

NOTICE OF ANNUAL GENERAL MEETING FOR PINNACLE TECHNOLOGY GROUP plc
Registered in England and Wales with registered number 5259846

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of the Company will be held at the offices of Wright, Johnston & Mackenzie LLP, 18 Charlotte Square, Edinburgh, EH2 4DF, on 26 March 2013 at 11.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1-6 will be proposed as Ordinary Resolutions and resolution 7 will be proposed as a Special Resolutions:

ROUTINE BUSINESS - Ordinary Resolutions

1. To receive the report of the directors and the financial statements for the year ended 30 September 2012 together with the report of the auditors thereon.
2. To approve the report of the board to the members on directors' remuneration for the year ended 30 September 2012.
3. To re-elect Mr Alan Bonner, a director who retires by virtue of rotation and, being eligible, offers himself for re-election.
4. To re-appoint Grant Thornton UK LLP as the auditors.
5. To authorise the directors to agree the remuneration of the auditors.
6. That, the share capital of the Company be reorganised in the following manner:
 - (a) every 100 existing Ordinary Shares of £0.001 in the issued share capital of the Company be and are hereby consolidated into one Ordinary Share of £0.1 each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing Ordinary Shares of £0.001 each in the capital of the Company as set out in the Company's articles of association for the time being;
 - (b) every resulting Ordinary Share of £0.1 in the capital of the Company following the consolidation set out at (a) above, be and is hereby sub-divided and redesignated into:
 - (i) one Ordinary Share of £0.01 each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing Ordinary Shares of £0.001 each in the capital of the Company as set out in the Company's articles of association for the time being; and
 - (ii) one Deferred Share of £0.09 in the capital of the Company; and
 - (c) every resulting Deferred Share of £0.09 in the capital of the Company following the sub-division set out at (b) above, be and are hereby sub-divided and redesignated into ten Deferred Shares of £0.009 each such shares having the same rights and being subject to the same restrictions as the existing Deferred Shares of £0.009 each in the capital of the Company as set out in the Company's articles of association for the time being.

SPECIAL BUSINESS - Special Resolutions

7. That:

(a) That, in accordance with section 551 of the Companies Act 2006 (the "2006 Act"), the Directors be generally and unconditionally authorised to allot shares or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") in the Company up to an aggregate nominal amount of the unissued share capital of the Company provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date of the Annual General Meeting of the Company to be held in 2014 or 15 months after the date of the passing of this resolution (whichever is the earlier) save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act.

(b) the directors of the Company be and are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (within the meaning of section 560 of the 2006 Act) of the Company for cash pursuant to the general authority conferred on the Directors by paragraph (a) of this resolution as if section 561(1) of the 2006 Act did not apply to such allotment, provided that this power shall:

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(i) be limited to the allotment of equity securities up to an aggregate nominal amount of the unissued share capital of the Company; and

(ii) expire on the date of the Annual General Meeting of the Company to be held in 2014 or 15 months after the date of the passing of this resolution (whichever is the earlier) (unless renewed, varied or revoked by the Company prior to or on that date) save that 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 may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

Registered Office
5 Fleet Place
London
EC4M 7RD

By order of the Board
WJM Secretaries Limited
Company Secretary

Dated: 20 February 2013

Notes:

1. A member is entitled to appoint another person as his proxy to attend and speak and vote on his behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. The proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services plc on 0870 707 1017.

2. 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 offices of Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours before the time for holding the meeting or adjourned meeting.

3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

4. 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.

5. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at the close of business on 24 March 2013 shall be entitled to attend and vote, whether in person or by proxy, at the Annual General Meeting, in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries in the register of members after the close of business on 24 March 2013 shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting. If the Annual General Meeting is adjourned, entitlements to attend and vote will be determined by reference to the register of members of the Company as at the close of business two days before the time of the adjourned meeting.

6. Completion and return of the form of proxy will not preclude members from attending or voting in person at the meeting if they so wish.

7. As at 20 February 2013 (being the last business day prior to the publication of this notice) the Company's issued voting share capital consists of 3,194,807,730 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 20 February 2013 are 3,194,807,730.

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THIS PAGE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action to be taken, please consult 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 otherwise transferred all your Ordinary Shares in Pinnacle Technology Group plc, please forward this circular and enclosed notice of Extraordinary General Meeting at once to your stockbroker or other agent through whom you made the sale for transmission to the purchaser or transferee.

PINNACLE TECHNOLOGY GROUP plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 5259846)

EXPLANATORY NOTES TO THE RESOLUTIONS

Ordinary Resolution 1 (Receipt of reports and accounts)

The directors must lay the annual accounts and the respective reports of the directors and auditors before shareholders at an Annual General Meeting.

Ordinary Resolution 2 (To approve the directors' remuneration report)

Shareholders are asked to approve the directors' remuneration report, which may be found in the annual report on pages 11 to 13. This resolution is an advisory one and no entitlement to remuneration is conditional on the resolution being passed.

Ordinary Resolution 3 (Re-election of director)

Under the Articles of Association of the Company, one director must resign by rotation each year. Alan Bonner has put himself up for resignation and is therefore standing for re-election. You are therefore asked to re-elect Alan Bonner as a director of the Company.

Ordinary Resolution 4 (Appointment of auditors)

At each general meeting at which accounts are laid before the members, the Company is required to appoint auditors to serve until the next such meeting. Grant Thornton UK LLP have indicated their wish to continue as the Company's auditors.

Ordinary Resolution 5 (Agreement of auditors' remuneration)

The directors are seeking authority to agree the remuneration of Grant Thornton UK LLP as the Company's auditors.

Ordinary Resolution No. 6: Proposed Share Capital Reorganisation

Introduction

Following the recent Placings of 983,333,333 new Ordinary shares of 0.1p each to raise £2.95m before expenses, your Board has been reviewing the total number of Ordinary shares admitted to trading on AIM, which at 20th February 2013 was 3,194,807,730.

With over three billion shares in issue, your Board has determined that it is in the best interests of the shareholders as a whole to reorganise the share capital of the Company, and refer you to Ordinary Resolution number 6 of the Notice of Annual General Meeting. Whereby it is proposed therefore to sub-divide and reclassify each of the Company's issued ordinary shares as follows:

1. Every one hundred ordinary shares of £0.001 are consolidated on a 100:1 basis into one £0.1 ordinary shares
2. Each £0.1 ordinary shares are subdivided into (a) one £0.01 ordinary shares; and (b) one £0.09 Deferred Shares
3. The £0.09 Deferred Shares are subdivided into ten £0.009 Deferred Shares

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No share certificates will be issued in respect of deferred shares, or the ordinary shares of £0.1. New share certificates will be issued in respect of the resulting ordinary shares of £0.01 each.

SPECIAL BUSINESS

In addition to the routine business of the Company, there will be the following items of special business at the Annual General Meeting.

Special Resolution 7 (Authority to issue Ordinary Shares and waiver of Pre-emption Rights)

By resolution 7(a), you are asked to give the directors authority to allot share capital up to the maximum authorised share capital. This authority shall remain in force until the 2014 AGM or for 15 months (whichever is earlier).

By resolution 7(b), you are asked to give the directors authority to disapply the statutory pre-emption rights in favour of existing shareholders in respect of share allotments in the Company. This authority shall remain in force until the 2014 AGM or for 15 months (whichever is earlier).

Action to be taken by shareholders

The notice of Annual General Meeting of the Company ("AGM") to be held at 11.30am on 26 March 2013 at the offices of Wright, Johnston & Mackenzie LLP, 18 Charlotte Square, Edinburgh, EH2 4DF, for the purpose of considering and, if thought fit, passing the AGM resolutions, of which resolutions 1-6 will be proposed as Ordinary Resolutions and resolution 7 will be proposed as a Special Resolutions.

A form of proxy for use at the AGM is enclosed. Whether or not you propose to attend the AGM, you are requested to complete the form in accordance with the instructions printed thereon and return it to Computershare Investor Services plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 3FA.

Returning the form of proxy will not prevent you from attending the AGM and voting in person if you so wish.

RECOMMENDATION

The Board considers the terms of the Share Capital Reorganisation as set out in the Resolutions to be in the best interests of the Company and its Shareholders. Accordingly, the Directors unanimously recommend shareholders to vote in favour of the Resolutions as they and the Management Team have irrevocably undertaken to do so in respect of their own beneficial shareholdings which total 600,412,758 ordinary shares representing 18.79 per cent of the current issued share capital of the Company.

Yours faithfully

William Allan

Non-Executive Chairman