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RECOMMENDED OFFER
by
PETARDS GROUP PLC
for
WATER HALL GROUP PLC

The Independent Director of Water Hall Group plc and the Independent Petards Directors announce that they have reached an agreement on the terms of a recommended offer to be made by Petards for the entire issued and to be issued ordinary share capital of Water Hall.

SUMMARY OF THE OFFER

Under the terms of the Offer, Water Hall Shareholders will be entitled to receive 12.5 New Petards Shares and £2 nominal convertible loan notes per 100 Water Hall Shares. The Convertible Loan Notes, details of which are set out below, convert into Petards Shares at a price of 8p, are unsecured, are redeemable at par 5 years from the date of issue and carry a coupon of 7.0 per cent. per annum.

The Offer values the entire issued and to be issued share capital of Water Hall (assuming full conversion of the Water Hall Loan Note) at approximately £3.56 million, assuming a price per Petards share of 16.5p, the closing mid market price as at close of business on 28 June 2013 (being the last practicable date prior to the date of this Announcement), and valuing the Convertible Loan Notes at nominal value.

The Offer values each Water Hall Share at approximately 4p which represents a premium of approximately 100 per cent. to the closing mid market price of 2 pence for each Water Hall Share as at the close of business on 28 June 2013, (being the last practicable date prior to the date of this Announcement).

BACKGROUND TO AND REASONS FOR THE OFFER

Petards was recently informed by its Bankers that its overdraft facilities amounting to £1.65 million would be withdrawn. On 28 June 2013 Water Hall announced that it had acquired the Petards Bank Debt.

In conjunction with this announcement, Water Hall has agreed to continue to make a £1.65 million working capital facility available to Petards.

In view of Water Hall's 29.99% shareholding in Petards and ownership of Petards' current debt (as on 28 June 2013) and in the absence of any credible alternative in the time available, the Independent Petards Directors and the Independent Water Hall Director have agreed the Offer as the most realistic means of securing the Company's future.

In the absence of the Water Hall Facility Petards would not have been able to continue trading as alternatives sources of finance were not available in the necessary timeframe.

The Offer provides Petards with access to the Water Hall Facility and, if completed, will allow Petards effectively to acquire its own debt, 29.99% of its existing share capital, and the remaining cash balances of Water Hall.

Commenting on the Offer Roger Musson, the Independent Director of Water Hall, said: "Petards is in a difficult situation. A practical solution is required to secure the future of the business and therefore I as the Independent Director recommend the offer to Water Hall Shareholders."

The conditions and certain terms of the Offer are set out in this Announcement together with certain information on Water Hall and on Petards. Further information on the Offer (including the terms and conditions to which the Offer will be subject) Water Hall, Petards and the expected timetable of principal events will be set out in the Offer Document and the Form of Acceptance..

This summary should be read in conjunction with, and is subject to, the full text of the following Announcement. Appendix II and Appendix III of the following Announcement contain the sources and bases of certain information and definitions of certain terms respectively, used both in this summary and in the following Announcement.

Enquiries

WH Ireland (financial adviser to Petards)
Mike Coe / John Wakefield

Tel: +44 (0)117 945 3470

Beaumont Cornish (financial adviser to Water Hall)
Roland Cornish / Michael Cornish

Tel: +44 (0)207 628 3396

This Announcement is for information purposes only and does not constitute, or form part of, an offer or an invitation to purchase, subscribe for, sell or issue any securities or the solicitation of any offer to purchase, subscribe for, sell or issue any securities, or of any vote or approval, in any jurisdiction pursuant to the Offer or otherwise. The Offer will be made solely by means of the Offer Document and the Form of Acceptance (in respect of certificated Water Hall Shares), which will together contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Any acceptance or other response to the Offer should be made only on the basis of the information in the Offer Document and the Form of Acceptance (in the case of certificated Water Hall Shares). This Announcement does not constitute a prospectus or prospectus equivalent document.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Announcement contains certain forward looking statements with respect to the financial condition, results of operations and business of Petards and Water Hall and certain plans and objectives of the Petards Board and the Water Hall Board. These forward looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or the negative form of these terms and similar expressions. These statements are based on assumptions and assessments made by the Petards Board and the Water Hall Board in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty and the factors described in the context of such forward looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. Except as required by the FCA, the London Stock Exchange or any other applicable law, Petards and Water Hall assume no obligation to update or correct the information contained in this Announcement.

No statement in this Announcement is intended as a profit forecast or profit estimate and no statement in this Announcement should be interpreted to mean that earnings or the future earnings per share of the Petards Group as enlarged by the Acquisition, Petards and/or Water Hall for the current or future financial years would necessarily match or exceed the historical or published earnings per share of Petards or Water Hall.

IMPORTANT INFORMATION

The Offer Document and (in the case of Water Hall Shares held in certificated form) the Form of Acceptance is expected to be posted to Water Hall Shareholders as soon as practicable and in any event within 28 days of this Announcement.

The Petards Directors accept responsibility for the information contained in this Announcement other than: (i) the information relating to Water Hall, Water Hall Directors, their immediate families, related trusts and connected persons and (ii) the recommendations and opinions of the Independent Water Hall Director relating to the Offer. To the best of the knowledge and belief of the Petards Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Independent Petards Directors accept responsibility for the opinions of the Independent Petards Directors relating to the Offer. To the best of the knowledge and belief of the Independent Petards Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Water Hall Directors accept responsibility for the information contained in this Announcement relating to Water Hall Group, Water Hall Directors, their immediate families, related trusts and connected persons (other than the recommendation(s) and opinions of the Independent Water Hall Director relating to the Offer, for which only the Independent Water Hall Director accepts responsibility as set out below. To the best of the knowledge and belief of the Water Hall Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Independent Water Hall Director accepts responsibility for the recommendation and opinions of the Independent Water Hall Director relating to the Offer. To the best of the knowledge and belief of the Independent Water Hall Director (who has taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Beaumont Cornish, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Water Hall and no one else in connection with the Offer and will not be responsible to anyone other than Water Hall for providing the protections afforded to clients of Beaumont Cornish nor for providing advice in relation to the Offer or any other matter or arrangement referred to in this Announcement.

WH Ireland, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Petards and no one else in connection with the Offer and will not be

responsible to anyone other than Petards for providing the protections afforded to clients of WH Ireland nor for providing advice in relation to the Offer or any other matter or arrangement referred to in this Announcement.

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. The following Announcement has been prepared in accordance with English law and the Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Unless otherwise determined by Petards and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction (including the United States, Canada, Australia or Japan) and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this Announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction and persons receiving this Announcement (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) an offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) an offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of the offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

FURTHER INFORMATION

Please be aware that addresses, electronic addresses and certain other information provided by Water Hall Shareholders, persons with information rights and other relevant persons for the receipt of communications from Water Hall may be provided to Petards during the Offer Period as required under Section 4 of Appendix 4 of the Code.

In accordance with Rule 2.10 of the Code, Water Hall confirms that it has 79,638,755 ordinary shares of 1 pence each in issue and admitted to trading on AIM, a market regulated by the London Stock Exchange. The ISIN reference for these securities is GB0009418194.

In accordance with Rule 2.10 of the Code, Petards confirms that it has 10,866,445 ordinary shares of 1 pence each in issue and admitted to trading on AIM, a market regulated by the London Stock Exchange. The ISIN reference for these securities is GB00B4YL8F73.

If you are in any doubt about the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser authorised under the Financial Services and Market Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Copies of this announcement will be available free of charge on Water Hall's website at www.waterhallgroupplc.com and at Petards' website at www.petards.com by no later than noon (London time) on the day following this announcement. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

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RECOMMENDED OFFER

by

PETARDS GROUP PLC

for

WATER HALL GROUP PLC

1. Introduction

The Independent Petards Directors and the Independent Water Hall Director are pleased to announce they have agreed the terms of a recommended offer to be made by Petards to acquire the entire issued and to be issued ordinary share capital of Water Hall.

The formal offer will be set out in full in the Offer Document, which is expected to be posted to Water Hall Shareholders as soon as practicable and in any event within 28 days of this Announcement.

2. Terms of the Offer

The Offer, which will be subject to the terms and conditions set out in Appendix I of this Announcement, and will be set out in full in the Offer Document and the Form of Acceptance, for all the issued and to be issued ordinary share capital of Water Hall, will be made on the following basis:

for each 100 Water Hall Shares

12.5 New Petards Shares

and

£2 Convertible Loan Notes

The Offer values the entire issued and to be issued share capital of Water Hall (assuming full conversion of the Water Hall Loan Note) at approximately £3.56 million, assuming a price per Petards Share of 16.5p, the closing mid market price as at close of business on 28 June 2013 (being the last practicable date prior to the date of this Announcement, and valuing the Convertible Loan Notes at nominal value).

The Offer values each Water Hall Share at approximately 4 pence. At a value of 4 pence, the Offer represents a premium of approximately 100 per cent. to the closing mid market price of 2 pence for each Water Hall Share as at close of business on 28 June 2013, (being the last practicable date prior to the date of this Announcement).

Fractions of New Petards Shares will not be allotted or issued to accepting Water Hall Shareholders. All fractional entitlements to New Petards Shares will instead be aggregated and sold in the market as soon as practicable after the relevant date, and the net proceeds of sale for any individual entitlement of less than £5 will be retained for the benefit of the Enlarged Group.

The Loan Notes will be issued, credited as fully paid, in amounts and integral multiples of £1 nominal value. Fractions of Convertible Loan Notes will also not be issued to accepting Water Hall Shareholders but will also be retained in respect of any individual entitlement of less than £5 for the benefit of the Enlarged Group.

The New Petards Shares to be issued pursuant to the Offer will rank *pari passu* with the existing Petards Shares and application will be made for such New Petards Shares to be admitted to trading on AIM.

3. Convertible Loan Notes

The Convertible Loan Notes will be unsecured and convertible into new Petards Shares at a price of 8p per new Petards Share. The Convertible Loan Notes will be issued in integral multiples of £1 nominal value and will carry a coupon of 7.0 per cent. per annum. The Convertible Loan Notes will, unless otherwise converted into new Petards Shares, be redeemable at par (together with any accrued interest less any tax required to be withheld or deducted therefrom) on the fifth anniversary of the issue of the Convertible Loan Notes. No application will be made at this time for the Convertible Loan Notes to be listed or dealt in on any stock exchange.

WH Ireland has advised the Independent Petards Directors that, in its opinion, and based on market conditions prevailing on 28 June 2013 (the last business day prior to this Announcement) had the Offer been completed at that date and if the Loan Notes had been in issue at that date, a reasonable estimate of their value would have been approximately nominal value.

Further details of the Convertible Loan Notes will be set out in the Offer Document.

4. Recommendation of the Independent Water Hall Director

The Independent Water Hall Director, having been so advised by Beaumont Cornish, considers the terms of the Offer to be fair and reasonable. In providing advice to the Independent Water Hall Director, Beaumont Cornish has taken into account the commercial assessments of the Independent Water Hall Director. Accordingly the Independent Water Hall Director intends to recommend Water Hall Shareholders to accept the Offer.

5. Recommendation of the Independent Petards Directors

The Independent Petards Directors, having been so advised by WH Ireland, consider the terms of the Offer to be fair and reasonable. In providing advice to the Independent Petards Directors, WH Ireland has taken into account the commercial assessments of the Independent Petards Directors.

In addition, as Water Hall is a substantial shareholder of Petards, the Offer for Water Hall is also a related party transaction for the purposes of AIM Rule 13. Accordingly, the Independent Petards Directors, having consulted with WH Ireland as the Company's nominated adviser, believe that the Offer is fair and reasonable insofar as the Petards Shareholders are concerned.

In addition, as Water Hall is a substantial shareholder of Petards, the agreement of the Water Hall Facility is also a related party transaction for the purposes of AIM Rule 13. Accordingly, the Independent Petards Directors, having consulted with WH Ireland as the Company's nominated adviser, believe that the Water Hall Facility is fair and reasonable insofar as all Petards Shareholders are concerned.

6. Information on Petards

Petards is an AIM traded developer of advanced security and surveillance systems with a market capitalisation as at 28 June 2013 of approximately £1.8 million. It should be noted that Water Hall is a 29.99% shareholder in Petards. In addition, Raschid Abdullah, the Chairman of Petards, is also Chairman of, and a significant shareholder in, Water Hall. Osman Abdullah, a Non Executive Director of Petards, is also a significant shareholder in and employee of Water Hall. For this reason, the fair and reasonableness of the Offer from the perspective of the Petards shareholders has been considered by the Independent Petards Directors having been advised by WH Ireland.

In its report and accounts for the year ended 31 December 2012 Petards reported a profit before tax of £0.2 million on revenue of £9.0 million.

7. Background to and reasons for making the Offer

Petards was recently been informed by its Bankers that its overdraft facilities amounting to £1.65 million would be withdrawn. On 28 June 2012 Water Hall announced that it had acquired the Petards Bank Debt.

In conjunction with this announcement, Water Hall has agreed to continue to make a £1.65 million working capital facility available to Petards. In the absence of the Water Hall Facility, Petards would not be able to continuing trading as alternatives sources of finance were not available in the necessary timeframe.

In view of Water Hall's 29.99% shareholding in Petards and because it now owns Petards' Bank Debt, and in the absence of any credible alternative in the time available, the Independent Petards Directors and the Independent Water Hall Director have agreed the Offer as the most realistic means of securing the Company's future.

The Offer provides Petards with access to the Water Hall Facility and, if completed, will allow Petards to effectively to acquire its own debt, 29.99% of its existing share capital, and the remaining cash balances of Water Hall.

8. Water Hall Facility

Pursuant to the Water Hall Facility Agreement, Water Hall has agreed to continue to make a £1.65 million working capital facility available to Petards, on broadly similar terms to the Petards Bank Debt. The principal terms are as follows:

Borrowers: Petards Group plc
Petards Joyce-Loebl Limited
Petards Limited

Facility amount: £1,650,000.

Security: Fixed and floating charge over assets of Petards and its subsidiaries

Purpose: general corporate purposes/ working capital.

Interest rate: 4% per annum above Bank of England base rate.

Interest period: Monthly

Default rate: 3% per annum above Interest Rate:

Review date for extension: the day before each anniversary of the date of the agreement.

On demand events:

a period of 3 months has elapsed since the date upon which:

- (a) the Lender determines that (acting in its sole discretion) it is no longer in a position to make the Working Capital Facility available to the Borrowers; or
- (b) the Lender determines that (acting in its sole discretion) a Borrower or the Group has been acquired (in whole or in part), or has merged or amalgamated with any other person;

Fees:

- (a) arrangement fee of £20,625 to be paid on the first interest payment date.
- (b) a monthly management fee of £3,000 payable on the interest payment dates.

As Water Hall is a substantial shareholder of Petards, the agreement of the Water Hall Facility is also a related party transaction for the purposes of AIM Rule 13. Accordingly, the Independent Petards Directors, having consulted with WH Ireland as the Company's nominated adviser, believe that the Water Hall Facility is fair and reasonable insofar as all Petards Shareholders are concerned.

9. Information on Water Hall

Water Hall is an AIM traded investing company with a market capitalisation of approximately £1.5 million as at 28 June 2013. At present other than cash, its only asset is a 29.99% shareholding in Petards together with a possible claim for recovery of Aggregates Levy of £539,000 plus interest in a class action against HMRC.

In its report and accounts for the year ended 31 December 2012 Water Hall reported a loss for the year of £878,000, after charging £1.091 million provision for the impairment of its investment in Petards.

On 28 June 2013 Water Hall announced that it had acquired the Petards Bank Debt.

10. Background to and reasons for recommending the Offer

In considering the proposed Offer and his recommendation, the Independent Water Hall Director has taken into account a number of factors, including Water Hall's current trading and future prospects, its financial position, its current shareholding in Petards, the feasibility of other available options and the interests of shareholders and other stakeholders. The Independent Water Hall Director has also taken into account these factors in relation to Petards and in particular the decision by its existing bankers not to extend further facilities to Petards.

Water Hall was approached during June 2013 by Lloyds TSB Commercial Finance and Bank of Scotland, Petards' bankers who asked whether Water Hall would be prepared to make an

offer to acquire the outstanding working capital and receivables finance facilities provided by the banks to Petards and the related security. Water Hall concluded that the purchase of the Petards facilities was, in certain circumstances, an appropriate and potentially attractive investment opportunity for Water Hall while also providing a means of stabilising Petards' financial position should the banks not renew the facilities on the review date of 30 June 2013. On 28 June 2013 Water Hall announced that it had completed the purchase of the Petards Debt. The aggregate consideration paid by Water Hall to the Banks was £664,557 (including certain costs and an amount to cover Petards' month end salaries) in cash, funded from Water Hall's existing cash balances.

The Independent Director of Water Hall believes that the outlook for the development of Petards' business would be substantially improved by additional equity funding. Accordingly, the Board of Water Hall made a proposal to the Board of Petards that Petards should acquire Water Hall on the basis of the terms and conditions set out in this announcement.

The Independent Water Hall Director believes that the proposed Offer would provide an attractive opportunity to enable Water Hall Shareholders to acquire a substantial direct interest in Petards.

11. Directors, management and employees

The Petards Board has given assurances to the Independent Water Hall Director that, following the Offer becoming or being declared unconditional in all respects, the existing employment rights of all current Water Hall employees will be fully safeguarded. The Petards Board has further confirmed that it will use its reasonable endeavours to ensure that all pension rights will be fully safeguarded.

12. Water Hall Share Options and Water Hall Loan Note

The Offer will extend to any Water Hall Shares which are issued or unconditionally allotted and fully paid (or credited as fully paid) while the Offer remains open for acceptance (or such earlier date as Petards may, subject to the Code, and in accordance with the terms and conditions of the Offer, decide) including any such shares unconditionally allotted or issued pursuant to the exercise of options under the Water Hall share option schemes.

Appropriate proposals will be made to Water Hall Optionholders in due course in respect of any options not exercised in full.

The outstanding Water Hall Loan Note, which is unsecured, is convertible into a maximum of 8,000,000 ordinary shares of 1 pence each in Water Hall at 2.5p at any time on or before the third anniversary of the date of issue being 16 October 2015. Accordingly, the Water Hall Convertible Loan Note holder will be able to exercise and accept the Offer should such holder choose so to do.

The Independent Water Hall Director, having been so advised by Beaumont Cornish, considers the terms of the proposed Offer to be fair and reasonable in respect of the Water Hall Loan Note. In providing advice to the Independent Water Hall Director, Beaumont Cornish has taken into account the commercial assessments of the Independent Water Hall Director. Accordingly the Independent Water Hall Director intends to recommend the Water Hall Loan Note holder exercise the conversion rights under the Water Hall Loan Note to enable the holder to accept the Offer.

13. Disclosure of interests in Water Hall

Save for Raschid Abdullah and Osman Abdullah who hold 9,648,862 and 9,665,575 Water Hall Shares respectively which represent 12.12 and 12.14 per cent. respectively of Water Hall's existing share capital, as at the date of publication of this Announcement, neither Petards nor any of Petards' Directors, their immediate families or related trusts, nor so far as Petards is aware, any party acting in concert with Petards, has any interest in or right to subscribe in respect of any relevant securities of Water Hall or has any short positions in respect of relevant securities of Water Hall, or has borrowed or lent any relevant security of Water Hall.

Each of Petards and Water Hall confirm that it is making its respective Opening Position Disclosure today, setting out the details required to be disclosed by it under Rule 8.1(a) of the Code.

14. Further information

The Water Hall Shares to be acquired by Petards pursuant to the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared, paid or made on or after the date of this Announcement.

There are no agreements or arrangements to which Petards is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition of the Offer.

15. Compulsory acquisition, cancellation of admission to trading and re-registration

If the Offer becomes or is declared unconditional in all respects and sufficient acceptances are received and/or sufficient Water Hall Shares are otherwise acquired, Petards intends to exercise its rights pursuant to the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 to acquire compulsorily any outstanding Water Hall Shares to which the Offer will relate and which have not been not acquired or agreed to be acquired pursuant to the Offer or otherwise.

In addition, as soon as it is appropriate to do so, and subject to the conditions of the Offer having been satisfied or (if capable of waiver) waived and subject to any applicable legal or regulatory requirements, Petards intends to procure that Water Hall applies the London Stock Exchange for the cancellation of the admission of Water Hall Shares to trading on AIM. The cancellation of the trading of the Water Hall Shares will significantly reduce the liquidity and marketability of any Water Hall Shares not assented to the Offer and their value may be affected in consequence as there will be no market facility for dealing Water Hall Shares. It is anticipated that, should such an application be made, cancellation of Water Hall's admission to trading on AIM will take effect no earlier than 20 business days following the date being the later of (i) the date the Offer becomes or is declared unconditional in all respects and (ii) the date of Petards having acquired pursuant to the Offer or otherwise 75 per cent. of the Water Hall Shares.

It is also proposed that, in due course following the Offer becoming or being declared unconditional in all respects, Petards will seek to procure the re-registration of Water Hall as a private limited company under the relevant provisions of the Companies Act 2006.

16. Issued share capital

In accordance with Rule 2.10 of the Code, Water Hall confirms that it currently has 79,638,755 ordinary shares of 1 pence each in issue and admitted to trading on AIM, a market regulated by the London Stock Exchange. The ISIN reference for these securities is GB0009418194.

In addition, in accordance with Rule 2.10 of the Code, Petards confirms that it currently has 10,866,445 ordinary shares of 1 pence each in issue and admitted to trading on AIM, a market regulated by the London Stock Exchange. The ISIN reference for these securities is GB000B4YL8F73.

17. Disclosure on website

Copies of the following documents will by no later than 12 noon (London time) on the day following this announcement be published on Water Hall's website at www.waterhallgroupplc.com and at Petards' website at www.petards.com:

- a) a copy of this announcement: and
- b) the Water Hall Facility Agreement.

18. General

The Offer Document and Form of Acceptance (for Water Hall Shares in certificated form) will be posted to Water Hall Shareholders and, for information only, to participants in the Water Hall Share Option Schemes, the holder of the Water Hall Loan Note and persons with information rights as soon as practicable and in any event, within 28 days of this Announcement other than in relation to anyone in a Restricted Jurisdiction. The Offer Document will also be made available to the employees of Water Hall or their representatives.

The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Further details in relation to overseas shareholders will be contained in the Offer Document.

The Offer to be contained in the Offer Document will not be made, directly or indirectly, in, into or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. This Announcement does not constitute an offer in the United States, Canada, Australia or Japan or any such other jurisdiction and the Offer when made will not be capable of acceptance by any such use, means, instrumentally or facilities or otherwise from or within the United States, Canada, Australia or Japan or any such other jurisdiction. Accordingly this Announcement and the Offer Document when issued will not be, and should not be, mailed, transmitted or otherwise distributed, in whole or in part, in or into or from the United States, Canada, Australia or Japan or any such other jurisdiction.

Water Hall Shareholders (including, without limitation, nominees, trustee or custodians) must not forward this Announcement or the Offer Document (when issued) to the United States, Canada, Australia, Japan or any other such jurisdiction.

This Announcement does not constitute an offer or an invitation to purchase any securities.

The Offer will be made solely by the Offer Document and the Form of Acceptance, which contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

Appendix III contains definitions of the terms used in this Announcement.

APPENDIX 1

CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER

PART A: CONDITIONS OF THE OFFER

The Offer will be subject to the conditions and terms set out below, in the Offer Document and (in respect of certificated Water Hall Shares) in the Form of Acceptance and to the applicable rules and regulations of the London Stock Exchange and the Code and will be governed by English law and subject to the jurisdiction of the courts of England:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. on Day 21 or such later time(s) and/or date(s) as Petards may, with the consent of the Panel or subject to the Code, decide in respect of such number Water Hall Shares which, together with Water Hall Shares acquired or agreed to be acquired before or during the Offer Period, whether pursuant to the Offer or otherwise will result in Petards, and any other person acting in concert with Petards, holding in aggregate, Water Hall Shares carrying more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Water Hall, including for this purpose to the extent (if any) required by the Panel, any such voting rights attaching to any Water Hall Shares that may be unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of any outstanding conversion or subscription rights or otherwise. For the purpose of this condition:
 - (i) the expression "Water Hall Shares to which the Offer relates" shall be construed in accordance with sections 974 to 991 (inclusive) of the Companies Act 2006;
 - (ii) Water Hall Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry on issue; and
 - (iii) valid acceptances shall be treated as having been received in respect of any Water Hall Shares that Petards shall, pursuant to section 979(8) and, if applicable, section 979(9) of the Companies Act 2006, be treated as having acquired or unconditionally contracted to acquire by virtue of acceptances of the Offer;
- (b) to the extent that the acquisition of Water Hall Shares would constitute a relevant merger within the meaning of section 23 of the Enterprise Act 2002, the Office of Fair Trading indicating, in terms reasonably satisfactory to Petards, that it does not intend to refer the proposed acquisition of Water Hall by Petards, or any aspect of it, to the Competition Commission;
- (c) no central bank, government or governmental, quasi-governmental, supranational, statutory, administrative or regulatory body (save for the Pensions Regulator), or any court, institution, investigative body, association, trade agency or professional or environmental body or any other similar person or body in any jurisdiction (each, a "**Relevant Authority**") having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or enacted, made or proposed any statute, regulation, decision or order or having taken any other step or done anything and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:

- (i) restrict or restrain, prohibit, delay, impose additional adverse conditions or obligations with respect to, or otherwise interfere with the implementation of, the Offer or the acquisition of any Water Hall Shares by Petards or any matters arising therefrom;
- (ii) result in a delay in the ability of Petards, or render Petards unable, to acquire some or all of the Water Hall Shares;
- (iii) require, prevent or delay the divestiture (or alter the terms envisaged for such divestiture) by any member of the Water Hall Group of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their businesses or own their respective assets or properties or any part thereof;
- (iv) impose any limitation on, or result in a delay in, the ability of Petards to acquire or hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities of any member of the Water Hall Group or on the ability of any member of the Water Hall Group to hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities or to exercise management control over any other member of the Water Hall Group;
- (v) require any member of the Water Hall Group to offer to acquire any shares or other securities or rights thereover in any member of the Water Hall Group owned by any third party;
- (vi) make the Offer or its implementation or the proposed acquisition by Petards of any shares or other securities in Water Hall or the acquisition or control of Water Hall or any member of the Water Hall Group, illegal, void or unenforceable in or under the laws of any jurisdiction or directly or indirectly restrict or delay, prohibit or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge, the Offer or the acquisition of any shares in Water Hall, or control of Water Hall, by Petards;
- (vii) result in any member of the Water Hall Group ceasing to be able to carry on business under any name under which it presently does so, the consequences of which would be material in the context of Water Hall Group taken as a whole;
- (viii) impose any limitation on the ability of Petards or the Water Hall Group to conduct or co-ordinate or integrate its business, or any part of it, with the business of Petards or the Water Hall Group; or
- (ix) otherwise adversely affect the business, assets, prospects or profits of Petards or the Water Hall Group;

and all applicable waiting and other time periods during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene having expired, lapsed or been terminated;

- (d) all authorisations, orders, grants, recognitions, consents, confirmations, clearances, licences, permissions and approvals (“**authorisations**”) required by law in any jurisdiction for or in respect of the Offer and the proposed acquisition of any shares or securities, directly or indirectly, in, or control of, Water Hall or any member of the Water Hall Group by Petards having been obtained in terms and/or form reasonably satisfactory to Petards from all appropriate Relevant Authorities or (without prejudice to the generality of the foregoing) from any persons or bodies with whom Petards or

the Water Hall Group has entered into contractual arrangements and such authorisations together with all authorisations necessary for any member of the Water Hall Group to carry on its business remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, materially modify or not to renew the same and all necessary filings having been made, all appropriate waiting and other time periods (including extensions thereto) under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated and all necessary statutory or regulatory obligations in any jurisdiction in respect of the Offer or the proposed acquisition of Water Hall by Petards or of any Water Hall Shares or any matters arising therefrom having been complied with;

- (e) save as Disclosed, there being no provision of any agreement, permit, lease, licence or other instrument to which any member of the Water Hall Group is a party or by or to which it or any of its assets may be bound or subject which, as a consequence of the making or implementation of the Offer or the acquisition by Petards directly or indirectly of Water Hall or because of a change in the control or management of Water Hall or any member of the Water Hall Group, could or might reasonably be expected to result in, to an extent which is material in the context of the Water Hall Group in each case, any of the following:
- (i) any monies borrowed by, or other indebtedness (actual or contingent) of, or grant available to, any member of the Water Hall Group becoming repayable or capable of being declared repayable immediately or earlier than the stated maturity or repayment date or the ability of any member of the Water Hall Group to borrow moneys or incur indebtedness being or becoming capable of being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, permit, lease, licence or other instrument or any right, interest, liability or obligation of any member of the Water Hall Group therein, being terminated or adversely modified or affected or any adverse action being taken or any onerous obligation or liability arising thereunder;
 - (iii) any mortgage, charge or other security interest being created over the whole or any part of the business, property or assets of any member of the Water Hall Group or any such security (whenever arising) becoming enforceable;
 - (iv) the value of any member of the Water Hall Group or its financial or trading position or prospects being prejudiced or adversely affected;
 - (v) any assets or interests of any member of the Water Hall Group being or falling to be charged or disposed of or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than in the ordinary course of business;
 - (vi) the rights, liabilities, obligations or interests or business of any member of the Water Hall Group in or with any other person, firm or company (or any arrangement relating to such interest or business) being terminated or adversely modified or affected;
 - (vii) any member of the Water Hall Group ceasing to be able to carry on business under any name under which it currently does so; or
 - (viii) the creation of any liability, actual or contingent, by any member of the Water Hall Group;
- (f) since 31 December 2012 (being the date of Water Hall's last published audited financial statements), save as Disclosed, no member of Water Hall Group having:

- (i) (save for Water Hall Shares issued pursuant to the exercise of options granted under Water Hall Share Option Schemes, or issued pursuant to the Water Loan Note or as between Water Hall and wholly-owned subsidiaries of Water Hall (“Intra-Water Hall Group Transactions”)) issued or agreed to issue or authorised or proposed the issue of additional shares of any class or securities convertible into or rights, warrants or options to subscribe for or acquire any such shares or convertible securities;
- (ii) other than to another member of Water Hall Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus or other distribution (whether payable in cash or otherwise) other than dividends lawfully paid to Water Hall or wholly-owned subsidiaries of Water Hall;
- (iii) save for Intra-Water Hall Group Transactions, merged or demerged with or acquired any body corporate, partnership or business;
- (iv) save for Intra-Water Hall Group Transactions, acquired, or (other than in the ordinary course of business) disposed of, transferred, mortgaged or charged or created any security interest over any asset or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so which, in any such case, is material in the context of the Water Hall Group taken as a whole;
- (v) save for Intra-Water Hall Group Transactions, issued or authorised or proposed the issue of any debentures or incurred or increased any indebtedness or contingent liability or made, authorised, proposed or announced an intention to propose any change in its share or loan capital;
- (vi) entered into or varied or announced its intention to enter into or vary any contract, transaction, commitment or arrangement (whether in respect of capital expenditure or otherwise) which is of a long term or unusual nature or which involves or could involve an obligation of a nature or magnitude which, in any such case, is material in the context of Water Hall Group taken as a whole or which is or is likely to be restrictive in any material respect on the business of any member of the Water Hall Group or Petards;
- (vii) entered into, implemented, authorised or proposed any reconstruction, amalgamation, scheme of arrangement or other transaction or arrangement otherwise than in the ordinary course of business or announced any intention to do so;
- (viii) entered into, or varied in any material respect the terms of, any contract or agreement with any of the directors or senior executives of Water Hall or any of its subsidiaries;
- (ix) taken or proposed any corporate action or had any legal proceedings started or threatened against it or had any petition presented for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets and/or revenues or any analogous proceedings in any jurisdiction;
- (x) waived or compromised any claim other than in the ordinary course of business;
- (xi) made any material amendment to its articles of association;

- (xii) in relation to pension schemes established for its directors and/or other employees and/or their dependents, made or agreed to or consented to any change to: (A) the terms of the trust deeds constituting such pension schemes or to the benefits which accrue; (B) the pensions which are payable under them; (C) the basis on which qualifications for or accrual of or entitlement to such benefits or pensions are calculated or determined; (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded or made; or (E) the trustees of such pension schemes;
 - (xiii) purchased, redeemed or repaid or proposed the purchase, redemption or repayment of any of its own shares or other securities or reduced or made any other change to any part of its share capital;
 - (xiv) been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business; and
 - (xv) entered into, varied or modified any contract, commitment or agreement with respect to any of the transactions, matters or events referred to in this condition (f) or announced an intention to do so in each case which is not in the ordinary course of business and is material in the context of the Water Hall Group taken as a whole;
- (g) since 31 December 2012, (being the date of Water Hall's last published audited financial statements), save as Disclosed:
- (i) no litigation, arbitration, prosecution or other legal proceedings having been instituted, announced or threatened or become pending or remaining outstanding by or against any member of the Water Hall Group or to which any member of the Water Hall Group is or may become a party (whether as claimant, respondent or otherwise) and no enquiry or investigation by or complaint or reference to any Relevant Authority or other investigative body having been threatened, announced, implemented or instituted or remaining outstanding against or in respect of any member of the Water Hall Group which, in any such case, would or might reasonably be expected adversely to affect any member of the Water Hall Group to an extent which is material in the context of the Water Hall Group taken as a whole;
 - (ii) no material adverse change having occurred in the business, assets, financial or trading position, profits or prospects of the Water Hall Group, save as regards Water Hall's shareholding and other interests in Petards, taken as a whole;
 - (iii) no contingent or other liability having arisen which might reasonably be expected adversely to materially affect the Water Hall Group taken as a whole;
 - (iv) no investigation by any Relevant Authority having been threatened, announced, implemented or instituted or remaining outstanding which in any case would be likely to have a material adverse effect on the financial position of Water Hall Group taken as a whole;
- (h) save as Disclosed, Petards not having discovered that:
- (i) any business, financial or other information concerning any member of the Water Hall Group publicly disclosed or disclosed to Petards at any time by or on behalf of any member of the Water Hall Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make the

information contained therein not misleading which, in any such case, is material in the context of the Water Hall Group taken as a whole;

- (ii) any member of the Water Hall Group is subject to any liability, actual or contingent which is not Disclosed and which is material in the context of the Water Hall Group taken as a whole;
- (i) the passing of the Resolutions at the General Meeting;
- (j) the London Stock Exchange agreeing to admit the New Petards Shares to trading on AIM subject to the allotment of such New Petards Shares.

Petards reserves the right to waive all or any of conditions (b) to (h) (inclusive) above, in whole or in part. Conditions (b) to (h) (inclusive) must be fulfilled or waived by midnight on the 21st day after the later of Day 21 and the date on which condition (a) is fulfilled (or such later date as the Panel may agree). Petards shall be under no obligation to waive or treat as fulfilled any of conditions (b) to (h) (inclusive) by a date earlier than the latest date specified above for the fulfilment thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If Petards is required by the Panel to make an offer for Water Hall Shares under the provisions of Rule 9 of the Code, Petards may make such alterations to the conditions as are necessary to comply with the provisions of that Rule.

The Offer (once made) will lapse if, before 3.00 p.m. on the first closing date of the Offer or the date on which the Offer becomes or is declared unconditional as to acceptances (whichever is later), (i) the Offer or any part of it is referred to the Competition Commission; or (ii) following a request to the European Commission under Article 22(3) of the EC Merger Regulation in relation to the Offer or any part of it, which request is accepted by the European Commission, the European Commission initiates proceedings under Article 6(1)(c) of the EC Merger Regulation.

If the Offer (once made) lapses, it will cease to be capable of further acceptance and accepting Water Hall Shareholders and Petards will cease to be bound by acceptances submitted on or before the time when the Offer lapses.

APPENDIX II

BASES AND SOURCES

Unless otherwise stated in this Announcement:

- (a) financial information relating to Petards has been extracted from the audited accounts of Petards for the year ended 31 December 2012 and financial information relating to Water Hall has been extracted from the audited accounts of Water Hall for the financial year ended 31 December 2012;
- (b) the value of the Offer is based on full acceptance of the Offer and calculated upon the 79,638,755 Water Hall Shares in issue as at 28 June 2013 (being the last practicable date prior to the date of this Announcement) and the further 8,000,000 new Water Hall Shares to be issued assuming full conversion of the Water Hall Loan Note but excluding the effects of any of the Water Hall Share Options;
- (c) all share prices for Petards and Water Hall Shares are derived from the AIM Appendix of the Daily Official List; and

APPENDIX III

DEFINITIONS

"AIM"	a market operated by the London Stock Exchange
"Announcement"	this announcement
"Bankers"	Petards' former bankers, Lloyds TSB Commercial Finance Limited and Bank of Scotland Plc
"Beaumont Cornish"	Beaumont Cornish Limited, Water Hall's Rule 3 Adviser, authorised and regulated by the FCA
"business day"	any day which is not a Saturday, a Sunday or a public holiday in England and Wales
"Canada"	Canada, its possessions, provinces and territories and all areas subject to its jurisdiction or any political subdivision thereof
"certificated" or "in form"	in relation to a share or other security, not in uncertificated form (that is, not in CREST)
"Code"	the City Code on Takeovers and Mergers, as amended from time to time
"connected person"	has the meaning given to that term in section 252 of the Companies Act 2006
"Convertible Loan Notes"	the unsecured convertible redeemable notes of £1 each to be issue pursuant to the Offer, further details of which will be contained in the Offer Document
"Daily Official List"	the Daily Official List of the London Stock Exchange
"Day 21"	the date which falls 21 days after the Offer Document is posted
"Dealing Disclosure"	the announcement concerning dealings in relevant securities of any party to the Offer required for the purposes of Rule 8 of the Code
"Disclosed"	means (i) as disclosed in Water Hall's report and accounts for the year ended 31 December 2012; (ii) as publicly announced by Water Hall (by the delivery of an announcement to an authorised Regulatory Information Service prior to 1 July 2013); (iii) as disclosed in the Offer Document; or (iv) as otherwise disclosed in writing, or in the documentation or written information provided, to Petards or its advisers by or on behalf of Water Hall prior to 1 July 2013 in the context of the Offer
"EC Merger Regulation"	Council Regulation 139/2004/EC (as amended)
"electronic form"	as defined in the Code
"Enlarged Group"	Petards as enlarged by the acquisition of Water Hall
"Form of Acceptance"	the form of acceptance and authority which will relate to the Offer in respect of certificated Water Hall Shares
"FCA"	the Financial Conduct Authority

"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of Petards to be convened at which the Resolutions will be proposed
"hard copy form"	as defined in the Code
"Independent Petards Directors"	the directors of Petards other than Raschid Abdullah and Osman Abdullah
"Independent Water Hall Director"	Roger Musson
"Japan"	Japan, its cities, prefectures, territories and possessions
"Listing Rules"	the Listing Rules of the FSA made pursuant to section 73A of the Financial Services and Markets Act 2000
"London Stock Exchange"	London Stock Exchange plc
"New Petards Shares"	the new Petards Shares to be issued pursuant to the Offer
"Offer"	the recommended offer to be made by Petards, on the terms and subject to the conditions set out in this Announcement and the Offer Document and (in respect of certificated Water Hall Shares) the Form of Acceptance to acquire all of the Water Hall Shares (including, where the context requires, any subsequent revision, variation, extension or renewal of such offer)
"Offer Document"	the offer document to be sent to shareholders (other than those in a Restricted Jurisdiction) which will contain the conditions and full terms of the Offer
"Offer Period"	the period commencing 1 July 2013 and ending in accordance with the rules of the Code
"Official List"	the Official List of the UK Listing Authority
"Opening Position Disclosure"	the announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Offer if the person concerned has such a position required for the purposes of Rule 8 of the Code
"Panel"	the Panel on Takeovers and Mergers
"Petards" or the "Company"	Petards Group plc
"Petards Bank Debt"	the debt formerly owed by Petards to its Bankers
"Petards Directors" or "Petards Board"	the directors of Petards as at the date of this Announcement
"Petards Shares"	the existing issued fully paid ordinary shares 1 pence each in the capital of Petards
"persons with information rights"	as defined in the Code
"pounds", "£" or "pence"	the lawful currency of the United Kingdom

"Regulatory Information Service"	any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the Listing Rules
"Resolutions"	the resolutions required to obtain the necessary authorities to allot and issue the New Petards Shares and the Convertible Loan Notes in connection with the Offer to be proposed at the General Meeting
"Restricted Jurisdiction"	the United States, Canada, Australia or Japan or any other jurisdiction where extension or acceptance of the Offer would violate the law of that jurisdiction
"Unapproved Scheme"	Water Hall 1996 Unapproved Executive Option Scheme
"uncertificated" or "in uncertificated form"	in relation to a share or other security, recorded on the relevant register in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"Water Hall"	Water Hall Group plc
"Water Hall Directors" or "Water Hall Board"	the directors of Water Hall at the date of this Announcement
Water Hall Facility Agreement"	the agreement between Petards and Water Hall regarding the Water Hall Facility
"Water Hall Facility"	the working capital facility of £1,650,000 made available pursuant to the Water Hall Facility Agreement
"Water Hall Group"	Water Hall and its subsidiary undertakings at the date of this Announcement
"Water Hall Loan Note"	the £200,000 convertible unsecured loan note issued by Water Hall as referred to in a circular to shareholders dated 27 September 2012
"Water Hall Options"	options or other rights to acquire Water Hall Shares under Water Hall Share Option Schemes or otherwise
"Water Hall Optionholders"	holders of Water Hall Options
"Water Hall Shareholders"	holders of Water Hall Shares
"Water Hall Shares"	the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 1 pence each in the capital of Water Hall and any further such shares which are unconditionally allotted or issued and fully paid or credited as fully paid before the date on which the Offer cease to be open for acceptance (or such earlier date, as Petards may, subject to the Code, decide)
WH Ireland	WH Ireland Limited, nominated adviser and financial adviser to Petards authorised and regulated by the FCA