

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at the Company's Annual General Meeting to be held on 22 May 2008. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your ordinary shares in the Company, please forward this document and the form of proxy for use in relation to the Annual General Meeting of the Company, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your ordinary shares in the Company, you should consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

Please see the attached explanatory notes for further details on the resolutions to be proposed at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

SPI LASERS PLC

(INCORPORATED AND REGISTERED IN ENGLAND AND WALES WITH NO. 5546901)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SPI Lasers plc (the "Company") will be held at the offices of Heller Ehrman (Europe) LLP, Condor House, 10 St. Paul's Churchyard, London EC4M 8AL on 22 May 2008 at 10.30 a.m. for the transaction of the following business:

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass Resolutions 1 to 7 (inclusive) as ordinary resolutions of the Company:

RESOLUTION 1

To receive the accounts of the Company for the financial year ended 31 December 2007, together with the directors' report and the auditors' report on those accounts.

RESOLUTION 2

To elect David John Holloway as a director of the Company.

RESOLUTION 3

To re-elect David Gareth Parker as a director of the Company.

RESOLUTION 4

To re-elect Peter Schultz as a director of the Company.

RESOLUTION 5

To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts of the Company are laid.

RESOLUTION 6

To authorise the directors of the Company to determine the auditors' remuneration for the ensuing year.

RESOLUTION 7

To authorise the directors of the Company generally and unconditionally pursuant to section 80 of the Companies Act 1985 (the "Act") (in substitution for all other existing authorities pursuant to section 80 of the Act to the extent not utilised at the date this Resolution is passed) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) provided that this authority shall be limited to the allotment of relevant securities of the Company up to an aggregate nominal amount of £522,111, such authority (unless previously revoked, varied or renewed) to expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the Annual General Meeting of the Company to be held in 2009 provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the directors of the Company may allot relevant securities pursuant to any such offer, agreement or other arrangement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

To consider and, if thought fit, to pass Resolutions 8 and 9 (inclusive) as special resolutions of the Company:

RESOLUTION 8

Subject to the passing of Resolution 7 above, that the directors of the Company be and are hereby empowered to allot equity securities (as defined in section 94(2) to section 94(3A) of the Act) of the Company (in substitution for all other authorities pursuant to section 95 of the Act to the extent not utilised at the date this Resolution is passed) for cash pursuant to the authority conferred by Resolution 7 above as if section 89(1) of the Act or any pre-emption provisions contained in the Company's articles of association (the "Articles") did not apply to any such allotment, provided that this power shall be limited to:

- (a) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as practicable) to their then holdings of such securities but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or desirable in relation to fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory, or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever; and
- (b) any other allotment (otherwise than pursuant to sub-paragraph (a) of this Resolution) of equity securities up to an aggregate nominal amount of £78,316, such power (unless previously revoked, varied or renewed) to expire on the earlier of 15 months after the passing of this Resolution or the conclusion of the Annual General Meeting of the Company to be held in 2009, provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer, agreement or other arrangement as if the power hereby conferred had not expired. This power applies in relation to a 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 authority conferred by Resolution 7 above" were omitted.

RESOLUTION 9

That the Company is generally and unconditionally hereby authorised to make market purchases (within the meaning of section 163(3) of the Act) of any of its ordinary shares of 2.5 pence each ("ordinary shares") on such terms and in such manner as the directors of the Company may from time to time determine provided that:

- (i) the maximum number of ordinary shares hereby authorised to be purchased is 6,265,333 representing approximately 10% of the issued share capital of the Company as of 11 April 2008;
- (ii) the minimum price which may be paid for any such ordinary share is 2.5 pence, exclusive of the expenses of purchase (if any) payable by the Company;
- (iii) the maximum price, exclusive of the expenses of purchase (if any) payable by the Company, which may be paid for any such ordinary share under this authority is an amount equal to 105% of the average of the middle market closing quotations for an ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day of purchase; and
- (iv) unless previously renewed, revoked or varied, the authority hereby conferred shall expire on the earlier of 15 months after the passing of this Resolution or at the conclusion of the Annual General Meeting of the Company to be held in 2009, but a contract for purchase may be made before such expiry which will or may be executed wholly or partly thereafter, and a purchase of ordinary shares may be made in pursuance of any such contract.

BY ORDER OF THE BOARD

DAVID HOLLOWAY
COMPANY SECRETARY

16 APRIL 2008

REGISTERED OFFICE:
3 WELLINGTON PARK
TOLLBAR WAY
HEDGE END
SOUTHAMPTON
SO30 2QU

EXPLANATORY NOTES

ANNUAL REPORT AND ACCOUNTS (RESOLUTION 1)

The directors of the Company (the “directors”) are laying before the Company at this Annual General Meeting the accounts of the Company for the financial year ended 31 December 2007, the report of the directors and the report of the Company’s auditors on those accounts.

ELECTION OF DIRECTOR (RESOLUTION 2)

The Articles require that any director appointed to such position by the board of directors (the “Board”) must be elected at the next Annual General Meeting of the Company. David Holloway, who was appointed by the Board to serve as a director on 1 October 2007, retires and makes himself eligible for election. David Holloway’s biography is contained on page 10 of the Company’s Annual Report and Accounts 2007.

RE-ELECTION OF DIRECTORS (RESOLUTIONS 3 TO 4)

The Articles require certain directors to retire by rotation from time to time. Graham Meek retired and offered himself up for re-election at the Company’s Annual General Meeting in 2007. David Parker and Peter Schultz have both volunteered to be the directors required to retire and offer themselves for re-election at this year’s Annual General Meeting. The directors’ biographies are contained on pages 10 and 11 of the Company’s Annual Report and Accounts 2007.

RE-APPOINTMENT OF AUDITORS (RESOLUTION 5)

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the next such meeting. Resolution 5 proposes the re-appointment of Deloitte & Touche LLP as auditors of the Company.

REMUNERATION OF AUDITORS (RESOLUTION 6)

Resolution 6 authorises the directors to determine the auditors’ remuneration for the ensuing year.

AUTHORITY TO ALLOT ORDINARY SHARES (RESOLUTION 7)

Under section 80 of the Act, directors require shareholders’ authority for allotment of shares. Shareholders last granted such general authority to the directors at the General Meeting in November 2007. Such authority will expire at the end of this Annual General Meeting and Resolution 7 seeks to renew it, although the directors have no current plans to utilise the authority.

Resolution 7 will be proposed as an ordinary resolution, to authorise the directors to allot generally relevant securities up to a maximum nominal value of £522,111 representing one third of the issued share capital of the Company as at 11 April 2008. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the Annual General Meeting of the Company to be held in 2009.

AUTHORITY TO ALLOT ORDINARY SHARES FOR CASH (RESOLUTION 8)

Under section 89 of the Act, if the directors wish to allot any of the unissued ordinary shares for cash they must in the first instance offer them to existing ordinary shareholders in proportion to their ordinary shareholdings. There may be occasions, however, when the directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emptive offer to existing ordinary shareholders. Shareholders last granted authority to the directors to disapply pre-emptive rights at the General Meeting in November 2007. Such authority will expire at the end of this Annual General Meeting and Resolution 8 seeks to renew it.

Resolution 8 imposes a limit of approximately 5% of the issued ordinary share capital as at 11 April 2008 on the issue of new shares and the sale of any treasury shares without first offering them to existing ordinary shareholders. Resolution 8 also seeks a disapplication of the pre-emption rights on a rights issue (or other pre-emptive type issue) so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas ordinary shareholders. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the Annual General Meeting of the Company to be held in 2009.

The directors have no present intention of using the authority proposed to be granted by Resolution 8.

AUTHORITY TO PURCHASE COMPANY’S OWN SHARES (RESOLUTION 9)

In certain circumstances, subject to the provisions of the Act, it may be advantageous for the Company to purchase its own shares and Resolution 9 seeks authority from shareholders to do so up to a limit of approximately 10% of the issued share capital. At the Annual General Meeting in 2007, shareholders granted the directors authority for the Company to purchase its own shares, up to a limit of approximately 10% of the issued share capital of the Company. The current authority will expire at the end of this Annual General Meeting. Resolution 9 seeks to renew this authority to give the Company flexibility to purchase its own shares.

The directors intend to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interest of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account before deciding upon this course of action.

If the Company buys back any of its shares, the Act (as amended by The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the “Treasury Shares Regulations”)) allows the Company to have the choice of holding such shares in treasury (up to a limit of 10% of the issued share capital) or to cancel them or a combination of both. The Company has the option to resell for cash, transfer or cancel any treasury shares.

The directors believe it is advantageous for the Company to have this choice and the directors would consider holding any shares repurchased pursuant to Resolution 9 as treasury shares. The directors further believe that the holding of treasury shares will provide the Company with increased flexibility in managing its share capital. No voting rights would be exercised, or dividends paid, in respect of any treasury shares.

The authority sought by Resolution 9 will expire on the earlier of 15 months after the passing of the Resolution or the conclusion of the Annual General Meeting of the Company held in 2009. The directors intend to seek renewal of this power at subsequent Annual General Meetings.

As of 11 April 2008, there were options and warrants over 4,799,752 ordinary shares representing approximately 7.7% of the then issued share capital of the Company. If the authority sought by Resolution 9 were exercised in full and all shares purchased by the Company were cancelled, these options and warrants would represent approximately 8.5% of the issued share capital of the Company as of 11 April 2008.

The Company does not hold any shares in treasury as of 11 April 2008.

NOTES:

ENTITLEMENT TO ATTEND AND VOTE

- (i) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 20 May 2008 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.00 p.m. on 20 May 2008 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at this Annual General Meeting.

APPOINTMENT OF PROXIES

- (ii) A shareholder entitled to attend and vote at this Annual General Meeting is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the Annual General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- (iii) A proxy does not need to be a shareholder of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- (iv) A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxyholders' name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.
- (v) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.
- (vi) The notes to the proxy form explain how to direct your proxy, how to vote on each resolution or how to withhold their vote.
- (vii) To appoint a proxy using the proxy form, the form must be:
- completed and signed;
 - sent or delivered to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
 - received by Capita Registrars no later than 48 hours before the time of the Annual General Meeting or any adjournment thereof.

In the case of a shareholder 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.

The original of 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.

APPOINTMENT OF PROXY BY JOINT SHAREHOLDERS

- (viii) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

CHANGING PROXY INSTRUCTIONS

- (ix) To change your proxy instructions simply submit a new proxy form using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the proxy form and would like to change the instructions using another proxy form, please contact Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

TERMINATION OF PROXY APPOINTMENTS

- (x) In order to revoke a proxy instruction you will need to send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the registered office of the Company. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. The original of any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Company no later than 10.30 a.m. on 20 May 2008.

Appointment of a proxy does not preclude you from attending the Annual General Meeting and voting in person. If you have appointed a proxy and attend the Annual General Meeting in person, your proxy appointment will automatically be terminated.

CORPORATE REPRESENTATIVES

- (xi) In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the Annual General Meeting so that:

- (a) if a corporate member has appointed the Chairman of the Annual General Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the Annual General Meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote or withhold a vote as corporate representative in accordance with those directions; and
- (b) if more than one corporate representative for the same corporate member attends the Annual General Meeting but the corporate member has not appointed the Chairman of the Annual General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (a) above. The Institute of Chartered Secretaries and Administrators recommends the use of multiple proxies wherever possible in favour of corporate representatives.

COMMUNICATION

- (xii) Except as provided above, shareholders who have general queries about the Annual General Meeting should use the following means of communication (no other method of communication will be accepted):

- calling our Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras)

You may not use any electronic address provided in this notice of Annual General Meeting or any related documents to communicate with the Company for any purposes other than those expressly stated.

DOCUMENTS ON DISPLAY

- (xiii) The Memorandum and current Articles of Association of the Company are available for inspection on any day (except Saturday, Sunday and Bank Holidays) up to and including the date of this Annual General Meeting during usual business hours at the registered office of the Company and at the offices of Heller Ehrman (Europe) LLP, Condor House, 10 St Paul's Churchyard, London EC4M 8AL and will, on the date of this Annual General Meeting, be available for inspection at the meeting from 10.15 a.m. until the conclusion of the meeting.

RECOMMENDATIONS

- (xiv) The directors consider that the proposals set before the meeting are in the best interests of the Company and its shareholders in general and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The directors therefore unanimously recommend that you vote in favour of all of the resolutions set out above as they intend to do in respect of their own beneficial holdings.