

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. If you have sold or transferred all of your Ordinary Shares in Augean plc (the “Company”) please send this Circular together with the accompanying Form of Proxy immediately to the purchaser or transferee or to the agent through whom the sale or transfer was effected for onward transmission. If you have sold or transferred only part of your holding of Ordinary Shares in the Company, you should retain this document and consult the agent through whom the sale or transfer was effected.

Application has been made to the London Stock Exchange for the Tranche 1 Placing Shares to be admitted to trading on AIM. It is anticipated that First Admission will become effective and that dealings in the Tranche 1 Placing Shares will commence at 8.00 a.m. on 6 October 2009. Application will be made to the London Stock Exchange for the Tranche 2 Placing Shares to be admitted to trading on AIM. It is anticipated that Second Admission will become effective and that dealings in the Tranche 2 Placing Shares will commence at 8.00 a.m. on 22 October 2009. **The London Stock Exchange has not itself examined or approved the contents of this Circular.** This document is not a prospectus in accordance with the Prospectus Rules of the Financial Services Authority.

The Directors whose names appear on page 6 of this Circular accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts, and this document makes no omission likely to affect the import of such information.

AUGEAN PLC

(Incorporated and registered in England and Wales with registered no. 5199719)

Proposed Placing of up to 34,210,522 new Ordinary Shares of 10p each at 38p per share and Notice of General Meeting

The distribution of this Circular outside the UK may be restricted by law. Persons outside the UK who come into possession of this Circular should inform themselves about and observe any restrictions on the distribution of this Circular in their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. This Circular does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe or buy, Placing Shares to any person in any jurisdiction. In particular, this Circular is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Placing Shares may not, subject to certain exceptions, be offered directly or indirectly in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The Placing Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, Canada, Australia, the Republic of South Africa or Japan and they may not be offered or sold directly or indirectly within the United States of America, Canada, Australia, the Republic of South Africa or Japan or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan.

Singer Capital Markets Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as the Company’s nominated adviser and broker in connection with the Placing and is acting exclusively for the Company. Its responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or to any other person in respect of his decision to acquire shares in the Company in reliance upon any part of this document. No representation or warranty, express or implied, is made by Singer Capital Markets Limited as to any of the contents of this Circular (without limiting the statutory rights of any person to whom this document is issued). Singer Capital Markets Limited will not be offering advice and will not otherwise be responsible for providing client protections to recipients of this Circular in respect of the Placing or any acquisition of shares in the Company.

Notice of a General Meeting of the Company to be held at 11.00 a.m. on 19 October 2009 at the offices of Singer Capital Markets Limited, One Hanover Street, London W1S 1YZ is set out at the end of this Circular. Shareholders will find enclosed a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed, signed and returned to the Registrar, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 11.00 a.m. on 17 October 2009. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

YOUR ATTENTION IS DRAWN TO THE LETTER FROM THE CHAIRMAN WHICH IS SET OUT IN PART I OF THIS CIRCULAR.

This document includes projections and forward-looking statements that are predictions of or indicate future events and future trends. These forward-looking statements include all matters that are not historical facts. Shareholders should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company's control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance, and the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates may differ materially from that made in or suggested by the forward-looking statements contained in this document. The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Company, or persons acting on its behalf, may issue.

These forward-looking statements are made as of the date of this document and are not intended to give any assurances as to future results. Save as required by law or regulation the Company undertakes no obligation to update these forward-looking statements, and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this Circular.

CONTENTS

	<i>Page</i>
Definitions	4
Part I - Letter from the Chairman of Augean	6
Part II - Notice of General Meeting	10

PLACING STATISTICS

(assuming all the Placing Shares are issued)

Placing Price	38 pence
Number of Placing Shares being placed in Tranche 1	21,052,626
Number of Placing Shares being placed in Tranche 2	13,157,896
Total number of Placing Shares being placed on behalf of the Company	34,210,522
Number of Ordinary Shares in issue following Second Admission	99,699,414
Percentage of enlarged issued share capital following the Placing which is subject to the Placing	34.3
Estimated proceeds of the Placing available to the Company (net of expenses)	£12.2 million

EXPECTED TIMETABLE OF EVENTS

Admission of the Tranche 1 Placing Shares to AIM	8.00 a.m. on 6 October 2009
Latest time for receipt of Forms of Proxy	11.00 a.m. on 17 October 2009
General Meeting	11.00 a.m. on 19 October 2009
Admission of the Tranche 2 Placing Shares to AIM	8.00 a.m. on 22 October 2009

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy unless the context requires otherwise:

"Act"	the Companies Act 2006, as amended;
"Admission"	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
"AGM"	annual general meeting;
"AIM"	AIM, a market operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange;
"Augean" or "Company"	Augean plc;
"Board" or "Directors"	the directors of Augean whose names are set out on page 6 of this Circular;
"Circular"	this circular to Shareholders in respect of Tranche 2;
"CREST"	the United Kingdom paperless share settlement system in respect of which CRESTCo Limited is the Operator (as defined in the Uncertificated Securities Regulations 2001);
"First Admission"	admission of the Tranche 1 Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
"Form of Proxy"	the form of proxy accompanying this Circular for use at the GM;
"GM" or "General Meeting"	the general meeting of Augean to be held at 11.00 a.m. on 19 October 2009, notice of which is set out in Part II of this Circular;
"Group"	the Company and its subsidiaries;
"London Stock Exchange"	London Stock Exchange plc;
"Ordinary Shares"	the ordinary shares of 10 pence each in the capital of the Company;
"Placing"	the proposed placing by Singer of the Placing Shares on behalf of the Company at the Placing Price on the terms of the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 30 September 2009 between Singer and the Company relating to the Placing, a summary of which is set out in paragraph 6 of the letter from the Chairman;

“Placing Price”	38 pence per Placing Share;
“Placing Shares”	34,210,522 new Ordinary Shares to be allotted pursuant to the Placing;
“Resolutions”	the resolutions to be proposed at the GM, as set out Part II of this Circular;
“Second Admission”	admission of the Tranche 2 Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“Shareholders”	holders of Ordinary Shares;
“Singer”	Singer Capital Markets Limited;
“Tranche 1”	the first tranche of the Placing consisting of 21,052,626 Placing Shares;
“Tranche 2”	the second tranche of the Placing consisting of 13,157,896 Placing Shares;
“Tranche 1 Placing Shares”	the 21,052,626 Placing Shares issued in Tranche 1;
“Tranche 2 Placing Shares”	the 13,157,896 Placing Shares issued in Tranche 2; and
“UK” or “the United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.

PART I

LETTER FROM THE CHAIRMAN OF AUGEAN

AUGEAN PLC

(Incorporated and registered in England and Wales with registered no. 5199719)

Directors:

David Williams	<i>Non-Executive Chairman</i>
Paul Blackler	<i>Chief Executive</i>
Peter Southby	<i>Finance Director</i>
Roger McDowell	<i>Non-Executive Director</i>
Andrew Bryce	<i>Non-Executive Director</i>
Rory Macnamara	<i>Non-Executive Director</i>

Registered office:

4 Rudgate Court
Walton
Near Wetherby
West Yorkshire
LS23 7BF

2 October 2009

To Shareholders and, for information purposes only, to the holders of options and warrants in the Company

Dear Shareholder,

Proposed Placing of up to 34,210,522 new Ordinary Shares and

Notice of General Meeting

1 Introduction

The Board announced on 30 September 2009 that Augean has agreed, to raise approximately £12.2 million, net of expenses, by way of a cash box placing. Further details of the Placing, which has been fully underwritten by Singer, are set out in paragraph 6 below.

The Placing has been effected under a cash box structure and consists of two tranches, Tranche 1 and Tranche 2. The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the existing issued shares of the Company.

Tranche 2 is subject to shareholder approval and the General Meeting is convened for 11.00 a.m. on 19 October 2009. The purpose of this Circular is to provide you with information on the Placing and to convene the General Meeting at which your approval will be sought for the Resolutions, as set out in the notice of General Meeting in Part II of this Circular.

2 Background to and reasons for the Placing

As announced on 30 September 2009, Augean intends to raise £12.2 million, net of expenses, from the Placing.

Augean is a major participant in the highly regulated waste management market. Since inception seven separate businesses have been acquired and integrated which has resulted in a strong platform for growth having been established. However, in the economic downturn the Group has experienced challenging markets and the Board is expecting this to continue for the remainder of this year. Despite the challenging markets Augean has managed to increase its underlying client base.

The new funds raised through the Placing will primarily be used to reduce the Company's overall indebtedness and will also provide working capital for Augean going forward as the Company enters new markets.

3 Interim Results

The Company's interim results for the six month period to 30 June 2009 were announced on 30 September 2009.

The Group reported revenue excluding landfill tax of £15 million. This represents a reduction of 10.7 per cent. over the same period last year. Year-on-year operating profit was down 34.8 per cent. to £1.5 million. Both underlying profit before tax and adjusted earnings per share of £1.0 million and 1.5 pence respectively, were down almost 17 per cent. Cash flow from operations reduced by £1.3 million to £3.0 million and net debt improved from £20.4 million to £18.0 million.

4 Banking

The Board of Augean is in the process of reviewing the Company's banking facilities. The Company has received a credit approved offer from its incumbent debt provider for new banking facilities. However, this offer is still subject to contract and usual pre-conditions.

The proceeds from the Placing will strengthen Augean's balance sheet and the Directors believe that this should facilitate easier negotiations with potential banking partners.

5 Projections

Due to the lack of publicly available projections for the financial performance of Augean the Board has decided to make public its financial projections for the two financial years ending 31 December 2010 and 2011. These summary projections are set out in the table below:

	2010	2011
	£'m	£'m
Net revenue	34.2	36.5
EBITDA	8.8	10.3
PBT	3.4	7.3
Free cash flow	2.2	4.7

The above summary projections are based on certain assumptions, including but not limited to:

- steady underlying performance of the core landfill division;
- some economy related improvements in the treatment division;
- some impact from new identified strategic opportunities in 2010; and
- more significant impact from new identified strategic opportunities in 2011.

6 The Placing

The Company announced on 30 September 2009 that it was raising approximately £12.2 million, net of expenses, through the placing of 34,210,522 Placing Shares. In order to broaden the institutional shareholder base and to minimise transactional costs, the Placing Shares are being offered to a limited number of existing and new institutional shareholders. The Placing has been underwritten by Singer.

The Placing Price represents a discount of approximately 17.4 per cent. to the closing mid-market price of 46 pence per Ordinary Share as at 29 September 2009, the latest practicable date prior to the announcement of the Placing. The Placing Shares will rank *pari passu* with the existing Ordinary Shares.

The issue of the Placing Shares is to be effected by way of a cash box placing which means that the Placing Shares are not issued for cash and so are not required to be issued on a pre-emptive basis.

The Placing consists of two tranches, each conditional upon Admission and upon the Placing Agreement having become unconditional and not being terminated (as regards that tranche).

The First Tranche consists of 21,052,626 Placing Shares, for which admission to trading has been sought, and it is expected that dealing in the Tranche 1 Placing Shares will commence on 6 October 2009. The Board already has shareholder consent granted at the most recent AGM to the issue of the First Tranche Placing Shares.

The Second Tranche consisting of 13,157,896 Placing Shares is subject to shareholder approval which is being sought at the GM on 19 October 2009 with Second Admission expected on or around 22 October 2009.

The Placing is to be effected on behalf of the Company by Singer on the terms of the Placing Agreement. The Placing Agreement provides for Singer to use its reasonable endeavours to procure placees for the Placing Shares and in the event that placees are not procured, Singer will itself acquire the Placing Shares.

The Placing Agreement contains customary warranties given by the Company with respect to its business and the Group and certain matters connected with the Placing. In addition, the Company has given indemnities to Singer in connection with the Placing and Singer's performance of services in relation to the Placing. Singer is entitled to terminate the Placing Agreement in specified circumstances.

The Placing Shares represent approximately 34.3 per cent. of the enlarged issued ordinary share capital of the Company following the Placing.

7 General Meeting and action to be taken

You will find a notice in Part II of this Circular convening a General Meeting of the Company, which is to be held at the offices of Singer Capital Markets Limited, One Hanover Street, London, W1S 1YZ at 11.00 a.m. on 19 October 2009, to consider and, if thought appropriate, pass the Resolutions as ordinary resolutions.

Resolution 1 is an ordinary resolution to increase the authorised share capital of the Company from £10,050,000 to £10,300,000 by the creation of 2,500,000 new Ordinary Shares. The authorised share capital is proposed to be increased to create flexibility for future issues under the existing authority to allot shares up to 3,274,450 new Ordinary Shares on a non pre-emptive basis. This authority was granted at the last AGM.

Resolution 2 is an ordinary resolution to authorise the Directors to allot sufficient new Ordinary Shares for the purposes of Tranche 2 and for the existing authority to allot up to 3,274,450 new Ordinary Shares on a non pre-emptive basis.

Shareholders will find a Form of Proxy enclosed with this Circular. Whether or not you intend to be present at the General Meeting, you are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to be received by the Registrar, Computershare Investor Services PLC, The Pavillions, Bridgwater Road, Bristol, BS99 6ZY, not later than 11 a.m. on 17 October 2009. Completion and returning the Form of Proxy will not preclude you from attending the meeting and voting in person, if you so wish.

8 Related party transaction

JO Hambro, being the Company's second largest shareholder (which currently holds 10,910,000 Ordinary Shares representing 16.7 per cent. of the total issued share capital of the Company), has subscribed for 7,231,786 Placing Shares in the Placing and is deemed to be a related party transaction pursuant to Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company's Nominated Adviser, Singer Capital Markets Limited, that the terms of the Placing are fair and reasonable insofar as the shareholders of the Company are concerned.

9 Directors' Shareholding

The Directors have agreed to subscribe an aggregate of £0.11 million for 299,063 new Ordinary Shares at the Placing Price. The beneficial and non-beneficial interests of the Directors (not including unexercised options over Ordinary Shares) on the date of this Circular and following the Placing are set out below:

<i>Director</i>	<i>Current interest</i>		<i>Number of new Ordinary Shares acquired in the Placing</i>	<i>Interest after the Placing</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Ordinary Share Capital</i>		<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Ordinary Share Capital</i>
David Williams	480,000	0.73	250,744	730,744	0.73
Peter Southby	15,000	0.02	7,834	22,834	0.02
Roger McDowell	60,000	0.09	31,342	91,342	0.09
Andrew Bryce	7,500	0.01	3,919	11,419	0.01
Rory Macnamara	10,000	0.02	5,224	15,224	0.02

10 Recommendation

The Directors consider the terms of the Placing to be fair and reasonable insofar as the Shareholders are concerned and in the best interests of the Company and accordingly recommend that you vote in favour of the Resolutions at the GM as they intend to do so in respect of their own beneficial shareholdings in the Company, being 572,500 Ordinary Shares (756,540 Ordinary Shares following the issue of the Tranche 1 Placing Shares and First Admission), representing approximately one per cent. of the existing issued ordinary share capital.

Yours faithfully,

David Williams

Non-Executive Chairman

PART II

AUGEAN PLC

(Registered in England with number 5199719)

(the "Company")

Notice of General Meeting

NOTICE IS GIVEN that a general meeting of the Company will be held at the offices of Singer Capital Markets Limited, One Hanover Street, London W1S 1YZ on 19 October 2009 at 11.00am for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

- 1 That with effect from the passing of this resolution 1 the authorised share capital of the Company is increased from £10,050,000 to £10,300,000 by the creation of 2,500,000 new ordinary shares of 10 pence each in the capital of the Company having the rights set out in the articles of association of the Company.
- 2 That, for the purposes of section 551 of the Companies Act 2006 (the **Act**), the directors of the Company (the **Directors**) be authorised under section 551 of the Act generally and unconditionally to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £1,565,535, provided that this authority shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 6 months after the end of the Company's current financial year, unless such authority shall have been previously revoked or varied by the Company in general meeting and save that the Directors may before the expiry of the authority granted by this resolution make an offer or agreement which would or might require shares in the Company to be allotted, or rights to be granted, after such expiry and the Directors may allot such shares, or grant such rights, in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

2 October 2009

By order of the Board

Susan Fadil, FCIS
Company Secretary

Registered Office:
4 Rudgate Court
Walton
Wetherby
West Yorkshire
LS23 7BF

Registered in England and Wales No. 5199719

Notes

- (a) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the relevant register of members (the **Register**) for certificated or uncertificated shares of the Company (as the case may be) at 11.00 am on 17 October 2009 (the **Specified Time**) will be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at the time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the General Meeting. Should the General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned General Meeting. Should the General Meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in the notice.
- (b) Any member may appoint a proxy to attend, speak and vote on their behalf. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares of the member, but must attend the meeting in person. A proxy need not be a member. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. The return of a completed proxy form will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
- (c) To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.00 am on 17 October 2009.
- (d) If a corporation is a member of the Company, it may by resolution of its directors or other governing body authorise one or more persons to act as its representative or representatives at the General Meeting and any such representative or representatives shall be entitled to exercise on behalf of the corporation all the powers that the corporation could exercise if it were an individual member of the Company. Corporate representatives should bring with them either an original or certified copy of the appropriate board resolution or an original letter confirming the appointment, provided it is on the corporation's letterhead and is signed by an authorised signatory and accompanied by evidence of the signatory's authority.
- (e) Electronic proxy appointment (**EPA**) will be available for the General Meeting. EPA enables shareholders to submit their proxy appointment by electronic means via a website provided by Computershare Investor Services PLC at www.eproxyappointment.com. This facility provides for the electronic appointment of a proxy but not direct electronic voting so the person appointed as proxy will be required to attend the meeting in person and, on a poll, vote on your behalf. Further details of EPA are set out in the notes to the proxy form.
- (f) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (Euroclear) specifications and must contain the information required

for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the company's agent is able to retrieve the message by the enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, Crest members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (g) As at 1 October 2009 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 65,488,892 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 1 October 2009 are 65,488,892. Following the issue of the Tranche 1 Placing Shares and First Admission (which is anticipated to occur on 6 October 2009) the Company's issued share capital will consist of 86,541,518 Ordinary Shares. Therefore, the total voting rights in the Company will increase to 86,541,518 prior to the Specified Time.