

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult immediately an independent financial adviser fully authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your Ordinary Shares, please send this document and the accompanying Form of Proxy immediately to the purchaser or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser.



Netcall plc

Proposed Cancellation of the Share Premium Account

A letter from the Chairman of Netcall plc is set out overleaf in this document.

Notice of an Extraordinary General Meeting of the Company convened for 12 noon on Tuesday 22 May 2007 to be held at 10 Harding Way, St Ives, Cambridgeshire, PE27 3WR is set out at the end of this document and you will find enclosed a form of proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete this form which should be completed and returned so as to be received by the Company's registrars, Neville Registrars Limited by hand (during normal business hours) at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA or by post at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time fixed for the meeting.

Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2007
Latest time and date for receipt of forms of proxy	12 noon, 20 May
Extraordinary General Meeting	12 noon, 22 May
Court hearing of Company's petition for cancellation of the share premium account	20 June
Anticipated effective date for cancellation of the share premium account.	30 June

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Act”	the Companies Act 1985
“Company”	Netcall plc
“Court”	the High Court of Justice, Chancery Division, Companies Court
“Directors” or “Board”	the directors of the Company as at the date of this document
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries and subsidiaries has the meaning given to it in section 736 and 736A of the Companies Act 1985
“Proxy Form”	the form of proxy for use at the Extraordinary General Meeting
“Shareholders”	holders of Ordinary Shares
“Ordinary Shares”	ordinary shares of 5p each in the Company

LETTER FROM THE CHAIRMAN OF NETCALL PLC

Netcall plc

(Incorporated and registered in England with registered no. 01812912)

Directors:

R Allsop
R Elder
H Bang

Registered and Head Office:

10 Harding Way
St Ives
Cambridgeshire
PE27 3WR

27 April 2007

Dear Shareholder

Extraordinary General Meeting and Cancellation of the Share Premium Account

1. INTRODUCTION

As reported in the filed accounts of the Company and its subsidiaries, for the year ended 30 June 2006, turnover grew to £3.13m, an increase of 11.1% over the previous year, with profit before tax increasing by 147% to £391,900. In that year the cash position strengthened by £426,100 to £1,819,500.

In the Interim results for the half year ended 31 December 2006, which were distributed in February 2007, the Group detailed continued implementation of its strategy, and again reported increased revenues and profits, with cash standing at £2,001,000. This was the fifth consecutive half year of profits.

As at 30 June 2006, the Company had accumulated losses, as shown in its balance sheet, of £7,968,400 with the share premium account standing at £15,125,200.

2. REASONS FOR THE CANCELLATION OF THE SHARE PREMIUM ACCOUNT

The Directors consider that the balance sheet is unrepresentative of the financial state of the Company. As a result, the Board has taken the view that a capital realignment should take place through a capital reduction scheme which will have the effect of eliminating accumulated losses and remove the restrictions imposed by Company law on the ability to utilise its reserves.

In addition, the Companies Act 1985 does not allow a company with accumulated losses to utilise its annual profits for any purpose other than to reduce its deficit on distributable reserves.

The Directors propose that the share premium account should be eliminated and used to create distributable reserves.

3. FINANCIAL EFFECT OF THE TRANSACTION

The effect of cancelling the share premium account and subject to protection of the Company's creditors is to eliminate the accumulated losses and create a distributable reserve.

4 PROCEDURE AND TIMETABLE

The Board have decided to apply to the Court to cancel the share premium account. As a preliminary step to this application, the Company requires the approval of the Shareholders by special resolution.

Prior to approving the cancellation of the share premium account, the Court will need to be satisfied that the interests of the Company's creditors are not prejudiced. The terms upon which the Court is prepared to sanction the cancellation will be subject to consideration in due course by the Court and discussion between the Company and its advisers. The Company will make the appropriate arrangements to ensure that the Court is satisfied in this regard. The Directors reserve the right to discontinue the application to the Court if they consider it appropriate and in the interests of the Company. The cancellation will take effect upon registration of the Court Order with the Registrar of Companies.

5. RECOMMENDATION

The Board is of the opinion that the proposed actions are in the long term interests of the Company and recommends shareholders to vote in favour of the relevant resolution to allow the cancellation of the share premium account to take place.

Yours faithfully

R Elder
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Netcall plc (the “**Company**”) will be held at the Company’s offices at 10 Harding Way, St Ives Cambridgeshire PE27 3WR on Tuesday 22 May 2007 at 12 noon for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

“**THAT** the share premium account of the Company be and is hereby cancelled.”

By order of the Board

Abigail Pearson-Hurrell
Secretary

Registered office
10 Harding Way
St Ives
Cambridgeshire
PE27 3WR

27 April 2007

Notes:

1. Only holders of ordinary shares, or their duly authorised representatives, are entitled to attend and vote at this meeting. A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote in his stead. A proxy need not also be a member of the Company. Forms of proxy need to be deposited with the company’s registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not later than 48 hours before the time of the meeting. Completion of a form of proxy will not preclude a member attending and voting in person at the meeting.
2. A pre-paid form of proxy is enclosed for holders of ordinary shares.
3. A copy of this notice and accompanying letter will be available for the public at the Company’s registered office.
4. In accordance with regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the register of members of the Company as at 12 noon on the 20 May 2007, shall be entitled to attend and vote at the meeting in respect of the number of shares in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

**NETCALL PLC
PROXY FORM**

For use at the Extraordinary General Meeting to be held on 22nd May 2007

I (Block letters please).....

.....
of.....

.....
being a member of NETCALL PLC hereby appoint the Chairman of the meeting, or failing him*

.....
of

as my Proxy for me at the EXTRAORDINARY GENERAL MEETING of the Company to be held on 22 May 2007 at 12 noon and at any adjournment of such Meeting and on my behalf to vote:

* If it is desired to appoint as a proxy any other person, delete the Chairman of the meeting, or failing him and insert the name of the proxy; the alteration must be initialled.

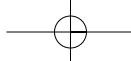
Special Resolution	For	Against
1. That the share premium account of the Company be and is hereby cancelled		

Dated: 2007

Signature of Shareholder:

NOTES

- 1 The Chairman of the meeting shall act as a proxy unless another proxy is desired, in which case, insert the full name of your proxy in the space provided above. A proxy need not be a member of the Company, but must attend the meeting in person. The proxy will act in his/her discretion in relation to any business, other than that above, at the meeting (including any resolution to amend a resolution or to adjourn the meeting).
- 2 When you have completed this form, sign it and return it to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3BR. Any alteration or deletion must be signed and initialled.
- 3 In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by an attorney or officer of the corporation.
- 4 In the case of joint holders, the vote of the senior holder shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names of such holders stand in the register of members in respect of the joint holding.
- 5 To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited with the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3BR, not less than 48 hours before the time of the meeting (or any adjournment thereof).
- 6 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company not later than 12 noon on 20 May 2002 or, if the meeting is adjourned, shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the meeting.



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BUSINESS REPLY SERVICE
Licence No. BM3865



**The Registrar
Neville Registrars Limited
Neville House
18 Laurel Lane
HALESOWEN
West Midlands
B63 3BR**

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and tuck in flap opposite

