

24<sup>th</sup> July 2012  
Our Ref: RES/SSCJ

**Computershare Investor Services (Jersey) Limited**

Queensway House  
Hilgrove Street  
St Helier  
Jersey  
JE1 1ES

Telephone +44 (0) 870 707 4040

Facsimile +44 (0) 870 873 5851

You can check your holding at:  
[www.investorcentre.co.uk/jc](http://www.investorcentre.co.uk/jc)

Dear Restricted Shareholder

Spectra Systems Corporation

We are writing to advise you that Spectra Systems Corporation has established a depository interest facility to enable Common Shares to be traded in electronic form within the CREST system. From 25 July 2012, Common Shares may have their restrictive legend removed and may then be admitted to CREST as depository interests, thereby allowing electronic settlement of transactions in Common Shares within the CREST system. Holders of Depository Interests have the same rights as holders of Common Shares.

Common Shares whose restrictive legend has been lifted will trade under ISIN number US84756T1060 (AIM:SPSY). Common shares whose restrictive legend has not been formally lifted will continue to trade under ISIN number USU8457D1091 (AIM:SPSC).

Shareholders should note that in order to have the restrictive legend removed, they will need to provide their share certificates to the Company's registrar and make certain representations to the Company. Common Shares that have had the restrictive legend removed will be transferred into the new ISIN number on a weekly basis. Shareholders should then contact their broker or custodian to arrange to have their unrestricted shares dematerialised and transferred into the CREST system.

Shareholders who do not wish to deposit their common shares into CREST may continue to hold them in certificated form once the restrictive legend is removed.

In simple terms, CREST allows its participants to hold shares electronically without the need for certificates. However, shareholders who do not wish to participate in the CREST system may continue to hold their shares as they do now in certificated form.

In order to exchange shares for Depository Interests and hold a position in CREST, a holder must have a CREST account, or have a relationship with a Broker who is able to hold stock on behalf of the holder in a Nominee arrangement. In either case, the movement of shares into CREST is a straightforward exercise and can be achieved by the completion of a CREST transfer form which can be obtained from the shareholder's own Broker.

If you are interested in holding your restricted shares in electronic form, you will be required to submit to Computershare Jersey your current legended certificate together with a completed Letter of Transmittal signed by the shareholder. Computershare will then arrange for a clean certificate to be reissued. Upon your receipt of the cleansed certificate, you will need to submit this to your Broker together with a completed Crest Transfer Form. Your Broker will then deposit this into Crest via the Crest Counter.

If you have any additional questions, please contact Sheena Toudic, Computershare Investor Services (Jersey) Limited at +44 1534 281877.

Yours faithfully

Computershare Investor Services Plc

(A) LETTER OF TRANSMITTAL

**Spectra Systems Corporation (the "Company")  
Removal of Restrictive Legends  
From Certificates  
Representing Common Shares of the  
Company's bearing a restrictive legend ("Restricted Shares")**

***Deliver To:***

Computershare Investor Services (Jersey) Limited  
Queensway House, Hilgrove Street,  
St Helier, Jersey, Channel Islands, JE1 1ES  
T +44 1534 281877  
Attn: Sheena Toudic  
[sheena.toudic@computershare.co.je](mailto:sheena.toudic@computershare.co.je)

**The instructions accompanying this Letter of Transmittal should be read carefully before this Letter of Transmittal is completed.**

This Letter of Transmittal may be used by Eligible Holders of Restricted Shares to tender share certificates bearing restrictive legends (the “**Old Certificates**”) for new certificates without a restrictive legend (“**New Certificate**”). The term “**Eligible Holder**” means any person in whose name an Old Certificate is registered on the books of the Company, or any person who holds such Old Certificates and has obtained a properly completed stock power who satisfies the eligibility criteria set out in the accompanying letter from the Company.

An Eligible Holder that tenders its Old Certificates along with a validly completed and executed Letter of Transmittal may, at its option:

- receive a new certificate without a restrictive legend (a “**New Certificate**”) for safekeeping; or
- deposit its restricted stock into CREST, which is the electronic settlement system for the transfer of securities used in the United Kingdom. (pls refer to Instruction 3 on the process involved in depositing into CREST).

The undersigned Eligible Holder has completed executed and delivered this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the removal of the restrictive legend from the undersigned’s Old Certificates.

**DESCRIPTION OF CERTIFICATES TENDERED (See Instruction 2)**

<b>Name(s) and Address(es) of Registered Holder(s) Exactly as Name(s) Appear(s) on Old Certificates (Please Fill In, If Blank)</b>	<b>Registered Number(s)</b>	<b>Number of restricted Shares tendered / Aggregate No. of restricted Shares Represented by Certificate</b>

	<b>Total</b>	
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<b>DISPOSITION OF RESTRICTED SHARES TENDERED (See Instruction 3)</b>
<b>Number of Restricted Shares To Be Issued in a New Certificate</b>

**IF LEFT UNCOMPLETED THE DETAILS ON THE TENDERED CERTIFICATE WILL BE UNCHANGED ON THE NEW UNLEGENDED CERTIFICATE**

Name of Eligible Holder: \_\_\_\_\_  
 Address of Eligible Holder:  
 Street Address: \_\_\_\_\_  
 City and State: \_\_\_\_\_  
 Zip Code: \_\_\_\_\_

Address to Which New Certificate should be delivered: (if this differs from the above)  
 Street Address: \_\_\_\_\_  
 City and State: \_\_\_\_\_  
 Zip Code: \_\_\_\_\_

The undersigned hereby tenders to the Company the Old Certificate or Certificates indicated above for the purpose of exchanging such Old Certificates bearing restrictive legends for freely tradable securities, and, at the option of the undersigned, receive a New Certificate or Certificates for safekeeping without restrictive legends, or to deposit such freely tradable securities into CREST through their Broker.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender and exchange the Old Certificates tendered hereby, either for a New Certificate or Certificates or for deposit of the shares represented by the Old Certificates into CREST.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the exchange of the Old Certificates tendered hereby.



## **INSTRUCTIONS**

### **1. DELIVERY OF THIS LETTER OF TRANSMITTAL**

All Old Certificates, as well as a properly completed and duly executed copy of this Letter of Transmittal or facsimile hereof, and any other documents required by this Letter of Transmittal, must be delivered to the Company's transfer agent at the address set forth on the first page of this Letter of Transmittal.

The method of delivery of any required documents is at the election and risk of the tendering holder and will be deemed tendered only when actually received by the Company's transfer agent.

### **2. COMPLETION OF DESCRIPTION OF CERTIFICATES TENDERED TABLE**

In the box to the far left, please fill in the exact name that appears on each Old Certificate being tendered.

In the column titled "Registered Number(s)," please fill in the stock certificate number on each Old Certificate being tendered.

In the column titled "Number of Share tendered / Aggregate No. of Restricted Shares Represented by Certificate", please fill in the number of restricted shares represented by each Old Certificate being tendered. On the last line of such column, please fill in the total number of restricted shares listed.

If additional space is needed, please provide additional copies of this table.

### **3. COMPLETION OF DISPOSITION OF RESTRICTED SHARES TENDERED TABLE**

Once you have tendered your Old Certificates along with a validly completed and executed Letter of Transmittal and Declaration, you will receive a New Certificate without a restrictive legend representing all of your shares. If you wish to hold your shares in certificated form you do not need to do anything else. For holders who wish to deposit all or any portion of your Restricted Shares into CREST, please follow the process which is detailed below. Please set forth the number of restricted shares you would like to be issued in a New UK Certificate without a restrictive legend.

The aggregate number of Restricted Shares listed in the column in this table should be equal to the number that appears in the "Total" line in the column titled "Number of Restricted Shares Tendered" in the "Description of Certificates Tendered" table.

In order to exchange restricted shares for Depositary Interests and hold a position in CREST, a holder must have a CREST account in their own name, or have a relationship with a UK broker/custodian who is able to hold stock on behalf of the holder in a nominee arrangement. In either case, the movement of shares into CREST is a straightforward exercise and can be achieved by contacting their Broker who in turn will provide the relevant form. The holder must then submit the signed CREST transfer form together with the unlegended share certificate to their UK broker/custodian who will arrange for the shares to be deposited into CREST in the form of Depositary Interests.

**4. SIGNATURES ON THIS LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES**

The signature on the Letter of Transmittal must correspond exactly with the name as it appears on the Old Certificates without any change whatsoever.

If this Letter of Transmittal is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, proper evidence satisfactory to the Company of their authority to so act must be submitted.

Signatures on this Letter of Transmittal need not be guaranteed if the Old Certificates are tendered: (i) by a registered holder of the Old Certificates and the registered holder will receive a New Certificate, or(ii) for the account of an eligible institution.

**5. VALIDITY AND FORM**

All questions as to the validity, form, eligibility and acceptance of tendered Old Certificates will be determined by the Company in its sole discretion, which determination will be final and binding. The Company reserves the right to waive any defects, irregularities or conditions of tender as to particular Old Certificates.

**6. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES**

Questions relating to the procedure for tendering, as well as requests for additional copies of this Letter of Transmittal, may be directed to Computershare at the address and telephone number set forth on the first page of this Letter of Transmittal.

**(B) DECLARATION FORM**

**Spectra Systems Corporation (the "Company")**

**Shareholder Certification for Issuance of Spectra Systems Corporation Depository  
Interests**

Important Notice regarding this Certification:

*(1) No shareholder will be permitted to deposit shares of restricted stock in exchange for Depository Interests until this Certification has been signed and returned to Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St. Helier, Jersey JE1 1ES*

*Investor Helpline: 0870 707 4040/ Fax: 0870 873 5851*

*(2) This Certification may only be used for shares of the Company's common stock that are not "restricted securities" within the meaning of Rule 144 under the US Securities Act of 1933, as amended. In all cases, a shareholder may only transfer the shares of restricted stock in accordance with the restrictive legend appearing on the certificates representing such shares and applicable law.*

*(3) The Company will inform Computershare which shares are eligible for conversion into depository interests. No other securities of the Company may be converted into depository interests.*

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Spectra Systems Corporation  
321 South Main Street  
Providence  
Rhode Island 02903  
United States of America

Attention: Company Secretary

Computershare Investor Services (Jersey) Limited ("**Computershare**")  
Queensway House, Hilgrove Street  
St Helier, Jersey, Channel Islands JE1 1ES  
Facsimile: +44 (0)870 873 5851

Attention: Sheena Toudic

Dear Sir / Madam,

The undersigned (the "**Holder**") requests that Computershare issue stated number of shares that represent the Holders shares of restricted stock.

The Holder is the holder of \_\_\_\_\_share (the "**Shares**") of the Company's restricted stock, represented by certificate number(s)\_\_\_\_\_.

1) The Holder hereby certifies to the Company and Computershare as of the date hereof that:

a) it is not an "affiliate"<sup>1</sup> of the Company within the meaning of Rule 144 under the United States Securities Act of 1933, as amended (the "US Securities Act" arid has not been an affiliate during the three month period prior to the date hereof: AND

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<sup>1</sup> The term "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company, and generally includes officers, directors and 10% shareholders. In the event of any questions, independent legal advice should be obtained regarding affiliate status.

b) either:

i) the Holder has continuously held the Shares for a period of at least 12 months; OR

ii) the Holder acquired the Shares from a seller that was not the Company or an affiliate of the Company, in a trade that occurred through the facilities of AIM and otherwise in an "offshore transaction" meeting the requirements of Rule 904 under the US Securities Act, and the Shares were not "restricted securities" when acquired by the Holder<sup>2</sup>; OR

ii) the Shares were "restricted securities" when acquired by the Holder but, as of the date hereof, a period of at least 12 months has passed since the Shares were acquired from the Company or an affiliate of the Company and any restrictions indicated on the certificate representing the Shares have lapsed.

2) If the Holder becomes an affiliate of the Company after the date hereof, the Holder agrees to take all steps necessary to immediately re-materialise any Depositary Interests if applicable held by it and to ensure that any Shares held by the Holder are represented by a share certificate in certificated form bearing such restrictive legends as the Company may require regarding the Holder's affiliate status in accordance with US Securities Act and applicable law.

3) The Holder understands and agrees that the Company and Computershare will be under no obligation to comply with the Holder's request that the Shares be converted into uncertificated form for the purposes of trading on AIM and may request any additional information they deem necessary to confirm the foregoing certifications.

4) The Company, Computershare and their agents, attorneys and representatives may rely on the foregoing certifications and covenants. The Holder will indemnify and hold harmless the Company, Computershare and their agents, attorneys and representatives from and against any and all loss, damage, claim, liability and expense arising out of or resulting from any breach or inaccuracy in any certification or covenant herein.

Very truly yours,

By:

Name:

Title:

Date:

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<sup>2</sup> The Shares would be "restricted securities" within the meaning of Rule 144 under the Securities Act if they had been acquired from the Company (or an affiliate of the Company) within the 12-months immediately preceding the Holder's acquisition of the Shares and would bear a legend describing the applicable restrictions. The Holder should obtain independent legal advice regarding whether the Shares are "restricted securities" and/or whether the Shares are subject to any restrictions on transfer.





**Spectra Systems**  
CORPORATION

Dear shareholder,

**Steps to complete in order to receive an unrestricted share certificate and trade your shares electronically:**

1. Shareholders will receive a package from Computershare Investor Services (“Computershare”); the package includes a letter explaining the process and a letter of transmittal.
2. Shareholders should complete the letter of transmittal and send it, along with their **original** share certificate to Computershare at the address indicated on the letter of transmittal.
3. Computershare will issue the shareholder a new certificate, by post, which does not contain the restricted legend.
4. If the shareholder would like to hold their shares electronically, they should contact their stock broker (upon receipt of the unrestricted certificate) and request a CREST transfer form. CREST is the UK-based electronic settlement system for the transfer of securities in the United Kingdom.
5. The shareholder’s broker will then submit the completed CREST transfer form and the share certificate to CREST. Upon completion of this process, the shareholder will hold depository interests that represent their shares in Spectra Systems
6. The shareholder will be able to trade their depository interests, through their broker, on the CREST system.

If a shareholder has any questions about this process they should contact Sheena Toudic, Computershare, at +44 1534 281877

Yours faithfully

**24 July 2012**