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

Mid-States today announces a placing to raise £4 million (the "Placing").

Mid-States today announces that it has raised approximately £4 million before expenses (approximately £3.8 million net of expenses) through a Placing of 144,821,427 new ordinary shares (the "Placing Shares") with a nominal value of £0.01 ("Ordinary Shares") each at 2.8 pence per share (the "Placing Price") with both existing shareholders and other institutions. The Placing Price is at a discount of 23 per cent. to the closing price of 3.625 pence per Ordinary Share on 11 May 2010.

The proceeds from the Placing will be used to implement the Company's strategy to market its air disinfection product (the "AD") in new geographies and non-healthcare market segments, including funding additional sales and marketing resources. The Company intends to focus AD sales on the healthcare, hospitality, office and leisure facility markets. In addition, as well as further developing sales in the United Kingdom, the funds will be used to target sales in the continental Europe, Middle East, India and South America.

The Placing is conditional upon, inter alia, (i) admission of the Placing Shares to trading on the AIM market of the London Stock Exchange; and (ii) the approval by shareholders at a general meeting of the Company to be held on 10 June 2010 (the "General Meeting") of an increase in the Company's directors' authority to allot shares and the disapplication of pre-emption rights in relation to the Placing.

Commenting on the Placing, Mid-States' Chairman, John Bateson, said: "I am delighted to report that the funds raised in the proposed placing will greatly strengthen the resources available to the Company in order to implement its plans to target new AD sales through a continued strategy of expanding into non-healthcare markets and internationally."

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.

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 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. This announcement is not an offer of securities for sale in the United States, and the Offer Shares may not be offered or sold in the United States absent the registration of the Offer Shares under the Securities Act, or an exemption therefrom, or in a transaction not subject to, the registration requirements of the Securities Act. 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 its clients or for advising any other person in relation to the Placing.

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

Placing of 144,821,427 Ordinary Shares at 2.8 pence per share to raise £4 million

Mid-States PLC (AIM: MST), a leading environmental technology group, is pleased to announce that it has raised approximately £4 million before expenses (approximately £3.8 million net of expenses) through a Placing of 144,821,427 new Ordinary Shares at 2.8 pence per share. The Placing Price is at a discount of 23 per cent. to the closing price of 3.625 pence per Ordinary Share on 11 May 2010.

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.

Development of the business to date and ongoing strategy

The Board adopted a new business strategy last year, continuing its focus on the healthcare market in the United Kingdom whilst aiming to expand into non-healthcare-markets and further internationally, and appointed new Board members to strengthen the Group's management team. This and the heightened awareness of viral threats (including H1N1 swine 'flu), have been significant factors in the progress of the Group's air disinfection business in general, and its proprietary air disinfection device, the AD, in particular. The AD is able to eliminate pathogens including bacteria and viruses (such as H1N1 swine 'flu) in rooms and other enclosed spaces, using the same method (known as hydroxyl radical) as exists in the outdoor air.

The Board believes that the attractions of the AD to customers include its:

- bactericidal, virucidal, fungicidal and sporicidal efficacy demonstrated through various third party testing.
- 99.999% effectiveness against MS2 coliphage (surrogate used in clinical testing for H1N1 swine 'flu and other viruses).
- safe operation 24 hours a day in areas occupied by people.
- non-reliance for effective functioning on processing air from the room through the device itself.
- efficacy within minutes and on continuously introduced pathogens, because of continuous cascade of hydroxyl radicals generated.
- effectiveness as a deodoriser (as it attacks bacterial activities generating odours).

As at May 2010, there are over 600 AD in UK hospitals, playing an important role in the ongoing fight against viral and bacterial pathogens. The management expects that the successful reduction in the number of virus outbreaks and ward closures achieved at hospitals such as Hereford Hospitals Trust after installation of AD units, and the selection of the AD as one of the winners of the NHS Smart Solutions Programme 2009, will generate continued interest from the healthcare market.

As set out in the recent announcement of the Group's interim results, the Group's orders in the six months ended 31 December 2009 for the AD totalled 679. These comprised larger orders from distributors in Spain, Norway and the Middle East together with other relatively low volume sales to potential new distributors as the Company seeks to establish sales channels in new markets, both in the UK and internationally. The Group has also completed the development of a new wall mounted variant of the AD.

Having established the AD in the UK hospital market, and begun to establish it in other geographies and market segments, the strategy of the Group is:

1. to achieve further penetration of the UK hospital market and of hospital markets in other selected countries, including India, the Middle East and continental Europe including Spain; and
2. to penetrate different market segments in multiple countries,

in each case leveraging the Company's historic sales and existing contacts, as well as the AD product's technical capabilities, to develop the business in these new countries and segments.

The investment in additional sales and marketing resources made in 2009 is being increased in 2010 to further drive the Group's sales, marketing and product development plans.

In addition, further derivatives of the AD are in the development pipeline.

Background to and reasons for the Placing and use of proceeds

In addition to the successful entry of the AD into the UK hospital market, the Group is working to improve revenues in other geographies and market segments which, whilst encouraging, have been relatively low due to the time necessary to select the right distributor, launch and establish the AD in each particular geography or segment. This process has resulted in the sales cycle for development of new markets being up to nine months rather than three months as management had previously anticipated.

The Placing is intended to fund the Group in implementing the strategy described above, including additional sales and marketing resources. Whilst good progress had been made, further resources are required for additional sales and marketing to support penetration of, and entry into new market segments and territories. The Directors are targeting substantial sales growth and believe that there is significant potential to increase revenue in view of the size of the potential markets and the Company's developing product range. Key segments the Company plans to cover include:

1. healthcare, such as care homes, dental surgeries and ambulances, as well as hospitals;
2. hospitality, such as restaurants, hotels and passenger ships;
3. offices, to reduce absences due to sickness; and
4. leisure facilities such as gyms.

The focus will be on territories in developed and emerging markets which the Board considers have high potential growth rates for AD sales. The initial target is to sell 7,000 ADs in the following territories over the next one to two years: Europe (including UK), Middle East, India and South America.

In addition, further resources will be utilised for continued product development to meet market requirements. This is planned to include the development of a miniaturised AD specifically designed for the retail market. The Directors also believe that the existing products can be developed further.

Proceeds of the Placing will also be used for working capital and other corporate purposes.

Current trading and prospects

The Company is presently working with a number of possible distributors in market sectors and territories around the world into which it aims to expand sales of AD units as part of the Group's overall strategy. It has recently signed a letter of intent with a distributor in India, which the management believes could be a significant market for the AD, in healthcare and other market segments.

In the quarter ending 31 March 2010, order intake exceeded 400 AD, which represented the highest quarterly figure yet for the Company's air disinfection business. The Group's financial year to date order intake now exceeds 1,100 AD.

Details of the Placing

Subject to the passing of the Resolution at the General Meeting, the Company is proposing to raise approximately £4 million before expenses (approximately £3.8 million net of expenses) by the issue of 144,821,427 new Ordinary Shares at 2.8 pence per share. The Placing is conditional upon the Resolution being passed at the General Meeting to be held at 11:30 a.m. on 10 June 2010.

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

Admission is expected to take place and dealings in the Placing Shares on AIM are expected to commence at 8.00 a.m. on 11 June 2010.

Pursuant to the terms of the Placing Agreement, Panmure Gordon, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. Panmure Gordon conducted a bookbuilding process to determine demand for participation among institutional investors in the Placing at the Placing Price. The Placing proposal has only been made to persons falling within article 19 and articles 49, 50 or 50A 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 general public. This document does not constitute an offer, or the solicitation of an offer, to subscribe or buy any of the Placing Shares. The Company announced yesterday that Panmure Gordon had received commitments to subscribe for the Placing Shares at the Placing Price, subject to the terms and conditions of the Placing Agreement.

The Placing Agreement is conditional upon, inter alia, the Resolution being duly passed at the General Meeting and Admission becoming effective by not later than 8.00 a.m. on 11 June 2010 (or such later date as the Company and Panmure Gordon may agree, but in any event not later than 30 June 2010). The Placing Agreement contains provisions entitling Panmure Gordon to terminate the Placing Agreement at any time prior to Admission in certain circumstances, including if Panmure Gordon is reasonably of the opinion that the Company has failed to comply with, or has breached, the Placing Agreement in any material respect or any applicable law or regulation relating to the Placing, or is in breach of the warranties set out therein by reference to the facts and circumstances then existing. If this termination right is exercised the Placing will not proceed.

The following Director has agreed to subscribe for Placing Shares at the Placing Price. Immediately after Admission, it is expected that this Director will have the following shareholding:

<i>Director</i>	<i>No. of Placing Shares subscribed for in the Placing</i>	<i>Total no. of Ordinary Shares held following the Placing</i>	<i>Percentage of enlarged share capital</i>
Javier Segura	190,000	383,000	0.15%

Related Party Transactions

As part of the Placing, Esmo Empresarial, SL and Bottin (International) Investments Limited are proposing to subscribe for 41,100,000 and 22,285,714 new Ordinary Shares respectively at 2.8 pence per Placing Share. Esmo Empresarial, SL is currently the holder of 33,393,463 Ordinary Shares, equating to 28.77 per cent. of the Company's issued share capital and is represented on the Board by Esteban Monegal. In addition, Javier Segura was nominated to the Board by Esmo Empresarial, SL. Bottin (International) Investments Limited is currently the holder of 18,105,000 Ordinary Shares, equating to 15.60 per cent. of the Company's issued share capital and is represented on the Board by John Bateson. As such, under the AIM Rules for Companies, Esmo Empresarial, SL and Bottin (International) Investments Limited are both deemed to be related parties and their participation in the Placing is deemed to be a related party transaction.

The Directors (excluding Esteban Monegal, Javier Segura and John Bateson) consider, having consulted with Panmure Gordon, the Company's nominated adviser, that the terms of the above-described subscriptions for Placing Shares 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 10 June 2010 at the Company's offices at Masters House, 107 Hammersmith

Road, London W14 0QH. The Resolution to be proposed at the General Meeting is a special resolution to:

- (a) authorise the Directors to allot the Placing Shares pursuant to the Placing; and
- (b) disapply statutory pre-emption rights in relation to the allotment of the Placing Shares.

Expected Timetable

Latest time and date for receipt of completed Forms of Proxy	11:30 a.m. on 8 June 2010
General Meeting	11:30 a.m. on 10 June 2010
Admission and commencement of dealing of Placing Shares expected to commence	8:00 a.m. on 11 June 2010
Expected date CREST accounts credited with Placing Shares	11 June 2010
Latest date for dispatch of definitive share certificates (if applicable)	12 June 2010

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

“2006 Act”	the Companies Act 2006
“AD”	Mid-States’ proprietary air disinfection device
“Admission”	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 from time to time
“Company” or “Mid-States”	Mid-States PLC
“Form of Proxy”	the form of proxy accompanying this document 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 11:30 a.m. on 10 June 2010, notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Panmure Gordon”	Panmure Gordon (UK) Limited
“Placing”	the placing of 144,821,427 new Ordinary Shares at 2.8 per share
“Placing Agreement”	the conditional agreement dated 12 May 2010 between the Company and Panmure Gordon (UK) Limited relating to the Placing, summary details of which are set out on pages 4 and 5 of this document
“Placing Price”	2.8 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 this document
“UK”	the United Kingdom of Great Britain and Northern Ireland

APPENDIX

This appendix contains important information for Placees (as defined below). Members of the public are not eligible to take part in the Placing. This announcement and this appendix are for information purposes only, and the terms set out herein are directed only at persons: (a) who if in the United Kingdom, have been selected by Panmure Gordon and 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, "Sophisticated Investors" falling within Article 50 of the Order, "Self-certified Sophisticated Investors" falling within Article 50A of the Order; (b) who, if in a member state of the European Economic Area, are "qualified investors" (as defined in article 2(1)(e) of EU Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (together with any implementing directive measure in such member states, the "Prospectus Directive")); or (c) 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 person chooses to participate in the Placing by making or accepting an offer to acquire Placing Shares (each such 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 represent and warrant that it has 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 terms, conditions, representations, warranties, acknowledgements, agreements and undertakings, contained in this appendix.

Placing Shares referred to in this announcement have not been, and will not be registered under the US Securities Act of 1933 as amended (the "Securities Act") or under the securities legislation of any State of the United States. Furthermore, the Placing Shares have not been recommended by any US federal or state securities commission or regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or confirmed the accuracy or determined the adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States. This appendix is not an offer of securities for sale in the United States, and the Placing Shares may not be offered or sold in the United States absent the registration of the Offer Shares under the Securities Act, or an exemption therefrom, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Placing Shares in the United States. No money, securities or other consideration from any person inside the United States is being solicited by this announcement and the appendix and, if sent in response to information contained in this announcement or this appendix, will not be accepted. The Placing Shares will not be lodged with or registered by 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, taken up, transferred or delivered in or into Australia or to 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 Placing Shares has been or will be lodged for registration with the Registrar of Companies in the Republic of Ireland and the Placing Shares will not be offered, sold or delivered, directly or indirectly in the Republic of Ireland. All subscribers for Placing Shares must provide addresses outside the Republic of Ireland for the receipt of certificates for Placing 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 Placing Shares has been or will be lodged with or registered by the Ministry of Finance of Japan. The Placing Shares may not therefore be offered, taken up, transferred or sold, directly or indirectly, in or

into Japan, its territories and possessions and any areas subject to its jurisdiction or to any resident of Japan. The approval of the South African Exchange Control Authorities has not been, and will not be, obtained in relation to the Placing Shares. The Placing Shares may not therefore be offered, taken up, transferred or sold directly or indirectly in or into South Africa or to a resident of South Africa. The Placing Shares may not be offered, taken up, transferred or sold directly or indirectly in or into Canada or to a resident of Canada. This announcement and appendix do not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction. The distribution of this announcement and the placing and issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Panmure Gordon that would permit an offering of such securities or possession or distribution of this announcement or any other offering or publicity material relating to such securities in any jurisdiction where action for that purposes is required. 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.

The price of securities and the income from them may go down as well as up and investors may not get back the full amount on disposal of the securities.

Any indication in this announcement of the price at which ordinary shares in the capital of the Company have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

In particular, each such Placee represents, warrants and acknowledges that it is:

- (a) a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (b) in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each a "Relevant Member State") who acquires any Placing Shares pursuant to the Placing:
 - (i) a Qualified Investor (as defined in the Prospectus Directive); and
 - (ii) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (a) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of Morgan Stanley or Jefferies (as applicable) has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
- (c) acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion, and that, unless otherwise agreed with the Company, it (and any such account) is subscribing for the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the Securities Act).

The Placing Shares will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

Neither the content of Mid-States' website nor any website accessible by hyperlinks on Mid-States' website is incorporated in, or forms part of, this announcement.

Persons (including, without limitation, nominees and trustee) who have a contractual or other legal obligation to forward a copy of this announcement should seek appropriate advice before taking any action.

Each Placee should consult with its own advisors as to legal, tax, business and related aspects of a purchase of Placing Shares.

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, following consultation with the Company, 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 Placing 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 Placing 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. Panmure Gordon has the right, *inter alia*, to terminate the agreement entered into between Panmure Gordon and the Company in connection with the Placing (the "Placing Agreement") (after such consultation with the Company as the circumstances may allow) at any time prior to Admission if, *inter alia*, (i) any of the warranties contained in the Placing Agreement are untrue, inaccurate or misleading in any material respect; or (ii) there occurs an event of force majeure. 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, at their sole discretion, 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 nor shall they owe any Placee fiduciary duties in respect of any claim they may have under the Placing Agreement (or, in either circumstance, 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 termination of 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 Placing Shares following Admission will take place within CREST, subject to certain exceptions. Panmure Gordon reserves the right to require settlement for and delivery of the Placing 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 11 June 2010, 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 11 June 2010. 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 Placing 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 Placing Shares on its behalf. Time shall be of the essence as regards the obligations of Placees to settle payment for the Placing Shares and to comply with their other obligations under this appendix.
10. If Placing 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 Placing 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 Placing Shares will, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees should match the CREST details as soon as possible or if using a settlement agent they should instruct their agent to do so. Failure to do so could result in a CREST Settlement fine.

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, conditions, representations, warranties, acknowledgements, agreements and undertakings of this announcement (including this appendix);
2. acknowledges that no offering document or prospectus has been or will be prepared in connection with the Placing and that it has not received a prospectus or other offering document in connection therewith;
3. represents, warrants and undertakes that it will subscribe for the Placing 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 Placing Shares may be placed with other subscribers or sold as Panmure Gordon determines and without liability to such Placee;

4. confirms Panmure Gordon's absolute discretion with regard to the Placing Agreement and agrees that Panmure Gordon owes it no fiduciary duties in respect of any claim it may have relating to the Placing;
5. undertakes and acknowledges that its obligations under the Placing are legally binding and irrevocable;
6. represents and warrants that it is entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed and complied with such laws and obtained all such governmental and other guarantees and other consents which may be required thereunder and complied with all necessary formalities;
7. acknowledges that it is not entitled to rely on any information (including, without limitation, any information contained in any management presentation given in relation to the Placing) other than that contained in this announcement (including this appendix and represents and warrants that it has not relied on any representations relating to the Placing, the Placing Shares or the Company other than the information contained in this announcement);
8. acknowledges that neither Panmure Gordon nor the Company nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or Mid-States other than this announcement; nor has it requested Panmure Gordon, the Company, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
9. represents and warrants that the issue to the Placee, or the person specified by such Placee for registration as holder of Placing 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);
10. represents and warrants that it is aware of and has complied with its obligations in connection with money laundering under the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 (the "Regulations") and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it and that the applicable procedures have been carried out to verify the identity of the third party as required by the Regulations;
11. if in the United Kingdom, represents and warrants that it is a person falling within Article 19(5) or Article 49(2)(a) to (e) of the Order and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
12. if in the United Kingdom, represents and warrants that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 as amended ("FSMA") with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom and will not sell or offer to sell the Placing Shares in a manner which will result in an offer to the public in the United Kingdom within the meaning of FSMA;
13. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
14. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with
if in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the relevant placee represents and warrants that it is either:

- (a) a legal entity which is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, its corporate purpose is solely to invest in securities;
 - (b) a legal entity which has two or more of:
 - (i) an average of at least 250 employees during the last financial year;
 - (ii) a total balance sheet of more than €43,000,000; and
 - (iii) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
 - (c) such securities are sold in any other circumstance which does not require the publication of a prospectus by the Company pursuant to Article 3 of the Prospectus Directive; and
 - (d) is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion, and that, unless otherwise agreed with the Company, it (and any such account) is subscribing for the Placing Shares in an “offshore transaction” (within the meaning of Regulation S under the Securities Act).
- 15. 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);
- 16. 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 representations, 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;
- 17. undertakes and agrees that (i) the person whom it specifies for registration as holder of the Placing 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 Placing Shares will be allotted to the CREST stock account of Panmure Gordon which will act as settlement agent in order to facilitate the settlement process;
- 18. 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;
- 19. acknowledges and agrees that the Placing 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, that the relevant clearances have not been and will not be obtained from the Securities Commission of any Province of Canada and that the Placing

Shares have not been and will not be registered under the relevant securities laws of 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;

20. acknowledges and understands that the Placing Shares have not been recommended, approved or disapproved by any United States federal or state securities commission or regulatory authority, and agrees not to reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
21. acknowledges that any Placing Shares offered or sold in the United States are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and, so long as such Placing Shares are "restricted securities", it will not deposit Placing Shares into any unrestricted depositary receipt facility maintained by any depositary bank in respect of the Company's Ordinary Shares, and represents and warrants that if Placing Shares were offered to it in the United States, that it will not reoffer, sell, pledge or otherwise transfer Placing Shares except (i) to the Company; (ii) outside the United States in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act; or (iii) within the United States (a) upon delivery to the Company of an opinion of U.S. counsel reasonably satisfactory to the Company to the effect that registration under the Securities Act would not be required in connection with such transfer, or (b) pursuant to an effective registration statement under the Securities Act and that, in each such case, such offer, sale, pledge, or transfer will be made in accordance with all applicable securities laws of each State of the United States, and that any Placing Shares subject to such restrictions and issued in certificated form will bear a legend setting forth the restrictions referred to above.
22. acknowledges that it and, if different, the beneficial owner of the Placing Shares is not, and at the time the Placing Shares are acquired will not be residents of Australia,
23. Canada or Japan;
save where it has provided evidence to the satisfaction of Panmure Gordon that it is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act, represents, warrants and acknowledges to Panmure Gordon that it is outside the United States and will only offer and sell the Placing Shares outside the United States in offshore transactions in accordance with Regulation S under the Securities Act;
24. represents, warrants and undertakes and agrees that neither it nor its affiliates (as defined in Rule 501(b) under 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" (as such terms are defined in Regulation D under the US Securities Act) or in any "directed selling efforts" (as defined in Regulation S under the US Securities Act) in connection with any offer or sale of the Placing Shares;
25. 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 Placing Shares in question. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there were any such arrangements, or the settlement related to other dealings in the Placing 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 Placing Shares or the agreement by them to acquire any Placing Shares; and

26. 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.