

Our ref WS/K216/SSAS//T301/JP
Your ref
Telephone 01737 375723
Date 23 November 2010



Mr G McCloskey
Pension Practitioner.com
Daws House
33-35 Daws Lane
LONDON
NW7 4SD

Legal & General
Assurance Society
Legal & General House
Kingswood
Tadworth
Surrey KT20 6EU

Telephone 01737 370370
Fax 01737 362977
Direct Fax No 01737 375002

Dear Gavin

Mead House Limited Pension Scheme

Please find enclosed share certificates for the recently purchased Primary Water shares and Warrants.

I trust you will forward the necessary stock transfers for these certificates.

Whilst writing, I look forward to receiving the following as soon as possible:

1. The Land Registry form for signature to reregister the property.
2. The Deed of Assignment for the Friends Provident policy.
3. Confirmation that all the shares have been reregistered.

If you have any questions please call me.

Yours sincerely

Julie Press (Mrs)
SSAS Service Specialist

Cc: John Wormull

JP JMS Cell

Woodside Corporate Services Limited

19 November 2010

LEGAL & GENERAL ASSURANCE SOCIETY LTD A/C T301
SASS Department
Legal & General House
Kingsworth, Tadworth
Surrey
KT20 6EU

SLA T301
SSAS ADMIN
RECEIVED

22 NOV 2010

LEGAL & GENERAL
CORPORATE PENSIONS

Dear Investor,

PRIMARY WATER PLC – Rights Issue

Further to my recent letter, I am pleased to advise you that your application for Shares under the above offer has been accepted in full.

Accordingly, your Shares and Warrants were allotted to you on 1st November 2010 and I enclose herewith your Share certificate together with the related Warrants certificate for your safe keeping.

Yours sincerely,



G K Urquhart
Director

Certificate No
1,738

Class
£0.001 Ordinary

No of Shares
300,000



Registered in United Kingdom, Number 6385350

This is to Certify that

LEGAL & GENERAL ASSURANCE SOCIETY LTD A/C T301

of

SASS Department, Legal & General House, Kingsworth, Tadworth, Surrey, KT20 6EU

is/are the Registered Holder(s) of 300,000 fully paid Ordinary shares of £0.001 each in the above-named Company,
subject to the Articles of Association of the said Company

This Certificate was Authorised by:

Authorised
Signatory



Secretary



Date

1 November 2010

Registered Office: Primary Water plc, 4th Floor, 150-152 Fenchurch Street, London, EC3M 6BB, England

NOTE: No transfer of any of the above mentioned shares can be registered until this Certificate
has been deposited at the Company's Registered Office

Certificate No: 2010/268

Number of Warrants: 300,000
(number of Ordinary Shares which
holder is entitled to subscribe)

PRIMARY WATER PLC

(Company No. 06385350)

(Incorporated under the Companies Act 2006)

WARRANTS

representing subscription rights for Ordinary Shares in the Company

Issued under the authority of the Memorandum of Association of **PRIMARY WATER PLC** (the "Company") and pursuant to a resolution of the Board of Directors passed on 1 November 2010.

THIS IS TO CERTIFY THAT

Legal & General Assurance Society Ltd A/C T301

is the registered holder of Warrants which entitle the holder to acquire one fully paid Ordinary Shares of £0.001 each in the Company per Warrant in accordance with the provisions attached to this Certificate.

DATED: 1 November 2010

SIGNED as a Deed by
for and on behalf of **PRIMARY WATER PLC**



Authorised Signatory



Company Secretary



PARTICULARS OF THE WARRANT

The terms and conditions attaching to the Warrants will be as follows:-

1. Definitions

In these particulars the following expressions have the following meanings:-

"Admission" means admission to trading on PLUS;

"Admission Date" means the date the Company is admitted to trading on PLUS;

"Admission Notice" means notice given by the Company 5 days prior to the Admission Date;

"Articles" means the Articles of Association of the Company;

"Board" means the board of directors of the Company from time to time;

"business day" means a day (other than a Saturday or a Sunday) on which banks in the City of London are open for general business;

"Company" means Primary Water plc (Company No. 06385350);

"Control" a person shall be considered to have "Control" of the Company if that person alone or acting in concert with others is the owner of a majority of the issued shares in the capital of the Company;

"Expiry Date" means Admission Date;

"Original Warrant Holder" means the person to whom these Warrants were initially issued;

"PLUS" means the PLUS-quoted market;

"Sale" the completion of an agreement for the purchase of Shares (to the extent not already owned by the purchaser or persons acting in concert with the purchaser) and/or for a subscription for Shares by a person who is not a Shareholder or a company controlled by a Shareholder or the Shareholders acting together, resulting in that person acquiring Control of the Company;

"Shares" means ordinary shares of £0.001 each in the capital of the Company;

"Shareholder" means a registered member of the Company;

"Shareholders' Agreement" means any written agreement entered into or agreed to from time to time by the Company and all of the Shareholders;

"Subscription Date" means any date on which a Warrant Certificate, with a duly completed Subscription Notice is lodged in accordance with the provisions of paragraph 2.4;

"Subscription Notice" means the notice of subscription set out at the end of this Warrant;

"Subscription Period" means the period from the date of this instrument and ending on the Admission Date;

"Subscription Price" means the price of 0.15p per Share at which the Subscription Rights are exercisable or such other price at which the Subscription Rights are exercisable following any adjustment made in accordance with the provisions of paragraph 3;

"Subscription Rights" means the right of a Warrant Holder to subscribe for Shares in accordance with the terms and conditions of the Warrants;

"Warrants" means the warrants to subscribe, on the terms set out in this document, for Shares;

"Warrant Certificate" means the certificate issued with the Warrant Deed

"Warrant Deed" means this deed;

"Warrant Holder" means the person(s) for the time being entered in the register maintained pursuant to paragraph 6 as the holder(s) of the Warrants or (as the context may require) a specific portion of them.

2. Subscription Rights

- 2.1 The Warrant Holder shall have rights, subject to paragraph 2.4, to subscribe in cash at any time and from time to time during the Subscription Period for all or any of the Shares specified on the face of the Warrant at the Subscription Price, payable in full on subscription. The number and/or nominal value of Shares to be subscribed and the Subscription Price will be subject to adjustment as provided in paragraph 3.
- 2.2 The Company will issue an Admission Notice to the Warrant Holder;
- 2.2 It shall be a condition precedent to the exercise by a Warrant Holder of his Subscription Rights that if he is not a Shareholder he shall have agreed to be bound by the terms and conditions of any Shareholders' Agreement (as amended in writing by the parties to it from time to time) by executing a deed of adherence to any such agreement in such form as the Company may require and (if required by the Company) shall have provided to the Company a legal opinion, in a form and from a party acceptable to the Company, confirming due execution of the deed.
- 2.3 The Subscription Rights will not be exercisable in respect of a fraction of a Share.
- 2.4 In order to exercise the Subscription Rights in whole or in part, a Warrant Holder must lodge the Warrant Certificate at the registered office of the Company, having duly completed the Subscription Notice on it, accompanied by a remittance for the Subscription Price of the Shares in respect of which the Subscription Rights are being exercised. Once lodged, a Subscription Notice shall be irrevocable save with the consent of the Board. Warrants in respect of which Subscription Rights have been exercised will be cancelled.

- 2.5 Shares issued pursuant to the exercise of Subscription Rights will be allotted and issued not later than five (5) business days after the relevant Subscription Date and certificates in respect of such Shares will be despatched (at the risk of the person entitled to them) not later than twenty (20) business days after the relevant Subscription Date to the person in whose name the Warrants in respect of which Subscription Rights are exercised are registered at the date of exercise. In the event of a partial exercise of a Warrant Holder's Subscription Rights, the Company shall at the same time issue a fresh Warrant Certificate in the name of the holder for any balance of his Subscription Rights remaining exercisable and the Warrant Certificate representing the Subscription Rights so exercised will be cancelled.
- 2.6 Shares issued pursuant to the exercise of Subscription Rights will be allotted fully paid and shall rank pari passu in all respects from the Subscription Date with the Shares in issue except for cash dividends declared (on or prior to the Subscription Date) to be paid or made by reference to a record date on or after the Subscription Date.

3. Adjustment of Subscription Rights

After any allotment of fully paid Shares by way of capitalisation of profits or reserves or upon any sub-division or consolidation of the Shares whilst any of the Warrants are outstanding, the number and/or nominal value of Shares to be subscribed on any subsequent exercise of the Subscription Rights will be increased or, as the case may be, reduced in due proportion and the Subscription Price will be adjusted as appropriate, with effect from the record date of such capitalisation, sub-division or consolidation. On any such capitalisation, sub-division or consolidation, the auditors for the time being of the Company shall certify the appropriate adjustments and within ten (10) business days thereafter the Company shall cancel the existing Warrants and at the same time issue and send to each Warrant Holder a fresh Warrant Certificate in the name of each Warrant Holder which shall reflect the adjustments referred to in this paragraph 3 to each Warrant Holder's holding of Warrants.

4. Other Provisions

- 4.1 If, whilst any of the Warrants are outstanding, any offer or invitation is made to the holders of the Shares otherwise than by the Company, the Company shall promptly give notice of any such offer or invitation to the Warrant Holder and shall, so far as it is able, procure that at the same time the same offer or invitation is made to the Warrant Holder as if his Subscription Rights had been exercised on the day immediately preceding the date or record date of such offer or invitation on the bases then applicable.
- 4.2 The Company undertakes to use its reasonable endeavours to give the Warrant Holder not less than 30 days written notice of the anticipated occurrence of a Sale and reminding the Warrant Holder that the Subscription Rights will expire on the day prior to the date of the Sale insofar as not exercised prior to that date.
- 4.5 The Warrant Holder agrees to be bound by the terms of the Articles as if they applied to the Warrants in the same way as they apply to the Shares.

5. Modification of Rights

All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered or abrogated with the written consent of the holders of not less than 75 per cent of all the Warrants to subscribe for Shares.

6. Transfer

- 6.1 The Warrants shall not, save as expressly provided in paragraph 6.2., be transferable without the prior written consent of all the Shareholders.
- 6.2 The provisions of the Articles of the Company relating to the registration and transfer of Shares shall mutatis mutandis apply to the Warrants. Each Warrant and the Subscription Rights thereby represented will be registered and will be transferable in whole or in part by instrument of transfer in any usual or common form or in any other form which may be approved by the Board. No transfer of a right to subscribe for a fraction of a Share may be effected.
- 6.3 Following a transfer of a Warrant in accordance with the provisions of this paragraph 6, the Company shall, at the same time as registering any such transfer, issue a fresh Warrant Certificate in the name of the new holder for the Warrants so transferred.

7. Notices

Any notice to be given under or in accordance with this document shall be effectively given if in writing and delivered personally or sent by facsimile or recorded delivery post, in the case of the Company, to its registered office and, in the case of the Warrant Holder, to its registered address or in each case to such other person, address or facsimile number as may have been duly notified, for the purpose of this Clause by the party to whom it is to be given. Any notice delivered or sent under the provisions of this paragraph 7 shall be deemed to be duly served:-

- (a) if delivered personally on the first business day following the date of delivery;
- (b) if sent by facsimile on the first business day following the day on which the facsimile is sent providing that the facsimile was properly addressed and disclosed the number of pages transmitted on its front sheet and that the transmission report produced indicates that each of the pages of the facsimile was received at the correct facsimile number;
- (c) if sent by recorded delivery post on the date of delivery.

8. Governing Law

This instrument shall be governed by and construed in accordance with English law and the English Courts shall have exclusive jurisdiction in respect of any matter arising on this instrument.

SUBSCRIPTION NOTICE

To: **PRIMARY WATER PLC** (the "Company")

I/We being the holder(s) of the Warrants represented by this Warrant Certificate of which this notice forms part, hereby give notice of my/our election to exercise my/our Subscription Rights in respect of all [or specify the number of Warrants in respect of which Subscription Rights are to be exercised] of the Ordinary Shares of 0.1 pence each in the Company for which I am/we are entitled to subscribe in accordance with the particulars endorsed on this certificate and enclose my/our cheque for £[] in favour of the Company in respect of the Subscription Price.

PART A

I/We accept all the fully paid Ordinary Shares of the Company to be issued pursuant hereto subject to the Memorandum and Articles of the Company. I/We authorise and direct the Company to register all of such Ordinary Shares in my/our name(s) and thereby authorise the entry of my/our name(s) in the register of members in respect of them and the despatch of a certificate for them by ordinary post at my/our risk to [name] at [address].

Note: If this space is left blank, the certificate and any cheque will be sent to the registered address of the Warrant Holder on the Register.

I/We [enclose a deed of adherence in accordance with the provisions of paragraph 2.2 of the Warrants, together with a legal opinion confirming due execution of the deed] [am/are already bound by an agreement of the kind referred to in paragraph 2.2 of the Warrants].

PART B

I/We hereby authorise the despatch of a certificate for the balance (if any) of the Warrants represented by this Warrant Certificate in respect of which Subscription Rights have not [become exercisable and/or] been exercised by ordinary post at my/our risk to [] at [].

Note:- If this space is left blank, the certificate(s) will be sent to the registered address of the Warrant Holder on the Register.

.....
Signature(s) of Warrant Holder(s)

DATED this [] day of [] []