

25 November 2013

Petards Group plc
("Petards" or "the Company")

Grant of Share Options and Issue of Equity

Petards, the AIM quoted developer of advanced security and surveillance systems, announces that it has granted share options pursuant to its acquisition of Water Hall Group plc ("Water Hall") which was declared wholly unconditional on 30 August 2013.

On 23 July 2013 the Company announced a recommended offer ("the Offer") to acquire the entire issued and to be issued share capital of Water Hall.

In accordance with the City Code on Takeovers and Mergers, on 23 August 2013 appropriate proposals were made by the Petards Independent Directors to the holders of Water Hall share options ("Water Hall Option Holders") in respect of options ("Water Hall Options") not exercised in full at that time. Those proposals offered Water Hall Option Holders the opportunity to exchange their existing Water Hall Options for new options over Petards ordinary shares ("Petards Options"). All of the Water Hall Option Holders accepted the proposals and consequently their existing Water Hall Options have lapsed and 2,850,000 Petards Options have been granted. The terms of the Petards Options seek to put the Water Hall Option Holders in a similar position to that existing under their existing Water Hall Options. The exercise prices of the Water Hall Options were all below the value of the Offer and all of the Water Hall Options had vested.

The principal terms of the Petards Options are that they have an exercise price of 8 pence per share, the options vest immediately and are exercisable at any time (in whole or in part) on or before the tenth anniversary of issue. Raschid Abdullah and Osman Abdullah, who are both directors of the Company, were Water Hall Option Holders and now each hold 1,312,500 Petards Options.

The Company also announces that it made an application to the London Stock Exchange for 649,423 new ordinary shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 28 November 2013.

Of the new ordinary shares 47,286 are being issued in part settlement for the consideration due in relation to Petards' offer for Water Hall. The other 602,137 new ordinary shares are being issued pursuant to the conversion of convertible loan notes.

In accordance with the provisions of the Disclosure and Transparency Rules of the Financial Conduct Authority, the Company confirms that, following this issue, its issued share capital will comprise 21,720,604 Ordinary Shares of 1p each. All of the Ordinary Shares have equal voting rights. The total number of voting rights in the Company is therefore 21,720,604.

This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Disclosure and Transparency Rules.

For further information:

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