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If you have sold or otherwise transferred all of your Ordinary Shares please forward this document, together with the accompanying documents, at once, to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

FinnCap Ltd, which is authorised and regulated by the Financial Services Authority, is acting as nominated adviser to the Company for the purposes of the AIM Rules for Companies in connection with the matters referred to in this document and for no-one else, and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for affording advice in relation to the matters referred to herein. FinnCap Ltd accepts no liability whatsoever for the accuracy or opinions contained in this document (or for the omission of any material information) and shall not be responsible for the contents of this document.

Specialist Energy Group plc

(Incorporated in the Isle of Man under the Companies Acts 1931 – 2004 with Registered No. 116537C)

Circular to Shareholders relating to a Placing of 10,416,667 Ordinary Shares at 48 pence per Ordinary Share and Notice of General Meeting

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on the AIM Market operated by the London Stock Exchange. It is expected that Admission will become effective and that dealings in the Placing Shares will commence by 24 December 2010.

A notice convening an General Meeting of Specialist Energy Group plc, to be held at Burleigh Manor, Peel Road, Douglas, Isle of Man IM1 5EP at 11.15 a.m. on 23 December 2010, is set out on page 10 of this document. A Form of Proxy for use at the General Meeting accompanies this document. To be valid, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received not later than 11.15 a.m. on 21 December 2010. Please refer to the detailed notes contained in the Notice of General Meeting and the Form of Proxy.

The Placing is conditional, amongst other things, upon the approval of Shareholders at the General Meeting, notice of which is set out at the end of this Circular. Your attention is drawn to the letter from the Chairman of Specialist Energy Group plc on pages 5 to 9 of this Circular, recommending that you vote in favour of the Resolutions to be proposed at the General Meeting. You should read this Circular in its entirety, not rely solely on summarised information, and should consider whether to vote in favour of the Resolutions in light of the information contained in, and incorporated by reference into, this Circular.

CONTENTS

	<i>Page</i>
Placing Statistics	3
Expected Timetable for Admission	3
Definitions	4
Letter from the Chairman of Specialist Energy Group plc	5
Notice of General Meeting	10

PLACING STATISTICS

Placing Price	48 pence
Gross proceeds of the Placing	up to £5,000,000
Estimated proceeds of the Placing receivable by the Company, net of expenses	up to £4,665,000
Number of Ordinary Shares in issue immediately prior to the Placing	25,090,737
Number of Placing Shares to be issued pursuant to the Placing	up to 10,416,667
Number of Ordinary Shares in issue at Admission <i>(Note: Assuming no further issues of Ordinary Shares on or before Admission)</i>	up to 35,507,404
Number of Ordinary Shares under option at Admission <i>(Note: Assuming no further granting of options on or before Admission)</i>	59,420
Placing Shares expressed as a percentage of the enlarged issued share capital of the Company at Admission	29.34 per cent.

EXPECTED TIMETABLE FOR ADMISSION

Publication of this document	29 November 2010
Latest time and date for receipt of Forms of Proxy	11.15 a.m., 21 December 2010
General Meeting	23 December 2010
Admission and dealings in the Placing Shares expected to commence on AIM	24 December 2010
Expected date for CREST accounts to be credited (where applicable)	24 December 2010
Despatch of definitive share certificates (where applicable) on or around	15 January 2011

DEFINITIONS

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

“Admission”	the admission of the Placing Shares to trading on AIM, becoming effective in accordance with the AIM Rules
“AIM”	the AIM market of London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
“Articles”	the Company’s articles of association existing as at the date of this Circular
“Board”	the board of directors of the Company
“the Company”	Specialist Energy Group plc
“Directors”	the directors of the Company, whose names are set out on page 5 of this document
“FinnCap”	finnCap Limited
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting
“General Meeting”	the general meeting of the Company convened for 23 December 2010 (or any adjournment or postponement thereof)
“Hayward Tyler”	Hayward Tyler Group Limited
“Independent Directors”	John May, Chris Every and Nicholas Winks
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice of General Meeting, set out at the end of this document
“Ordinary Shares”	ordinary shares of 1 penny each in the capital of the Company
“Placing”	the conditional placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 29 November 2010 between the Company and FinnCap relating to the Placing
“Placing Price”	48 pence per Placing Share
“Placing Shares”	up to 10,416,667 new Ordinary Shares which are to be placed in accordance with the terms of the Placing Agreement
“Resolutions”	the resolutions numbered 1 to 2 set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares

LETTER FROM THE CHAIRMAN OF SPECIALIST ENERGY GROUP PLC

(Incorporated in the Isle of Man with registered number 116537C)

Directors:

Ewan Lloyd-Baker
Nicholas Flanagan
John May
Ronald Emerson
Chris Every
Nicholas Winks

Registered Office:

Burleigh Manor
Peel Road
Douglas
Isle of Man
IM1 5EP

To Shareholders

29 November 2010

Dear Shareholder

Introduction

The Company today announced a conditional placing by FinnCap of, in aggregate, up to 10,416,667 Ordinary Shares at a price of 48 pence per share. Once completed and assuming full subscription under the Placing, the proceeds available for the Company will be approximately £5 million (before commissions and expenses). The purpose of the Placing is to underpin the short term funding requirements of the recently won new unit orders in India, to enable the Company to commit to moving to a larger nuclear facility in the US and for general working capital purposes to fund the future growth of its business.

The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Board authority to allot the Placing Shares and to disapply pre-emption rights contained in the articles which would otherwise apply to the allotment of the Placing Shares.

The purpose of this document is to explain the background to and reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

General update

The Company was admitted to trading on AIM in January 2010 following the reversal of Southbank UK plc into Nviro Cleantech plc. The Company is, through its operating subsidiary Hayward Tyler, focused on providing mission critical equipment to end markets that have significant growth potential.

The Company's unaudited interim results for the six months ended 30 June 2010 demonstrated revenue growth of over 7.6 per cent. on a constant currency basis versus the corresponding period in 2009, an improvement in operating profit to £1.3 million (H1 2009 £0.04 million) and an increase in gross margins to 32.3 per cent. (H1 2009 30.5 per cent.). Net debt at 30 June 2010 stood at £10.5 million compared to £13.7 million at 31 December 2009.

Hayward Tyler is a leading designer and manufacturer of mission critical components in the power generation and offshore oil and gas sectors. Hayward Tyler has, as announced by the Company on 4 November 2010, won new orders worth almost £3 million through Bharat Heavy Electricals Ltd, one of the largest engineering and manufacturing enterprise in the energy infrastructure related sector in India and Shanghai Boiler Works Ltd in China.

As at 31 October 2010 the Company's order intake for the year to date stood at £26.3 million with a confirmed order book of £25.3 million.

Outlook

The business continues to focus on its key end markets of power generation and offshore oil and gas.

Power Generation (including nuclear)

The current pipeline and activity levels are high, particularly driven by the Chinese and Indian markets with new unit contract wins totalling £2.85m recently announced. Provision of electricity to a wider user base remains a key political and economic driver across both countries with larger more efficient coal fired power stations being an important part of the overall generating mix. In the USA it is encouraging to see some significant new order wins for the nuclear market both in terms of servicing and spares but also for new units. Next generation reactor designs specifically from Areva and Westinghouse have led to a number of bids being submitted for pump packages in the EU, China and India and the previously announced order win for the new AP1000 reactor design is particularly positive. Likewise the Company is also looking to develop its recent success in the synthetic gasification market particularly given the potential of this technology to reduce the emissions of existing coal fired power stations.

Oil & Gas

The market for 'topside' applications is recovering with encouraging signs from a number of major contractors particularly with the move to large floating liquefied natural gas platforms and ships with requirements for large submersible motors. This interest is global with potential application in South East Asia, West Africa and China in particular. Interest is also increasing in terms of the deep submersible motor units which have been delivered to Aker Solutions and are in production for GE Oil & Gas. Development activity is likely to focus on building larger pumping units operating at 3+ megawatts and at depths of up to 5,000 metres.

With management's focus on Hayward Tyler the Company remains confident that it will continue to see improved gross and operating margins for the remainder of 2010 into 2011 and 2012. Indeed the long-term growth of the operating business is being driven by two long-term macro-drivers - firstly the increased desire for electricity and power in the developing economies, most notably China and India; secondly, the desire for more efficient energy provision and new energy sources in the developed and developing economies.

Opportunities for growth and reasons for the Placing

The Company's Directors and its broker have conditionally raised capital of up to £5 million which it intends to use as follows:

- To provide working capital, principally to support exports to India and afford the business greater flexibility to fund new orders, and;
- To support the expansion of the US operation.

The Directors believe that the positive impact of the placing will also include:

- Stronger balance sheet
- Broader institutional shareholder base
- Improved liquidity of the shares
- Expedite the move to more flexible banking arrangements

The strong order book and revenue growth delivered by Hayward Tyler to date combined with the change in the geographic sales mix has presented a changing working capital dynamic. In order to support further growth the Directors believe that it is prudent to raise equity finance in order to strengthen the Company's balance sheet and provide greater flexibility to fund new orders.

Following the Placing and based on the interim balance sheet, the Directors estimate that the ratio of net debt to EBITDA will fall from 2.5 times to 1.4 times. The improved balance sheet is expected by the Directors to

allow the Company to negotiate new banking facilities on more favourable and flexible terms (particularly relating to trade finance) than would otherwise be available.

The Company has already identified a potential new site for its North American nuclear focused operations which have the potential to enable the Company to almost double its current footprint and be better able to service new unit capital build plans for potential customers who include Areva, General Electric and Westinghouse. Discussions are underway with the equivalent of the local council and the potential developer which if successful will enable the Company's North American business to move into a new purpose-built 'nuclear stamped' facility in the second half of 2012.

The Company is also encouraged by the ongoing development of its subsea booster motor technology. The Company has already delivered three 2.5megawatt motor units to Aker Solutions, and is due to ship a new unit to General Electric for it to incorporate into a pump package before comprehensive testing. According to Aker the SeaBooster™ technology can extract an additional 20 per cent. from a well's existing reserves and with over 3,000 subsea wells worldwide there should be plenty of opportunity for this to become a significant driver of revenues and profits in the longer term.

Underpinning the Company's strategy is its focus on continuing to drive gross and operating margin improvements. With a focus on sales of new units and aftermarket services, the export markets of China and India, the nuclear new build sector and subsea oil recovery the Directors believe that further increases in gross and operating margins are deliverable.

The Placing

The Company is conditionally raising, in aggregate, approximately £5 million (before commissions and expenses) by means of the Placing. The Placing Shares will rank in full for all dividends and otherwise *pari passu* with the existing Ordinary Shares from the date of Admission.

Certain Directors have agreed to subscribe for New Ordinary Shares under the Placing as follows:

<i>Director</i>	<i>Number of Existing Shares currently held</i>	<i>Number of new Ordinary Shares conditionally subscribed for</i>	<i>Number of Ordinary Shares held following the Placing</i>	<i>Percentage of Enlarged Issued Share Capital</i>
Ewan Lloyd-Baker	2,526,196	531,250*	3,057,446	8.61
Ronald Emerson	–	52,083	52,083	0.15
Nicholas Flanagan	140,000	208,333	348,333	0.98

*Of the 531,250 shares being subscribed for by Ewan Lloyd-Baker, 166,667 represent the conversion of £119,000 owed to him by the Company in lieu of a deferred tax asset created by the exercise of his options in Southbank UK plc at the time of the reverse takeover by Nviro Cleantech plc. Following the completion of the acquisition Mr Lloyd-Baker made a payment of £261,173 to the Company to cover tax liabilities in relation to the exercise of his options, £119,000 of which is repayable to Mr Lloyd-Baker on realisation of the associated tax asset by the Company. Mr Lloyd-Baker has agreed to convert the amount (being £119,000) owed to him into £80,000 worth of shares at the Placing Price. The discount reflects the Directors' assessment of the net present value of the tax asset repayable to Mr Lloyd-Baker.

It is expected that the Placing Shares will be admitted to trading on AIM on 24 December 2010. The Placing is conditional, *inter alia*, upon:

- the approval of the Resolutions at the General Meeting;
- the Placing Agreement not having been terminated in accordance with its terms; and
- Admission having occurred on or before 8:00 a.m. on 24 December 2010 (or such time and date as the Company and FinnCap may agree, being not later than 30 January 2011).

The net proceeds of the Placing are estimated to be £4,665,000 and the Directors propose to use them as below:

Short Term funding of Indian power sales	£0.75 million
Commitment to new US nuclear facilities	£1.00 million
Working Capital	£2.915 million

The Placing Agreement

Pursuant to the terms of the Placing Agreement, FinnCap as agent for the Company, has agreed conditionally to use its reasonable endeavours to place the Placing Shares on a non-underwritten basis at the Placing Price.

In consideration of its services in connection with the Placing, the Company will pay to FinnCap a commission equal to 5 per cent. of the aggregate value, at the Placing Price placed by FinnCap, and a corporate finance fee of £20,000.

The Placing Agreement contains certain warranties from the Company in favour of FinnCap in relation to, *inter alia*, the accuracy of the information contained in this document and certain other matters relating to the Company and its business. In addition, the Company has agreed to indemnify FinnCap in relation to certain liabilities it may incur in respect of the Placing. FinnCap has the right to terminate the Placing Agreement in certain circumstances prior to Admission, including without limitation for an event of *force majeure* or in the event of a material breach of the warranties set out in the Placing Agreement.

Related Party Transactions

On 15 January 2010 the Company agreed that it would reimburse Ewan Lloyd-Baker with any tax credit that the Company might obtain as a consequence of his subscription for Ordinary Shares following the exercise of his share options in Southbank UK plc. This agreement constitutes a related party transaction under the AIM Rules. Following the completion of the acquisition of Southbank UK plc by Nviro Cleantech plc Mr Lloyd-Baker made a payment of £261,173 to the Company to cover tax liabilities in relation to the exercise of his options, £119,000 of which is repayable to Mr Lloyd-Baker on realisation of the associated tax asset by the Company. Mr Lloyd-Baker has agreed to convert the amount (being £119,000) owed to him into £80,000 worth of shares at the Placing Price. The discount reflects the Directors' assessment of the net present value of the tax asset repayable to Mr Lloyd-Baker.

The Placing, is classified as a related party transaction for the purposes of the AIM Rules due to the participation by Ewan Lloyd-Baker, Ronald Emerson and Nicholas Flanagan. The conversion of amounts owed to Ewan Lloyd-Baker as detailed above also constitutes a related party transaction for the purposes of the AIM Rules. The Independent Directors of the Company (being John May, Nicholas Winks and Chris Every), having consulted with FinnCap, as nominated adviser to the Company, consider the Placing and the conversion of Mr Lloyd-Baker's outstanding liability to be fair and reasonable insofar as the Shareholders are concerned. In providing advice to the Independent Directors, FinnCap has taken into account the Independent Directors' commercial assessments.

Admission and dealings

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that Admission on AIM will become effective and that dealings will commence on 24 December 2010.

General Meeting

Set out at the end of this document is a notice convening the General Meeting of the Company to be held at 11.15 a.m. on 23 December 2010 at Burleigh Manor, Peel Road, Douglas, Isle of Man IM1 5EP at which the following resolutions will be proposed:

1. to authorise the Board to allot Ordinary Shares in connection with the Placing as if the pre-emption rights set out in article 5.2 of the Articles did not apply (Resolution 1); and
2. to amend the Articles principally, by removing certain restrictions which require the management and control of the Company to be located outside of the United Kingdom (Resolution 2).

Resolutions 1 and 2 will be proposed as Special Resolutions.

Irrevocable undertakings

The Company has received irrevocable undertakings to vote in favour of the Resolutions from the Directors who in aggregate have a beneficial interest in respect of 2,908,159 Ordinary Shares representing approximately 11.6 per cent. of the existing issued share capital of the Company.

Resignation of a Director

Nicholas Winks has informed the board of his intention to resign as a director at the General Meeting in order to pursue other business interests. The board wish him well in the future.

Action to be taken

A Form of Proxy for use by Shareholders in connection with the General Meeting is enclosed with this document. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy and to return it to Share Registrars Ltd, Office and Correspondence address, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, so as to arrive not later than 11.15 a.m. on 21 December 2010. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish.

Recommendation

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of all of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings.

Yours faithfully

John May

Non-executive Chairman

Specialist Energy Group plc

(Incorporated in the Isle of Man under the Companies Acts 1931 – 2004 with Registered No. 116537C)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Specialist Energy Group plc (the “**Company**”) will be held at Burleigh Manor, Peel Road, Douglas, Isle of Man, IM1 5EP on 23 December 2010 at 11.15 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions. Expressions used in this Notice of General Meeting have the meanings given to them in the circular to shareholders of the Company dated 29 November 2010 (the “**Circular**”) of which this Notice of General Meeting forms part (unless the context otherwise requires).

SPECIAL RESOLUTIONS

1. That, in addition to any previous authority given to the Directors, the Directors be authorised to allot Ordinary Shares as if Article 5.2 of the Articles does not apply to such allotment, provided that such allotment or allotments are limited to up to an aggregate nominal amount of £104,167 in connection with the Placing, provided that such authority conferred by this resolution shall expire (unless previously renewed, waived or revoked) at the conclusion of the next annual general meeting of the Company after the passing of this resolution except that the Directors may allot Ordinary Shares pursuant to this authority in pursuance of an offer or agreement entered into prior to such next annual general meeting which requires Ordinary Shares to be allotted after such date as if their authority conferred hereby had not expired.
2. That the Articles be amended so that:
 - (i) the words “United Kingdom” in Article 100 are deleted and replaced by the words “Isle of Man”;
 - (ii) Article 103.1 is amended by:
 - (a) the insertion of the word “and” after the words “alternate Directors;” in Article 103.1(a);
 - (b) the deletion of the word “and” at the end of Article 103.1(b) and the replacement of the semi-colon with a full stop in that Article; and
 - (c) by the deletion of Article 103.1(c).
 - (iii) the words “United Kingdom” in Article 104 are deleted and replaced by the words “Isle of Man”;
 - (iv) Article 130.2 is amended by:
 - (a) The deletion of word “or” at the end of Article 130.2(b) and the replacement of the semi-colon with a full stop in that Article; and
 - (b) by the deletion of Article 130.2(c).

By order of the Board

Mr D. P. Craine
Company Secretary

Dated: 29 November 2010

Notes:

1. A member of Specialist Energy Group plc entitled to attend and vote at the above mentioned meeting is entitled to appoint one or more proxies to attend, speak (with the permission of the Chairman of the Meeting) and vote and, on a poll, vote in his stead. A proxy need not be a member of Specialist Energy Group plc. A form of proxy is enclosed with this Notice for use at the General Meeting.
2. To be valid, forms of proxy duly completed, signed or sealed (as appropriate) and dated, together with any power of attorney or other authority (if any) under which it is signed or any notarially certified copy thereof must be lodged by personal delivery or posting by 11.15 a.m. on 23 December 2010 (or not less than 48 hours before the time of any adjourned meeting) at the Company's registrars office at Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL or by fax to: +44 (0)1252 719232. Lodgement of a form of proxy will not prevent a member from attending and voting in person.
3. The form of proxy must be executed by the member or his attorney duly authorised in writing and (in the case of an individual) must be signed by the individual or his attorney duly authorised in writing or (in the case of a corporation) either executed under its common seal or signed on its behalf by a duly authorised officer or attorney of the corporation.
4. In the case of joint registered holders, the signature of one holder will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the relevant joint holding.
5. In accordance with Regulation 22 of the Uncertificated Securities Regulations 2006 to be entitled to attend and vote at the meeting (and for the purposes of determining how many votes a person may cast) members must be entered in the register of members of the Company by 11.15 a.m. on 21 December 2010.

