THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred your Existing Ordinary Shares in Hill Station plc you should send this document along with the Form of Proxy at once to the purchaser or transferee or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to the letter from the Chairman of Hill Station plc set out in this document which recommends that shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

The Placing and the terms and conditions herein are directed exclusively at investment professionals (within the meaning of Article 19(5) of the Financial Service and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) ("FPO") and high net worth companies, qualified investors for the purposes of section 86 of the Financial Services and Markets Act 2000 ("FSMA"). Accordingly, this document is exempt from the general restriction set out in Section 21 of FSMA on the communication of invitations or inducements to engage in investment activity and has not been approved by a person who is an authorised person under the FSMA.

Members of the public are not entitled to take part in the Placing and this document is communicated to them and to Shareholders for the purposes of information only. This document and the terms and conditions herein must not be relied on, acted on or responded to by persons who are not qualified investors.

This document does not constitute an offer to sell or issue or solicitation of an offer to buy or subscribe for new Ordinary Shares in any jurisdiction, including, without limitation, the United Kingdom, the United States, Canada, Australia, Japan and the Republic of Ireland. This document and the information contained herein are not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, Japan, the Republic of Ireland or in any jurisdiction in which such publication or distribution is unlawful. The New Ordinary Shares referred to in this document have not been and will not be registered under the US Securities Act of 1933 ("the Securities Act") and may not be offered or sold within the United States absent registration or an exemption from registration. The New Ordinary Shares are to be offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The distribution of this document and the placing and/or issue of the New Ordinary Shares in certain jurisdictions may be restricted by law. Persons to whose attention this announcement has been drawn are required by the Company and CFA to inform themselves about and to observe any such restrictions.

This document does not constitute an offer to the public in accordance with the provisions of Section 85 of the Financial Services and Markets Act 2000 (as amended) ("FSMA") and is not a prospectus for the purposes of the Prospectus Regulations 2005. Accordingly this document has not been pre-approved by the FSA pursuant to Section 5 of FSMA.

Application is to be made to the London Stock Exchange for the New Ordinary Shares proposed to be created pursuant to the Acquisition, the Placing and the Loan Stock Conversion, to be admitted to trading on AIM. It is expected that the New Ordinary Shares will be admitted to AIM, and that dealings will commence on 22 August 2007.

HILL STATION PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 5188260)

NOTICE OF EXTRAORDINARY GENERAL MEETING RELATING TO PROPOSED PLACING, LOAN STOCK CONVERSION AND APPROVAL OF THE ACQUISITION

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares of the Company in issue at the date of this document.

City Financial Associates Limited ("CFA") which is authorised and regulated by the Financial Services Authority, is acting as nominated adviser and broker to the Company. CFA is not acting for anyone else and will not be responsible to anyone other than the Company for protections afforded to customers of CFA for providing advice in relation to the contents of this document. In particular, CFA as nominated adviser and broker to the company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or to the Directors

The Directors of the Company, whose names appear on page 6 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice convening an Extraordinary General Meeting of Hill Station plc to be held at the offices of Joelson Wilson & Co, 30 Portland Place, London W1B 1LZ on 20 August, 2007 at 10.00 a.m. is set out at the end of this document. A Form of Proxy accompanies this document. **To be valid, Forms of Proxy for use at the meeting must be completed and returned so as to be received at the offices of the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 10.00 a.m. on 18 August, 2007.**

The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting should you wish to do so. Copies of this document are available, free of charge, at the office of Joelson Wilson & Co., 30 Portland Place, London W1B 1LZ during normal business hours on weekdays (excluding public holidays) until the date of the EGM.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2007
Posting date of the circular	27 July
Last time and date for the payment in full under the Placing to the receiving agent	3 p.m. on Thursday 16 August
Announcement of take up under the Placing and Placing Price	Noon on Friday 17 August
Latest date and time for receipt of Forms of Proxy to be valid at the Extraordinary General Meeting	10.00 a.m. on 18 August
Extraordinary General Meeting	10.00 a.m. on 20 August
Expected date of admission and dealings in the New Ordinary Shares	22 August
CREST accounts credited with the New Ordinary Shares	8.00 a.m. on 22 August
Despatch of definitive certificates in respect of the New Ordinary Shares	31 August

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service. All events listed in the above timetable following the EGM are conditional on the passing of the Resolutions contained in the Notice of Extraordinary Meeting at the EGM.

STATISTICS

Number of Existing Ordinary Shares	389,188,070
Number of Placing Shares*	1,400,000,000
Number of Consideration Shares*	40,000,000
Number of Loan Note Shares*	576,000,000
Enlarged Issued Share Capital *	2,405,188,070

* assuming Placing Price (and Conversion Price) of 0.25 pence per share, being the minimum Placing Price

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"Act"	the Companies Act 1985 (as amended) and/or the Companies Act 2006 (to the extent it is in force and applicable)
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange
"Acquisition"	the conditional acquisition of The So Real Ice Company Limited by the Company
"Admission"	admission of the New Ordinary Shares created pursuant to the Placing, the Loan Stock Conversion and Acquisition to trading on AIM
"Board" or **"Directors"**	the directors of the Company, whose names are as set out in Part 1 of this document
"CFA"	City Financial Associates Limited, Nominated Adviser and Broker to the Company
"Company" or **"Hill Station"**	Hill Station plc
"Consideration Shares"	£100,000 to be paid in New Ordinary Shares to be issued at the Placing, at the Placing Price
"Conversion Price"	being the Placing Price
"EGM" or **"Extraordinary General Meeting"**	the extraordinary general meeting of the Company convened for 10.00 a.m. on 20 August 2007, notice of which is set out at the end of this document
"Enlarged Issued Share Capital"	being the total of the Existing Ordinary Shares, the Placing Shares, the Consideration Shares and the Loan Stock Shares
"Existing Ordinary Shares"	the 389,188,070 Ordinary Shares in issue at the date of this document
"Group"	the Company and its subsidiary undertakings
"July 2007 Loan Stock"	the £720,000 of loan stock issued pursuant to the Loan July 2007 Stock Instrument
"July 2007 Loan Stock Instrument"	the instrument created by the Company on 6 July 2007 in respect of the July 2007 Loan Stock
"Loan Stock"	the November 2006 Loan Stock and the July 2007 Loan Stock
"Loan Stock Shares"	the New Ordinary Shares to be issued pursuant to the conversion of the July 2007 Loan Stock as described in this document
"Loan Stock Conversion"	the conversion of the July 2007 Loan Stock into the Loan Stock Shares at the Conversion Price
"London Stock Exchange"	London Stock Exchange plc

"Maximum Subscription"	up to 1,400,000,000 Placing Shares to be conditionally issued pursuant to the Placing to raise £3,500,000 before expenses assuming the shares are issued at the minimum Placing Price
"Minimum Subscription"	up to 1,200,000,000 Placing Shares to be conditionally issued pursuant to the Placing to raise £3,000,000 before expenses assuming the shares are issued at the minimum Placing Price
"New Ordinary Shares"	the Placing Shares, the Loan Stock Shares and the Consideration Shares
"November 2006 Loan Stock"	the £2,000,000 of loan stock issued pursuant to the the instrument dated 24 November 2006
"Ordinary Shares"	ordinary shares of 0.25p each in the capital of the Company
"Placing"	the proposed placing of the Placing Shares by the Company
"Placing Price"	to be determined, the minimum price New Ordinary Shares can be issued being their nominal value of 0.25 pence per share
"Placing Shares"	the New Ordinary Shares to be issued pursuant to the Placing at the Placing Price
"Proposals"	the Proposed Placing, Loan Stock Conversion and Acquisition and the Resolutions
"Real Ice"	The So Real Ice Company Ltd with registered number 05345942
"Registrars"	Capita Registrars, a trading division of Capita ITG plc
"Resolutions"	the resolutions set out in the notice of the Extraordinary General Meeting at the end of this document
"Shareholder(s)"	holder(s) of Ordinary Shares
"Stockholder(s)"	holder(s) of Loan Stock

LETTER FROM THE CHAIRMAN

HILL STATION PLC

(Incorporated in England and Wales with registered number 5188260)

Directors	*Registered Office*
William J Mapstone, *(Executive Chairman)*	Llantarnam Park Way,
T Gwynfor Jones, *(Group Commercial Director)*	Cwmbran,
G Nicholas Morgan, *(Group Finance Director)*	Gwent,
Peter Salter, *(Non-Executive Director)*	NP44 3GA

27 July 2007

To Shareholders and, for information purposes only, to the holders of options and warrants over Ordinary Shares and Stockholders

Dear Shareholder,

PROPOSED PLACING, LOAN STOCK CONVERSION AND APPROVAL OF THE ACQUISITION

1. Introduction

Following the announcement on 10 July 2007, the Board of Hill Station has today announced its intention to raise a minimum of £3,000,000 in order to provide additional working capital for the Company and the cash element of the consideration for the Acquisition. This circular contains background information relating to the Proposals together with details of the authorities the Company requires to enable the Proposals to be effected and convenes an EGM for the purpose of seeking Shareholders' approval for the Resolutions.

2. Background to the Proposals

On 10 July 2007, the Company announced details of the issue of the July 2007 Loan Stock and the Acquisition. The full text of the announcement is as follows:

> "The Board of Hill Station, the Cwmbran based ice cream manufacturer, announces that it is raising additional working capital of £720,000 by way of an issue for cash of new Loan Stock (the "July 2007 Loan Stock") to the Directors, VCTs administered by Electra Quoted Management Limited ("Electra") and Rathbone Investment Management Limited ("Rathbone"). Each of Rathbone and Electra and Bill Mapstone (the Chairman of the Company) are existing shareholders in the Company. In addition, as announced on 6 June 2007, the Board is continuing with its discussions with a view to a further fundraising to provide additional working capital for the existing group and also to provide acquisition funding. The Board also announces that it has exchanged contracts to acquire the business and assets of So Real Ice Company Limited ("Real Ice").
>
> On 28 November 2006, the Company issued £2 million of Loan Stock with an attached redemption premium of £4 million to certain of the Company's shareholders, a former director and certain private investors (the "November 2006 Loan Stock"). The November 2006 Loan Stock Instrument provided, *inter alia*, for interest to accrue at 15 per cent. per annum, payable on full or partial redemption of the Loan Stock and also for a redemption premium of 200 per cent. of the issue price. The November 2006 Loan Stock does not contain specific rights to enable conversion into ordinary shares in the Company.
>
> The Company has agreed with holders of the November 2006 Loan Stock to vary the Loan Stock Instrument such that the 200 per cent. Redemption will be cancelled and the interest rate will be, from the date of issue reduced to 10 per cent. per annum.

The July 2007 Loan Stock is convertible into ordinary shares at any time, will be secured on trading stock of the Company, bear fixed interest of 10 per cent. per annum and will be redeemable on the fifth anniversary of the date of issue. On conversion or redemption, the July 2007 Loan Stock will be entitled to a premium of 100 per cent. of its par value.

RELATED PARTY TRANSACTION

Rathbone and Electra, together with their respective underlying funds have been deemed to be substantial shareholders for the purposes of this transaction. Each of Rathbone and Electra has subscribed for £300,000 of July 2007 Loan Stock and this is therefore a Related Party Transaction as defined in the AIM Rules for Companies.

The Directors are also subscribing for £120,000 of July 2007 Loan Stock and this is also a Related Party Transaction. These funds will be injected into the Company as soon as practicable.

Where a company whose shares are listed on AIM enters into a Related Party Transaction, AIM Rule 13 requires the directors of the Company to consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned. The Directors consider, having consulted with CFA, the Company's Nominated Adviser, that the terms of the related party transaction with each of Rathbone and Electra are fair and reasonable insofar as the Company's shareholders are concerned.

As all of the Directors are subscribing for July 2007 Loan Stock there are no independent directors. CFA consider that the terms of the related party transaction with the Directors (as described above) are fair and reasonable insofar as the Company's shareholders are concerned.

The July 2007 Loan Stock will be converted on such terms and at such price as a majority of the stockholders and the Company shall agree.

ACQUISITION

On 9 July 2007, the Company entered into an asset purchase agreement in relation to the acquisition of the business of the manufacture, distribution and sale of ice cream carried on by Real Ice for the sum of approximately £750,000. The Company has today paid a deposit of £100,000 with the balance of the consideration of £650,000 being payable as to £550,000 in cash and £100,000 in new ordinary shares in the Company. Pending raising additional monies required for the acquisition, the Company has secured Real Ice trading stock equivalent to the amount of the deposit. Completion is conditional upon, *inter alia*, shareholder approval and the Company being in cleared funds to satisfy the balance of the consideration.

The acquisition agreement provides for additional consideration to be paid or repaid following production of completion accounts. Consideration is further adjustable downwards if gross margins of Real Ice at completion are less than 50 per cent. as defined in the agreement. Normal warranties and indemnities have been provided by the vendors.

In addition, a director and the company secretary of Real Ice have agreed to act as consultants to the Company for a 3 year period. The consultants will be paid an annual fee and will be entitled to additional fees dependent upon the turnover of Real Ice.

In the period 1 July 2006 to 30 April 2007 Real Ice's sales were £1.7 million and it made a loss before taxation of £189,000.

The acquisition of Real Ice will extend Hill Station's portfolio of branded ice creams and customer base. The Board believes that it should be able to achieve synergistic benefits though the acquisition.

TRADING UPDATE

As reported in the announcement of 6 June 2007, the Company advised that in the first quarter of 2007, raw material prices increased significantly, in particular milk products, which are clearly key components in ice cream manufacture. Furthermore, publicity associated with funding problems in the second half of 2006 gave rise to important customer losses and, in addition, low/negative margin sales have been identified and eliminated and the number of product lines reduced, creating additional working capital needs.

Sales in April 2007 were above expectations due to the warm weather experienced in that month. In May and June 2007 weather conditions have not been favourable resulting in an adverse sales variance of approximately 10 per cent.. This additional factor has required the need for an injection of the July 2007 Loan Stock as outlined above to satisfy working capital needs over and above the requirements indicated in the announcement of 6 June 2007.

As indicated above, discussions are continuing with existing and potential investors to fund additional working capital for the Company.

Further details will be announced as soon as practicable."

3. Further trading update

As reported in the announcement of 10 July 2007, sales in April 2007 were above expectations due to the warm weather experienced in that month; however since then the extremely poor, inclement weather over the months of May, June and July 2007 has had a seriously adverse affect on ice cream sales for all producers, and the Company is no exception with sales now running at some 25 per cent. below target. This of course represents a serious reduction in the Company's ability to draw from its debtor finance facility.

The Company reacted swiftly to try to recover the significant increase in raw material prices of key ingredients, also reported in the 10 July 2007 announcement, by passing this on, in part, to customers but this is a slow process and has been met with resistance from customers and some further loss of sales. Competitors are in the same position and the Directors believe that there will be an across the board price increase over coming months. However, the squeeze in margins can only lead to a further cash drain.

Work continues apace on reducing the number of product lines, eliminating low/negative margin sales and on seeking alternatives to the raw materials subject to the price inflation, which should show benefit in the future. In addition, improvements in factory efficiency continue to be forced through and plans are in place for the rapid integration of Real Ice manufacture into the Company's Cwmbran operation.

The addition of Real Ice products is eagerly anticipated and, through recent strengthening at the top of the sales team, strategies for building on their products/brands are being advanced, as part of the overall strategy for the Group.

The Board believe that the Company has a viable future and is capable of creating shareholder value in the medium term if it can overcome its current funding needs and can grow by acquisition.

4. Terms of the Placing and Use of Placing Funds

The Company is proposing to raise a minimum of £3,000,000 before expenses by the issue of Placing Shares to institutional and other investors, pursuant to the Placing at the Placing Price.

The net proceeds (after expenses) of the Placing will be used to satisfy the £650,000 cash consideration element for the Acquisition, the balance will be used for working capital purposes.

The Placing is conditional upon the Minimum Subscription being raised and also upon Shareholder approval of the Resolutions at the EGM. Assuming the minimum Placing Price 1,400,000,000 Placing Shares would be issued representing approximately 360 per cent. of the Existing Ordinary Shares.

The Placing Shares will, if issued, rank *pari passu* with the Existing Ordinary Shares, the Loan Stock Shares and the Consideration Shares. The New Ordinary Shares issued pursuant to the Placing are expected to be admitted to trading on AIM on 22 August 2007.

5. Details of a variation of the terms of the November 2006 Loan Stock and the Loan Stock Conversion

On 10 July 2007, pursuant to a resolution of the holders of the November 2006 Loan Stock, the terms of the November 2006 Loan Stock have been varied such that the 200 per cent. Redemption has been cancelled and the interest rate is reduced to 10 per cent. per annum.

The terms of the July 2007 Loan Stock Instrument provide that the July 2007 Loan Stock is convertible into Ordinary Shares at any time, will be secured on trading stock of the Company, bear fixed interest of 10 per cent. per annum and will be redeemable on the fifth anniversary of the date of issue. On conversion or redemption, the July 2007 Loan Stock will be entitled to a premium of 100 per cent. of its par value.

At the minimum Conversion Price the Loan Stock Conversion would result in the issue of 576,000,000 New Ordinary Shares representing approximately 148 per cent. of the Existing Ordinary Shares. The Loan Stock Shares would, if converted, rank *pari passu* with the Existing Ordinary Shares and the Placing Shares. The New Ordinary Shares issued pursuant to the Loan Stock Conversion are expected to be admitted to trading on AIM on 22 August 2007.

The Loan Stock Conversion is conditional on Shareholder approval of the Resolutions at the EGM.

6. Acquisition

Details of the Acquisition were contained in the announcement dated 10 July 2007 set out in paragraph 2 above. As indicated, in that announcement, the Acquisition is subject to Shareholder approval. The consideration for the Acquisition will be satisfied by £650,000 in cash and £100,000 in Consideration Shares at the Placing Price. The cash element of the consideration is being raised through the Placing.

At the minimum Placing Price the Acquisition would result in 40,000,000 Consideration Shares, representing approximately 10.3 per cent. of the Existing Ordinary Shares being issued. The Consideration Shares will, if issued, rank *pari passu* with the Existing Ordinary Shares, Placing Shares and Loan Stock Shares. The Consideration Shares are expected to be admitted to trading on AIM on 22 August 2007.

7. Related Party Transactions

Transaction with Substantial Shareholders

As at the date of this document, Rathbone Investment Management Limited ("Rathbone") has an interest over 54,138,729 Ordinary Shares and Electra Quoted Management Limited ("Electra") has an interest over 50,539,031 Ordinary Shares representing approximately 14.0 per cent. and 13.0 per cent. respectively of the Existing Ordinary Shares. As they each have an interest in more than 10 per cent. of the Existing Ordinary Shares Rathbone and Electra, together with their respective underlying funds are each deemed to be Substantial Shareholders as defined in the AIM Rules.

Assuming the conversion of the July 2007 Loan Stock, Rathbone and Electra would each be issued with 240,000,000 Loan Stock Shares.

The issue of shares to a Substantial Shareholder constitutes a Related Party Transaction for the purposes of AIM Rule 13.

Transaction with Directors

As at the date of this document, the Directors are in aggregate interested in 42,000,000 Ordinary Shares representing approximately 10.8 per cent of the Existing Ordinary Shares.

The Directors subscribed for July 2007 Loan Stock as set out in the table below:

	July 2007 Loan Stock	*Loan Stock Shares assuming issued at minimum Placing Price*	*Percentage of Existing Ordinary Shares (represented by Loan Stock Shares)*
William Mapstone	£100,000	80,000,000	20.6%
T Gwynfor Jones	£10,000	8,000,000	2.1%
G Nicholas Morgan	£5,000	4,000,000	1.0%
Peter Salter	£5,000	4,000,000	1.0%

The issue of shares to William Mapstone constitutes a Related Party Transaction for the purposes of AIM Rule 13.

Where a company whose shares are listed on AIM enters into a Related Party Transaction, AIM Rule 13 requires the directors of the Company to consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Taking into account the financial condition of the Company as described in this letter, the Directors consider, having consulted with CFA, the Company's Nominated Adviser, that the terms of the related party transaction with each of Rathbone and Electra are fair and reasonable insofar as the Company's shareholders are concerned.

The Directors (with the exception of William Mapstone who is interested in the transaction) consider, having consulted with CFA, the Company's Nominated Adviser, that the terms of the related party transaction with Bill Mapstone are fair and reasonable insofar as the Company's shareholders are concerned.

8. VCT Provisional Clearance

The Company has received provisional clearance from HM Revenue & Customs that the Placing Shares and the July 2007 Loan Stock will be qualifying holdings for VCT investors. The provisional clearance has been obtained on the basis of the facts provided to HM Revenue & Customs. HM Revenue & Customs has confirmed that the Placing Shares and half of the Loan Stock Shares to be issued on conversion of the July 2007 Loan Stock will be eligible shares for VCT purposes. Clearance has been given on the basis that investments by VCT's in the July 2007 Loan Stock and Placing Shares derive from monies that have been raised by VCT's prior to 6 April 2006. The Loan Stock Shares to be issued in lieu of the 100 per cent. premium on conversion of the July 2007 Loan Stock will not be a qualifying holding for VCT purposes.

The status of the shares as a qualifying holding for VCT purposes will be conditional on the Company and trade continuing to satisfy the requirements of VCT throughout the relevant holding period. Whilst the Company cannot guarantee to conduct its activities in a way to allow it to maintain its status as a qualifying VCT investment, the Directors intend, as far as possible, to do so.

The above information does not set out the provisions relating to VCT legislation in full and potential investors are advised to seek independent advice on whether they satisfy the conditions for relief and circumstances in which relief may be unavailable or withdrawn.

9. Plans if Resolutions not passed

The Company, will by Noon on Friday 17 August 2007 announce whether the Minimum Subscription has been satisfied and will also announce the Placing Price.

The Board believes that the Company has a viable future and is capable of creating shareholder value in the medium term if it can overcome its current funding needs and can grow both organically and by acquisition.

In the event the Minimum Subscription has not been raised the EGM will be adjourned and the Board will consider its position in relation to the Acquisition and in respect of its current trading and working capital position.

EGM Resolutions

In order to enable the Company to allot the New Ordinary Shares the following resolutions have been circulated to Shareholders for consideration and approval at the EGM:

Resolution 1 *Increase of authorised share capital*

if passed, will approve the increase in the Company's authorised share capital from £1,500,000 to £10,000,000 by the creation of 3,400,000,000 new Ordinary Shares of 0.25 pence each ranking *pari passu* in all respects with the Existing Ordinary Shares.

Resolution 2 *Approval of the Acquisition*

seeks the approval of the Acquisition from the Shareholders

Resolution 3 *Directors' authority to allot shares*

if passed, will grant the Directors pursuant to section 80 of the Act, authority to allot relevant securities up to an aggregate nominal amount of £6,154,967 (the intention being that £3,500,000 will be in respect of the Placing Shares, £1,440,000 will be in respect of the Loan Stock Shares, £100,000 will be in respect of the Consideration Shares and £114,967 will be in respect of outstanding option and warrants.

In addition, resolution 3 grants the Directors authority to allot a further amount of relevant securities up to an aggregate nominal amount of £1,202,594. If approved, this authority will expire at the next Annual General Meeting of the Company or, if earlier, 15 months from the date of passing of this resolution.

Resolution 4 *Disapplication of pre-emption rights*

if passed, will approve the disapplication of pre-emption rights conferred by the Act in connection with the Placing Shares, the Consideration Shares, the Loan Stock Shares, allotment of shares pursuant to the exercise of warrants and options and otherwise up to an aggregate nominal amount of £1,202,594 representing up to approximately 20 per cent. of the Enlarged Issued Share Capital.

If approved, this latter authority will expire at the next annual general meeting of the Company or, if earlier, 15 months from the date of passing of this resolution.

10. Action to be taken by Shareholders

Shareholders will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed thereon so as to arrive at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and in any event not later than 10.00 a.m. on 18 August, 2007. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

11. Recommendation

The Directors believe the Proposals to be in the best interests of the Company insofar as Shareholders are concerned.

Accordingly, the Directors unanimously recommend holders of Existing Ordinary Shares to vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings which amount, in aggregate, to 42,000,000 Existing Ordinary Shares, representing approximately 10.8 per cent. of the Existing Ordinary Shares.

Yours faithfully

William Mapstone
Executive Chairman

HILL STATION PLC

(Incorporated in England and Wales with registered number 5188260)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("Extraordinary General Meeting") of the Company will be held at the offices of Joelson Wilson & Co, 30 Portland Place, London W1B 1LZ on 20 August 2007 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions ("Resolutions") of which Resolutions 1, 2 and 3 will be proposed as Ordinary Resolutions and Resolution 4 will be proposed as a Special Resolution:

ORDINARY RESOLUTIONS

1. THAT, subject to and conditional upon each of the other Resolutions having been passed and subject to and conditional upon Admission, the authorised share capital of the Company be and is hereby increased from £1,500,000 to £10,000,000 by the creation of 3,400,000,000 new Ordinary Shares of 0.25 pence each ranking *pari passu* with the existing ordinary shares in the capital of the Company.

2. That, subject to and conditional upon each of the other Resolutions having been passed, the acquisition of The So Real Ice Company Limited as referred to in the circular of the Company dated 27 July 2007 be and is hereby approved.

3. THAT, in substitution for all authorities in existence immediately prior to this resolution being passed, and subject to and conditional upon Resolution 4 having been passed and subject to and conditional upon Admission, the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 ("the Act"):

   (i) to exercise all powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) as follows:

      (a) other than pursuant to paragraphs (b), (c), (d) and (e) below, up to a maximum nominal amount of £1,202,594 to such persons at such times and on such terms as they think proper during the period expiring at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution;

      (b) up to a maximum nominal amount of £3,500,000 (allotted in respect of the Placing);

      (c) up to a maximum nominal amount of £1,440,000 (allotted in respect of the Loan Stock Shares);

      (d) up to a maximum nominal amount of £100,000 (allotted in respect of the Acquisition);

      (e) up to a maximum nominal amount of £114,967 (allotted in respect of the exercise of options and warrants)

   (ii) the Company be and is hereby authorised to make prior to the expiry of such period referred to in sub-paragraph (i) above any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period that the directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution;

SPECIAL RESOLUTION

4. THAT conditional on the passing of Resolutions 1, 2 and 3 above and conditional upon Admission and in substitution for all existing powers pursuant to that section, the directors be and are hereby empowered in accordance with Section 95 of the Act to allot equity securities of the Company (as defined in Section 94(2) of the Act) for cash pursuant to the authority conferred on them to allot relevant securities pursuant to the authority conferred on them by Resolution 1 above, as if

Section 89(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

(a) up to a maximum nominal amount of £3,500,000 (allotted in respect of the Placing);

(b) up to a maximum nominal amount of £1,440,000 (allotted in respect of the Loan Stock Shares);

(c) up to a maximum nominal amount of £100,000 (allotted in respect of the Acquisition);

(d) up to a maximum nominal amount of £114,967 (allotted in respect of the exercise of options and warrants);

(e) up to an maximum nominal amount of £1,202,594 (allotted otherwise than pursuant to sub-paragraphs 4(a) to (d) above.

and this power, unless renewed, shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Registered office:
Llantarnam Park Way,
Cwmbram,
Gwent,
NP44 3GA

By order of the Board
G Nicholas Morgan
Company Secretary

Dated: 27 July 2007

Notes:

(1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. A proxy need not be a member of the Company.

(2) A Form of Proxy is enclosed for your use, if desired. The instrument appointing a proxy must reach the Company's Registrars not less than 48 hours before the time of holding of the meeting.

(3) The instrument appointing a proxy must reach the Company's registrars, Capita Registrars The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the holding of the meeting.

(4) As permitted by Regulation 41(1) of the Uncertificated Securities Regulations 2001, only persons entered onto the register of members of the Company not less than 48 hours before the time of appointment for the meeting are entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.