

22 January 2013

Petards Group plc
("Petards" or "the Company")

Cancellation of General Meeting

Petards announces that the General Meeting that had been requisitioned by Water Hall Group plc ("Water Hall") pursuant to section 303 of the Companies Act 2006 will no longer take place on 25 January 2013 following the withdrawal of the requisition by Water Hall.

During the course of the last few days it had become evident that there were sufficient shareholders supporting the resolutions to be proposed at the General Meeting that would mean that those resolutions would be carried.

In light of this the Independent Directors of the Company determined that it would be in the best interests of shareholders as a whole if they engaged further with Water Hall to avoid the additional costs of holding the General Meeting and to obtain certain assurances from Raschid Abdullah and Water Hall regarding several matters on which shareholders intending to vote against the resolutions had expressed concern.

The matters covered in a meeting and subsequently agreed in an exchange of letters with Water Hall are an acknowledgement of the need for organic growth while considering strategic complementary acquisitions, the limitation of directors' remuneration for the financial year ending 31 December 2013 for Raschid and Osman Abdullah to the present pro-rata levels received by the chairman and Osman Abdullah in 2012, and no changes to the Board for a reasonable period of time. Consequently Tim Wightman has agreed to resign as a director with immediate effect and the Board has invited Raschid Abdullah to join the Board as a director in the capacity of executive chairman.

The Board would like to express its thanks to Tim Wightman for his significant contribution to the Company over the past ten years and looks forward to working with Raschid Abdullah in continuing the development of Petards business for the benefit of all shareholders.

For further information:

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