

29 October 2013

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

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

Offer Update

Notice of Closing of the Offer

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").

On 30 August 2013 the Offer was declared unconditional in all respects.

The Offer will continue to remain open for acceptances until 1:00 p.m. on 11 December 2013 following which the Offer will lapse.

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

Level of Acceptances

As at close of business on 24 October 2013, Petards had received valid acceptances from Water Hall Shareholders in respect of 81,182,743 representing approximately 92.63% of the existing issued ordinary share capital of Water Hall which may count toward satisfaction of the acceptance condition to the Offer (as set out in paragraph 1(a) of Part A of Appendix 1 of the Offer Document).

These acceptances include acceptances received in respect of:

- (i) 10,068,254 Water Hall Shares (representing approximately 11.49% of the existing ordinary share capital of Water Hall) which were subject to irrevocable commitments procured by Petards from the Water Hall Directors; and
- (ii) 56,196,368 Water Hall Shares (representing approximately 64.12% of the existing ordinary share capital of Water Hall) which were subject to irrevocable commitments procured by Petards from certain other Water Hall Shareholders.

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

Extension of the Offer Period

The Offer, which remains subject to the terms and conditions set out in the Offer Document, has been extended to, and will remain open for acceptance until 1:00 p.m. on 11 December 2013, following which time the Offer will lapse.

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 out 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 Shareholder is entitled under the Offer will be effected (in the manner set out in paragraph 15 of Part II of the Offer Document) and in the case of acceptances received, complete in all respects, after 30 August 2013 but while the Offer remains open for acceptance, within 14 days of such receipt.

Compulsory acquisition and 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 90 per cent. of Water Hall's issued share capital and the Offer has been declared unconditional in all respects, Petards now intends to exercise its rights pursuant to the provisions of sections 979 to 991 (inclusive) of the Companies Act to acquire compulsorily the remaining Water Hall Shares on the same terms as the Offer. Petards has initiated the process to acquire compulsorily the remaining Water Hall Shares in respect of which the Offer has not been validly accepted. Petards will post notices to the holders of Offer Shares who have not validly accepted the Offer, on or around 30 October 2013, informing them that it proposes to acquire compulsorily their Water Hall Shares under the provisions of section 974 to 991 of the 2006 Act on the same terms of the Offer.

The compulsory acquisition procedure is expected to be completed on, or shortly after, 11 December 2013, being 6 weeks from the date of the compulsory acquisition notice.

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.

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.

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 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 content of that website is not incorporated into and does not form part of this announcement.