



**Carpathian PLC
("Carpathian" or the "Company")**

Notice of Annual General Meeting and Return of Surplus Cash

The Annual General Meeting ("AGM") of the Company will be held at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP at 10.00 a.m. on 6 August 2010.

The circular containing the formal notice convening the AGM (the "Circular"), together with the form of proxy for use at the AGM, have been sent to Shareholders and are available on the Company's website www.carpathianplc.com.

In addition to the business usually conducted by the Company at its Annual General Meeting (namely, the proposal and, if thought fit, adoption of resolutions to approve the audited accounts, the re-appointment of certain Directors, the re-appointment of the Company's auditors and the granting of authorities to allot new shares), the Board has concluded that it is in the best interests of the Company and the Shareholders to propose a resolution at the forthcoming Annual General Meeting to establish a scheme by which cash can be returned to Shareholders.

The Company has previously announced that it will distribute excess cash to Shareholders where possible. The Board considers it preferable to establish, in advance of holding any excess cash, a scheme by which cash can be returned to Shareholders in a flexible form and in a timely manner. It is intended that the proposals will enable your Board to effect this following the generation of such excess cash without convening any further general meeting of Shareholders.

In light of the strategy of the Company to dispose of assets and return Surplus Cash to Shareholders, the Board is mindful of the fact that it has a range of institutional, corporate and individual Shareholders and, as such, proposes adopting a flexible mechanism by which any Surplus Cash can be returned. Having considered the available options, the Board is proposing a structure to allow future cash distributions by the Company to be effected by the bonus issue of newly created classes of shares (B Shares, C Shares and D Shares), to be issued to Shareholders pro rata to their holdings of Ordinary Shares when the Company is in a position to return cash to Shareholders. Subject to the issue of a class of New Shares to Shareholders on the Company's register on the relevant Record Date, each Shareholder (save for certain Shareholders who will only be able to elect for the dividend option) shall be afforded the opportunity to elect to receive the Return of Cash in one of two ways (share buyback or dividend), as further described in the Circular.

The Company intends to implement a Return of Cash as and when disposals of assets of the Company give rise to Surplus Cash. The timing and order of disposals is presently uncertain, but as disposals by the Company are completed and announced, the details of any Return of Cash will subsequently be notified to Shareholders.

At the AGM, Shareholders will be asked to consider ordinary and special business as further set out in the Notice, which is included in the Circular.

Unless otherwise defined, capitalised terms in this announcement have the same meaning as in the Circular dated 14 July 2010.

Further information, please contact:

Carpathian PLC

Rory Macnamara, Non-Executive Chairman

Via Redleaf Communications

Carpathian Asset Management Limited

Paul Rogers/ Balazs Csepregi/Simon Killick

020 7529 6413

ir@carpathianam.com

Collins Stewart Europe Limited

Bruce Garrow

020 7523 8350

Redleaf Communications

Emma Kane/Adam Leviton

020 7566 6700

carpathian@redleafpr.com

IOMA Fund and Investment Management Limited

Philip Scales

01624 681250