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PRESS RELEASE

FOR IMMEDIATE RELEASE

5 October, 2006

MID-STATES, A LEADING ENVIRONMENTAL TECHNOLOGY COMPANY, ANNOUNCES  
FIRST DAY OF DEALINGS ON AIM

Mid-States PLC ("Mid-States" or "the Company"), the London-based former cash-shell, is pleased to announce the completion of its transforming acquisitions of Inov8 and Moving Sun, to create a leading environmental technology company, its Admission to trading and first dealings of shares on the AIM Market of the London Stock Exchange ("AIM") today. Mid-States shares will commence trading at 8am today under the ticker MST.L.

Highlights of the acquisitions

- Acquisitions bring together Mid-States' corporate infrastructure and balance sheet with Moving Sun's ground breaking air disinfection technology and Inov8's management, engineering, purchasing, finance and systems testing business
- Focus of new Enlarged group will combine development of novel air disinfection technology, scientifically proven to kill bacteria, viruses and fungi in enclosed spaces with Inov8's existing business infrastructure
- Significant global market potential to reduce high profile health concerns such as MRSA, E. coli and C. diff. Markets include UK and US hospitals, care homes and other health facilities, hotels and the US retail market where a number of inferior, non-scientifically proven devices are being successfully marketed. Chinese entities have expressed significant interest in the product
- Unique technology behind air disinfection device is based upon research by David Macdonald, Chief Scientific Officer of the Enlarged Group and Professor Derek Elwood, has been independently reported on by Professor Hugh Pennington, world expert in virology and bacteriology and tested at Porton Down. In his report Professor Pennington commented, "The evidence that I have seen indicated that the device produces a significant biocidal effect in an enclosed space."
- Enlarged group will provide necessary structure to support volume production of air disinfection products, as well as development of existing Inov8 business
- Strong Board and management team with proven track record supported by leading blue chip investors

David Plucinsky, Chairman said: "We are pleased that the acquisition has now been successfully completed and would like to thank our shareholders for their

continued support. The move to AIM gives Mid-States the flexibility required to achieve the substantial growth that we think this acquisition will provide. As indicated in the circular to shareholders dated 14 August, Michael Heath joined the Board as Managing Director and Roger McCabe stepped down from the Board as a non-executive director on completion of the acquisition. I would like both to welcome Mike to the Board and to express the Board's appreciation to Roger for his services to the Company since his appointment in 1998. Mike brings a variety of important skills to the Enlarged group, including extensive contacts in China which are already starting to show benefits."

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Notes to Editors

Mid-States

Mid-States is a cash shell listed on the London Stock Exchange with cash balances as at 31 December 2005 of £7.7 million. Mid-States previously owned a business involved in the supply of automotive aftermarket products in the US. This business was sold in October 2001. Since then the Board has been reviewing the possibility of acquiring a new business with a view to generating additional value for Shareholders.

Inov8

Inov8's range of products is in use worldwide and extends from laboratory and development cells through to high volume test and calibration production lines. Inov8's equipment, which measures tiny quantities of liquid at extremely high speed, is in widespread use in the calibration of fuel injectors worldwide. Inov8 has created software specially to collect and process data from its metering units.

With the increasingly stringent EU and US emissions legislation, Inov8 believes that its technology using atmospheric and combustion chemistry addresses these new requirements and therefore is well placed to benefit from growth in this area.

## Moving Sun

The technology behind Moving Sun's air disinfection device is based on research originated over 15 years ago relating to the scientific understanding of the process of atmospheric disinfection, whereby pathogens are killed by the action of chemical factors naturally present in fresh air. The device, which is intended to run continuously, should be effective in killing bacteria, viruses and fungi in enclosed spaces. The product has a scientifically established ability to kill such pathogens through the action of the Hydroxyl Radical. Operated within an enclosed environment, one unit running continuously has the capacity to substantially reduce levels of airborne pathogens. A patent has been applied for to protect key elements that enable the device to operate efficiently and cost effectively. It is projected that the unit will be competitively priced in comparison with the existing room ionisation devices on the market.

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