



Press Release

14 July 2009

Proventec plc

("Proventec" or "the Company")

Proposed Placing

Notice of General Meeting

Proventec plc (AIM:PROV, Alternext:ALPTC), a provider of specialist steam cleaning and coatings technologies, is pleased to announce that it has conditionally raised £1.5 million (before expenses) through a Placing of 3,000,000 new Ordinary Shares at a price of 50 pence per share with existing and new institutional investors.

The net proceeds of the proposed Placing will be used to:

- extend the Proventec's machine portfolio and service new customers; and
- strengthen the Company's balance sheet and working capital position (including enabling the repayment by 30 September 2009 of the short term working capital facility of £500,000 referred to in the Company's announcement of 2 July 2009).

The Company is to seek shareholder approval for the placing at a General Meeting ("GM") to be convened for 11 a.m. on Friday 31 July 2009 at the offices of Seymour Pierce Limited, 20 Old Bailey, London, EC4M 7EN.

David Chestnutt, Chief Executive of Proventec, said: "Proventec is leading the innovation of hygienic technology. The funds raised will enable the Company to further develop its product offering. Following customer demand, we are currently developing an improved industrial steam machine which will be less than half the price of existing technologies. Proventec is in a good position to take advantage of the significant opportunities within the healthcare and industrial markets. I would like to thank our new and existing shareholders for recognising the future prospects of the Company."

Copies of the Circular convening the GM will be posted to Shareholders shortly and will be available from Proventec's website in accordance with Rule 26 of the AIM Rules for Companies, www.proventecplc.com.

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The following information is extracted from a circular to Shareholders (the "Circular") expected to be posted today. Copies of the Circular will be available at the offices of Seymour Pierce Limited (20 Old Bailey, London, EC4M 7EN) upon request. Definitions used in the Circular apply in this announcement unless the context otherwise requires.

Proposed Placing of 3,000,000 new Ordinary Shares at 50 pence per Share

Notice of General Meeting

Introduction

On 14 July 2009, the Company announced that it had conditionally raised £1.5 million (before expenses) by means of a placing of 3,000,000 Ordinary Shares at the price of 50 pence each.

The purpose of this letter is to seek Shareholder approval:-

- to authorise the Directors to issue and allot Ordinary Shares for the purpose of the Placing; and
- to authorise the Directors to allot Ordinary Shares otherwise than on a pre-emptive basis for the purpose of the Placing.

Notice of the General Meeting, which will be held at the offices of Seymour Pierce Limited, 20 Old Bailey, London, EC4M 7EN at 11 a.m. on 31 July 2009, is set out at the end of this announcement.

Background to and reasons for the Placing

Over the past few months, Proventec has been investigating ways of financing the development of the Company's new three phase industrial machine and of purchasing new machines for the Osprey range of healthcare steam equipment, whilst at the same time seeking to maintain the Company's ongoing working capital requirements in extremely difficult financial conditions.

In order to maintain the momentum in implementing the Company's stated strategy, Proventec entered into detailed discussions with new and existing investors in June 2009 regarding a share placing and the Board is now pleased to confirm the conditional placing of 3,000,000 new Ordinary Shares at a price of 50 pence per Placing Share.

The Board feels that a placing of this size will allow the Company to:

- extend its machine portfolio in the manner described above (and service new customers); and
- strengthen its balance sheet and working capital position (including enabling the repayment by 30 September 2009 of the short term working capital facility of £500,000 referred to in the Company's announcement of 2 July 2009).

The Directors consider that (given the details and circumstances of the Placing) the Placing Price is the best achievable price in current market conditions.

The General Meeting

Set out at the end of the Circular is a notice convening a General Meeting of the Company to be held at the offices of Seymour Pierce Limited, 20 Old Bailey, London, EC4M 7EN at 11:00 a.m. on 31 July 2009. At this meeting the following resolutions will be proposed:

Resolution 1

An ordinary resolution to authorise the Directors to allot new Ordinary Shares up to (and including) a maximum aggregate nominal amount of £300,000.

Resolution 2

A special resolution, conditional on the passing of Resolution 1, to grant the Directors authority to allot equity securities for cash pursuant to the authority conferred on them by Resolution 1 as if section 89(1) of the Act did not apply to such allotment, provided that such power shall be limited to the allotment of equity securities pursuant to the Placing up to (and including) a maximum aggregate nominal amount of £300,000.

Action to be taken by Shareholders

Shareholders will find enclosed with the Circular a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed thereon so as to arrive at the Company's Registrar, Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event not later than 11.00 a.m. on 29 July 2009. Completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person at the General Meeting should they so wish.

Admission, Settlement and CREST

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Placing Shares will commence on 3 August 2009.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. Application has been made for the Placing Shares to be admitted to CREST.

CREST is a voluntary system and Shareholders who wish to retain certificates will be able to do so.

Certificates in respect of the Placing Shares are expected to be despatched by the Company's Registrars no later than 10 August 2009. It is expected that the Placing Shares due to uncertificated holders will be delivered in CREST on 3 August 2009.

Loan Notes

Following the Placing, the conversion price of the £15,000,000 8.5% Fixed Rate Convertible Guaranteed Unsecured Loan Notes 2012 ("Loan Notes") will be adjusted to 50p in order to equate to the Placing Price. This adjusted conversion price will itself remain subject to any further adjustment in accordance with the terms of the Loan Notes.

Participation in the Placing by InnoCleaning

It is anticipated that up to 1,085,802 Placing Shares (representing approximately 36.19% of the total Placing) will be subscribed by InnoCleaning Concepts Holding B.V. ("InnoCleaning"). InnoCleaning (a subsidiary of InnoConcepts N.V.) currently holds 36.19% of the issued share capital of the Company. The Directors are pleased with this demonstration of support by InnoCleaning and consider (having consulted with Seymour Pierce) that the terms of InnoCleaning's participation in the Placing are fair and reasonable insofar as Shareholders are concerned.

Recommendation

The Directors believe that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and shareholders as a whole and unanimously recommend that you vote in favour of them, as they intend to do in respect of their own

beneficial holdings of shares, totalling 88,042 Ordinary Shares, representing 0.7 per cent. of the issued share capital of the Company.

Expected timetable of principal events

Last time and date of receipt for Forms of Proxy	11.00 a.m. on 29 July 2009
General Meeting	11:00 a.m. on 31 July 2009
Completion of the Placing	08.00 a.m. on 3 August 2009
Crediting of CREST accounts with Placing Shares	3 August 2009
Definitive share certificates dispatched in respect of the Placing Shares	10 August 2009

Definitions

“Act”	the Companies Act 1985 (as amended) and, to the extent applicable, the Companies Act 2006;
“Admission”	admission of the Placing Shares, to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
“AIM”	the AIM market of the London Stock Exchange;
“AIM Rules”	the rules applicable to companies whose securities are traded on AIM published by the London Stock Exchange;
“Alternext”	the Alternext stock market regulated by Euronext
“Articles”	the articles of association of the Company;
“Capita Registrars”	a trading division of Capita Registrars Limited;
“Company” or “Proventec”	Proventec plc;
“Directors” or “Board”	the directors of the Company, whose names are set out on page 3 of the Circular;
“General Meeting” or “GM”	the General Meeting of the Company convened for 11:00 a.m. on 31 July 2009, or any reconvened meeting following any adjournment thereof, notice of which is set out in the Notice of General Meeting;
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document;
“Form of Proxy”	the form of proxy for use by Shareholders at the General Meeting;
“InnoConcepts”	InnoConcepts N.V., a company limited by shares and incorporated under the laws of the Netherlands
“London Stock Exchange”	London Stock Exchange plc;
“Notice of General Meeting ”	the notice of the General Meeting which is set out at the end of the Circular;
“Ordinary Shares”	the ordinary shares of nominal value 10p each in the capital of the Company;
“Placing”	the conditional placing of the Placing Shares at the Placing Price, further details of which are set out in of Part I of the Circular;
“Placing Price”	50p per Placing Share;
“Placing Shares”	the 3,000,000 new Ordinary Shares which have been conditionally placed pursuant to the Placing (and so that, for the avoidance of doubt, the term "Placing Shares" shall also be deemed to include a reference to any lower number of Ordinary Shares actually allotted and issued (conditionally or otherwise) pursuant to the Placing);

“Resolutions”

the ordinary resolution and the special resolution set out in the Notice of General Meeting;

“Seymour Pierce”

Seymour Pierce Limited, the Company’s nominated adviser and broker;

“Shareholders”

holders of Existing Ordinary Shares;

- Ends -