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Mid-States plc
("Mid-States" or "the Company")

Placing of 6,970,000 Ordinary Shares at 16 pence per share to raise £1.1 million (the "Placing")

Mid-States plc (AIM: MST), a leading environmental technology group, is pleased to announce that it has raised £1,115,200 before expenses, through a placing of 6,970,000 new Ordinary Shares at 16 pence each ("Placing Shares"). These shares have been conditionally placed with institutional investors by the Company's NOMAD and broker, Panmure Gordon.

The proceeds of the placing will be used to provide the company with additional working capital to enable it to accelerate penetration of the market for the AD, Mid-States groundbreaking air disinfection unit.

Application will be made for admission of the Placing Shares to AIM and dealings are expected to commence on 9 July 2008. The Placing Shares will, on Admission, rank *pari passu* with the existing Ordinary Shares.

David Plucinsky, Chairman, commented on the Placing and the current trading of the Company:

"The Company has made good progress recently with the distribution agreements with Sunlight in the UK and Aerosan in Ireland. These funds will allow the Company to invest in further penetration of the market for the AD in the UK, in Ireland, and Europe."

Ends

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About Mid-States

Mid-States is a leading environmental technology group founded on proven expertise in atmospheric chemistry. Its technologies target global concerns and interest in clean air and an improved environment. The Group's AD air disinfection unit is based on research conducted by Professor Derek Elwood, a consultant to the Group, when he was working at the government research facility at Porton Down. The air disinfection device generates a continuous cascade of hydroxyl radicals indoors, reproducing the same effect as occurs naturally outdoors. This effect is scientifically proven to be

effective in an enclosed environment in killing well publicised pathogens including MRSA, E. coli and C. diff in addition to those associated with influenza and other illnesses. It is suitable for use in a variety of environments including hospitals, care homes, and offices..

Mid-States' subsidiary, Inov8, is a global leader in fuel system testing technology and the provision of equipment directed toward meeting emission requirements and increasing fuel efficiency. Its customers include manufacturers such as Ford, Renault and Volkswagen as well as tier one suppliers including Siemens, Delphi and Denso. The Group is well positioned to take advantage of the demand that will be generated by the increasingly stringent EU and US emission regulations.

Panmure Gordon (UK) Limited is authorised and regulated in the United Kingdom by The Financial Services Authority, is advising Mid-States and no-one else in connection with the Placing and will not be responsible to any person other than Mid-States for providing the protections afforded to their clients or for advising any other person in relation to the Placing.

This announcement has been issued by, and is the sole responsibility of, Mid-States. This announcement does not constitute an offer to underwrite, subscribe or otherwise acquire or dispose of any new Ordinary Shares or other shares in Mid-States.

The Ordinary Shares have not been, and will not be registered under the United States Securities Act of 1933, as amended (the 'Securities Act') or under the securities legislation of any state of the United States, and may not be offered or sold in the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to the Placing has been, or will be, lodged with, or registered by, The Australian Securities and Investments Commission; no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Placing; and no registration statement has been, or will be, filed with the Irish Stock Exchange in relation to the Placing. Accordingly, subject to certain exceptions, the Ordinary Shares the subject of the Placing may not, directly or indirectly, be offered or sold within the United States, Canada, Australia, Japan or the Republic of Ireland or offered or sold to a resident of the United States, Canada, Australia, Japan or the Republic of Ireland.

This press release may contain forward-looking statements with respect to Mid-States and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Mid-States could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation. The cautionary statements qualify all forward-looking statements attributable to Mid-States and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the parties have no obligation to update such statements.

APPENDIX

This appendix contains important information for Placees (as defined below) in the United Kingdom. Members of the public are not eligible to take part in the Placing. This appendix and the terms set out herein are directed only at persons in the United Kingdom selected by Panmure Gordon who have professional experience in matters relating to investments and are "investment professionals" within the meaning of Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"), are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or are otherwise persons to whom it may lawfully be communicated (all such persons together being referred to as "Relevant Persons"). Any investment or investment activity to which the terms and conditions set out herein relates is available only to such persons and will be engaged in only with such persons.

Terms of the Placing

If a Relevant Person chooses to participate in the Placing by making or accepting an offer to acquire new Ordinary Shares (each such Relevant Person whose participation is accepted by Panmure Gordon in accordance with this appendix being hereinafter referred to as a "Placee" and together, as the "Placees") it will be deemed to have read and understood this announcement and this appendix in its entirety and to be making or accepting such offer on the terms and to be providing the representations, warranties and acknowledgements, contained in this appendix.

The new Ordinary Shares referred to in this announcement have not been and will not be registered under the Securities Act of 1933 (the "Securities Act") or the securities laws of any state of the United States of America (the "United States"), and may not be offered or sold, taken up, delivered or transferred (directly or indirectly) and will not qualify for sale within the United States. There will be no public offer of the new Ordinary Shares in the United States. The new Ordinary Shares have not been recommended, approved or disapproved by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States. The new Ordinary Shares will not be lodged or registered with the Australian Securities and Investments Commission under Australia's Corporations Law and are not being offered for subscription or sale and may not be directly or indirectly offered, sold or delivered in or into Australia or for the account or benefit of any person or corporation in (or with a registered address in) Australia. No document in relation to the new Ordinary Shares has been or will be lodged for registration with the Registrar of Companies in the Republic of Ireland and the new Ordinary Shares will not be offered, sold or delivered, directly or indirectly in the Republic of Ireland. All subscribers for new Ordinary Shares must provide addresses outside the Republic of Ireland for the receipt of certificates for new Ordinary Shares. The relevant clearances have not been, and will not be obtained from the Ministry of Finance of Japan and no circular in relation to the new Ordinary Shares

has been or will be lodged with or registered by the Ministry of Finance of Japan. The new Ordinary Shares may not therefore be offered or sold, directly or indirectly, in or into Japan, its territories and possessions and any areas subject to its jurisdiction. The approval of the South African Exchange Control Authorities has not been, and will not be, obtained in relation to the new Ordinary Shares. The new Ordinary Shares may not therefore be offered or sold directly or indirectly in or into South Africa. This announcement and appendix do not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for new Ordinary Shares in any jurisdiction. The distribution of this announcement and the placing and issue of the new Ordinary Shares in certain jurisdictions may be restricted by law. Persons to whose attention this announcement has been drawn are required by the Company and Panmure Gordon to inform themselves about and to observe any such restrictions.

1. Panmure Gordon will arrange the Placing as agent for and on behalf of the Company. Participation will only be available to persons invited to participate by Panmure Gordon. Panmure Gordon will determine in its absolute discretion the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee.
2. The price payable per new Ordinary Share shall be the Placing Price.
3. A Placee's commitment to subscribe for a fixed number of new Ordinary Shares will be agreed with and confirmed to it orally by Panmure Gordon (the "Placing Commitment") and a contract note (a "Contract Note") will be dispatched as soon as possible thereafter. The oral confirmation to the Placee by Panmure Gordon (the "Oral Confirmation") constitutes an irrevocable, legally binding contractual commitment to Panmure Gordon (as agent for the Company) to subscribe for the number of new Ordinary Shares allocated to it on the terms set out in this appendix.
4. Commissions will not be paid to Placees in connection with the Placing.
5. The agreement entered into between Panmure Gordon and the Company in connection with the Placing (the "Placing Agreement") will automatically terminate (subject to Panmure Gordon's right to waive the non-fulfilment of any of the conditions set out below) if any of the following conditions have not been fulfilled on or before the time and date set for their fulfilment, or otherwise become incapable of being fulfilled: (i) the publication by the Company of this press announcement; (ii) the delivery by the Company to Panmure Gordon of a certified copy of a board minute evidencing the allotment of the new Ordinary Shares; and (iii) Admission. If the Placing Agreement is terminated prior to Admission, the Placing will lapse and the rights and obligations of the Placees hereunder shall cease and determine at such time and no claim can be made by any Placee in respect thereof. In such event, all monies (if any) paid by the Placees to Panmure Gordon at such time shall be returned to the Placees at their sole risk without any obligation on the part of the Company or Panmure Gordon or any of their respective affiliates to account to the Placees for any interest earned on such funds. The Placees acknowledge and agree that the Company and Panmure Gordon

may exercise their contractual rights to waive or to extend the time and/or date for fulfilment of any of the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments.

6. Neither Panmure Gordon nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of the exercise of its contractual rights to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement or in respect of the Placing generally.
7. Each Placee acknowledges to, and agrees with, Panmure Gordon for itself and as agent for the Company, that except in relation to the information in this announcement, it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing.
8. Settlement of transactions in the new Ordinary Shares following Admission (as the case may be) will take place within CREST, subject to certain exceptions. Panmure Gordon reserves the right to require settlement for and delivery of the new Ordinary Shares to the Placees in such other means that it deems necessary if delivery or settlement is not possible within CREST within the timetable set out in this announcement or would not be consistent with the regulatory requirements in the jurisdictions of such Placees.
9. It is expected that settlement of the Placing will occur on 9 July 2008, on which date each Placee must settle the full amount owed by it in respect of the Placing Shares allocated to it. Panmure Gordon may (after consultation with the Company) specify a later settlement date (or dates) at its absolute discretion. Payment must be made in cleared funds. The payment instructions for settlement in CREST and settlement outside of CREST will be set out in the Contract Note. The trade date of the Placing Shares is 9 July 2008. Interest is chargeable daily on payments to the extent that value is received after the due date at the rate per annum of 2 percentage points above the Barclays Bank plc base rate. If a Placee does not comply with these obligations, Panmure Gordon may sell the new Ordinary Shares allocated to such Placee (as agent for such Placee) and retain from the proceeds, for its own account, an amount equal to the Placing Price plus any interest due. The relevant Placee will, however, remain liable, inter alia, for any shortfall below the Placing Price and it may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of its new Ordinary Shares on its behalf. Time shall be of the essence as regards the obligations of Placees to settle payment for the new Ordinary Shares and to comply with their other obligations under this appendix.
10. If new Ordinary Shares are to be delivered to a custodian or settlement agent of a Placee, the relevant Placee should ensure that its Contract Note is copied and delivered immediately to the relevant person within that organisation. Insofar as new

Ordinary Shares are to be registered in the name of a Placee or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such new Ordinary Shares will, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax.

Representations and Warranties by Placees

By participating in the Placing, each Placee (and any persons acting on its behalf):

1. represents and warrants that it has read this announcement in its entirety and acknowledges that its participation in the Placing will be governed by the terms of this appendix and press release and the Placing Agreement;
2. represents, warrants and undertakes that it will subscribe for the new Ordinary Shares allocated to it in the Placing and pay up for the same in accordance with the terms of this appendix failing which the relevant new Ordinary Shares may be placed with other subscribers or sold as Panmure Gordon determines and without liability to such Placee;
3. undertakes and acknowledges that its obligations under the Placing are irrevocable;
4. represents and warrants that it is entitled to subscribe for new Ordinary Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees and other consents which may be required thereunder and complied with all necessary formalities;
5. acknowledges that it is not entitled to rely on any information (including, without limitation, any information contained in any management presentation or communication given in relation to the Placing) other than that contained in this announcement (including this appendix);
6. represents and warrants that the issue to the Placee, or the person specified by such Placee for registration as holder of new Ordinary Shares, will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
7. represents and warrants that it has complied with its obligations in connection with money laundering under the Criminal Justice Act 1993 and the Money Laundering Regulations 2003 (the "Regulations") and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
8. represents and warrants that it is a person falling within Article 19 (5) or Article 49(2)(a) to (d) of the Order and undertakes that it will acquire, hold, manage or dispose of any new Ordinary Shares that are allocated to it for the purposes of its business;

9. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the new Ordinary Shares in, from or otherwise involving the United Kingdom and will not sell or offer to sell the new Ordinary Shares in a manner which will result in an offer to the public in the United Kingdom within the meaning of FSMA;
10. represents and warrants that its obligations under the Placing are valid, binding and enforceable and that it has all necessary capacity and authority, and has obtained all necessary consents and authorities to enable it to commit to participation in the Placing and to perform its obligations in relation thereto and will honour its obligations (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this announcement);
11. acknowledges that Panmure Gordon is acting solely for the Company and that participation in the Placing is on the basis that it is not and will not be a client or customer of Panmure Gordon or any of its affiliates and that Panmure Gordon and its affiliates have no duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing or in respect of any warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of Panmure Gordon's rights and obligations thereunder, including any right to waive or vary conditions or exercise any termination right;
12. undertakes and agrees that (i) the person whom it specifies for registration as holder of the new Ordinary Shares will be (a) the Placee or (b) a nominee of the Placee, (ii) neither Panmure Gordon nor the Company or any of their respective affiliates will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement and (iii) the Placee and any person acting on its behalf agrees to subscribe on the basis that the new Ordinary Shares will be allotted to the CREST stock account of Panmure Gordon who will act as settlement agent in order to facilitate the settlement process;
13. acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract;
14. acknowledges that the new Ordinary Shares have not been and will not be registered under the Securities Act or under the relevant securities laws of any state of the United States, any of Australia, Japan, the Republic of Ireland or South Africa or any state or territory within any such country and, subject to certain limited exceptions, may not be directly or indirectly offered, sold, renounced, transferred, taken-up or delivered in, into or within those jurisdictions;

15. represents, warrants and acknowledges to Panmure Gordon for itself and as agent for the Company that it is outside the United States and will only offer and sell the new Ordinary Shares outside the United States in offshore transactions in accordance with Regulation S of the Securities Act;
16. represents, warrants and undertakes and agrees that neither it nor its affiliates (as defined in Rule 501(b) of the US Securities Act) nor any person acting on its or their behalf have engaged in or will engage in any "general solicitation or general advertising" (within the meaning of Regulation D under the US Securities Act) or "directed selling efforts" (as defined in Regulation S under the US Securities Act) in connection with any offer or sale of the new Ordinary Shares;
17. acknowledges that the agreement to settle each Placee's subscription (and/ or the subscription of a person for whom it is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Shares in question. Such agreement assumes that the new Ordinary Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer the new Ordinary Shares into a clearance service. If there were any such arrangements, or the settlement related to other dealing in the new Ordinary Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Panmure Gordon nor any of their respective affiliates will be responsible. If this is the case, the relevant Placee should take its own advice and notify Panmure Gordon accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any new Ordinary Shares or the agreement by them to acquire any new Ordinary Shares; and
18. acknowledges that any monies of any Placee or any person acting on behalf of the Placee held or received by Panmure Gordon will not be subject to the protections conferred by the FSA's Client Money Rules. As a consequence, these monies will not be segregated from the monies of Panmure Gordon and may be used by Panmure Gordon in the course of its business, and the relevant Placee or any person acting on its behalf will therefore rank as a general creditor of Panmure Gordon.

The acknowledgements, undertakings, representations and warranties referred to above are given to each of the Company and Panmure Gordon (for their own benefit and, where relevant, the benefit of their respective affiliates) and are irrevocable. The Company and Panmure Gordon will rely upon the truth and accuracy of the foregoing acknowledgements, undertakings, representations and warranties.

Related Party

David Plucinsky, Michael Heath, Andrew Tonks, Christopher Mills, John Bateson and Paul Dumond, directors of the Company, have subscribed for 50,000, 31,250,, 6,250, 62,500, 28,125 and 93,750,Placing Shares respectively. Bottin International Investments Ltd, with which John Bateson is associated, and Oryx International Growth Fund, with which Christopher Mills is associated, are substantial shareholders of the Company and have subscribed for 3,125,000,and 1,093,750 Placing Shares respectively.

The issue of these Placing Shares is therefore a related party transaction according to the AIM Rules. Having consulted with the Company's nominated adviser, Panmure Gordon, the directors of the Company (excluding each director in respect of his own subscription in the Company or the subscription of his connected persons in the Company) consider that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.