

ENDACE LIMITED

NOTICE OF ANNUAL MEETING 2011

Endace Limited (the “Company”) gives you notice that its annual meeting will be held at the offices of Endace Europe Limited, Davidson House, Forbury Square, Reading, Berkshire RG1 3EU, United Kingdom on Tuesday 26 July 2011 at 9.30 am BST.

The business of the meeting will be:

General Business

To consider and, if thought fit, pass the following resolutions numbered 1-6 (inclusive) as ordinary resolutions:

1. To receive the Directors’ Report, the Financial Statements, and the Auditors’ Report for the year ended 31 March 2011;
2. To elect Clayton Wakefield as a director, being a director appointed by the Board during the year;
3. To re-elect John Scott as a director, who, in accordance with the constitution of the Company, retired by rotation at this annual meeting and being eligible, offered himself for re-election;
4. To re-elect Mark Rowan as a director, who, in accordance with the constitution of the Company, retired by rotation at this annual meeting and being eligible, offered himself for re-election;
5. To re-appoint PricewaterhouseCoopers as auditors and to authorise the Board to fix the auditors’ fees and expenses; and
6. To authorise the payment of remuneration to all non-executive directors taken together in their capacity as directors of up to US\$ 400,000 per annum.

Special Business

7. To consider and, if thought fit, pass the following as an ordinary resolution:

“For the purposes of clause 4.2 of the Company’s constitution (the “Constitution”) the Board be and is hereby generally and unconditionally authorised to exercise all the powers of the Company to issue Relevant Securities (as defined in the Constitution) up to an aggregate maximum of 5,000,086 ordinary shares (being equivalent to 33% of the 15,151,776 ordinary shares in issue at the date of the notice convening this meeting). The authority conferred by this resolution shall expire fifteen months after the passing of this resolution or the conclusion of the Company’s next annual meeting if earlier but may be previously revoked or varied from time to time by the Company in general meeting. Under the authority hereby conferred the Board may during such period make an offer or agreement which would or might require Relevant Securities to be issued after such expiry, revocation or variation and the Board may issue Relevant Securities in pursuance of such offer or agreement as if such authority had not expired or been revoked or varied.”

8. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

“That (subject to the passing of resolution 7 set out in the notice convening this meeting) the Board be and is hereby empowered for the purposes of clause 4.3 of the Constitution to issue Equity Securities (as defined in the Constitution) and sell Treasury Stock (as defined in the Constitution) pursuant to the authority conferred by such resolution otherwise than

pursuant to a Pre-Emptive Issue (as defined in the Constitution) provided that such power shall be limited to the issue of Equity Securities or the sale of Treasury Stock up to an aggregate maximum of 757,588 ordinary shares (being equivalent to 5% of the 15,151,776 ordinary shares in issue at the date of the notice convening this meeting). The power hereby conferred shall expire fifteen months after the passing of this resolution or at the conclusion of the Company's next annual meeting if earlier but may be previously revoked or varied from time to time by special resolution. Under the authority hereby conferred the Board may during such period make an offer or agreement which would or might require Equity Securities to be issued or Treasury Stock to be sold after such expiry, revocation or variation and the Board may issue Equity Securities and sell Treasury Stock in pursuance of such offer or agreement as if such power had not expired or been revoked or varied."

Other Business

9. To consider any other matter that may be properly brought before the meeting.

Notes:

1. A Shareholder who is entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his or her behalf, provided that only one proxy may be appointed by a Shareholder in respect of a particular share held by him/her. A proxy need not be a Shareholder of the Company. To be effective, a completed and signed Form of Proxy (and any power of attorney or other authority under which it is signed) must be delivered to Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England by no later than 48 hours before the time fixed for the meeting or any adjourned meeting. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting in person, in which event the Form of Proxy shall be automatically revoked.
2. A Shareholder who is a corporate body may appoint a representative to attend a meeting of Shareholders on its behalf in the same manner as that in which it could appoint a proxy. A corporate representative shall have the same rights and powers as if the representative were a proxy.
3. In the case of joint holders of shares in the Company, the vote of the person named first in the Company's share register and voting on a matter will be accepted to the exclusion of the votes of the other joint holders.
4. In the case of holders of Depository Interests representing ordinary shares in the Company, a Form of Direction must be completed in order to instruct Capita IRG Trustees Limited, the Depository, to vote or abstain from voting on the holder's behalf at the meeting or, if the meeting is adjourned, at the adjourned meeting. To be effective, a completed and signed Form of Direction (and any power of attorney or other authority under which it is signed) must be delivered to Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, England by no later than 72 hours before the time fixed for the meeting or any adjourned meeting. Completion and return of the Form of Direction will not preclude a holder of Depository Interests from attending and voting at the meeting in person. Depository Interest holders wishing to attend the meeting should contact the Depository at Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or email custodymgt@capitaregistrars.com by no later than 3:00 pm on 21 July 2011.
5. New Zealand-based Shareholders may participate in the meeting by attending the Company's office at Level 2, Building A, The Millennium Building Phase 2, 600 Great South Road, Ellerslie, Auckland which will be connected to the meeting by video conference. The meeting commences at 8.30 pm New Zealand time.

Further Explanatory Notes:

1. Resolution 1 – Directors' Report, the Financial Statements and Auditors' Report

The directors are required to present the Directors' Report, the Financial Statements, and the Auditors' Report for the year ended 31 March 2011.

2. Resolutions 2, 3 and 4 – Re-election of Directors

Clause 22.4 of the Constitution requires that any director appointed by the Board shall hold office only until the next annual meeting and shall then be eligible for re-election at that meeting. Clayton Wakefield was appointed by the Board and therefore seeks election by the Shareholders at the annual meeting.

In accordance with the Constitution, John Scott and Mark Rowan retire by rotation and being eligible, offer themselves for re-election.

Clause 22.6 of the Constitution requires that all Directors shall retire at intervals of no more than three years.

Under clause 22.5, as John Scott and Mark Rowan are retiring at this meeting, nomination by a Shareholder is not required.

Clause 22.7 requires each appointment to be voted on individually.

Details of all of the Company's directors can be found in the enclosed Annual Report.

3. Resolution 5 – Re-appointment of Auditors

The Company is required to appoint auditors at each annual meeting to hold office until the next such meeting at which accounts are presented. These resolutions propose the re-appointment of the Company's existing auditors, PricewaterhouseCoopers, and authorise the directors to agree their remuneration.

4. Resolution 6 – Directors' Remuneration

This resolution asks the Shareholders to approve the total remuneration to be paid to non-executive directors, as required by clause 28.1 of the Constitution. The resolution does not affect the remuneration of executive directors in their capacity as executives.

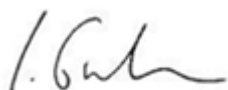
5. Resolution 7– Authority to issue Relevant Securities

This resolution asks the Shareholders to renew the Board's general authority to issue shares, should it be desirable to do so. If approved, this authority is limited to 33% of the Company's issued share capital. This authority will expire 15 months from the date of the resolution or, if earlier, at the next annual meeting.

6. Resolution 8 – Disapplication of Pre-Emptive Rights

This resolution asks the Shareholders to renew an existing authority given to the Board to issue shares to persons other than existing Shareholders up to a maximum of 5% of the Company's issued share capital. This authority, which will expire 15 months from the date of the resolution or, if earlier, at the next annual meeting, gives the Board flexibility to take advantage of business opportunities as they arise and the 5% limit ensures that existing Shareholders' interests are protected.

By order of the Board



Ian Graham

Chairman, Endace Limited

27 June 2011