Form 1.1

Rule 1.24

**The Insolvency Act 1986**
Report of Meetings
Approving Voluntary Arrangement
**Pursuant to Section 4 of the**
**Insolvency Act 1986**

# S.4

To the Registrar of Companies

**For Official Use**

**Company Number**
05075088

Insert full name of company

Name of Company
Kleenair Systems International Plc

Insert full name and address

I ~~/We~~ William Antony Batty
3 Field Court
Gray's Inn
London
WC1R 5EF

Insert date

the Supervisor following a creditors' meeting held in pursuance of Section 4 of the Insolvency Act 1986 on 19 June 2009 enclose a copy of my report of the said meetings.

Signed ______________ Date 24 June 2009

Presenter's name, address and reference (if any)

Kleenair

William Antony Batty
Antony Batty & Company LLP
3 Field Court
Gray's Inn
London
WC1R 5EF

**For Official Use**
Liquidation Section Post Room

SATURDAY
*AUJPRBGU*
A42 11/07/2009 63
COMPANIES HOUSE

**KLEENAIR SYSTEMS INTERNATIONAL PLC**
**COMPANY VOLUNTARY ARRANGEMENT**

**CHAIRMAN'S REPORT OF THE MEETINGS OF CREDITORS AND MEMBERS HELD ON 19 JUNE 2009 AND 24 JUNE 2009 RESPECTIVELY AT ANTONY BATTY & COMPANY LLP, 3 FIELD COURT, GRAY'S INN, LONDON, WC1R 5EF**

**RULE 1.24 OF THE INSOLVENCY RULES 1986**

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1. The proposal for a voluntary arrangement was approved by majority by both creditors and members without modification.

2. The resolutions which were taken at each meeting and the decision on each one are set out in the attached Voting Records.

3. A list of the creditors and members (with their respective values) who were present at each meeting is given in the attached voting and proxy schedules.

4. It is the opinion of the Supervisor that the EC Regulation will apply as the Company's Centre of Main Interest is in the United Kingdom. If it does apply, these proceedings will be main proceedings as defined in Article 3 of the EC Regulations.

Signed ...............................
A Batty,
Chairman of Creditors' Meeting

L Simons
Chairman of Members' Meeting

Date 24 June 2009

KLEENAIR SYSTEMS INTERNATIONAL PLC
MEMBERS' MEETING VOTING RECORD - 24 JUNE 2009

| | | | Resolution 1: To approve the Proposal dated 14 May 2009 for a Company Voluntary Arrangement of the Company pursuant to the Insolvency Act 1986 | | | | Resolution 2: Conditional on resolution1, to create the B Ordinary Shares and amend the Company's Articles of Association | | |
|---|---|---|---|---|---|---|---|---|---|
| Member | Proxy holder | Value of Shareholding | Value of Shareholding For | Discretion to Chairman | Against | total | For | Discretion to Chairman | Against |
| Resolution 1 | Chairman | | 9,076,845 | 19,000 | 179,000 | | 8,998,845 | 89,000 | 187,000 |
| Resolution2 | Chairman | | | | | | | | |
| Proxy holder discretion \ specific instruction | | | | | | | | | |
| The Viscount Davenport | R Hayim | 150,000 | | | 150,000 | | | | 150,000 |
| R K Craig | R Hayim | 60,000 | | | 60,000 | | | | 60,000 |
| R J Gayfer | R Hayim | 20,000 | | | 20,000 | | | | 20,000 |
| A Caldwell \ G Mieacock | L Simons | 37,500 | 37,500 | | | | 37,500 | | |
| A Caldwell | L Simons | 137,500 | 137,500 | | | | 137,500 | | |
| | | 405,000 | 175,000 | | 230,000 | | 175,000 | - | 230,000 |
| total | | | 9,251,845 | | 409,000 | | 9,262,845 | | 417,000 |
| | | | 95.77% | | 4.23% | | 95.69% | | 4.31% |

Conclusion
The resolution to accept the voluntary arrangement without modification, was accepted by members voting.

A Batty
Supervisor
24th June 2009

L Simons

24th June 2009

**KLEENAIR SYSTEMS INTERNATIONAL PLC**
**CREDITORS' MEETING VOTING RECORD - 19 JUNE 2009**

**Resolution 1: To accept the Company's proposals for a Company Voluntary Arrangement**

| Creditor | Proxy Holder | Amount | Voting for the purposes of requisite majorities under Rule 1.19 of the Insolvency Rules 1986 | | Voting for the purposes of unconnected persons in terms of Rule 1.19(4) of the Insolvency Rules 1986 | |
|---|---|---|---|---|---|---|
| | | £ | For | Against | For | Against |
| **Specific Instructions** | | | | | | |
| Blomfield Corporate Finance Limited | Chairman | £ 29,510.01 | £ 29,510.01 | | £ 29,510.01 | |
| Gallarents LLP | Chairman | £ 7,815.25 | £ 7,815.25 | | £ 7,815.25 | |
| HM Revenue & Customs | Chairman | £ 11,737.01 | | £ 11,737.01 | | £ 11,737.01 |
| Hybridan Ltd | Chairman | £ 21,220.18 * | £ 21,220.18 | | £ 21,220.18 | |
| Washor And Associates | Chairman | £ 13,358.42 | £ 13,358.42 | | £ 13,358.42 | |
| **Proxy holders discretion** | | | | | | |
| Alan Porter Ltd | J Davies | £ 61,232.35 * | £ 61,232.35 | | £ 61,232.35 | |
| Bramley Ltd | L Simons | £ 185,000.00 | £ 185,000.00 | | | |
| | | £ 329,873.22 | £ 318,136.21 | £ 11,737.01 | £ 133,136.21 | £ 11,737.01 |
| | | | 96.44% | 3.56% | | |

| | |
|---|---|
| Total creditors notified and entitled to vote. As per list of creditors in the Proposal | £ 523,275.00 |
| Less - connected parties included in the list | £ 339,884.00 |
| | £ 183,391.00 |
| Percentage of the Non-associated creditors voting against the Proposal | 2.24% |

Notes

In the terms of Rule 1.19 of the Insolvency Rules 1986, the Proposal must be accepted by a requisite majority of 75% of creditors voting in favour of the proposal

Where connected persons (as defined by S.249 of the Insolvency Act 1986) of the company are involved in the voting procedure, under Rule 1.19(4) of the Insolvency Rules 1986, the resolution to accept the Proposal must not be rejected by greater than 50% of the unconnected creditors in a vote who were notified and entitled to vote - in a vote taken of the unconnected creditors.

Conclusion

**The resolution to accept the voluntary arrangement without modification, was accepted by the requisite majority of creditors voting in person and by proxy.**

Signed

W A Batty
Supervisor - 19 June 2009

* The company has disputed the quantum of these claims and the Chairman marked them as objected to.