to the Company's future performance and as such the Placing is a condition of the restructured facilities being made available. Accordingly, and in order to give effect to the Placing, it is proposed that the Board be authorised to allot the Placing Shares on a non pre-emptive basis and that authority is contained in the special resolution set out in the notice of GM at the end of this Document.

Further details of the Placee Warrants are set out in paragraph 3.4 of Part V of this Document.

5. Details of the Open Offer

Pure Wafer is proposing to raise up to £2 million (before expenses) pursuant to the Open Offer. The proposed Issue Price of 2 pence per Open Offer Share is the same price as the Placing and is the nominal value of the Ordinary Shares.

The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate. The Open Offer is not underwritten. The Fundraising is not conditional upon the level of applications made to subscribe under the Open Offer. However, if no further applications to subscribe under the Open Offer are received, with the exception of the irrevocable commitments from certain Directors in respect to the Open Offer (including their excess applications), the total amount that the Company would raise would be reduced to £376,017 (before expenses) via the Fundraising.

The Open Offer provides Qualifying Holders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

376 Open Offer Shares for every 100 Existing Ordinary Shares

and so on in proportion for any other number of Existing Ordinary Shares then held. Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Qualifying Holder's Entitlement.

The Directors will be authorised to offer for cash such New Ordinary Shares not applied for under the Open Offer to such persons who are willing to subscribe for such shares (at not less than the Issue Price).

The Open Offer is subject to the satisfaction, amongst other matters, of the following conditions on or before 15 September 2009 (or such later date being not later than 8.00 a.m. on 22 September 2009, as the Company may decide):

- (i) the Placing being unconditional in all respects;
- (ii) the Standstill Agreement described in paragraph 3 of this letter and in paragraph 3 of Part V becoming unconditional in all respects; and
- (iii) Admission becoming effective by 8.00 a.m. on 15 September 2009, (or such later time or date not being later than 8.00 a.m. on 22 September 2009 as the Company may decide).

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Excess Applications

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Open Offer price *pro rata* to their holdings of Existing Ordinary Shares. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 100,000,000 Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than 100,000,000 Open Offer Shares, excess applications will be scaled back accordingly. However, excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholders, together with those acting in concert with them for the purposes of the Takeover Code, holding 30 per cent. or more of the issued share capital immediately following Admission.

Those Placees who are Qualifying Shareholders will not participate in the Open Offer.

Applications from Shareholders will be rejected if to the extent that acceptance would result in any of them holding 30 per cent. or more of the Enlarged Share Capital following such application.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying non-CREST Holders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 15 September 2009. Further information in respect of settlement and dealings in the Open Offer Shares is set out in paragraph 7 of Part II of this Document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part II of this Document.

CREST Instructions

Application has been made for the Open Offer Entitlements for Qualifying CREST Holders to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST on 24 August 2009. The Open Offer Excess Entitlements will also be enabled for settlement in CREST on 24 August 2009. Applications through the CREST system will only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying non-CREST Holder you will have received an Application Form which gives details of your Qualifying Holder's Entitlement under the Open Offer (as shown by the number of the Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 3 of Part II of this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event no later than 11.00 am. on 11 September 2009.

If you are a Qualifying CREST Holder, no Application Form is enclosed but you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your Qualifying Holder Entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 3 of Part II of this Document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 11 September 2009.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 11 September 2009. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

6. Current Trading

Introduction

The severe downturn in the semiconductor industry, coupled with the worldwide economic recession has severely affected Pure Wafer's trading during the year to 30 June 2009, evidenced by a particularly sharp decline in trade volume during the second and third quarters of that financial year. However, the Board is pleased to announce that, during recent months, the Company has experienced a greater stability in trading coupled with some signs of recovery.

Based on unaudited management accounts for the 12 months ended 30 June 2009, revenue was £17.1 million with an EBITDA of £1.5 million (pre-exceptional items). As at 30 June 2009, net debt was £15.7 million. These are internal figures only and have not been subject to external review or audit. These indicative figures are based on UK GAAP accounting policies and have not been reviewed for the effects of revaluation of foreign exchange and derivatives as required under International Financial Reporting Standards (with which the Company's audited consolidated accounts must comply).

Although it is too early to be confident about a return to growth, recent trading together with news in the press of returning volumes and a possible industry recovery are more positive signs than the Board has been able to report in previous trading updates.

Operational

During the recent period of difficult trading conditions, the Company concentrated on reducing its cost base. The Board has also taken steps to further reduce the production costs per wafer and thus enhanced the competitiveness of the Group's products over the last year. Further successful, engineering led cost reduction activities have enabled the Group to reduce the consumable costs per wafer and certain fixed costs, all without affecting the quality of the Group's product offering.

Whilst there have been some corporate failures within the competitive landscape, there still remains an overcapacity of wafer reclaim services, which in turn is reflected in continued pressure on selling prices. However, as customer specification requirements increase, the capacity of high quality reclaim services is expected to be focused on wafer manufacturers such as Pure Wafer who have both the technical know how and the relevant measurement equipment to produce an offering to the quality required.

With the Group's current installed capacity for 300mm and smaller diameter wafers at Pure Wafer's high quality facilities in Swansea and Prescott, Arizona, together with the reduced cost per wafer, the Board believes that the Company is well placed to take advantage of any industry recovery.

7. Strengthening of management team

Stephen Boyd

Stephen Boyd became Chairman in February 2009 and has led the Company's complex negotiations with its lenders. He will continue with an appropriate level of involvement in the Company's business in order to drive the Company's business plan and financial recovery.

Appointment of Group finance director

Following the resignation of the Company's interim group financial officer, Stephen Young, the Board is pleased to announce the appointment of Timothy Lowe as Group Finance Director, and as a member of the Company's Board with effect from the date of this Document.

Timothy Lowe

Tim qualified as a chartered accountant in 1988 with Touche Ross, and then joined their management consultancy division where he remained until 1991. After this Tim joined Resource Ltd as Finance Director before moving to become Group Finance Director of PKL Holdings plc (an AIM listed company) in 2003. In 2005, Tim was appointed Group Finance Director of Stradform Limited where in 2008 he led the negotiations which resulted in the sale of the business to one of the largest contractors in Europe, before agreeing to join Pure Wafer as Group Finance Director.

Save for the information disclosed above there is no other information that is required to be disclosed under Schedule 2(g) of the AIM Rules.

8. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at the offices of Pure Wafer plc, Central Business Park, Swansea Vale, Swansea SA7 0AB at 10.00 a.m. on 14 September 2009.

The Resolutions to be proposed at the GM are as follows:

1. an ordinary resolution to increase the authorised share capital of the Company to £4,000,000 by the creation of a further 150,000,000 Ordinary Shares;
2. an ordinary resolution to authorise the Directors, pursuant to section 80 of the Act, to issue the New Ordinary Shares in relation to the Placing; Placee Warrant; Open Offer; subsequent subscriptions for Open Offer Share not taken up under the Open Offer; and the RBS Warrant;
3. a special resolution to empower the Directors, pursuant to section 95 of the Act, to issue and allot New Ordinary Shares pursuant to Resolution 2; and
4. an ordinary resolution to approve the Placing for the purposes of section 190 of the Companies Act 2006 and for the purposes of the AIM Rules.

Under Resolutions 1, 2 and 3 the Directors will be authorised to offer for cash such New Ordinary Shares not applied for under the Open Offer to such persons who are willing to subscribe for such shares (at not less than the Issue Price as defined in this Document).

9. Action to be taken

Shareholders will find attached to this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Capita Registrars, Proxy department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 48 hours before the time of the GM. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the meeting should he/she so wish.

10. Additional Information

Your attention is drawn to the risk factors and additional information set out in Parts III and V of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

11. Intentions of the Directors in relation to the Open Offer

Eurfyl ap Gwilym, Paul Dolan and Giles Clarke, who are Directors and Qualifying Shareholders but not Placees, have irrevocably committed themselves to acquire Open Offer Shares pursuant to their respective Open Offer Entitlements as set out in column (2) below and will further subscribe for additional Open Offer Shares under the Excess Application Facility (described in paragraph 3.1 (c) of Part II) as specified in column (3) below (provided that such excess applications will be rejected or scaled back accordingly to the extent that there are insufficient Open Offer Shares to satisfy those applications):

(1) Director	(2) No. of shares under irrevocable commitment	(3) No. of shares to be applied for under Excess Application facility
Eurfyl ap Gwilym	94,000	406,000
Paul Dolan	244,400	755,600
Giles Clarke	1,050,852	1,250,000

Stephen Boyd and Tim Lowe, who are Directors and Placees but not Qualifying Shareholders, are not entitled to participate in the Open Offer but will be free to acquire any New Ordinary Shares in the future shall the Board deem it appropriate under the authority conferred to them by the Resolutions.

Peter Harrington and Keith Baker, who are Directors and Qualifying Shareholders and also Placees, do not intend to acquire Open Offer Shares pursuant to their respective Open Offer Entitlements but will likewise be free to acquire New Ordinary Shares in the future shall the Board deem it appropriate under the authority conferred to them by the Resolutions.

12. Recommendation

The Independent Directors, taking into account the options available to the Company, believe the Placing and Open Offer to be fair and reasonable so far as the Shareholders are concerned. The Placing constitutes a related party transaction under Rule 13 of the AIM rules. The Independent Directors consider that, having consulted with Altium, that the terms of the Placing are fair and reasonable insofar as Shareholders are concerned.

Accordingly, the Independent Directors unanimously recommend Shareholders to vote in favour of the Resolutions as the Independent Directors intend so to do in respect of their beneficial shareholdings amount to 369,482 Ordinary Shares, representing 1.39 per cent of the Company's existing issued share capital.

Yours faithfully

Eurfyl ap Gwilym
Non-Executive Director

Giles Clarke
Non-Executive Director

Paul Dolan
Non-Executive Director

PART II

DETAILS OF THE OPEN OFFER

1. Introduction

The Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 100,000,000 Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than 100,000,000 Open Offer Shares, excess applications will be scaled back accordingly.

However, excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with for the purposes of the Takeover Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

2. The Open Offer

Pure Wafer hereby invites Qualifying Shareholders, on the terms and subject to the conditions set out herein and, for Qualifying non-CREST Shareholders, in the accompanying Application Form, to apply to acquire any number of Open Offer Shares (subject to the limit of the number of Excess Shares that can be applied for using the Excess Application Facility) at 2 pence per Open Offer Share (payable in full on application) and will have the right to subscribe for:

376 Open Offer Shares for every 100 Existing Ordinary Shares

registered in their name at the close of business on the Record Date and so on in proportion for any other number of Existing Ordinary Shares then held ("Basic Entitlement"). Applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility. Please see below for further details of the Excess Application Facility.

Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

Qualifying CREST Shareholders will have their Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraphs 2, 3 and 7 of this Part II and also to the CREST Manual for further information on the relevant CREST procedures.

Excess Applications

Qualifying Shareholders may apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to below. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 2 on the Non-CREST Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Ordinary Shares in excess of their Basic Entitlement ("Excess Shares"). Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 6, 7, 8 and 9 on the Non-CREST Application Form. Applications for Excess Shares may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders will be met in full or in part or at all.

The aggregate number of Ordinary Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 100,000,000 Ordinary Shares.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Non-CREST Application Forms are not negotiable documents and cannot be traded, Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply to take up their Basic Entitlements and Excess CREST Open Offer Entitlements, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility or will be placed under the Placing and the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. If valid acceptances are not received in respect of all the Open Offer Shares under the Open Offer, unallocated Open Offer Shares may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and the proceeds retained for the benefit of the Company.

The Existing Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be admitted to CREST with effect from 24 August 2009.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

Overseas Holders are referred to the section entitled 'Overseas Holders' set out in paragraph 6 of this Part II.

The Existing Ordinary Shares are in registered form, are traded on the AIM market and are not traded on any other exchange. The Open Offer Shares will also be in registered form, will be issued credited as fully paid and will rank *pari passu* in all respects with the issued Existing Ordinary Shares. The Open Offer Shares will be issued only pursuant to the Open Offer and, subject as set out in this Part II, will not otherwise be marketed or made available in whole or in part to the public.

The proceeds of the Placing and Open Offer will amount to a maximum of approximately £2.3 million. The Open Offer Shares (assuming full take-up) will represent approximately 70.6 per cent. of the Enlarged Share Capital.

3. Procedure for application and payment

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has a Non-CREST Application Form in respect of his Open Offer Entitlement or a Qualifying Shareholder has Basic Entitlements and Excess CREST Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Shares in certificated form will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(g) of this Part II.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Non-CREST Application Form. Qualifying Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this Document.

3.1 *If you have an Application Form in respect of your entitlement under the Open Offer*

(a) General

Subject as provided in paragraph 6 of this Part II in relation to Overseas Holders, Qualifying non-CREST Holders will have received an Application Form with this Document. The Application Form shows the number of Existing Ordinary Shares registered in their name at the close of business on the Record Date. It also shows the maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them. Qualifying non-CREST Holders may apply for less than their maximum entitlement should they wish to do so. Qualifying non-CREST Holders may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

(b) Market claims

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Holder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a market purchase of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” for the purposes of entitlement to participate in the Open Offer. Application Forms may be split, but only to satisfy *bona fide* market claims, up to 3.00 p.m. on 9 September 2009. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Holder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” for the purposes of entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty. Qualifying non-CREST Holders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Restricted Jurisdiction.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 3.2(e) below.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Boxes 6, 7, 8 and 9 of the Non-CREST Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) Application procedures

Qualifying non-CREST Holders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply paid envelope (for use only in the UK) or delivered by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, with a cheque or banker's draft drawn in Sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of those companies. Cheques should be drawn on the personal account to which the shareholder has sole or joint title. Third party cheques will not be accepted with the exception of bankers drafts or building society cheques where the bank or building society has enclosed the back of the draft by adding the shareholders details and the branch stamp. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Applications must be received by Capita Registrars (at the address detailed above) no later than 11.00 a.m. on 11 September 2009, after which time Application Forms will not be valid. Once submitted, applications are irrevocable. If an Application Form is being sent by post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery. Cheques should be made payable to "Capita Registrars Limited re: Pure Wafer plc Open Offer" and crossed "A/C Payee Only". It is a condition of application that cheques will be honoured on first presentation and Pure Wafer may in its absolute discretion elect not to treat as valid any application in respect of which a cheque is not so honoured. Pure Wafer may, in its sole discretion but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. Pure Wafer further reserves the right (but shall not be obliged) to accept either Application Forms received after 11.00 am. on 11 September 2009 but not later than 8.00 am. on 12 September 2009 with the envelope bearing a legible postmark not later than 11.00 am. on 11 September 2009 or applications in respect of which remittances are received before 8.00 am, on 12 September 2009 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business days. Multiple applications will not be accepted.

Cheques and banker's drafts are liable to be presented for payment upon receipt. If they are presented before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account until the conditions are fully met. If the conditions of the Open Offer are not fulfilled on or before 8.00 a.m. on 15 September 2009, or such later date as Pure Wafer may determine (being no later than 5.00 p.m. 22 September 2009), the Open Offer will lapse and all application monies will be returned without interest by crossed cheque in favour of the first named applicant through the post at the risk of the applicant(s) as soon as is practicable after that date. Interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

Cheques, which must be drawn on the personal account where you have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re: Pure Wafer plc Open Offer". Third party cheques, other than building society cheques or banker's drafts, where the building society or bank has confirmed that you have title to the underlying funds by detailing the account name on the back of the cheque/draft and adding the bank stamp, will not be accepted.

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided for the members of any of those companies and must bear the appropriate sort code in the top right-hand corner. Cheques may be cashed immediately upon receipt. Post-dated cheques will not be accepted.

(e) Effect of application

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk, By completing and delivering an Application Form the applicant:

- (i) agrees that all applications under the Open Offer and contracts resulting therefrom, shall be governed by and construed in accordance with the laws of England;
- (ii) confirms that, in making the application, the applicant is not relying on any information or representation other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof shall have any liability for any such information or representation not so contained; and
- (iii) represents and warrants that, if the applicant received some or all of their Open Offer Entitlements from a person other than Pure Wafer, the applicant is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim.

Should you need advice with regard to these procedures, please contact Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on 0871 664 0321 or, if calling from outside the UK on +44 20 8639 3399, where relevant, quoting the Allotment number of your Application Form. Calls to the Capita Registrar's 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrar's +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying Shareholders who do not wish to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

3.2 *If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*

(a) General

Subject as provided in paragraph 6 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares which represents his Basic Entitlement. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Basic Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 8.00 a.m. on 24 August 2009, or such later time and/or date as the Company may decide, a Non-CREST Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying Non-CREST Shareholders with Non-CREST Application Forms will apply to Qualifying CREST Shareholders who receive such Non-CREST Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Registrar on the shareholder helpline on 0871 664 0321, or, if calling from overseas,

+44 208 639 3399. Calls to this number are charged at ten pence per minute (including VAT) from a BT landline (other provider costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements. Calls may be recorded and monitored for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement and the Excess CREST Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraphs 3.2(d)(f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number. Any fractional Excess Shares will be aggregated and sold for the benefit of the Company.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine,

in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to the Registrar on the shareholder helpline 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to the 0871 number are charged at ten pence per minute (including VAT) from a BT landline (other provider costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their entitlement or apply for Excess Shares. Calls may be recorded and monitored for security and training purposes.

(d) USE instructions

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a number of Basic Entitlements and/or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(d)(i) above.

(e) Content of USE instruction

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Registrars);
- (ii) the ISIN of the Open Offer Basic Entitlement This is GB00B46CBW64;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita Registrars in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Capita Registrars in its capacity as a CREST receiving agent is 26827PWP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 am. on 11 September 2009; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 am. on 11 September 2009.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction: (i) a contact name and telephone number (in the free format shared note field); and (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 11 September 2009 in order to be valid is 11.00 a.m. on that day.

In the event that the Resolutions are not passed at the GM on 14 September 2009 or such later time and date as Pure Wafer may determine (being no later than 5.00 p.m. on 12 September 2009), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Capita Registrars will refund the amount paid by a Qualifying CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) Content of USE instruction in respect of Excess CREST Open Offer Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00B45FYJ47;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Capita Registrars in its capacity as Receiving Agent. This is 7RA33;
- (vi) the member account ID of the Capita Registrars in its capacity as Receiving Agent. This is 26827PWP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Ordinary Shares referred to in paragraph 3.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 am. on 11 September 2009; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 am on 11 September 2009.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 11 September 2009 in order to be valid is 11.00 am. on that day. Please note that automated CREST generated

claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Placing and Open Offer do not become unconditional by 8.00 a.m. on 15 September 2009 or such later time and date as the Directors determine (being no later than 8.00 a.m. on 22 September 2009), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying non-CREST Holder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements and excess entitlement set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Holder named in the Application Form or into the file name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and excess entitlement held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and excess entitlement is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 11 September 2009.

In particular, having regard to normal processing times in CREST and on the part of Capita Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 8 September 2009, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 7 September 2009, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 11 September 2009.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to Pure Wafer and Capita Registrars by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to Pure Wafer and Capita Registrars from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 am. on 11 September 2009 will constitute a valid application under the Open Offer.

(i) CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE

instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 am. on 11 September 2009. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) Incorrect or incomplete applications

If a USE instruction includes a CREST payment for an incorrect sum, Pure Wafer, through Capita Registrars, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question; and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

(k) Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Capita Registrars' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to Pure Wafer the amount payable on application);
- (ii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Document and subject to the memorandum and articles of association of Pure Wafer;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction except where proof satisfactory to Pure Wafer has been provided to Pure Wafer that he is able to accept the invitation by Pure Wafer free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (v) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information in relation to Pure Wafer other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further

agree that having had the opportunity to read this Document, he will be deemed to have had notice of all the information concerning Pure Wafer contained therein; and

- (vii) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

(l) Company's discretion as to the rejection and validity of applications

Pure Wafer may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II of this Document;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as Pure Wafer may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Capita Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either Pure Wafer or Capita Registrars have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST.

4. Money laundering regulations

4.1 Holders of Application Forms

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007 (as amended and supplemented), the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA and the Proceeds of Crime Act 2002 (together with other guidance and source books produced in relation to financial sector firms) Capita Registrars may at its absolute discretion require verification of identity from any person lodging an Application Form (the "applicant") including, without limitation, any applicant who (i) tenders payment by way of cheque or banker's draft drawn on an account in the name of a person or persons other than the applicant, or (ii) appears to Capita Registrars to be acting on behalf of some other person. In the former case, verification of the identity of the applicant may be required. In the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (ii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iii) if the aggregate subscription price for the Open Offer Shares is less than the Sterling equivalent of €15,000 (approximately £12,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by building society cheque (not being a cheque drawn on an account in the name of the applicant) or banker's draft, by the building society or bank endorsing on the cheque or banker's draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature;
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Japan, New Zealand, Norway, Singapore, Switzerland, Turkey, UK Crown Dependencies and the United States and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Capita Registrars. If the agent is not such an organisation, it should contact Capita Registrars using the telephone numbers set out in this Document.

If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of identity bearing your photograph (for example your passport). If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 11 September 2009, Capita Registrars have not received evidence satisfactory to them as aforesaid, Capita Registrars may, at their discretion, as the agents of Pure Wafer, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 *Basic Entitlements and allocations of Excess Shares held in CREST*

If you hold your Basic Entitlement and allocation of Excess Shares in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlement and Excess Shares as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrar is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

5. No public offering outside the United Kingdom

Pure Wafer has not taken or will take any action in any jurisdiction that would permit a public offering of Existing Ordinary Shares in any jurisdiction where action for the purpose is required, other than in the United Kingdom.

6. Overseas holders

6.1 General

The making of the Open Offer to Qualifying Shareholders who are resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Such Overseas Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to accept the Open Offer and/or apply to subscribe for Open Offer Shares.

As a result of restrictions applicable to any holder of Existing Ordinary Shares with registered or mailing addresses in the United States, Canada, Australia, Japan, their territories or possessions and other Restricted Jurisdictions, this Document and the accompanying Application Form are not being sent to any such holders of Existing Ordinary Shares nor will Open Offer Entitlements be credited to the stock account of any such holder.

No person receiving a copy of this Document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom, may treat the same as constituting an invitation or offer to him to subscribe, nor should he in any event use such Application Form or credit of Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Application Form or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any registration or regulation or other legal requirements. No Open Offer Entitlements may be credited to the stock account in CREST of certain Overseas Holders unless they can prove to the satisfaction of Pure Wafer that such action would not result in contravention of any applicable legal requirements. Receipt of this Document and/or the Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer in those territories in which it would be unlawful to make such an offer and, in such circumstances, this Document and/or the Application Form will be treated as confidential, sent for information purposes only and should not be copied or distributed.

It is the responsibility of any Overseas Holder receiving a copy of this Document and/or the Application Forms and/or receiving a credit of Open Offer Entitlements to a stock account in CREST and wishing to take up the Open Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining all governmental or other consents which may be required, observing all other requisite formalities that need to be observed in such territory, and paying all issue, transfer or other taxes payable in such territory. If you are in any doubt as to your position, you should consult your independent professional adviser.

Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an Application Form and/or credit of Open Offer Entitlements to a stock account in CREST are received by a person in any such jurisdiction or by the agent or nominee of such a person, he must not seek to apply for Open Offer Shares except pursuant to an express agreement with Pure Wafer. Any person who does forward an Application Form or transfer the Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 6.

Pure Wafer reserves the right (but shall not be obliged) to reject a purported application for Open Offer Shares under the Open Offer in a particular case if it believes doing so may violate applicable legal or regulatory requirements. The provisions of this paragraph 6 and/or any other terms of the Open Offer relating to Overseas Holders may be waived, varied or modified as regards (a) specific holders of Existing Ordinary Shares or (b) on a general basis by Pure Wafer in its absolute discretion (and on such terms and conditions as it may think fit). All payments under the Open Offer must be made in Sterling.

6.2 *United States*

For the purposes of this Document a “US person” means a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States and an estate or trust the income of which is subject to United States federal income taxation regardless of its source; provided, however, that the term “US person” does not include a branch or agency of a US bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not solely for the purpose of investing in securities not registered under the Securities Act.

The Open Offer Shares and the accompanying Application Form have not been, and will not be, registered under the Securities Act or under the securities laws of any jurisdiction or state of the United States. Accordingly, except in a transaction which is exempt under the legislation, the Open Offer Shares and the Application Form and/or Open Offer Entitlements may not be directly or indirectly offered, sold, renounced, transferred, taken up or delivered, directly or indirectly, in or into the United States or to or for the benefit of US persons. This Document shall not constitute an offer to sell or the solicitation of an offer to buy any of the Open Offer Shares in the United States.

Envelopes containing the Application Form should not be postmarked in the United States or otherwise despatched from the United States. Persons will be deemed to have made an invalid application if they submit the Application Form in an envelope postmarked in the United States or have provided an address in the United States for registration, or do not make the representation and warranty set out in the Application Form to the effect that such person is not in the United States, is not a US person and is not acting for the account or benefit of a US person. The Open Offer is not therefore being made in the United States or to or for the account or benefit of a US person and holders of Existing Ordinary Shares at the Record Date with registered addresses in the United States will not be Qualifying Shareholders and Application Forms will not be sent to such persons.

6.3 *Canada*

No exemptions in connection with the Open Offer have been or will be obtained from any securities commission or similar regulatory authority in Canada. Accordingly, the Open Offer Shares are not being offered, nor may they be offered or sold, directly or indirectly, in Canada or to persons resident in Canada.

No prospectus in relation to the Open Offer Shares will be filed with and no relief from applicable securities law requirements will be obtained from the applicable regulatory authority of any province or territory of Canada.

Holders of Existing Ordinary Shares with registered addresses in Canada will not be Qualifying Holders and no Application Forms will be sent to such persons, nor will Open Offer Entitlements be credited to the stock accounts of such persons.

Persons (including without limitation, nominees and trustees) receiving an Application Form and/or Open Offer Entitlements should not distribute, send or transfer it or them to persons resident in Canada. Pure Wafer reserves the right to reject an Application Form from persons whom it believes are residents of Canada or persons who are acquiring Open Offer Shares for resale into Canada.

6.4 *Australia*

No Application Form, advertisement or other offering material in relation to the Open Offer or the Open Offer Shares has been or will be distributed, directly or indirectly, in or into Australia, nor will Open Offer Entitlements be credited to the stock accounts of such persons. No prospectus in relation to the Open Offer Shares has been or will be lodged with or registered by the Australian Securities and Investments Commission. The Open Offer is not being made in Australia. The Open Offer Shares will not be available for subscription or 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).

Holders of Existing Ordinary Shares with registered addresses in Australia will not be Qualifying Holders and no Application Forms will be sent to, nor will Open Offer Entitlements be credited to, the stock accounts of such persons.

6.5 *Japan*

The relevant clearances have not been, and will not be, obtained from the Ministry of Finance of Japan and no circular in relation to the Open Offer Shares has been or will be lodged with or registered by the Ministry of Finance of Japan. The Open Offer Shares may not therefore, subject to certain exceptions, be offered or sold, directly or indirectly, in or into Japan. Accordingly, Application Forms are not being sent to, and no Open Offer Entitlements will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in Japan.

7. **Settlement and dealings**

The result of the Open Offer is expected to be announced on 14 September 2009. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that, subject to the Open Offer becoming unconditional in all respects, Admission will become effective and that dealings in the Open Offer Shares will commence on 15 September 2009. The earliest date for settlement of such dealings will be 15 September 2009. Pure Wafer's Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the Open Offer Shares, all of which, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Shares to be admitted to CREST. The conditions to such admission having already been met, the Open Offer Shares are expected to be admitted to CREST with effect from 15 September 2009. Open Offer Shares held in CREST are expected to be disabled in all respects after 11.00 a.m. on 11 September 2009 (the latest date for applications under the Open Offer). Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by Pure Wafer on the day on which such conditions are satisfied (expected to be 14 September 2009). On this day, Capita Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 15 September 2009). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this Document, Pure Wafer reserves the right to send Qualifying CREST Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and/or to issue an Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST for any part of CREST), or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST, This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided as requested on the Application Form.

For Qualifying non-CREST Holders who have applied by using an Application Form, share certificates for the Open Offer Shares validly applied for are expected to be despatched by post during the week commencing 21 September 2009. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying non-CREST Holders will be certified against the register. All documents or remittances sent by or to an applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. Qualifying CREST holders should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by Pure Wafer in respect of the issue of the Open Offer Shares.

8. **Share option schemes**

The Open Offer is not being extended to the holders of options under Pure Wafer's share option schemes, save to the extent that any such options are or have been validly exercised and Ordinary Shares have been allotted in consequence of such exercise prior to the Record Date.

PART III

RISK FACTORS

Qualifying Shareholders should be aware that an investment in the Company involves a degree of risk and should only be made by those with the necessary expertise to appraise the investment. The following are considered by the Board to be the key risk factors which could have a material adverse effect on the Company's business, financial condition, prospects and share price. In addition to the other information in this Document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company.

Approval and completion of the Fundraising

The Group is operating in a very difficult industry for providers of services to semiconductor manufacturers. Without Shareholder approval for, and completion of, the Fundraising and associated debt restructuring the Group will have a significant shortfall in its working capital and ultimately could become insolvent. The Fundraising and associated debt restructuring is conditional upon the passing of the Resolutions and Admission occurring.

In addition, Shareholders should note that, although the Group has agreed revised debt facilities and standstill agreements with its secured lenders (subject only to those conditions set out below), the Group's working capital and cash position will remain under significant pressure following completion of the Fundraising, particularly should only the minimum Fundraising amount be raised of £376,017 (before expenses), after taking into account the Placing, and irrevocable commitments from Eurfyl ap Gwilym, Paul Dolan and Giles Clarke in respect of the Open Offer (excluding their excess applications).

Please note that, should Shareholders reject the Resolutions proposed by the Board and no other alternative equity solution is forthcoming, the Directors strongly believe that the Group will be unable to secure the ongoing support of its secured lenders, which is likely to lead to insolvency and thereafter delisting from AIM.

Additional capital requirements to fund ongoing operations

The Company's capital needs may exceed current expectations, requiring the Company to raise additional capital from equity or debt sources. Further equity financing may be further dilutive to existing Shareholders or result in the issuance of securities whose rights, preference and privileges are senior to those of the owners of Ordinary Shares. If any such future funding requirements are met through additional debt financing, the Company may be required to adhere to covenants restricting its future operational and financial activities. If the Company is unable to secure additional funds when needed or cannot do so on terms it finds acceptable, the Company may be unable to continue to trade, expand its operations, take full advantage of future commercial opportunities or respond adequately to competitive pressures, any of which may have an adverse effect on its business and results of operations.

Reliance on bank funding

Although the Company's senior lenders have agreed to reschedule their debt repayments going forward, a significant proportion of the Group's working capital will be provided via overdraft facilities which are repayable on demand. If such repayment is demanded, the Company may not have, or may not be able to raise sufficient cash to make such repayment, with the risk that the Company may need to cease or reduce operations or be placed in administration.

Indebtedness

The Group has a series of debt facilities and hire purchase arrangements with a number of lenders. Any default by the Group on its repayments or quarterly covenants could lead to some or all of the amounts payable under its banking facilities, together with interest thereon, being repayable on demand or sooner than would have otherwise been the case. Any failure by the Group to fully implement its business strategy, manage its working capital appropriately or any factor outside its control, such as continued economic downturn, which results in the Group failing to meet its debt obligations could have a material adverse effect on the Group's business, financial condition and operating results.

Financial

The main financial risks of the Group relate to the availability of funds to meet business needs, customer default and fluctuations in interest and foreign exchange rates (particularly the US dollar). The Group finance function is tasked with managing these risks. Notwithstanding this, an element of risk still exists and significant rises in interest rates or movements in the US dollar could affect the ongoing profitability of the Group's business.

Adverse market conditions

The semiconductor industry is cyclical in nature. In the event of a major downturn in the industry as has recently been experienced, the rate at which Pure Wafer's customers continue to progress towards manufacturing on more efficient 300mm wafers may be affected. A significant reduction in these activities may have an adverse effect on the business.

No long term material customer contracts

The Group does not have any long term contracts from which it derives revenue and revenue is therefore subject to fluctuation. There are no guarantees that previous levels of revenue from such sources will be maintained. These factors could lead to an adverse effect upon the Group's revenues and earnings through decreased market share and/or declining profit margins caused by price competition.

Dependence on key customers

The Group is dependent on a small number of key customers in the semiconductor industry. The loss of one or more of these key customers to a competitor or a reduction in the gross margin on the services provided to one or more of these key customers could have a material adverse effect on the Group's revenues.

Market saturation

If other companies in the sector significantly increase their manufacturing capacities, the Group may not be able to meet its operational and financial targets.

The market

The Company is likely to face competition from other entities operating in its business sector including larger quoted and unquoted entities which may have greater resources than the Company and, as a result, the Company could be affected by competitive pressures.

It is possible that recessionary pressures and other economic factors may decrease the disposable income that individuals and businesses have available to spend on electronic goods which include silicon semiconductor chips. This would lead to a reduction in the revenues of the Group.

Resilience of process

The Group's manufacturing process involves a number of production processes using a single piece of manufacturing equipment upon which a large proportion of product output is reliant. In the event that any of these individual items of equipment suffered a significant amount of downtime, this could jeopardise the Group's ability to fulfil orders and could have a material adverse effect on the Group's revenues.

Technological change

If competitors introduce new products that employ new technologies, or if new standards or practices emerge, the Group's existing technologies and systems may become obsolete. The future success of the Group will depend on its ability to:

- enhance its existing products and services;
- address the increasingly sophisticated and diverse needs of its customers; and
- respond to technological advances and emerging industry and public sector standards and practices on a cost effective and timely basis.

Developing the Group's technology and product range entails significant technical and business risk. The Group may use or procure new technologies ineffectively or fail to adapt its systems to customer requirements or emerging industry standards.

Loss of key personnel

The Company's performance is dependent upon the continued services and the performance of the executive Directors and other key personnel. The loss of the services of any of the executive Directors or key personnel could have a materially adverse effect upon the Company's future.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this Document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Ability to pay future dividends

The Company's ability to pay dividends in the future is dependent upon the extent that it has distributable reserves and cash available for this purpose. The Company can give no assurance to Shareholders that it will pay dividends in the future.

Dilution as a result of not taking up the entitlement under the Open Offer

Regardless of whether a Qualifying Shareholder takes up his entitlements under the Open Offer, the effect of the Placing will be a reduction of his proportionate ownership and voting interests in Pure Wafer (unless a Shareholder applies for excess applications under the Open Offer). Shareholders will experience greater dilution in their ownership of, and voting interests in, the Company to the extent they do not subscribe in full for their Open Offer Entitlement to New Ordinary Shares in the Open Offer. Those Shareholders in a Restricted Jurisdiction, subject to certain exceptions, will in any event not be able to participate in the Open Offer.

Realisation of investment

Potential investors should be aware that the value of shares and income from these shares can go down as well as up and that Admission of the New Ordinary Shares and resumption of trading on AIM should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Existing Ordinary Shares and/or the New Ordinary Shares may thus be difficult to realise.

PART IV**INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

Below is the full text of the announcement of the interim results of Pure Wafer announced on 21 August 2009:



21 August 2009

**“PURE WAFER PLC
 (“Pure Wafer” or “the Company”)**

Interim Results for 6 months ended 31 December 2008

Pure Wafer, the provider of high quality silicon wafer reclaim services for many of the world’s leading semiconductor manufacturers as an integral part of their cost control programmes, today reports its interim results for the 6 months to 31 December 2008.

HIGHLIGHTS

Financial Highlights

- Revenue £10.2m (6 months to 31 December 2007: £12.2m)
- EBITDA £0.3m (2007: £2.9m)
- Loss before tax £2.7m (2007: profit £1.0m)
- Basic loss per share of 10.3p (2007: earnings per share 2.5p)
- Net cash inflow from operating activities of £1.7m (2007: £2.0m)

Operational Highlights

- Restructuring of debt facilities providing working capital facilities of £2.0 million
- Equity funding by way of Placing and Open Offer to raise a minimum of £376,017 and a maximum of £2.3 million (before expenses)
- Resumption of trading on AIM
- Increase in capacity for 300mm product across UK and US operations
- New customer wins in Europe and Asia
- Thorough review of operations has led to significant cost reduction and process efficiencies
- Business and operations stabilised

Stephen Boyd, Chairman, Pure Wafer, commented,

“Since the end of this half year the recession has significantly accelerated the decline of the semiconductor market and for our services in reclaiming wafers.”

ENQUIRIES

Pure Wafer plc (www.purewafer.com)
Peter Harrington, Chief Executive

Tel. +44 (0) 1792 311 200

PURE WAFER PLC
(“Pure Wafer” or “the Company”)

Interim Results for 6 months ended 31 December 2008

Chairman’s Statement

Background

The Board today announces its interim results of the six months to 31 December 2008. The Board has also today announced an agreement to restructure its existing debt facilities, provide new working capital facilities and raise up to £2.3 million (before expenses) by way of a Placing and Open Offer. The new facilities are conditional upon shareholder approval for the Placing, further details of which are set out in a document posted to shareholders today.

Introduction

The severe downturn in the semiconductor industry, coupled with the worldwide economic recession has severely affected Pure Wafer’s trading during the interim period to 31 December 2008, continuing up to the end of the year ended 30 June 2009, evidenced by a particularly sharp decline in trade volume during the second and third quarters of that financial year. Since then the Board is pleased to announce that, during the recent months, the Company has experienced a greater stability in trading coupled with some signs of recovery.

Operational

During the six months ended 31 December 2008, and subsequent period of difficult trading conditions, the Company concentrated on reducing its cost base. The Board has undertaken significant operational restructuring processes which has significantly reduced the production costs per wafer and thus enhanced the competitiveness of the Group’s products over the last year. Further successful, engineering led cost reduction activities have enabled the Group to reduce the consumable costs per wafer and certain fixed costs, all without affecting the quality of the Group’s product offering.

Financial performance

- Revenue £10.2m (6 months to 31 December 2007: £12.2m)
- EBITDA £0.3m (2007: £2.9m)
- Basic loss per share of 10.3p (2007 EPS: 2.5p)
- Net cash inflow from operating activities of £1.7m (2007: £2m)

New products

The Company continues to actively look into new products and technologies that will be a synergistic fit to the current product portfolio, as part of its long-term strategy.

Management

Following the resignation of the Company’s interim group financial officer, Stephen Young, the Board is pleased to announce the appointment of Timothy Lowe as Group Finance Director, and as a member of the Company’s Board with immediate effect.

Tim qualified as a chartered accountant in 1988 with Touche Ross, and then joined their management consultancy division where he remained until 1991. After this Tim joined Resource Ltd as Finance Director before moving to become Group Finance Director of PKL Holdings plc (an AIM listed company) in 2003. In 2005, Tim was appointed Group Finance Director of Stradform Limited where in 2008 he led the negotiations which resulted in the sale of the business to one of the largest contractors in Europe, before agreeing to join Pure Wafer as Group Finance Director.

Stephen Boyd replaced Eurfyl ap Gwilym as Chairman of the group on 1 February 2009.

I would like to thank all of our staff for their hard work during the period.

Stephen Boyd
Chairman
21 August 2009

PURE WAFER PLC

Interim Results for 6 months ended 31 December 2008

Consolidated Income Statement

Notes	6 months ended 31 December 2008 £'000	6 months ended 31 December 2007 £'000	Year ended 30 June 2008 £'000
Revenue	10,248	12,156	22,268
Cost of sales	(7,528)	(7,667)	(16,088)
Gross profit	2,720	4,489	6,180
Depreciation and Amortisation	(1,696)	(1,409)	(2,932)
Share-based payments credit/(charge)	-	234	426
Refinancing costs	(198)	-	-
Bad Debts	(464)	-	-
Other administrative expenses	(1,771)	(1,844)	(3,157)
Total administrative expenses	4,129	3,019	5,663
Restructuring costs	-	-	(355)
EBITDA	287	2,879	3,094
Depreciation and Amortisation	(1,696)	(1,409)	(2,932)
Operating (loss)/profit	(1,409)	1,470	162
Investment revenue	38	56	182
Finance costs	(443)	(290)	(777)
2 Other losses and gains	(912)	(277)	(366)
(Loss)/profit on ordinary activities before taxation	(2,726)	959	(799)
Tax on (loss)/profit on ordinary activity	-	(288)	(5,331)
(Loss)/profit for the period	(2,726)	671	(6,130)
3 (Loss)/earnings per share			
Basic	(10.3)p	2.5p	(23.1)p
Diluted	(10.3)p	2.5p	(23.1)p

The results stated above arose entirely from continuing activities.

PURE WAFER PLC

Interim Results for 6 months ended 31 December 2008

Consolidated Balance Sheet

Notes	31 December 2008 £'000	31 December 2007 £'000	30 June 2008 £'000
Non-current assets			
Property, plant and equipment	31,021	24,265	24,254
Intangible assets	161	163	146
Goodwill	4,420	3,340	3,348
	<u>35,602</u>	<u>27,768</u>	<u>27,748</u>
Current assets			
Inventory	3,635	3,829	3,311
Trade and other receivables	3,768	6,038	5,177
Derivative financial instruments	-	-	50
Deferred taxation asset	-	5,046	-
Assets held for sale	-	-	735
Cash and cash equivalents	473	2,373	962
	<u>7,876</u>	<u>17,286</u>	<u>10,235</u>
Total assets	<u>43,478</u>	<u>45,054</u>	<u>37,983</u>
Current liabilities			
Trade and other payables	(4,222)	(5,161)	(3,541)
Derivative financial instruments	(821)	(148)	(150)
Deferred consideration	(1,290)	-	(943)
Short-term borrowings	(3,237)	(3,576)	(3,894)
	<u>(9,570)</u>	<u>(8,885)</u>	<u>(8,528)</u>
Non-current liabilities			
Long-term borrowings	(7,945)	(6,403)	(6,912)
Deferred income	(2,651)	(2,037)	(1,940)
	<u>(10,596)</u>	<u>(8,440)</u>	<u>(8,852)</u>
Total liabilities	<u>(20,166)</u>	<u>(17,325)</u>	<u>(17,380)</u>
Net assets	<u>23,312</u>	<u>27,729</u>	<u>20,603</u>
Equity			
Share capital	532	532	532
Share premium	12,783	12,783	12,783
Merger reserve	30,425	30,425	30,425
Retained earnings	(24,229)	(14,550)	(21,503)
Exchange translation reserve	3,801	(1,461)	(1,634)
6 Total equity attributable to equity holders of the Company	<u>23,312</u>	<u>27,729</u>	<u>20,603</u>

PURE WAFER PLC

Interim Results for 6 months ended 31 December 2008

Consolidated Cash Flow Statement

Notes	6 months ended 31 December 2008 £'000	6 months ended 31 December 2007 £'000	Year ended 30 June 2008 £'000
4 Cash flows from operating activities	1,703	2,000	1,733
Cash flows from investing activities			
Net interest received	38	56	182
Purchase of property, plant and equipment	(863)	(2,824)	(4,964)
Acquisition of subsidiaries - deferred consideration	-	-	(857)
Net cash used in investing activities	(825)	(2,768)	(5,639)
Cash flows from financing activities			
Interest paid	(443)	(230)	(777)
Repayment of bank loans	(611)	-	(1,002)
Sale of Fixed Asset	749	-	-
Repayment of obligations under finance leases	(2,057)	-	(1,645)
Increase in borrowings	-	368	5,547
Net cash generated from financing activities	(2,362)	138	2,123
5 Decrease in cash and cash equivalents	(1,484)	(630)	(1,783)

Consolidated Statement of Recognised Income and Expense

Notes	6 months ended 31 December 2008 £'000	6 months ended 31 December 2007 £'000	Year ended 30 June 2008 £'000
Exchange movements	5,435	313	140
Net income recognised directly in equity (Loss)/profit for the period	5,435 (2,726)	313 671	140 (6,130)
Total recognised income and expense for the period attributable to equity holders of the Company	2,709	984	(5,990)

PURE WAFER PLC

Interim Results for 6 months ended 31 December 2008

Notes

1. Basis of preparation

The information for the 6 months ended 31 December 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for the year ended 30 June 2008 been delivered to the Registrar of Companies, upon which an unqualified audit report was given. The audit did draw attention to the going concern basis applied in the preparation of the financial statements and further detail on this is given below.

The annual financial statements of Pure Wafer plc are prepared in accordance with IFRS as adopted by the European Union. These interim results are prepared on the basis of the accounting policies which the Company will use in preparation of the financial statements for the year ended 30 June 2009. There are no changes from the policies disclosed in the 2008 financial statements.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Statement at the start of the interim report. The Directors have assessed the balance sheet and likely future cash flows of the Company and Group at the date of signing the audit report and on this basis have concluded that it is appropriate to prepare the interim results on a going concern basis.

As described in the Chairman's Statement, the current environment is challenging. The Company has recorded a pre-tax loss and has relied on waivers of loan covenant tests at 31 December 2008 and subsequently in order to stay in line with banking facility arrangements. A short term overdraft facility has also been agreed.

The Company is currently in the final stages of a process to raise additional funds announced today which is expected to generate a minimum of £2.37 million of working capital facilities through a combination of bank loans and new equity. The overall restructuring is dependent on Shareholder approval to be obtained via a General Meeting on 14 September and full details of this are explained in the Document to be distributed to Shareholders on 21 August 2009.

The Directors have considered the Company's performance to date and reviewed the cashflow forecasts for the forthcoming period. The challenging conditions in the semiconductor market make the timing of the recovery difficult to predict. Although cash will need to be tightly controlled, the Directors believe the new facilities will be sufficient for the business to continue trading for the foreseeable future. In forming the conclusion about the going concern basis, the Directors have considered all the forgoing information.

The Directors have concluded that the combination of circumstances represents a material uncertainty that casts doubt upon the Group's and Company's ability to continue as a going concern. Nevertheless, after making enquiries, and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Comparatives

The comparatives for the 6 months ended 31 December 2007 have been reclassified to be consistent with the presentation of the June 2008 accounts. The following changes have been made:

- £625,000 gross up of sales and cost of sales to reflect the sale of wafers, which had previously been recorded as a net figure; and
- Share based payment credit of £234,000 has been moved from other losses and gains to administration expenses.

2. Reconciliation of other gains and losses

	6 months ended 31 December 2008 £'000	6 months ended 31 December 2007 £'000	Year ended 30 June 2008 £'000
Foreign exchange loss	(351)	(127)	(171)
Loss on derivatives	(561)	(150)	(195)
Other losses and gains	(912)	(277)	(366)

3. Earnings per share

The basic earnings per share is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

Earnings per share have been calculated as follows:

	6 months ended 31 December 2008 '000	6 months ended 31 December 2007 '000	Year ended 30 June 2008 '000
Weighted average number of ordinary shares:			
- In issue during the period	26,591	26,591	26,591
- Fully diluted	26,591	27,171	26,591
Unadjusted earnings	£(2,726)	£671	£(6,130)
Earnings per share			
Basic	(10.3)p	2.52p	(23.1)p
Basic diluted	(10.3)p	2.47p	(23.1)p

4. Cash flows from operating activities

	6 months ended 31 December 2008 £'000	6 months ended 31 December 2007 £'000	Year ended 30 June 2008 £'000
Profit/(Loss) for the period	(2,726)	671	(6,130)
Taxation	–	288	5,331
Finance expense	443	290	777
Finance income	(38)	(56)	(182)
Other non-cash gains and losses	561	43	(386)
Non-monetary foreign exchange translation	–	–	(322)
Depreciation and amortisation	1,696	1,295	2,932
Operating cash flows before movements in working capital	(64)	2,531	2,020
Increase in inventories	(324)	(1,017)	(499)
Decrease/(increase) in trade and other receivables	(1,409)	778	2,261
Increase/(decrease) in trade and other payables	682	(292)	(2,049)
Movement in working capital	1,767	(531)	(287)
Cash flows from operating activities	1,703	2,000	1,733

5. Reconciliation and analysis of net debt and cash flows

	Cash £'000	Deferred consideration £'000	Other borrowings £'000	Total net debt £'000
As at 1 July 2008	962	(943)	(10,806)	(10,787)
Cash flow	(1,484)	–	2,668	1,184
Non-cash flow and foreign exchange	995	(347)	(3,044)	(2,396)
As at 31 December 2008	473	(1,290)	(11,182)	(11,999)

6. Changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Exchange translation £'000	Retained earnings £'000	Total £'000
As at 1 July 2008	532	12,783	30,425	(1,634)	(21,503)	20,603
Exchange movements	–	–	–	5,435	–	5,435
Profit for the period	–	–	–	–	(2,726)	(2,726)
As at 31 December 2008	532	12,783	30,425	3,801	(24,229)	23,312

7. Circulation

A copy of this announcement is available from the Company Secretary, Pure Wafer plc, Central Business Park, Swansea Vale, Swansea, SA7 0AB. A copy is also available on the Company's website: www.purewafer.com."

PART V

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names appear on page 3 of this Document, accept responsibility for the information contained in this Document other than the recommendation set out in paragraph 12 of the letter from the Independent Directors forming Part I of this Document, for which the Independent Directors accept responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and there is no omission likely to affect the import of such information.

2. INTERESTS AND DEALINGS

2.1 Directors

- (a) At the close of business on 20 August 2009 (being the last practicable date prior to the publication of this Document) the interests of the Directors (all of which are beneficial) and their families and the interests of persons connected with them (within the meaning of section 346 of the Act) in relevant securities (whether by interests, rights to subscribe or short positions) of the Company are as follows:-

Director	Number of Ordinary Shares	% of Issued Share Capital
Stephen Boyd	–	–
Peter Harrington	159,066	0.60
Keith Baker	163,012	0.61
Timothy Lowe	–	–
Giles Clarke	279,482	1.05
Eurfyl ap Gwilym	25,000	0.09
Paul Dolan	65,000	0.24

- (b) During the period of 12 months preceding the date of this Document, there have been no dealings by any Director in the Company's securities.

2.2 Options

There are no outstanding options granted by the Company to subscribe for shares other than as described in this Part V.

2.3 Placees

- (a) The Placees are:

Stephen Boyd (Chairman)
 Peter Harrington (Chief Executive)
 Keith Baker (Chief Operating Officer)
 Timothy Lowe (Group Finance Director)
 Gerald Winters (US Managing Director)
 Jeffrey Whitlock (US Finance Director)
 Marilyn Bollengier (US Sales Director)
 David Maternaghan (UK Sales Director)
 Mark Selway (UK Operations Director)

The business address of each of the Placees is Central Business Park, Swansea Vale, Swansea SA7 0AB.

- (b) At the close of business on 20 August 2009 (being the last practicable date prior to the publication of this Document), the interests of the Placees in the relevant securities (whether by interests, rights to subscribe or short positions, but excluding the options and Placee Warrants referred to in paragraph 3.4 below) were as set out below:-

	Number of Ordinary Shares	% of Issued Share Capital	Number of Ordinary Shares following Placing	Maximum % of share capital following Placing and Open Offer*	Minimum % of share capital following Placing and Open Offer**
Stephen Boyd	–	–	7,500,000	16.52	5.30
Peter Harrington	159,066	0.60	1,784,066	3.93	1.26
Keith Baker	163,012	0.61	1,413,012	3.11	1.00
Timothy Lowe	–	–	1,000,000	2.20	0.71
Gerald Winters	–	–	937,500	2.07	0.66
Jeffrey Whitlock	–	–	312,500	0.69	0.22
Marilyn Bollengier	–	–	625,000	1.38	0.44
David Maternaghan	60,390	0.23	1,060,390	2.34	0.75
Mark Selway	–	–	750,000	1.65	0.53
Total	382,468	1.44	15,382,468	33.89	10.86

* assuming the completion of the Placing and nil take up of Open Offer Shares but for the irrevocable commitments

** assuming the completion of the Placing and full take up of Open Offer Shares but for the irrevocable commitments

3. MATERIAL CONTRACTS

Save as described below, no contracts have been entered into by the Company or any of its subsidiaries, other than in the ordinary course of business, within the two years prior to the publication of this Document which are or may be material.

3.1 Standstill Agreement:

Under the standstill agreement (“the Standstill Agreement”) dated 20 August 2009 and entered into between the Company, Pure Wafer International Limited and Pure Wafer Inc (“the Companies”), The Royal Bank of Scotland plc, RBS Asset Finance, Inc, Lloyds TSB Corporate Asset Finance (HP) Limited, GE Capital Equipment Finance Limited and CIT Equipment Finance (UK) Limited (“the Lenders”); the Lenders agreed to waive certain of their rights and defer payments of capital. This agreement replaced the existing Capital Deferral Agreement dated 6 February 2009.

During the standstill period the Lenders agree not to take any enforcement action against the Companies. This period will be from the date of the Standstill Agreement to the earlier of 30 June 2011 and the date on which any of the ongoing conditions under the Standstill Agreement are breached. These include:

- (a) insolvency of any of the Companies or any Lender duly exercising their right to accelerate or demand monies due from any Company to the extent permitted under the Standstill Agreement;
- (b) any Company carrying out any of the actions restricted under this agreement including incurring or allowing any indebtedness to remain or giving or allowing any security to remain other than that permitted, making any acquisitions or disposals other than permitted disposals, paying any dividends or other distributions to shareholders, depositing cash receipts with any person not being one of the Lenders, making any loans or giving credit or repaying any indebtedness except as permitted or entering into transactions otherwise than on arms length terms;

- (c) breach of the terms of the Standstill Agreement and not remedied within 14 days if capable of remedy of notice of such breach;
- (d) any representation or warranty made under Standstill Agreement being untrue in any material respect; and
- (e) failure to pay any amount when due under the existing facilities as amended by the Standstill Agreement within 14 days of notice by the relevant Lender;

The Standstill Agreement does not affect the Company's overdraft facility with RBS' which will continue to be repayable on demand at all times.

The Standstill Agreement also sets out the amended capital repayments under the existing facilities which as stated above will commence from 1 July 2010 for RBS' facilities and 30 June 2011 for the other lenders' facilities.

3.2 *Funding Agreements:*

(a) Overdraft facility

The principal terms of the Company's new overdraft facility with RBS are as follows:

- The increased Facility will be reviewed on 31 December 2009 but will be repayable on demand at all times.
- The interest rate applicable to the Facility will increase by 1 per cent. to 4 per cent. above RBS's base lending rate (currently 0.5 per cent.).

(b) Loan facilities

(i) Under an agreement dated 20 August 2009 RBS agreed to amend the existing Credit Agreement dated 12 February 2007 between RBS and the Company (as amended and restated by an Amendment (No 1) Agreement dated 12 February 2008) for facilities totalling \$11,700,000 (comprising of a term loan of \$7,500,000 ("Term Loan A") and a term loan of \$1,750,000 ("Term Loan B")), as follows:

- The margin applicable to this facility will increase from 1.50% to 4% per annum.
- The maturity date will alter from four years from the first drawing of Term Loan A and Term Loan B as applicable to 30 June 2014.
- Term Loan A and Term Loan B shall both be repaid by 16 equal quarterly instalments commencing on 1 July 2010.

(ii) Under an agreement dated 20 August 2009 RBS and the Company agreed to amend the loan agreement dated 2 February 2008 for a facility of up to \$1,950,000, as follows:

- The margin applicable will increase from 3% over LIBOR plus mandatory costs to 4% over LIBOR plus mandatory costs.
- The loan is to be repaid by way of 16 quarterly instalments commencing on 1 July 2010 so that the loan is repaid in full by 30 June 2014. Previously the loan was repayable by way of 16 instalments with the first commencing on 1 August 2009.
- No capital repayments are made of any of the Group's other existing secured debt facilities (including RBS Citizens Bank in the US), until the end of June 2011, save for those facilities provided by RBS, in respect of which no capital repayments are made until July 2010.
- All existing secured debt facilities provided to the Group will be repayable over a period of four years commencing at the end of June 2011 (or, in the case of facilities referred to above provided by RBS and its subsidiaries, July 2010).

(c) The Company has entered into a Deed of Priority with the Lenders regulating the priority of the security granted to the Lenders and their respective rights of recourse to the Group's assets.

3.3 RBS Warrant:

Under the terms of the RBS Warrant the Company created the right for RBS to subscribe in cash at 2p per share for such number of Ordinary Shares as in aggregate equals 10 per cent. of the fully diluted equity share capital of the Company immediately after exercise of such right.

The RBS Warrant may be exercised at any time until 31 December 2029. The RBS Warrant is deemed to be exercised immediately prior to a sale of the entire issued share capital of the Company.

The RBS Warrant is transferable in whole or part provided that the transfer does not trigger a requirement to make an offer under Rule 9 of the Code.

3.4 Placee Warrants

Under the terms of the Placee Warrants the Company created the right for each of the Placees to subscribe in cash at 2p per share (“**Subscription Price**”) for such number of New Ordinary Shares *pro rata* to their participation in the Placing which taken together with New Ordinary Shares issued pursuant to the Placing (but excluding 2,500,000 New Ordinary Shares being subscribed for by Stephen Boyd and Existing Ordinary Shares already held by the Placees) will result in the Placees increasing their holding of Ordinary Shares to the following percentages of the Company’s fully diluted share capital immediately following Admission:

Placee	Percentage
Stephen Boyd	10.00
Peter Harrington	3.25
Keith Baker	2.50
Tim Lowe	2.00
Gerald Winters	1.88
Jeffrey Whitlock	0.63
Marilyn Bollengier	1.25
David Maternaghan	2.00
Mark Selway	1.50

The Warrants are not transferable in whole or in part.

The rights to subscribe under the Placee Warrants may be exercised at any time between the second and seventh anniversaries of Admission.

The right to subscribe is conditional on the middle market price (“**Minimum Market Price**”) quoted by the London Stock Exchange for the Ordinary Shares as at close of trading on the Business Day prior to the date of exercise being not less than 3 pence.

A Placee Warrant is deemed to be exercised immediately prior to a sale of the entire issued Ordinary Share capital of the Company.

The Subscription Price and Minimum Market Price will be subject to adjustment in the event of any reconstruction, merger, sale on a share for share basis or the like.

The rights under a Placee Warrant lapse, to the extent that they have not been exercised, on the earlier of:

- (a) the seventh anniversary of Admission;
- (b) a dissolution or winding up of the Company;
- (c) the dismissal of the Placee from his employment with the Group on the basis of gross misconduct;
- (d) the Placee ceasing to be an employee or director of any Group Company prior to the second anniversary of Admission for any reason other than dismissal for gross misconduct, permanent incapacity or ill health (unless the Chairman of the Board agrees otherwise within 3 months of such cessation); and
- (e) the date which is one month after the date on which the Placee ceases to be an employee or director of any Group Company where such cessation occurs after the second anniversary of Admission and is otherwise than for reason of gross misconduct, permanent incapacity or ill health.

4. OTHER INFORMATION

- 4.1 Altium has given and has not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which they appear.
- 4.2 There are no agreements, arrangements or understandings (including any compensation arrangement) existing with the Placees and any of the Directors, recent directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the approval by Shareholders of the proposals set out in this Document.
- 4.3 The Directors are not aware of any agreement or arrangement or understanding by which beneficial ownership of any Ordinary Shares acquired by the Company pursuant to the Placing or the Open Offer will be transferred to any other person.
- 4.4 The Directors' intentions regarding the continuance of the Company's business and their intentions regarding the continued employment of its employees and those of its subsidiaries will not be altered by the Placing and Open Offer, save that the Placing and Open Offer, together with the debt restructuring summarised in paragraph 3 of Part I of this Document, will, in the opinion of the Directors, render it less likely that the Group will be required to cease trading in the short term and that its listing on AIM will be cancelled.

5. LOCK-IN AGREEMENTS

Pursuant to lock-in agreements dated 20 August 2009 between the Company, Altium Capital Limited and the Placees, each of the Placees has undertaken to the Company and Altium Capital Limited that he or she will not sell or dispose of their respective interests in ordinary shares in the capital of the Company ("Ordinary Shares") at any time during the period of 12 months after Admission ("the Lock-in Period") without the approval of the Company and the Company's nominated broker.

These restrictions shall not apply to any sale, transfer, disposal or agreement to dispose of Ordinary Shares:

- (a) by way of acceptance of any general offer made to shareholders of the Company to acquire the whole of the issued equity share capital of the Company (other than any equity share capital already held by the offeror and/or persons acting in concert with the offeror), a partial offer or a tender offer as contemplated by the City Code; or
- (b) in the execution of an irrevocable commitment to accept a general offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror), a partial offer or a tender offer as contemplated by the City Code;
- (c) pursuant to any compromise or arrangement under Section 425 of the Companies Act 1985;
- (d) pursuant to a scheme or arrangement under Section 110 of the Insolvency Act 1986;
- (e) pursuant to the sale to any actual Offeror or bona fide potential Offeror (as contemplated by the City Code); or
- (f) on death to personal representatives of the deceased shareholder, in the case of shares held on trust, to new trustees or to beneficiaries and to any connected person of a shareholder, provided in each case that the transferee agrees to comply with the lock-in restriction.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of the Company, Central Business Park, Swansea Vale, Swansea SA7 0AB from the date of this Document up to the date of the GM and for 15 minutes prior to the meeting and during the meeting:

- 6.1 the memorandum and articles of association of Pure Wafer plc;
- 6.2 the audited report and financial statements of Pure Wafer plc for the years ended 30 June 2007 and 30 June 2008;
- 6.3 the unaudited interim report of Pure Wafer for the six months ended 31 December 2008;
- 6.4 the agreements described in paragraph 3 of Part I of this Document;

- 6.5 written consent referred to in paragraph 4.1 above;
- 6.6 the Lock-in Agreements referred to in paragraph 5 above;
- 6.7 Placee Warrants;
- 6.8 RBS Warrant; and
- 6.9 this Document.

21 August 2009

NOTICE OF GENERAL MEETING

PURE WAFER PLC

Registered in England and Wales with number 5289130

NOTICE is hereby given that a General Meeting of Pure Wafer plc will be held at Central Business Park, Swansea Vale, Swansea SA7 0AB at 10.00 a.m. on 14 September 2009 to consider and, if thought fit, pass the following Resolutions, of which Resolutions 1, 2 and 4 will be proposed as Ordinary Resolutions and Resolution 3 will be proposed as a Special Resolution.

ORDINARY RESOLUTIONS

1. That the authorised share capital of the Company be increased to £4,000,000 by the creation of an additional 150,000,000 ordinary shares of 2 pence each ranking *pari passu* in all respects with the existing ordinary shares of 2 pence each in the capital of the Company.
2. That, subject to the passing of Resolution 1, the Directors of the Company be and are hereby generally and unconditionally authorised, in addition to any such authority previously granted and which has not expired, to issue and allot (i) 15,000,000 ordinary shares of 2p each in the capital of the Company (“Ordinary Shares”) to the Placees (as described in the circular to the shareholders of the Company dated 21 August 2009 (the “Circular”)) pursuant to the Placing (as defined in the Circular) (ii) Ordinary Shares to Placees pursuant to the valid exercise of the Placee Warrants (as defined in the Circular) (iii) up to 100,000,000 Ordinary Shares to applicants pursuant to the Open Offer described in the Circular (the “Open Offer Shares”); (iv) Open Offer Shares not applied for under the Open Offer to such persons (including Placees) who are willing to subscribe for such shares (at not less than the Issue Price as defined in the Circular); and (v) Ordinary Shares to The Royal Bank of Scotland plc (or as it shall direct) upon valid exercise of the RBS Warrant (as described in the Circular), provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTION

3. That, subject to the passing of Resolutions 1 and 2, pursuant to section 95 of the Act, in addition to any existing authorities under that section, the Directors be and are hereby generally empowered to allot Ordinary Shares for cash pursuant to the authority conferred by Resolution 2 as if section 89(1) of the Act did not apply to such allotment, provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

ORDINARY RESOLUTION

4. That the acquisition of Ordinary Shares by certain Directors of the Company, namely, Stephen Boyd, Peter Harrington and Keith Baker, pursuant to the Placing and/or the Open Offer (as those terms are defined in the Circular) be and is hereby approved for the purposes of section 190 of the Companies Act 2006 and for the purposes of the AIM Rules (as defined in the Circular).

By Order of the Board

Timothy Lowe
Company Secretary

Dated 21 August 2009
Central Business Park
Swansea Vale
Swansea
SA7 0AB

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. A form of proxy accompanies this notice. Forms of proxy, to be valid, must be delivered to Capita Registrars, Proxy department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU in accordance with the instructions printed thereon, not less than 48 hours before the time appointed for the holding of the meeting.
3. As provided by Regulation 1 of the Uncertified Securities Regulations 2001, only those members registered in the register of members of the Company 48 hours before the time set for the Meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

