

Tanfield Group Plc

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at Tanfield Group Plc, Vigo Centre, Birtley Road, Washington, Tyne and Wear, NE38 9DA on Friday 26 September 2008 at 10.00 a.m. for the following purposes:

Ordinary Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions of the Company:

1. To receive the financial statements for the year ended 31 December 2007 and the reports of the directors and auditors thereon.
2. To re-elect RRE Stanley as a director, who retires by rotation in accordance with the Articles of Association.
3. To re-elect M Groak as a director, who retires by rotation in accordance with the Articles of Association.
4. To re-appoint Baker Tilly as auditors and to authorise the directors to fix their remuneration.

Special Business

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution of the Company:

1. THAT the Directors of the Company be and are hereby generally and unconditionally authorised (in substitution for any previous authority) for the purposes of section 80 of the Companies Act 1985 (as amended) ("the Act") to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) on such terms and in such manner as they shall think fit, up to an aggregate nominal value equal to £1,234,620 at any time (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) during the period from the date hereof until the conclusion of the Company's annual general meeting held in 2009, provided that the Directors of the Company may make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities after such expiry under this authority in pursuance of any such offer or agreement as if this authority had not expired. The authority hereby given may at any time (subject to the provisions of section 80 of the Act) be renewed, revoked or varied by ordinary resolution of the Company in general meeting.

To consider and, if thought fit, to pass the following resolutions as Special Resolutions of the Company:

2. THAT the Directors of the Company be given power pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to the Section 80 authority referred to above as if Section 89(1) of the Act did not apply to any such allotment, such power to expire at the conclusion of the Company's annual general meeting held in 2009 or, if earlier, the revocation of the Section 80 authority referred to above, provided that before such expiry the Directors of the Company may make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities after such expiry under this power in pursuance of any such offer or agreement as if this power had not expired. This power is limited to:
 - a) the allotment of equity securities for cash in connection with a rights issue to holders of Ordinary Shares of 1p each in the capital of the Company ("Ordinary Shares") where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any recognised stock exchange, in any territory; and
 - b) the allotment (other than pursuant to paragraph (a) of this Special Resolution) of equity securities up to a maximum aggregate nominal amount of £370,386.

This power applies in relation to any sale of shares which is an allotment of equity securities by virtue of Section 94(3A) of the Act as if in the first paragraph of this resolution the words "pursuant to the Section 80 authority referred to above" were omitted.

3. THAT the Company be and is generally and unconditionally authorised for the purposes of section 166 of the Act to make one or more market purchases (within the meaning of section 163(3) of the Act) on the London Stock Exchange of Ordinary Shares provided that:
 - a. the maximum aggregate number of Ordinary Shares authorised to be purchased is 55,557,913 (representing 15% of the Company's issued ordinary share capital);
 - b. the minimum price which may be paid for such shares is £0.01 per Ordinary Share;
 - c. the maximum price which may be paid for an Ordinary Share shall not be more than 5% above the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the share is purchased; and
 - d. unless previously revoked, varied or renewed, this authority shall expire at the conclusion of the Company's next Annual General Meeting.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution of the Company:

4. THAT the Company may send or supply documents or information to members by making them available on a website or other electronic means.

By order of the Board

C D Brooks ACA
Company Secretary

2008

Notes

1. Entitlement to attend and vote

Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the Company specifies that only those holders of ordinary shares of 1p each of the Company registered in the Company's Register of Members at:

- 1.1 10.00 a.m. on 24 September 2008; or
- 1.2 if this meeting is adjourned, at 10.00 a.m. 48 hours prior to the adjourned meeting; shall be entitled to vote at the meeting in respect of the number of ordinary shares of 1p each of the Company registered in their name at that time. Subsequent changes to the Register of Members as at 10.00 a.m. on 24 September 2008 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

2. Appointment of Proxies

- 2.1 If you are a member of the Company at the time set out in 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to your proxy form.
- 2.2 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
- 2.3 The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - 2.3.1 completed and signed;
 - 2.3.2 sent or delivered to Capita Registrars, Proxies Department, PO Box 25, Beckenham, Kent, BR3 4BR; and
 - 2.3.3 received by Capita Registrars no later than 48 hours before the meeting.
- 2.4 In the case of a member which is a Company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

3. Attending in person

The sending of a completed form of proxy to the Company's Registrar will not preclude members from attending and voting at the meeting, or any adjournment thereof, in person, should they so wish.

4. Documents on display

Copies of the directors' service contracts with the Company and any of its subsidiary companies will be available:

- 4.1 for at least 15 minutes prior to the meeting; and
- 4.2 during the meeting.

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