

WARNING ON SHARE SCAMS

TO SHAREHOLDERS IN THE ALBION VENTURES VCTS

Boiler Room Scams: Issued 8 February 2010

We would like to alert you, as a shareholder in our VCTs, to the misuse of the Albion name by third parties who claim to have a connection in some way with us. They may say that they work with us on investment matters or that they have produced some research on our VCTs, but neither is true. What they are attempting to do is sell you shares in companies that have little or no value at a price that may seem good at the time, but is entirely fictitious. The result being that you will find it extremely difficult to sell the shares and will lose money.

PLEASE NOTE

Albion Ventures will never pass your details on to a third party without advising you first and then only with your permission. We will never contact you by telephone unless you have requested us to do so, nor will Capita which keeps the share registers. These callers take your details from the VCTs' Registers of Shareholders which are public records kept by all companies. Companies are obliged under the UK Companies Act to provide a copy of the Register when requested and have limited legal rights to refuse to provide a copy. Your home telephone number is obtained from lists of telephone numbers that are for sale via the Internet.

BACKGROUND

A few years ago when we were part of Close Brothers Group, we wrote to all our shareholders warning them of such attempts, which were usually by telephone using a company name that sounded trustworthy. Most of these calls were from offices outside the UK, even though a UK address may have been quoted and a UK telephone number provided. Any mail went to an accommodation address and the telephone calls were routed overseas.

There has been no change in the way in which these people operate. They are not authorised in any way to conduct investment business in the UK or in any other jurisdiction. Thus, if you do lose any money by investing with them then there is little the UK regulator, the Financial Services Authority, can do to help you get your money back.

The FSA and City of London Police have recently written to 6,500 homes across the UK to warn people that their details are on a 'master' list being used by share fraudsters to target people and sell them worthless shares.

The master list contains the names of about 10,000 people, some with addresses and phone numbers. The list was discovered by the FSA and City of London Police who launched Operation WARN because of serious concerns that it was currently being circulated among fraudsters.

The letter, which is the first stage of Operation WARN, explains what people on the list can do to protect themselves

from the fraud. As well as acting quickly to alert those on the list, the FSA and City of London Police have launched a new secure consumer helpline 0845 602 2185 so people who have received the letter can call in for further information.

WHAT YOU CAN DO TO HELP

You can avoid becoming a victim of share fraud by:

- Hanging up the telephone if you get an 'out of the blue' call offering them shares;
- Checking that anyone offering to sell you shares is registered with the FSA;
- Calling the company back using the details in the FSA register to verify their authorisation; and
- Reporting any company that cold calls you to sell shares, to the FSA or the Police.

You can find further information on protecting yourself from fraud on the FSA consumer website www.moneymadeclear.fsa.gov.uk/news/scams/share_scams and www.moneymadeclear.fsa.gov.uk/guides/everyday/safe_against_scams; as well as on The City of London Police Operation Archway website at www.cityoflondon.police.uk/CityPolice/ECD/Fraud/boilerroom

If you have any questions or want to pass on any information to us, then please contact our Compliance Officer Iain Jenkins at ijenkins@albion-ventures.co.uk.