

**30 August 2013**

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

**Offer Update**

**Recommended Offer  
for the entire issued and to be issued share capital of Water Hall Group plc**

**Offer declared unconditional in all respects**

### **Background**

On 1 July 2013 the boards of Water Hall and Petards announced 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 (the "Offer"). The full terms of, and conditions to, the Offer and the procedure for acceptance were set out in the offer document issued by Petards on 23 July 2013 (the "Offer Document").

Petards is pleased to announce that the Offer has been now been declared unconditional in all respects.

The Offer will remain open for acceptances until further notice and at least 14 days' notice will be given if Petards decides to close the Offer.

The capitalised terms used in this announcement have the meaning given to them in the Offer Document.

### **Level of Acceptances**

As at 5.00 p.m. on 29 August 2013, Petards had received valid acceptances from Water Hall Shareholders in respect of 64,218,764 Water Hall Shares representing approximately 80.64% of the existing issued ordinary share capital of Water Hall.

These acceptances include acceptances received in respect of:

- (i) 10,068,254 Water Hall Shares (representing approximately 12.64% of the existing ordinary share capital of Water Hall and 11.69% of Water Hall's share capital assuming full conversion of the Water Hall Loan Note) which were subject to irrevocable commitments procured by Petards from the Water Hall Directors; and
- (iii) 53,264,622 Water Hall Shares (representing approximately 66.88% of the existing ordinary share capital of Water Hall and approximately 60.78% of Water Hall's share capital assuming full conversion of the Water Hall Loan Note) which were subject to irrevocable commitments procured by Petards from certain other Water Hall Shareholders.

Petards also has received an irrevocable undertaking to accept the Offer from Yousuf Zahid for which a valid acceptance has not yet been received in respect of a further 5,000,000 Water Hall Shares (representing approximately 6.28% of the existing ordinary share capital of Water Hall and approximately 5.7% of Water Hall's share capital assuming full conversion of the Water Hall Loan Note). This undertaking may be withdrawn if the Offer is withdrawn or lapses. Save as disclosed

neither Petards nor its associates have any other outstanding irrevocable commitments or letters of intent to accept the Offer.

### **Extension of the Offer**

The Offer will remain open for acceptances until further notice and at least 14 days' notice will be given if Petards decides to close the Offer.

### **Acceptance of the Offer**

Water Hall Shareholders who have not yet accepted, and wish to accept, the Offer should take action to accept the Offer as soon as possible. Details of the procedure for doing so are set forth in the Offer Document (including, in the case of certificated Water Hall Shares, the Form of Acceptance) sent to Water Hall Shareholders on 23 July 2013.

### **Settlement of Consideration**

Settlement of the consideration to which any Water Hall Shareholders (or the first named shareholder in the case of joint shareholders) are entitled under the Offer will be effected (in the manner set out in paragraph 15 of Part II of the Offer Document): (i) in the case of acceptances received, complete in all respects, by 29 August 2013, within 14 days of such date, or, (ii) in the case of acceptances received, complete in all respects, after 29 August 2013 but while the Offer remains open for acceptance, within 14 days of such receipt.

### **Cancellation of trading of Water Hall Shares**

As set out in the Offer Document, as Petards has received valid acceptances in respect of more than 75 per cent. of Water Hall's issued share capital and the Offer has been declared unconditional in all respects, Petards has requested the Board of Water Hall to apply to the London Stock Exchange for the cancellation of the admission to trading of Water Hall's shares on AIM. The expected time and date of cancellation of the Company's ordinary shares on AIM will be announced in due course.

Following such cancellation, Water Hall will be re-registered as a private company under the relevant provisions of the Companies Act 2006.

### **For further information:**

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### **FURTHER 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.*

*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](http://www.waterhallgroupplc.com) and at Petards' website at [www.petards.com](http://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.*