

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at the Annual General Meeting of the Company to be held on 3 June 2008. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your Ordinary Shares of 10p each in the Company, please forward this document and the accompanying Form of Proxy for use in relation to the Annual General Meeting as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your Ordinary Shares of 10p each in the Company, you should consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

# ReGen Therapeutics Plc

*(Incorporated in England and Wales with registered number 3508592)*

Suite 306, 73 Watling Street, London, EC4M 9BJ

## **Annual General Meeting**

**and**

## **Share Issue Authorities**

Notice of an Annual General Meeting of ReGen Therapeutics Plc, to be held at 11.00 a.m. on 3 June 2008 at the offices of Heller Ehrman (Europe) LLP, Condor House, 10 St Paul's Churchyard, London EC4M 8AL, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the Annual General Meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 11.00 a.m. on 1 June 2008. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the Annual General Meeting should they so wish.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in ReGen Therapeutics Plc nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

## Definitions

The following definitions apply throughout this document and the Form of Proxy, unless the context requires otherwise:

"Act"	the Companies Act 1985, as amended
"Annual General Meeting" or "AGM"	the Annual General Meeting of the Company convened for 11.00 a.m. on 3 June 2008 (or any adjournment thereof)
"Board" or "Directors"	the Board of Directors of ReGen
"Ordinary Shares"	ordinary shares of 10p each in the share capital of ReGen
"Form of Proxy"	the accompanying Form of Proxy for use by Shareholders in relation to the AGM
"Group"	ReGen and its subsidiary undertakings
"Notice of AGM"	the notice of AGM, set out at the end of this document
"Optionholders"	the holders of options to subscribe for Ordinary Shares granted pursuant to the Group's share option schemes or otherwise
"ReGen" or "the Company"	ReGen Therapeutics Plc
"Shareholders"	the persons who are registered as the holders of Ordinary Shares
"Share Issue Authorities"	the authorities proposed to be granted by Shareholders to Directors, pursuant to Resolutions 5, 6, 7 and 8 set out in the Notice of AGM, to enable the Directors to issue Ordinary Shares and/or other securities of the Company
"Warrantholders"	the holders of warrants to subscribe for Ordinary Shares

# Letter from the Chairman of ReGen Therapeutics Plc

*(Incorporated in England and Wales with registered number 3508592)*

*Directors and Company Secretary:*

*Percy Lomax (Executive Chairman)*

*Norman Lott (Finance Director and Company Secretary)*

*Timothy Shilton (Development Director)*

*Martin Small (New Projects Director)*

*Keith Corbin (Non-Executive Deputy Chairman)*

*Peter Garrod (Non-Executive Director)*

*Registered Office:*

*Suite 306*

*73 Watling Street*

*London*

*EC4M 9BJ*

28 April 2008

*To Shareholders, and for information purposes only, to Optionholders and to Warrantholders*

Dear Shareholder,

## **Annual General Meeting**

**and**

## **Share Issue Authorities**

### **Introduction**

The Notice of the AGM, which is to be held at 11.00 a.m. on 3 June 2008 at the offices of Heller Ehrman (Europe) LLP, Condor House, 10 St Paul's Churchyard, London EC4M 8AL, is attached to this letter.

In addition to the general business which is considered each year at the AGM, the Company is proposing to renew the Directors' authorities to issue shares and/or other securities of the Company, each of which require Shareholder approval.

The purpose of this letter is to explain each of the resolutions to be proposed at the AGM and the reasons for the Share Issue Authorities and why the Directors unanimously recommend that you approve all the resolutions to be proposed at the AGM.

### **Annual General Meeting**

The Notice of AGM contains both ordinary resolutions (which require the approval of a simple majority of Shareholders who vote) and special resolutions (which require the approval of at least 75% of Shareholders who vote). Resolutions 1 to 6 inclusive shall be proposed as ordinary resolutions and Resolutions 7 and 8 shall be proposed as special resolutions.

### **General Business**

The first four Resolutions to be proposed are of the type that the Company would typically propose at its annual general meeting.

*Resolutions 1 and 2*

At this year's Annual General Meeting, Percy Lomax and Peter Garrod have agreed to retire and make themselves eligible for re-election under Resolutions 1 and 2, respectively.

### *Resolution 3*

Resolution 3 fulfils the Company's obligation to lay its annual report and accounts for the year ended 31 December 2007 before the Company in general meeting.

### *Resolution 4*

Every year, the Company is required to re-appoint its auditors and fix their remuneration. Resolution 4 provides for the re-appointment of BDO Stoy Hayward LLP as auditors to the Company and to allow the Directors to fix their remuneration.

### **Renewal of Share Issue Authorities**

The Board announced during March 2008 that the Company had raised gross funds of £246,898 through a placing of new Ordinary Shares undertaken by Alexander David Securities Limited as agent for the Company and a further £77,350 of gross funds in April 2008 through a drawdown of an equity line of credit. Accordingly, the Board is seeking Shareholder authority to be able to issue Ordinary Shares and/or other securities of the Company to facilitate future fundraisings and/or acquisitions of complementary businesses. The Board are requesting authority to issue up to 3,789,200 new Ordinary Shares for these specific purposes, which represents approximately thirty three per cent. of the current issued share capital of the Company.

In addition, the Directors are seeking renewal of their general authorities to issue Ordinary Shares and/or other securities, such general authority being last granted to them at the Extraordinary General Meeting of the Company held on 20 November 2007.

### *Resolution 5*

Resolution 5 will be proposed as an ordinary resolution to authorise the Directors pursuant to Section 80 of the Act to allot relevant securities generally up to 574,120 new Ordinary Shares, which represents approximately five per cent. of the number of Ordinary Shares in issue as at the date of this letter. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the Annual General Meeting of the Company to be held in 2009.

### *Resolution 6*

Resolution 6 will be proposed as an ordinary resolution to authorise the Directors pursuant to Section 80 of the Act to allot relevant securities up to a maximum number of 3,789,200 new Ordinary Shares pursuant to any fundraising and/or business acquisitions. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the Annual General Meeting of the Company to be held in 2009.

### *Resolution 7*

Resolution 7 will be proposed as a special resolution to empower the Directors pursuant to Section 95 of the Act to allot equity securities for cash otherwise than on a pro rata basis generally up to 574,120 new Ordinary Shares which represents approximately five per cent. of the number of Ordinary Shares in issue as at the date of this letter. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the Annual General Meeting of the Company to be held in 2009.

### *Resolution 8*

Resolution 8 will be proposed as a special resolution to empower the Directors pursuant to Section 95 of the Act to allot equity securities for cash otherwise than on a pro rata basis up to a maximum number of 3,789,200 new Ordinary Shares pursuant to any fundraising and/or business acquisitions. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the Annual General Meeting of the Company to be held in 2009.

Other than pursuant to fundraisings and/or business acquisitions and the grant of options pursuant to the Group's option schemes, the Directors have no present intention of using the Share Issue Authorities, assuming the resolutions are passed.

### **Action to be taken**

Shareholders will find enclosed with this document a Form of Proxy for use at the AGM. Whether or not you propose to attend the AGM in person, you are requested to complete the Form of Proxy and to return it to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive not later than 11.00 a.m. on 1 June 2008.

## **Recommendation**

**The Directors consider the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors recommend that you vote in favour of all the resolutions to be proposed at the Annual General Meeting as they intend to do in respect of their own beneficial holdings which in aggregate amount to 1,069,828 Ordinary Shares, representing 9.31% per cent. of the Company's current issued Ordinary Share capital.**

Yours faithfully,

**Percy Lomax**

*Executive Chairman*

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# ReGen Therapeutics Plc

*(Incorporated in England and Wales with registered number 3508592)*

## Notice of Annual General Meeting

Notice is hereby given that the ANNUAL GENERAL MEETING of the Company will be held at the offices of Heller Ehrman (Europe) LLP, Condor House, 10 St Paul's Churchyard, London EC4M 8AL on 3 June 2008 at 11.00 a.m. to consider and, if thought fit, pass the following Resolutions of which Resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions and of which Resolutions 7 and 8 will be proposed as special resolutions:

### Resolution 1

To re-appoint Percy Lomax as a Director of the Company.

### Resolution 2

To re-appoint Peter Garrod as a Director of the Company.

### Resolution 3

To receive the accounts of the Company for the financial year ended 31 December 2007, together with the reports of the Directors of the Company and the auditors of the Company on those accounts.

### Resolution 4

To reappoint BDO Stoy Hayward LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors of the Company to determine the remuneration of the auditors for the ensuing year.

### Resolution 5

Subject to the passing of Resolution 7 below, that the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (the "Act") (in substitution for all existing authorities granted prior to the date of this Resolution pursuant to Section 80 of the Act to the extent not utilised at the date this Resolution is passed), to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) of the Company, provided that this authority shall be limited to the allotment of relevant securities of the Company up to an aggregate nominal amount of £57,412, such authority (unless previously revoked, substituted, varied or renewed) to expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the Annual General Meeting of the Company to be held in 2009, provided that the Company may prior to such expiry or any revocation or substitution make any offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry, revocation or substitution and the Directors may allot relevant securities pursuant to any such offer, agreement or other arrangement as if the authority conferred hereby had not expired or been revoked or substituted.

### Resolution 6

Subject to the passing of Resolution 8 below, that the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Act (in substitution for all existing authorities granted prior to the date of this Resolution pursuant to Section 80 of the Act to the extent not utilised at the date this Resolution is passed), to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) of the Company, provided that this authority shall be limited to the allotment of relevant securities of the Company up to an aggregate nominal amount of £378,920 pursuant to any fundraisings by the Company and/or the acquisition by the Company and/or its subsidiaries of the shares, business and/or assets of a company and/or other legal entity, such authority (unless previously revoked, substituted, varied or renewed) to expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the Annual General Meeting of the Company to be held in 2009, provided that the Company may prior to such expiry or any revocation or substitution make any offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry, revocation or substitution and the Directors may allot relevant securities pursuant to any such offer, agreement or other arrangement as if the authority conferred hereby had not expired or been revoked or substituted.

### Resolution 7

That the Directors be and are hereby empowered to allot equity securities (as defined in Section 94(2) of the Act) of the Company (in substitution for all existing powers granted prior to the date of this Resolution pursuant to Section 95 of the Act given to the Directors to the extent such power has not been utilised at the date this Resolution is passed) for cash pursuant to the authority to allot relevant securities (within the meaning of Section 80(2) of the Act) of the Company conferred by Resolution 5 above as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as practicable) to their then holdings of such securities but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable in relation to fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory, or the requirements of, any regulatory body or stock exchange or stock markets in any territory or otherwise howsoever; and
- (ii) any other allotment (otherwise than pursuant to sub-paragraph (i) of this Resolution) of equity securities up to an aggregate nominal amount of £57,412,

such power (unless previously revoked, substituted, varied or renewed) to expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the Annual General Meeting of the Company to be held in 2009, provided that the Company may prior to such expiry or any revocation or substitution make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry, revocation or substitution and the Directors may allot equity securities in pursuance of such offer, agreement or other arrangement as if the power hereby conferred had not expired or been revoked or substituted.

## Resolution 8

That the Directors be and are hereby empowered to allot equity securities (as defined in Section 94(2) of the Act) of the Company (in substitution for all existing powers granted prior to the date of this Resolution pursuant to Section 95 of the Act given to the Directors to the extent such power has not been utilised at the date this Resolution is passed) for cash pursuant to the authority to allot relevant securities (within the meaning of Section 80(2) of the Act) of the Company conferred by Resolution 6 above as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to any allotment of equity securities up to an aggregate nominal amount of £378,920 pursuant to any fundraisings by the Company and/or the acquisition by the Company and/or its subsidiaries of the shares, business and/or assets of a company and/or other legal entity, such power (unless previously revoked, substituted, varied or renewed) to expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the Annual General Meeting of the Company to be held in 2009, provided that the Company may prior to such expiry or any revocation or substitution make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry, revocation or substitution and the Directors may allot equity securities in pursuance of such offer, agreement or other arrangement as if the power hereby conferred had not expired or been revoked or substituted.

Dated: 28 April 2008

Registered Office:  
Suite 306  
73 Watling Street  
London EC4M 9BJ

By order of the Board:  
Percy Lomax  
Executive Chairman

## Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those Shareholders registered in the register of members of the Company as at 6.00 p.m. on 1 June 2008 shall be entitled to attend and vote at this Annual General 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 such time shall be disregarded in determining the rights of any person to attend or vote at this Annual General Meeting.
2. Any Shareholder who is entitled to attend and vote at this Annual General Meeting is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the meeting. To appoint more than one proxy, additional Forms of Proxy may be obtained by contacting the Registrars or you may photocopy the form. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. A proxy need not be a Shareholder of the Company. Completion and return of the Form of Proxy will not preclude a Shareholder from attending and voting at this Annual General Meeting. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
4. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
5. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. A Form of Proxy is enclosed which to be effective must be completed, signed and received by the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 48 hours before the time of the Annual General Meeting. You can only appoint a proxy using the procedures set out in these notes and in the notes to the enclosed Form of Proxy.
7. In order to facilitate voting by corporate representatives at this Annual General Meeting, arrangements will be put in place at the meeting so that (i) if a corporate Shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that Shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate Shareholder attends the meeting but the corporate Shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – [www.icsa.org.uk](http://www.icsa.org.uk) – for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.