



**STERLING PHILIPPINES PLC**

**Notice of Extraordinary General Meeting**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of the above-named Company will be held at Mardall House, 7-9 Vaughan Road, Harpenden, Hertfordshire, AL5 4HV on 19<sup>th</sup> April 2005 at 10 a.m./p.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolutions 3 to 5 will be proposed as special resolutions.

**ORDINARY RESOLUTIONS**

1. THAT each of the issued and unissued shares of £1 each in the capital of the Company be immediately reclassified as an ordinary share of £1 having the rights and being subject to the restrictions and obligations set out in the articles of association to be adopted by the resolution numbered 3(c) below. 12
2. THAT the share capital of the Company be increased to £10,050,000 by the creation of an additional 10,000,000 ordinary shares of £1 each identical to and ranking pari passu with the existing ordinary shares of £1 each in the Company. 4

**SPECIAL RESOLUTIONS**

3. THAT: 13
  - (a) each of 10,050,000 existing ordinary shares of £1 each be immediately subdivided into 100,500,000 ordinary shares of 10p each;
  - (b) 500,000 Ordinary Shares of 10p each be immediately reclassified and redesignated as 50,000 redeemable Preference Shares of £1 each having the rights and being subject to the restriction and obligations set out in the amended articles of association to be adopted pursuant to paragraph (c) below;
  - (c) the Company's Articles of Association be altered by the addition of the following clauses after article 3 as a new article 3.2 and the existing article 3 be re-numbered as article 3.1:- 1

**"3.2 Income**

The Preference Shares shall not confer on the holder thereof the right to participate in any profits of the Company available for distribution.

**3.3 Capital**

Each Preference Share shall confer on the holder thereof the right on a winding-up or other return of capital to receive out of the assets of the Company available for distribution amongst the members repayment in full of the capital paid up on such Preference Share. The Preference Shares shall rank on such a return of capital in priority to all other shares of the Company from time to time in issue.

**3.4 Redemption**

Subject to the Companies Act 1985 the Preference Shares shall be redeemed upon and subject to the following terms and conditions:

- (i) the Company shall redeem the Preference Shares at par immediately upon the Company receiving the proceeds of the fundraising known as the pre-IPO Fundraising (as defined in the Transaction Agreement between Forum Energy Corporation, Sterling Energy plc and the Company to be dated on or about 22 April 2005) and in any event no later than 26 May 2005;
- (ii) there shall be paid on the redemption of each Preference Share the amount for the time being paid up thereon together with all arrears and accruals of the Preferential Dividend payable thereon;
- (iii) the Company shall give the holder of the Preference Shares notice of redemption not later than 48 hours prior to the date of redemption which shall be in writing and irrevocable and shall fix the time and place for such redemption and shall specify the Preference Shares to be redeemed. At the time and place so fixed the registered holders of the Preference Shares to be redeemed shall be bound to deliver to the Company the certificates for such shares for cancellation and thereupon the Company shall pay to (or to the order of) such holders all the monies payable in respect of the redemption of such shares.

#### 3.4 Voting

- (i) The Preference Shares shall confer upon the holder thereof a right to receive notice of and to attend general meetings of the Company but shall not confer upon the holder a right to vote unless at the date of any notice convening the meeting any redemption monies shall be in arrears by at least three months.
- (ii) At every General Meeting of the Company at which the holders of the Preference Shares are entitled to vote the Preference Shares shall confer upon the holder thereof a right to one vote for each Preference Share held by them;
- (d) the directors be generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £10,050,000. This authority shall expire on 31 July 2005 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority shall be in substitution for and shall replace any existing authority pursuant to the said section 80 to the extent not utilised at the date this resolution is passed; and
- (e) the directors be empowered to allot equity securities (as defined in section 94(2) of the Act) of the Company pursuant to the authority conferred by paragraph (i) above as if section 89(1) of the Act did not apply to any such allotment. This power shall expire on 31 July 2005 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

4. THAT article 2.2 of the articles of association of the Company should not apply to any allotment of shares in the capital of the Company pursuant to the authority conferred by the resolution numbered 3 prior to its expiry on 31 July 2005 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Dated 19<sup>th</sup> April 2005


**BY ORDER OF THE BOARD**

Registered office:

Sterling Philippines plc  
Mardall House  
7-9 Vaughan Road  
Harpenden  
Hertfordshire AL5 4HU

**NOTE:**

Any member of the Company entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll, to vote on his or her behalf. A proxy need not be a member of the Company.

  
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Director/Secretary

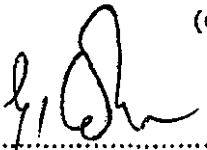
To: The Company Secretary  
Sterling Philippines Plc  
Mardall House  
7-9 Vaughan Road  
Harpenden  
Hertfordshire AL5 4HV

19<sup>th</sup> April 2005

**CONSENT TO SHORT NOTICE**

The undersigned, being the sole member of the Company entitled to attend and vote at the extraordinary general meeting to be held on 19<sup>th</sup> April 2005 (the "**Meeting**") hereby consents to:

- (a) the holding of the Meeting notwithstanding that it shall have been convened on less than the statutory period of notice;
- (b) the resolutions set out in the notice of the Meeting being proposed and passed thereat; and
- (c) every variation or abrogation of the rights attaching to its holdings of any class of shares involved in or requisite to give effect to such resolutions.

  
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for and on behalf of  
Sterling Energy plc