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

Mid-States today announces a placing to raise £3.0 million (the "Placing") and changes to the Board.

Highlights:

- Placing at 10 pence per share to raise £3.0 million
- Funds to be used to accelerate the commercial development of the Company's air disinfection product (the "AD")
- The AD will now be sold on a rental basis
- Hospital trials involving the AD have confirmed the ability of the AD to reduce the incidence of hospital acquired infections significantly
- David Plucinsky, who has relocated to the US, to resign as Chairman, with John Bateson appointed on an interim basis. A search for a new Chairman has commenced
- Esteban Monegal and Javier Segura to join the Board
- Current trading remains challenging
- The Ordinary Shares are currently suspended and the Company intends to seek the restoration of dealings on AIM in May following the release of the interim results for the six months to 31 December 2008

David Plucinsky, Chairman, commented on the Placing and Board changes:

"I am delighted to report that the funds raised in the proposed placing and the new Board appointments will greatly strengthen the resources available to the Company as it commercialises its proprietary air disinfection device, the AD.

I am very pleased that upon my resignation following my move to the US, and the completion of the placing, the Company's future is secure. As a continuing shareholder, I look forward to hearing of further success for Mid-States and the AD from new management.

Further, my thanks go to shareholders who have supported the Company these many years as well as the dedicated team who will be continuing work on the commercialisation of the AD and the ongoing development of its technology."

This summary should be read in conjunction with the full text of this announcement.

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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 about air quality 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.

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.

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.



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

Placing of 30,000,000 Ordinary Shares at 10 pence per share to raise £3.0 million

Mid-States PLC (AIM: MST), a leading environmental technology group, is pleased to announce that it has raised £3.0 million before expenses, through a placing of 30,000,000 new Ordinary Shares at 10 pence each ("Placing Shares"). The Placing Price is at a premium of 53.8 per cent. to the Closing Price of 6.5 pence per Ordinary Share on 24 December 2008 (being the day that the Ordinary Shares were suspended from trading on AIM). In addition, although the Directors have no current intention to utilise this, the Company is seeking authority to allot up to a further 38,694,137 new Ordinary Shares, being the standard authority which a public company would maintain in place. A circular will be despatched to shareholders to provide them with further information on the Placing and to convene the General Meeting to seek shareholder approval for the Resolution necessary to effect the Placing.

The Shares of the Company have been suspended from dealings on AIM and will not be restored to trading until the Company is in compliance with the AIM Rules regarding the publication of financial information, which can only occur if the Placing proceeds. If the Placing does not proceed, the Directors believe that the Company will be unable to pay its debts as they become due and will therefore be insolvent.

Development of the business to date

In October 2006, the Company purchased Moving Sun, a company holding intellectual property assets developed by David Macdonald, now the Group's Chief Scientific Officer. This intellectual property relates to atmospheric chemistry and specifically to the control of pathogens through the open air factor, whose scientific name is the hydroxyl radical. As a result, the Group has scientific understanding of atmospheric disinfection whereby dangerous pathogens are killed by the action of factors present in fresh air, and of how to achieve high levels of disinfection within closed rooms. At the same time the Company purchased Inov8 Technologies Limited, a company that provided the infrastructure support for the development of products, such as the AD, the Group's groundbreaking air disinfection device, based on Moving Sun's technology. Inov8 Technologies Limited itself was a significant supplier of highly specialised metering equipment for the automotive industry.

The current AD product has a proven and scientifically established ability to kill viral, bacterial and fungal pathogens, including some non-vegetative spores, with a very high degree of efficacy. Results at Sunderland Royal Hospital confirm that, for 95% of the time, a level of sterility equal to or better than that required of an operating theatre is being achieved with the AD deployed in an intensive treatment ward set aside for infectious patients suffering from, for example, C.Diff. The implications of these results obtained under severe hospital conditions are, in the view of your Board, remarkable. The Group expects that the results from Sunderland Royal Hospital and other hospitals and the recent inclusion of the AD in the NHS Smart Solutions Programme¹, will generate further interest from the healthcare market. The Company's principal focus continues to be on the health-care market, building on the considerable success of the technology in the clinical environment over the past year. Experience has shown that there are other significant opportunities for the underlying AD technology. The AD has recently been included in the NHS Smart Solutions¹ Programme, where nine products have been competitively selected to find new ways to help combat healthcare associated infections (HCAs). They have been chosen from approximately 250 applications submitted to the NHS Smart Solutions¹ Programme, which sought to identify innovative technologies from different industry

¹ Smart Solutions for HCAI is a national programme run by TrusTECH®, the North West of England NHS Innovation Hub, on behalf of the NHS Purchasing and Supply Agency (NHS PASA) and supported by the NHS National Innovation Centre.

sectors with the potential to fight hospital acquired infections. The products will all be evaluated in a hospital setting. The programme is expected to begin in early spring this year..

New Products

The Company has designed a series of new products around the air disinfection technology of the AD. These products are in the late stage of development and include a hand disinfection device, a water disinfection device and an automatic air quality sampler. These new products are mainly aimed at the healthcare and commercial/industrial markets.

Former Engineering Division

During the latter part of 2008, the Group's engineering division, which supplied specialised metering equipment for the global automotive market, experienced the increasingly severe pressures in that industry. The Board investigated a number of alternative courses of action to limit any further losses from that division. Regrettably, in the current economic climate, it proved necessary to place the Group subsidiary through which this division operated, Inov8 Technologies Limited, now renamed Buckingham Realisations Limited, into administration. As a result of this action, the trading losses in the engineering division were eliminated (subject to the necessary non-cash write down which will be required in the Group's financial statements in relation to the carrying value of that business), and any further Group funding requirements for that business were eliminated. The appointment of administrators to this subsidiary did not and does not affect Mid-States PLC, the Group's environmental division and its air disinfection business, or its other trading subsidiaries which are separate legal entities to Inov8 Technologies Limited, and continue to operate.

Ongoing strategy

Having now achieved entry of the AD into the UK hospital market, the strategy of the Group is to achieve penetration of that market and of hospital markets in other selected countries, initially Ireland and Spain. The Group is already working with its business partners toward this, including a focussed effort to agree and implement successful UK hospital distribution arrangements with Sunlight Service Group Limited. The Group will also continue to progress additional routes to market. The Board remains convinced of the potential of the AD and the technology on which it is based, believing it to be an important and groundbreaking development. The purpose of the Placing is to ensure that the Group has sufficient cash resources to implement its strategy for the AD business.

The AD business will be marketing led and future product development will continue to reflect identified customer and market requirements delivering clear customer benefits and continuing to build on the Group's high bio-technology reputation.

The basis of this marketing strategy will be development of a rental model supported by a clearly focussed sales and PR effort. Whilst the AD is a unique and potentially global product we cannot assume it will sell itself; therefore a concentrated effort is being made to demonstrate the compelling economic benefits, quite apart from the human benefits, of the Group's technology. Investment in additional sales and marketing resources will be made in 2009 to drive the sales, marketing and product development plans.

The sales and marketing plan is focussed on:

- Demonstrating the importance of the underlying science to decision makers and influencers.
- Demonstrating the efficacy of the AD in significantly reducing the incidence of hospital acquired infections, thus improving the availability of hospital beds and more importantly saving lives.

- Demonstrating the compelling financial benefits of deploying the AD in the healthcare environment.

Current trading and prospects

As the Group has now achieved entry of the AD into the UK hospital market, the Group is working to improve the initial revenues which, whilst encouraging, have been relatively low and not yet begun to reflect the Board's expectations for the AD. A similar review is underway in Ireland. The addition of new distribution partners in other territories in 2009 is expected to provide significant additional revenues. The Board remains convinced by the potential of the AD, and the success of the AD at Sunderland Royal Hospital and its selection for the NHS Smart Solutions Programme supports this belief.

Trading on AIM

On 24 December 2008, the Company requested the suspension of its shares from trading on AIM pending publication of the Company's annual accounts. The Directors anticipate that the Company's shares will be restored to trading on publication of the Company's interim accounts for the period ended 31 December 2008, which they expect to be in mid-May 2009.

Board and Management

Esmo-Empresarial S.L., an existing shareholder of the Company, has agreed with the Board on the potential for the development of the AD and has accordingly agreed to subscribe for 25,000,000 Ordinary Shares in the Placing.

In addition to the cash investment, the Placing brings additional experience and expertise as representatives of the major participant in the Placing, Esteban Monegal and Javier Segura, will be joining the Board and Javier Segura will be appointed as the Chief Executive Officer of AD Science Limited and Inov8 Science Limited, at completion of the Placing.

Esteban Monegal held several executive positions in his thirty years at Enterprise Myrurgia, a cosmetics company, including the position of CEO of the Myrurgia Group. In 2000 he sold the group and since then he has built Esmo Empresarial S.L. and has interests in various sectors; including industrial, financial, real estate and international consultancy.

Javier Segura has spent much of his professional career at Pirelli Telecom Cables & Systems Spa, being CEO of Europe, Middle East, India and Africa until 2004. He is Managing Director of MMSR Associates SL, which dedicates its activity to international consultancy services having developed several interests in various sectors including automotive, renewable energies (electric, CO₂ rights, biomass), and textiles. Javier Segura will also be a member of the operational management board for the AD business.

In view of David Plucinsky's recent move to the United States, he will be resigning as Chairman and as a director following completion of the Placing. John Bateson, a director of the Company since 1997, will be appointed as Chairman on an interim basis whilst the new permanent Chairman of the Company is selected. Andrew Tonks will be continuing as Managing Director of the Company and Glenn Cooper as a non-executive director.

Reasons for the Placing

The Placing is intended to ensure that the Group is adequately funded to achieve implementation of the Group's ongoing strategy and to enable this to achieve penetration of the AD in hospital and other markets in the UK and overseas.

Details of the Placing

Subject to the passing of the Resolution at the General Meeting, the Company is proposing to raise approximately £3.0 million before expenses (approximately £2.8 million net of expenses) by the issue of 30 million new Ordinary Shares at 10 pence per share to the Placees. The Placing is conditional upon the Resolution being passed without material amendment at the General Meeting. Each of the Placees have irrevocably undertaken to vote in favour of the Resolution in the Placing Agreement.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares.

Admission shall take place and dealings in the Placing Shares shall commence on AIM only when Restoration of Trading occurs which is expected to be in mid-May 2009.

The Placing proposal has only been made to persons falling within article 19 and article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and who are also qualified investors for the purposes of section 86 of FSMA and no other person may now participate in the Placing or rely on any communication relating to it. The offer of the Placing Shares has not been made to the public for the purposes of the Prospectus Rules. This document does not constitute an offer, or the solicitation of an offer, to subscribe or buy any of the Placing Shares.

Related Party Transactions

As part of the Placing, Bottin (International) Investments Limited and David Macdonald are proposing to subscribe for 4,680,000 and 320,000 new Ordinary Shares respectively at 10p per Placing Share. Bottin (International) Investments Limited is currently the holder of 13,425,000 Ordinary Shares, equating to 15.6 per cent. of the Company's issued share capital and is represented on the board by John Bateson and David Macdonald is currently the holder of 17,928,288 Ordinary Shares, equating to 20.8 per cent of the Company's issued share capital. As such, under the AIM Rules for Companies, Bottin (International) Investments Limited and David Macdonald are deemed to be related parties.

The Directors of the Company (excluding John Bateson) consider, having consulted Panmure Gordon, the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

General Meeting

A circular will be despatched to shareholders today containing a notice convening the General Meeting to be held on 30 March 2009 at the Company's offices at Masters House, 107 Hammersmith Road, London W14 0QH. At this meeting the necessary special resolution will be proposed.

Expected Timetable

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| Latest time and date for receipt of completed Forms of Proxy | 11.00 a.m. on 28 March 2009 |
| General Meeting | 11.00 a.m. on 30 March 2009 |
| Issue of Placing Shares to the Placees | by 5.00 p.m. on 31 March 2009 |
| Despatch of definitive share certificates | by 5.00 p.m. on 3 April 2009 |

The following definitions apply in this press release, unless the context requires otherwise:

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| “2006 Act” | the Companies Act 2006 |
| “Act” | the Companies Act 1985 (as amended) and, to the extent in force, the 2006 Act |
| “AD” | Mid-States’ proprietary air disinfection device |
| “Admission” | following the Restoration of Trading, the Company’s application for the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules |
| “AIM” | the AIM Market of the London Stock Exchange |
| “AIM Rules” | the AIM rules for Companies and the AIM Rules for Nominated Advisers published by the London Stock Exchange |
| “Board” or “Directors” | the directors of the Company whose names are set out on page 3 of the Circular |
| “Circular” | the circular sent to shareholders to be dated 5 March 2009 |
| “Company” or “Mid-States” | Mid-States PLC |
| “Form of Proxy” | the form of proxy accompanying the Circular for use in connection with the General Meeting |
| “FSMA” | means Financial Services and Market Act 2000 (as amended) |
| “General Meeting” | the general meeting of the Company convened for 11.00 a.m. on 30 March 2009, notice of which is set out at the end of the Circular |
| “Group” | the Company and its subsidiaries |
| “Inov8 Technologies” | means the subsidiary of the company, Inov8 Technologies Limited (now known as Buckingham Realisations Limited) |
| “London Stock Exchange” | London Stock Exchange plc |
| “Moving Sun” | Moving Sun Limited, the subsidiary of the company that holds intellectual property rights in relation to the AD |
| “Optionholders” | the holders of options to subscribe for ordinary shares in the Company and/or its subsidiaries |
| “Ordinary Shares” | ordinary shares of 1p each in the capital of the Company |
| “Panmure Gordon” | Panmure Gordon (UK) Limited |
| “Placees” | Esmo Empresarial S.L., Bottin (International) Investments Limited and David Macdonald |

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| "Placing" | the placing of 30 million new Ordinary Shares at 10p per share with the Placees |
| "Placing Agreement" | the conditional agreement dated 4 March 2009 between the Company and the several Placees relating to the issue of 30 million new Ordinary Shares by the Company to the Placees pursuant to the Placing, summary details of which are set out on page 10of the Circular |
| "Placing Price" | 10 pence per Placing Share |
| "Placing Shares" | means the new ordinary shares to be issued pursuant to the Placing |
| "Resolution" | the resolution set out in the notice of General Meeting, which is at the end of the Circular |
| "Restoration of Trading" | means the restoration by the London Stock Exchange of the Ordinary Shares trading on AIM |
| "Suspension" | the suspension on 24 December 2008 by the London Stock Exchange of trading in the shares of the Company on AIM |
| "UK" | the United Kingdom of Great Britain and Northern Ireland |