

13 January 2009

Mid-States PLC
("Mid-States" or the "Group")

Mid-States provides a further update on strategic developments in its Environmental Division (which includes the ground breaking air disinfection device, the AD), and its separate and distinct Engineering Division (which houses the fuel injection testing business).

As reported on 24 December 2008, the Group's recent trading has been below expectations. In particular, the Group's Engineering Division, which serves the global automotive market, has been experiencing the increasingly severe pressures in that industry. As also reported on 24 December 2008, the Board was investigating a number of alternative courses of action to limit any further losses in the Engineering Division. Regrettably, as a consequence of this investigation, Inov8 Technologies Limited, the Group subsidiary through which the Engineering Division operates, has been placed into administration. The Group has agreed to assist the administrator to try to find a suitable buyer for the Engineering Division. A newly-formed wholly-owned subsidiary of Mid-States has acquired and will be retaining ownership of certain assets utilised by the separate Environmental Division in its air disinfection business, which will continue to trade through Mid-States' other subsidiaries Inov8 Science Limited and AD Science Limited. .

As a result of this action, Mid-States expects to eliminate the trading losses in the Engineering Division and to make the necessary write downs in its financial statements. Except for the aforementioned write down, the appointment of administrators to Inov8 Technologies Limited does not affect Mid-States PLC, the Group's Environmental Division, or its other trading subsidiaries which are separate legal entities to Inov8 Technologies Limited, and continue to operate.

The Board remains encouraged by the potential of the Company's ground breaking Air Disinfection technology and is continuing to explore raising additional equity from shareholders to help realise this potential

Further announcements will be made in due course.

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