

REVISED OFFER FOR AWG PLC

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9 October 2006

Revised Offer

by

Osprey Acquisitions Limited (“Osprey”)

for

AWG Plc (“AWG”)

This morning, Osprey has acquired 13,723,744 AWG Shares representing approximately 9.64 per cent. of the existing issued share capital of AWG at a price of 1578 pence per share. Therefore, as at the time of this announcement, Osprey owns 30,053,446 AWG Shares representing approximately 21.11 per cent. of the existing issued share capital of AWG.

In addition, Canada Pension Plan Investment Board, a party who may be deemed by the Panel to be Acting in Concert with Osprey for the purposes of the Revised Offer, holds 1,421,573 AWG Shares (which will be transferred to Osprey at their acquisition price plus carry cost within 14 days), making the total number of AWG Shares held by Osprey and parties which may be presumed to be acting in concert with it, 31,475,019 (22.11 per cent. of the existing issued share capital of AWG).

Accordingly, the board of directors of Osprey announces a revised offer (the “Revised Offer”) for the entire issued and to be issued share capital of AWG by Osprey. Details of the original offer, which was recommended by the board of directors of AWG, were set out in the announcement of Osprey and AWG dated 2 October 2006 (the “Original Announcement”).

Terms used but not defined in this announcement shall have the meanings given to them in the Original Announcement.

1. The Revised Offer

The Revised Offer, which will be subject to the conditions and further terms set out in the Original Announcement and to be set out in the Offer Document, will be made on the following basis:

for each AWG Share

1578 pence in cash

The Revised Offer values AWG’s entire issued share capital at approximately £2,246 million.

The Revised Offer Price represents:

(i) an increase of 23 pence per share on the original Offer Price set out in the Original Announcement of 1555 pence per AWG share;

(ii) a premium of 15.9 per cent. to AWG's share price of 1362 pence at the close of business on 13 September 2006, the last Business Day before AWG announced it had received an approach that may or may not lead to an offer;

(iii) a premium of 41.7 per cent. to AWG's average share price of 1113 pence for the 12 months ending 13 September 2006, the last Business Day before AWG announced it had received an approach that may or may not lead to an offer; and

(iv) a premium of 2.1 per cent. to AWG's share price of 1545 pence at the close of business on 29 September 2006, the last Business Day before the Original Announcement.

AWG Shareholders who validly accept the Revised Offer (other than certain overseas shareholders) will be able to elect to receive Loan Notes to be issued by Osprey, as set out in the Original Announcement.

2. Financing of the Revised Offer

The cash consideration payable by Osprey under the terms of the Revised Offer will be funded using a mixture of equity and debt funding.

Approximately £1,550 million of funding will be provided to Osprey through subscription by the Consortium for shares and/or loan notes issued by holding companies of Osprey and on-lent to or applied in subscription in cash for ordinary shares issued by Osprey. This funding will be provided by the members of the Consortium on approximately the following basis: CPPIB and CFSGAM each as to 32.3 per cent.; IFM as to 19.4 per cent.; and 3i as to 16.1 per cent.

The balance of the consideration due under the Revised Offer will be made available by way of a credit agreement entered into on 1 October 2006 between amongst others, Osprey and Deutsche Bank AG, London Branch as mandated lead arranger and as facility agent. The credit agreement provides for committed funds which will be used, among other things, to finance the Revised Offer and to provide ongoing working capital for the Wider AWG Group.

Each of Lexicon Partners and Deutsche Bank, in its capacity as joint financial adviser to Osprey, confirm that they are satisfied that resources are available to Osprey to satisfy full acceptance of the Revised Offer.

3. Disclosure of interests in AWG Relevant Securities

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4. **Non-solicitation, matching right and inducement fee**

The Inducement Fee Agreement entered into by AWG with Osprey as set out in the Original Announcement, under which AWG has given various undertakings to Osprey relating to, amongst other things, non-solicitation of Competing Proposals, a matching right and an inducement fee payable in certain circumstances, continues in effect.

5. **General**

Further details of the Revised Offer will be set out in the Offer Document, which is expected to be posted to AWG Shareholders as soon as practicable.

The Revised Offer will be subject to the conditions set out in the Original Announcement and the further terms and conditions to be set out in the Offer Document and, in the case of certificated AWG Shares, the form of acceptance which will accompany the Offer Document.

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This announcement does not constitute an offer or invitation to sell or purchase any securities. The Revised Offer will be made solely by means of the Offer Document and, in the case of certificated AWG Shares, the acceptance forms accompanying the Offer Document, which will contain the full terms and conditions of the Revised Offer including details of how it may be accepted.

Lexicon Partners is acting exclusively for Osprey and no-one else in connection with the Revised Offer and will not be responsible to anyone other than Osprey for providing the protections afforded to clients of Lexicon Partners nor for providing advice in relation to the Revised Offer or any matter referred to in this announcement.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervising Authority) and with respect to UK commodity derivatives business by the Financial Services Authority; regulated by the Financial Services Authority for the conduct of UK business. Deutsche Bank AG is acting exclusively for Osprey and no-one else in connection with the Revised Offer and will not be responsible to anyone other than Osprey for providing the protections afforded to clients of Deutsche Bank AG nor for providing advice in relation to the Revised Offer or any matter referred to in this announcement.

The Revised Offer including the Loan Note Alternative will not be made, directly or indirectly, in or into and will not be capable of acceptance in or from Canada. In addition, it is not currently intended that the Revised Offer including the Loan Note Alternative will be made, directly or indirectly, in or into, or by use of mails or any means or instrumentality (including, without limitation, facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, Canada or any other jurisdiction where to do so would violate the laws of that jurisdiction, and it is not currently intended that the Revised Offer will be capable of acceptance by any such use, means, instrumentality or facility or from within Canada or any such jurisdiction. Accordingly, copies of this announcement are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into or from Canada. Custodians, nominees and trustees should observe these restrictions and should not send or distribute copies of this announcement in or into Canada.

The Loan Notes to be issued in connection with the Revised Offer have not been, nor will they be, registered under the US Securities Act nor under any laws of any jurisdiction of the United States, the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada and no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, the Loan Notes may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration thereof in, such

jurisdiction or to, or for the account or benefit of, a person located in the United States, Canada, Australia or Japan.

This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning Osprey and AWG. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Osprey and AWG assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable law.

The Revised Offer will be made in the United States pursuant to an exemption from the US tender offer rules provided by Rule 14d-1(c) under the US Exchange Act.

Notice to US holders of AWG Shares:

The Revised Offer will be for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The financial information included in this announcement has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Revised Offer will be made in the United States pursuant to applicable US tender offer rules and otherwise in accordance with the requirements of the City Code. Accordingly, the Revised Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Revised Offer by a US holder of AWG Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of AWG Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Revised Offer.

It may be difficult for US holders of AWG Shares to enforce their rights and any claim arising out of the US federal securities laws, since Osprey and AWG are located in non-US jurisdictions, and some or all of their officers and directors may be residents of non-US jurisdictions. US holders of AWG Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of AWG, all “dealings” in any “relevant securities” of AWG, (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Revised Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of AWG, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of AWG by Osprey or AWG, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk/.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Osprey or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, AWG Shares outside the United States, other than pursuant to the Revised Offer, before or during the period in which the Revised Offer remains open for acceptance. Also, in accordance with the City Code, normal UK practice and Rule 14e-5(b) of the US Exchange Act, Morgan Stanley Securities Limited will continue to act as an exempt principal trader in AWG Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UK Listing Authority and will be available on the London Stock Exchange website, www.londonstockexchange.com.