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**If you have sold or transferred all of your Ordinary Shares in the Company, please pass this document and Form of Proxy 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 transferred only part of your holding of Ordinary Shares you should retain these documents.**

**Shareholders will find enclosed a Form of Proxy for use at the General Meeting. To be valid, the Form of Proxy should be completed and returned to the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10 a.m. on 13 June 2012. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.**

**The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares will commence on AIM on 18 June 2012.**

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# ViaLogy PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 3971582)*

## **Placing of 36,363,637 Ordinary Shares at 2.75 pence per share and Notice of General Meeting**

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

Seymour Pierce Limited ("**Seymour Pierce**"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and no-one else in connection with the arrangements set out in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Seymour Pierce, or for providing advice in relation to the arrangements set out in this document. Seymour Pierce will not regard any other person as its customer nor be responsible to any other person for providing the protections afforded to customers of Seymour Pierce nor for providing advice in relation to the transactions detailed in this document. Seymour Pierce is not making any representation or warranty, express or implied, as to the content of this document.

This document does not constitute a prospectus for the purposes of section 85 of FSMA and any offer to the public is exempt by virtue of section 86 of FSMA nor does it constitute an admission document drawn up in accordance with the AIM Rules. This document has not been approved for issue by any person for the purposes of Section 21 of FSMA. This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly, in or into the United States, Canada, the Republic of South Africa, Australia or Japan. Overseas shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Your attention is drawn to the letter from the Chairman of ViaLogy Plc set out on pages 6 to 8 of this document which provides details of the Placing Shares and recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

A notice convening a General Meeting of the Company to be held at the offices of Seymour Pierce Limited, 20 Old Bailey, London EC4M 7EN at 10 a.m. on 15 June 2012 is set out at the end of this document. A Form of Proxy accompanies this document. **To be valid, Forms of Proxy for use at the meeting must be completed and returned so as to be received at the offices of the Company's Registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU not later than 10 a.m. on 13 June 2012.**

The completion and depositing of the Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you wish to do so.

## CONTENTS

	<i>Page</i>
Definitions	3
Directors, officers and advisers	4
Expected timetable of principal events	5
Placing statistics	5
Letter from the Chairman	6
Notice of General Meeting	9

## DEFINITIONS

<b>“Act”</b>	the Companies Act 2006 (as amended)
<b>“Admission”</b>	the admission of the Placing Shares to trading on AIM becoming effective in accordance with rule 6 of the AIM Rules
<b>“AIM”</b>	AIM, a market operated by London Stock Exchange plc
<b>“AIM Rules”</b>	the AIM Rules for Companies issued by London Stock Exchange plc as amended from time to time
<b>“Capita Registrars”</b>	a trading division of Capita Registrars Limited
<b>“Company” or “ViaLogy”</b>	ViaLogy PLC
<b>“Directors” or “Board”</b>	the directors of the Company as set out on page 4 of this document
<b>“Enlarged Issued Share Capital”</b>	the number of issued Ordinary Shares immediately following Admission
<b>“Existing Ordinary Shares”</b>	the 890,243,274 Ordinary Shares in issue at the date of this document
<b>“Form of Proxy”</b>	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
<b>“General Meeting”</b>	the general meeting of the Company convened for 10 a.m. on 15 June 2012, notice of which is set out on pages 9 to 10 of this document
<b>“Group”</b>	the Company and its subsidiary undertakings
<b>“Ordinary Shares”</b>	ordinary shares of 1p each in the share capital of the Company
<b>“Placees”</b>	the subscribers for Placing Shares pursuant to the Placing
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 18 May 2012 between the Company and Seymour Pierce
<b>“Placing Price”</b>	2.75 pence per Placing Share
<b>“Placing Shares”</b>	the 36,363,637 new Ordinary Shares which have been conditionally placed by Seymour Pierce
<b>“Resolutions”</b>	the resolutions set out in the notice of General Meeting, which accompanies this document
<b>“Seymour Pierce”</b>	Seymour Pierce Limited, the Company’s Nominated Adviser and Broker
<b>“Shareholders”</b>	holders of Existing Ordinary Shares

## **DIRECTORS, OFFICERS AND ADVISERS**

<b>Directors:</b>	Terry Bond, <i>Executive Chairman</i> Robert W. Dean, <i>President and CEO</i> Dr Sandeep Gulati, <i>Vice President Product Development &amp; CTO</i> Peter Reynolds, <i>Non-executive Director</i>
<b>Company Secretary:</b>	Mark Collingbourne
<b>Registered Office:</b>	Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ
<b>Nominated Adviser and Broker:</b>	Seymour Pierce Limited 20 Old Bailey London EC4M 7EN
<b>Solicitors to the Company:</b>	Faegre Baker Daniels LLP 7 Pilgrim Street London EC4V 6LB
<b>Registrars:</b>	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document	23 May 2012
Latest time for receipt of Forms of Proxy for the General Meeting	10 a.m. on 13 June 2012
General Meeting	10 a.m. 15 June 2012
Admission effective and trading in the Placing Shares expected to commence on AIM	8 a.m. 18 June 2012
CREST accounts credited with Placing Shares	8 a.m. 18 June 2012
Share certificates in respect of Placing Shares expected to be despatched by no later than (where applicable)	29 June 2012

## PLACING STATISTICS

Placing Price	2.75 pence
Number of Existing Ordinary Shares in issue at the date of this document	890,243,274
Number of Placing Shares being issued by the Company for subscription in the Placing	36,363,637
Number of Ordinary Shares in issue immediately following Admission	926,606,911
Percentage of Enlarged Issued Share Capital represented by the Placing Shares	3.92 per cent.
Amount being raised under the Placing (gross)	£1,000,000

## LETTER FROM THE CHAIRMAN

### ViaLogy PLC

*(Incorporated in England and Wales with registered number 3971582)*

#### *Directors*

Terry Bond, *Executive Chairman*  
Robert W. Dean, *President and CEO*  
Dr Sandeep Gulati, *Vice President Product Development & CTO*  
Peter Reynolds, *Non-executive Director*

#### *Registered Office*

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey GU7 1LQ

23 May 2012

*To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares.*

Dear Shareholder,

#### **Introduction**

On 21 May 2012 ViaLogy announced a placing of 38,000,000 Ordinary Shares with existing institutional investors at the Placing Price to raise £1,045,000. Application was made to AIM and these shares were admitted to trading on AIM on 23 May 2012. In addition ViaLogy announced a conditional placing by Seymour Pierce of 36,363,637 Ordinary Shares at the Placing Price to raise £1,000,000 (gross).

The Placing of 36,363,637 Ordinary Shares is conditional, inter alia, upon Shareholders approving the Resolutions at the General Meeting to grant to the Directors authority to allot shares and disapply statutory pre-emption rights on allotment and also upon the Placing Shares being admitted to trading on AIM. The Resolutions are contained in the notice of General Meeting at the end of this document.

The purpose of this document is to explain the background to and reasons for the Placing, why the Directors believe that it is in the best interests of ViaLogy and its Shareholders as a whole, why the Directors are seeking authority from Shareholders to issue the Placing Shares for cash on a non-pre-emptive basis and to recommend that you vote in favour of the Resolutions.

#### **Background to the Company & Current Trading**

ViaLogy provides reservoir characterization, geophysical imaging and hydrocarbon sizing services to global oil and gas customers based on proprietary, patented active signal processing technology. ViaLogy's QuantumRD platform assists clients in de-risking prospects over a broad range of subsurface lithologies and complex stratigraphies to generate drilling targets, position offsets and enhance recovery. ViaLogy's core technology rapidly and accurately detects weak signals buried in high noise background and clutter, and is applicable to active/passive seismic, electromagnetic and magneto telluric data. By exploiting normally disregarded noise variations induced by changes in porosity, fluid presence and permeability across the formation, and adding computer-designed noise to the data, ViaLogy is able to amplify subtle noise variations to enhance areal and depth resolution in complex lithologies that are not achievable through conventional means.

Since the beginning of the year there has been major progress in the Company's development. New commercial contracts have been signed with three of the largest global Exploration and Production (E&P) firms, including two supermajors. All are focused on putting the company's technology, QuantumRD, to operational use in some of the world's most important development fields, and aiming to improve significantly on industry-standard techniques now in use. The named contracts include the Oil and Natural Gas Corporation of India (ONGC), and Chevron.

The three areas covered by the contracts vary widely in their features; they are geographically distant from one another, and of distinct formation types: sandstones, carbonates, and non-conventional shale. Each has challenged best-of-practice conventional seismic analysis techniques. One is offshore in deepwater, one in an already heavily exploited onshore carbonate formation where secondary development and horizontal drilling are key factors, and one is a new development section of one of the world's largest and, until now, most productive fields. This variety of QuantumRD's applications emphasizes the broad utility of the signal processing technology in addressing E&P challenges worldwide.

The contracts also mark ViaLogys move into the global geophysical services marketplace, with the objective that success in work underway will lead to more widespread use of QuantumRD. ViaLogy is at work on winning other large operators and supermajors as clients, for some of whom difficult pilot projects have been completed. ViaLogy also continues to work with some of its smaller clients.

QuantumRD brings quantum physics and quantum mathematics to the challenge of processing seismic data to more effectively locate oil and gas, and to characterize reservoirs. More importantly, QuantumRD brings an important value proposition to the upstream E&P sector; simply put, to achieve cost savings associated with fewer or more efficient wells drilled per barrel of oil extracted.

### **Background to and reasons for the Placing**

The net funds raised from the Placing of a total of 36,363,637 Ordinary Shares (along with the placing of 38,000,000 Ordinary Shares announced on 23 May 2012) will provide the Company with the funding required to continue its investment in QuantumRD as well as for general working capital purposes while it continues to develop its relationships with global E&P firms and seek to secure further contracts.

### **The Placing**

Under the terms of the Placing Agreement, Seymour Pierce has conditionally placed, as agent and broker to the Placing for the Company, 36,363,637 Ordinary Shares at the Placing Price to raise £1 million (gross of expenses) for the Company.

The Placing is conditional, *inter alia*, upon Admission taking place by 8.00 a.m. on 18 June 2012 (or such later date, being not later than 7 July 2012, as the Company and Seymour Pierce may agree).

The Placing Agreement contains provisions entitling Seymour Pierce to terminate the Placing Agreement at any time prior to Admission in certain circumstances. If this right is exercised the Placing will lapse.

The Placing Shares, when issued and fully paid, will rank equally in all respects with the issued Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission.

It is expected that admission of the Placing Shares will become effective and dealings in the Placing Shares will commence on 18 June 2012. Following Admission, the Company will have 926,606,911 Ordinary Shares in issue.

### **General Meeting**

A general meeting of the Company has been convened for 10 a.m. on 15 June 2012 at the office of Seymour Pierce Limited, 20 Old Bailey, London EC4M 7EN. The notice convening the General Meeting is set out at the end of this document.

The Resolutions seek to authorise the directors to allot the Placing Shares and to disapply statutory pre-emption rights in respect of such allotment.

### **Action to be taken by Shareholders**

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive at the Company's Registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU. Return of the Form of Proxy will not prevent Shareholders from attending and voting at the General Meeting should they so wish.

**Recommendation**

**Your Directors believe that the Placing is in the best interests of the Company and its Shareholders and unanimously recommend Shareholders to vote in favour of the Resolutions, as they intend to do in respect of their aggregate shareholding of 25,926,716 Ordinary Shares, equivalent to approximately 2.9 per cent. of the Existing Ordinary Shares.**

Yours faithfully

**Terry Bond**

*Executive Chairman*

# ViaLogy PLC

(Incorporated in England and Wales with registered number 3971582)

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of ViaLogy Plc (the "Company") will be held at the offices of Seymour Piece Limited, 20 Old Bailey, London EC4M 7EN on 15 June 2012, at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

### Ordinary Resolution

1. THAT, without prejudice to any existing authority to allot shares in the Company, the directors of the Company be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to allot ordinary shares of one penny each in the capital of the Company ("Ordinary Shares") up to a maximum aggregate nominal value of £363,636.37 in connection with the Placing (as defined in the circular to the Company's shareholders dated 23 May 2012 (the "Circular")) provided that this authority shall expire at the conclusion of the Company's next annual general meeting (unless previously revoked, varied or renewed by the Company in a general meeting) save that the Company may make offers or agreements before the expiry thereof which would or might require Ordinary Shares to be allotted after the expiry of such authority and the directors of the Company may allot Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

### Special Resolution

2. THAT, subject to the passing of resolution 1 in the notice of general meeting of which this resolution forms part ("Resolution 1"), the directors of the Company be and they are hereby empowered in accordance with section 571 of the Companies Act to allot the Placing Shares (as defined in the Circular) for cash pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotments provided that this power will expire at the conclusion of the Company's next annual general meeting but 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 of the Company may allot equity securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

*Registered office:*

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey GU7 1LQ

*By order of the Board*

**Mark Collingbourne**  
*Company Secretary*

Dated: 23 May 2012

Notes

- (1) A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. A proxy need not be a member of the Company.
- (2) A Form of Proxy is enclosed for your use if desired. Please read carefully the instructions on how to complete the form. For a proxy to be effective, the instrument appointing a proxy together with the power of attorney or such other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority must reach the Company's Registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU not less than 48 hours, excluding non-working days, before the time of holding of the General Meeting. Completion of a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.
- (3) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders on the register at 6 p.m. on 13 June 2012 or, in the event that the above meeting is adjourned, on such register on the date which is two working days before the time of the adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of Existing Ordinary 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.
- (4) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Existing Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Existing Ordinary Share. If you wish to appoint more than one proxy, please contact the Company's Registrars, Capita Registrars on 0871 664 0300 (calls to this number cost 10p per minute from a BT landline: other providers costs may vary) or +44 (0)20 8639 3399 from outside the UK. Lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday. Alternatively you may write to Capita Registrars, The Registry, PXS, 34 Beckenham Road, Beckenham, BR3 4TU for additional proxy forms and for assistance.
- (5) Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Existing Ordinary Share.



# VIALOGY PLC

## GENERAL MEETING, 15 JUNE 2012 AT 10 A.M.

### FORM OF PROXY

Dear Shareholder

**Please read the notes below before completing this form.**

I/We (name(s) in full).....

of (address(es)) .....

being (a) member(s) of the above-named Company, hereby appoint the Chairman of the meeting, or failing him

.....  
 as my/our proxy to exercise all or any of my/our rights to attend, speak and vote in respect of my/our full voting entitlement\* on my/our behalf as directed below at the General Meeting of the Company to be held on 15 June 2012 at 10 a.m. and at any adjournment thereof.

Please tick here if this proxy appointment is one of multiple appointments being made.\*

\*For the appointment of more than one proxy, please refer to note 3 overleaf.

		For	Against	Vote Withheld
<b>Resolution 1</b>	To authorise the directors to allot the Placing Shares			
<b>Resolution 2</b>	To disapply pre-emption rights in connection with the allotment of Placing Shares			

I/We would like my/our proxy to vote on the resolutions proposed at the Meeting as indicated on this form. Unless otherwise instructed, the proxy may vote or abstain as he or she sees fit in relation to any business of the meeting.

Signature ..... Date .....

*Notes to the Form of Proxy*

1. If you are unable to attend the meeting but would like to vote you may appoint the Chairman of the meeting as your proxy or one or more proxies of your own choice. If you wish to appoint someone other than the Chairman of the meeting as your proxy, delete the words "the Chairman of the meeting" and insert the name(s) of the person or persons appointed as proxy/proxies in the space provided. A proxy need not be a member of the Company. If no name is entered, the return of this form duly signed will authorise the Chairman of the meeting to act as your proxy.
2. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. If this box is left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
3. To appoint more than one proxy (an) additional proxy form(s) may be obtained by contacting the Company's registrars' helpline on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday) or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see reverse) 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. All forms must be signed and should be returned together in the same envelope.
4. In order that this form of proxy shall be valid, it must be deposited (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or a copy certified in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the directors) at the Company's registrars Capita Registrars, PXS, The Registry, 34 Beckenham Road, Kent BR3 4TU, not later than 48 hours before the time appointed for the meeting (excluding non-working days). The completion and return of a form of proxy will not, however, preclude shareholders from attending and voting in person at the meeting or at any adjournment thereof, should they wish to do so.
5. In the case of a corporation, this form of proxy must be executed under its common seal or under the hand of a duly authorised officer or attorney, stating their capacity (e.g. director, secretary).
6. In the case of joint holders of a share, any one holder may sign the proxy but the vote of the senior who votes whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share. In any event, the names of all joint holders should be stated on the proxy form.
7. The "vote withheld" option is provided to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a "vote withheld" in this way is not a vote in law and will not be counted in the total number of votes cast when calculating the proportion of votes "for" and "against" a resolution.
8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Business Reply  
Licence Number  
RSBH-UXKS-LRBC

PXS  
34 Beckenham Road  
Beckenham  
BR3 4TU

