

IN THE GRAND COURT OF THE CAYMAN ISLANDS

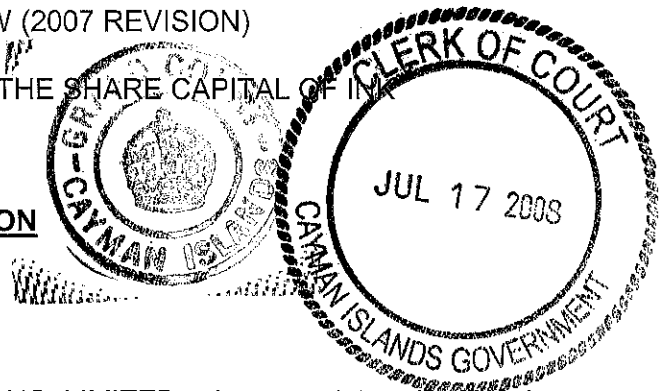
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CAUSE NO OF 2008

IN THE MATTER OF INK ACQUISITIONS LIMITED

AND IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF THE REDUCTION OF THE SHARE CAPITAL OF INK ACQUISITIONS LIMITED

PETITION



TO THE GRAND COURT

THE HUMBLE PETITION OF INK ACQUISITIONS LIMITED whose registered office is at Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, Cayman Islands shows that:

1. Your Petitioner, the above-named Company (hereinafter called "the **Company**"), was incorporated on 25 October 2006 under the Cayman Islands Companies Law (as amended) (the "**Companies Law**") as an exempted company limited by shares.
2. The registered office of the Company is situated at Walkers SPV Ltd, Walker House, 87 Mary Street, George Town, Grand Cayman, Cayman Islands.
3. The objects for which the Company was formed are unrestricted and the Company has full power and authority to carry out any object not prohibited by the Companies Law. After its incorporation, the Company commenced business and has since continued to carry on business.
4. The authorised share capital of the Company at the date of its incorporation was the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £180,000,001.10 divided into 18,000,000,000 A ordinary shares of a par value of £0.01 each and 1,100,000,000 B ordinary shares of a par value of £0.000000001. Of these, 17,085,866,130 A Shares are issued and credited as fully paid up.
5. The Articles of Association of the Company, inter alia, provide as follows:

"96. Subject to Article 110, the Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law."

"110. So far as it is legally able, no action or decision relating to any of the matters specified in Part A of Schedule 1 shall be taken (whether, as appropriate by the Board of Directors, the Newco Board, the Company, any member of the Group, any of the Directors, Officers or Managers of the Company or any member of the Group (including the Directors and the Managers) or any other person in relation to the Company or any member of the Group, or otherwise) without prior Investor Consent whether such Consent is obtained in meeting or in writing; provided always that where any matter specified in Part A of Schedule 1 requires the approval of the Members pursuant to the Companies Law, the Board of Directors shall not propose a resolution for the approval of Members entitled to vote thereon without first obtaining Investor Consent, but shall in no way fetter or alter the consent required pursuant to the Companies Law. The Board of Directors shall, to the extent Investor Consent is required (and upon application from the Newco Board, where appropriate), facilitate the seeking of such Investor Consent through the convening of a meeting of the Investors or otherwise as they see fit. "

"Schedule 1, Part A (c) [Matters requiring Investor Consent]: any reduction of the share capital or variation of the rights attaching to any class of shares or any redemption, purchase or other acquisition by the Company of any shares or other securities of the Company other than as a result of an Exit, provided that the holders of Ordinary Shares are treated on a pari passu basis;"

6. Moreover, the following terms are defined in Article 1 of the Articles of Association of the Company:

"Investor Consent" means "the consent of the Investors, voting at a separate meeting of the Investors, or by way of resolution in writing, representing 66 2/3% of the Investor Shareholding at the time such consent or approval is sought by the Board of Directors";

"Special Resolution" means "a resolution passed in accordance with Section 60 of the Companies Law being a resolution:

- (a) passed by a majority of not less than two-thirds of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the Resolution as a Special Resolution has been duly given and where a poll was taken regards shall be had in computing a majority to the number of votes to which each Member is entitled; or
- (b) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or the last of such instruments if more than one, is executed".

"Investors" means "those persons holding A Ordinary Shares from time to time".

"Investor Shareholding" means "the number of A Ordinary Shares held by the Investors from time to time".

7. It is now proposed to reduce the Company's authorised share capital from the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £180,000,001.10 divided into 18,000,000,000 A ordinary shares of a par value of £0.01 each and 1,100,000,000 B ordinary shares of a par value of £0.000000001 to the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £18,000,001.10 divided into 18,000,000,000 A ordinary shares of a par value of £0.001 each and 1,100,000,000 B ordinary shares of a par value of £0.000000001 each (the "**Capital Reduction**").
8. Following a successful implementation of the proposed Capital Reduction, it is subsequently proposed that:
 - (a) in accordance with section 13(1)(e) of the Companies Law and Article 95(d) of the Articles of Association of the Company, the Company's authorised share capital be diminished through the cancellation of 990,000,000 B ordinary shares (the "**Diminution of Share Capital**"); and

- (b) in accordance with section 13(1)(b) of the Companies Law and Article 95(a) of the Articles of Association of the Company, the Company's A and B ordinary shares (whether or not issued) be consolidated (the "**Consolidation**").

The Diminution of Share Capital and the Consolidation are described in further detail at paragraphs 11 and 12 respectively.

- 9. The required Investor Consent was given by way of various, executed, written consent forms dated June 2008.
- 10. At a duly convened Extraordinary General Meeting of the Company held on 26 June 2008 and in accordance with Article 96 of the Articles of Association of the Company and Section 14 of the Companies Law, it was resolved as a Special Resolution:

"THAT subject to approval by the Grand Court of the Cayman Islands, pursuant to Section 14 of the Companies Law (2007 Revision) and pursuant to Article 96 of the Articles of Association of the Company, the authorised share capital of the Company be reduced from the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £180,000,001.10 divided into 18,000,000,000 A ordinary shares of a par value of £0.01 each and 1,100,000,000 B ordinary shares of a par value of £0.000000001 to the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £18,000,001.10 divided into 18,000,000,000 A ordinary shares of a par value of 1/10^{ths} of £0.01 (£0.001) each and 1,100,000,000 unissued B ordinary shares of a par value of £0.000000001, and that such reduction of capital be effected by:

- (a) cancelling paid up capital to the extent of £0.009 upon each of the 17,085,866,130 issued A ordinary shares of £0.01 each; and
- (b) by reducing the nominal value of each of the authorised A ordinary shares of the Company (whether or not issued) from £0.01 to 1/10^{ths} of £0.01 (£0.001)."

- 11. By an Ordinary Resolution of the Company duly passed at the said Meeting it was resolved that forthwith upon such Capital Reduction taking effect:

"THAT subject to and immediately following the capital reduction to be adopted pursuant to Resolution 1 taking effect, but before Resolution 3 takes effect, the authorised share

capital of the Company be diminished from the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £18,000,001.10 divided into 18,000,000,000 A ordinary shares of a par value of 1/10^{ths} of £0.01 (£0.001) each and 1,100,000,000 B ordinary shares of a par value of £0.000000001 to the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £18,000,000.11 divided into 18,000,000,000 A ordinary shares of a par value of 1/10^{ths} of £0.01 (£0.001) each and 110,000,000 B ordinary shares of a par value of £0.000000001 by the cancellation of 990,000,000 B Ordinary Shares of a nominal or par value of £0.000000001."

12. By a further Ordinary Resolution of the Company duly passed at the said Meeting it was resolved that forthwith upon such Capital Reduction and Diminution of Share Capital taking effect:

"**THAT** subject to and immediately following the diminution of share capital to be adopted pursuant to Resolution 2 taking effect:

- (a) the 17,085,866,130 issued A Ordinary Shares of 1/10^{ths} of £0.01 (£0.001) par value each in the capital of the Company be consolidated into 17,085,866.13 shares of a nominal or par value of £1.00 each;
- (b) the 914,133,870 unissued A Ordinary Shares of 1/10^{ths} of £0.01 (£0.001) par value each in the capital of the Company be consolidated into 914,133.87 shares of a nominal or par value of £1.00 each;
- (c) the 110,000,000 unissued B ordinary shares of £0.000000001 par value each in the capital of the Company be consolidated into 1,100,000 shares of a nominal or par value of £0.0000001 each."

13. By a further Special Resolution of the Company duly passed at the said Meeting it was resolved that forthwith upon such Capital Reduction, Diminution of Share Capital and Consolidation taking effect:

"**THAT** subject to and immediately following the changes in share capital described in Resolutions 1, 2 and 3 taking effect, the Memorandum and Articles of Association of the Company then in force be replaced in their entirety with a new Memorandum and

Articles of Association to include the amendments set out in the form of Memorandum and Articles of Association tabled by the Chairman."

14. The proposed Capital Reduction does not involve an alteration or variation to the rights attached to any shares.
15. Previously to the passing of the Special Resolution for the Capital Reduction set out in paragraph 10 hereof capital to the extent of £83,200,000.00 and upwards had been lost or was unrepresented by available assets. That is, the current and projected trading losses for the 2007 and 2008 financial years of the Company's wholly owned subsidiary, The Polestar Company Limited ("**Polestar**") are presently estimated at approximately £83,200,000.00. As the Company's major asset is its shareholding in Polestar (and its related subsidiaries), significant trading losses of this nature have a corresponding adverse effect upon the "value" of the Company itself (and, as a consequence, what the market value of the Company's shares will be).
16. The proposed Capital Reduction does not involve the diminution of any liability in respect of issued but unpaid share capital.
17. The form of Minute proposed to be registered is as follows:

"The authorised share capital of Ink Acquisitions (the "Company") was by virtue of a Special Resolution of the Company and with the sanction of an Order of the Grand Court dated 8 August 2008 reduced from the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £180,000,001.10 divided into 18,000,000,000 A ordinary shares of a par value of £0.01 each and 1,100,000,000 B ordinary shares of a par value of £0.000000001 to the aggregate of US\$0.04 divided into four deferred shares of a par value of US\$0.01 each and £18,000,001.10 divided into 18,000,000,000 A ordinary shares of a par value of £0.001 each and 1,100,000,000 B ordinary shares of a par value of £0.000000001 each. At the date of registration of this Minute, 17,085,866,130 of the A shares have been issued and are fully paid up."

Your Petitioner therefore humbly prays as follows:

1. That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 10 of this Petition may be confirmed and the above mentioned Minute set forth in paragraph 17 of this Petition approved by the Court.

2. That to this end all necessary inquiries and directions may be made and given.
3. Or that such other Order may be made in the premises as the Court shall deem fit.

AND your Petitioner will ever pray etc.

DATED the 17th day of July 2008



WALKERS
Attorneys at Law for the Petitioner

NOTE: It is not intended to serve this Petition on any person.