

Notice of Annual General Meeting

To be held at 4th Floor, Derby House, 64 Athol Street, Douglas, Isle of Man, IM1 1JD on Tuesday 25 May 2010 at 12 noon.

DouglasBay Capital plc

("the Company")

(Incorporated under the Companies Act 2006 in the Isle of Man on 20 May 2008 with registered number 002694V)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

When considering what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or transferred all your Ordinary Shares in DouglasBay Capital PLC, please send this document together with the form of proxy to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



DouglasBay Capital plc
4th Floor
Derby House
64 Athol Street
Douglas
Isle of Man
IM1 1JD

29 April 2010

Dear Shareholder

Annual General Meeting 2010

The Annual General Meeting of the Company is to be held at 4th Floor, Derby House, 64 Athol Street, Douglas, Isle of Man, IM1 1JD on Tuesday 25 May 2010 at 12noon. The formal Notice of Meeting can be found on page 3 of this document.

Action to be taken

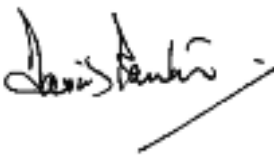
You will find enclosed a form of proxy for use by shareholders at the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete this form in accordance with the instructions printed on it as soon as possible. To be valid, completed forms of proxy must be received by Capita Registrars, (Isle of Man) Limited, 3rd Floor, Exchange House, 54-62 Athol Street, Isle of Man, IM1 1JD, so as to arrive not later than 12noon on Sunday 23 May 2010.

Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting if you so wish.

Recommendation

Your Directors believe that the adoption of the resolutions to be proposed at the Annual General Meeting are in the best interests of your Company and its shareholders as a whole and accordingly recommend you to vote in favour of those resolutions, which they intend to do in respect of their own shareholdings.

Yours sincerely



D Panter
Chairman

29 April 2010

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of DouglasBay Capital PLC ("the Company") will be held at 4th Floor, Derby House, 64 Athol Street, Douglas, Isle of Man, IM1 1JD on Tuesday 25 May 2010 at 12 noon for the following purposes:

Ordinary Business

To consider and if thought fit, pass the following as ordinary resolutions:

1. To receive the Report of the Directors and the Audited Accounts for the accounting reference period ended 31 December 2009.
2. To re-appoint KPMG Audit LLC as auditors of the Company.
3. To authorise the directors to fix the remuneration of KPMG Audit LLC for the current financial year.
4. To fix the fees of the non executive Directors for the year ended 2010 at an aggregate amount not exceeding £200,000 pursuant to Article 97 of the Company's Articles of Association.
5. To appoint Colin William Kingsnorth as a Director of the Company.

Special Business

To consider and if thought fit, pass the following as ordinary resolutions or as Special Resolutions, as the case may be:

As an Ordinary Resolution

6. To empower the Directors to allot and issue equity securities pursuant to the authority conferred by Article 5.3 of the Company's Articles of Association in the manner described in sub paragraphs (a) and (b) below:
 - a) The allotment and issue of any amount of equity securities in connection with or pursuant to an offer by the way of rights to the holders of Ordinary Shares in the capital of the Company and other persons entitled to participate therein for cash in proportion (as nearly as may be) to the holdings of Ordinary Shares of such holders (or, as appropriate, to the numbers of Ordinary Shares which other persons are for these purposes deemed to hold), subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas holders, fractional entitlements or otherwise; and

- b) (otherwise than, and in addition to, any allotment pursuant to sub-paragraph (a) above) the allotment and issue of, or granting of options over, or rights to subscribe for, up to 668,907,817 Ordinary Shares.

Which power shall (unless previously revoked, varied or renewed) expire on the conclusion of the Annual General Meeting of the Company to be held in 2011 or 15 months after the passing of this Resolution (whichever is the earlier).

As a Special Resolution

7. That the restrictions set out in Article 6.1 of the Company's Articles of Association shall not apply to the allotment or issue of any equity securities, or rights in relation thereto, allotted or issued pursuant to the authority granted in resolution 6 above.

As an Ordinary Resolution

8. That the Directors be generally and unconditionally authorised to exercise all powers conferred pursuant to Article 15.1 (iii) of the Company's Articles of Association up to an aggregate nominal value of not more than 14.99 per cent of the ordinary shares in issue from time to time (rounded down to the nearest whole number), such authority to expire at the conclusion of the Company's Annual General Meeting to be held in 2011 or 15 months after the passing of this Resolution (whichever is the earlier).

By order of the Board



A M Pausco
Director

29 April 2010

Registered office:
4th Floor
Derby House
64 Athol Street
Douglas
Isle of Man
IM1 1LB



Notes to the notice of Annual General Meeting

1. A Form of Proxy is enclosed for your use if desired. To be valid, a form of proxy, together with a power of attorney or other authority, if any, under which it is executed, or a notarially certified copy thereof, must be deposited at the Company's Registrars, Capita Registrars, (Isle of Man) Limited, 3rd Floor, Exchange House, 54-62 Athol Street, Isle of Man, IM1 1JD not less than 48 hours before the time for holding the meeting or adjourned meeting.
2. A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and on a poll vote in his or her place. A proxy need not be a member of the Company. A proxy of a member's own choice may be appointed by inserting the proxy's name on the proxy form in the space provided. If you do not use another name on the form, the Chairman of the meeting will act as your proxy.
3. A member may appoint more than one proxy in relation to this Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. To appoint more than one proxy please photocopy the Form of Proxy. If you do so please indicate the name of the proxy and the number of shares in relation to which they are authorised to act as your proxy.
4. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. When two or more valid but differing appointments of proxy are delivered in respect of the same share for use at the same meeting and in respect of the same matter, the proxy which is last validly delivered shall be treated as replacing and revoking the other or others as regards that share.
5. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
6. In the case of joint holders of Ordinary Shares, the vote of the senior shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must obtain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, 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 the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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) takes(s)) such action as shall be necessary to ensure that the 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.
11. Pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006 of the Isle of Man, the Company specifies that only those shareholders of the Company on the register at the close of business on Sunday 23 May 2010 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
12. Copies of the service agreements and/or the appointment letters of the directors of the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excluded) from the date of this notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and until the conclusion of the Annual General meeting.
13. As at the date of this Notice the issued share capital of the Company comprised of 1,337,815,633 Ordinary Shares. Each Ordinary Share carries the right to one vote at the Annual General Meeting and therefore the total number of voting rights in the Company as at the date of this notice is 1,337,815,633.
14. Resolutions 1 to 6 and resolution 8 will be passed either (i) on a show of hands by a majority of not less than 50 percent of such members as are present and voting at the meeting; or (ii) on a poll of members of the Company holding not less than 50 percent of voting rights attributable to the shares held by the member or members present and voting at the meeting.
15. Resolution 7 will be passed either (i) on a show of hands by a majority of not less than 75 percent of such members as are present and voting at the meeting; or (ii) on a poll of members of the Company holding not less than 75 percent of voting rights attributable to the shares held by the member or members present and voting at the meeting.