

1 August 2013

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

Irrevocable undertaking

Further to the announcement of the offer by Petards to acquire the issued and to be issued share capital of Water Hall Group Plc ("Water Hall"), Petards announces that it yesterday received an irrevocable undertaking to procure the acceptance of the offer from El Khereiji Financial Company WLL ("El Khereiji") in respect of 14,974,054 ordinary shares of 1p each in Water Hall, representing approximately 18.8 per cent of the existing issued share capital of Water Hall. There are no circumstances in which the irrevocable commitment may be withdrawn.

In addition El Khereiji holds a £200,000 convertible loan note in Water Hall which, subject to the Offer becoming wholly unconditional, it intends to convert into a maximum of 8m new Water Hall shares which it has irrevocably undertaken to assent to the Offer.

Save as disclosed, El Khereiji has no further interest in shares, options in shares, derivatives or short positions in Water Hall that are required to be disclosed in accordance with the requirements of Rule 8.5 of the City Code.

Together with other irrevocable commitments received by Petards in respect of a further 43,290,568 shares in Water Hall, as disclosed in the offer document dated 23 July 2013, Petards has now received irrevocable commitments to accept the offer in respect of a total of 58,264,622 shares in Water Hall, representing approximately 73.16 per cent of the Water Hall shares currently in issue.

For further information:

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IMPORTANT INFORMATION

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.

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.