

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom, or if you are taking advice in another jurisdiction, from an appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in Pressure Technologies plc prior to the date on which the shares are marked 'ex-entitlement' you should deliver this document together with the enclosed Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document and the accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold or otherwise transferred only part of your holding of your Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not constitute an offer, invitation or solicitation to buy, acquire or subscribe for Placing Shares. This document is not a prospectus for the purposes of the Prospectus Rules and has not been approved by the UK Financial Conduct Authority (in its capacity as the UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Placing Shares by 8.00 a.m. on 6 November 2017.

AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company.

Pressure Technologies plc

(Incorporated and registered in England and Wales with registered number 06135104)

**Placing of 4,100,000 Placing Shares at 122 pence per share
and
Notice of General Meeting**

Cantor Fitzgerald Europe
Nominated Adviser and Broker

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company to be held at the offices of Pressure Technologies plc at Newton Business Centre, Newton Chambers Road, Chapeltown, Sheffield, S35 2PH on 3 November 2017 at 12.00 p.m. is set out at the end of this document. A Form of Proxy for use at the meeting is enclosed with this document and should be returned as soon as possible and in any event so as to be received by the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA by not later than 12.00 p.m. on 1 November 2017. Completion and posting of the Form of Proxy will not prevent a shareholder from attending and voting in person at the General Meeting.

The Placing Shares to be issued will, following their issue, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The Placing Shares have not been, nor will be, registered under the US Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan. Shareholders outside the UK and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Cantor Fitzgerald Europe, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser, financial adviser and broker to the Company in relation to the Placing and Admission and is not acting for any other persons in relation to the Placing and Admission. Cantor Fitzgerald Europe is acting exclusively for the Company and for no one else in relation to the matters described in this document and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cantor Fitzgerald Europe, or for providing advice in relation to the contents of this document or any matter referred to in it. The responsibilities of Cantor Fitzgerald Europe as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person, in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this document, or otherwise.

No liability is accepted by Cantor Fitzgerald Europe nor does it make any representation or warranty, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing and Admission and accordingly Cantor Fitzgerald Europe disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document or any such statement, to the maximum extent permitted by law and the regulations to which it is subject. Cantor Fitzgerald Europe has not authorised the contents, or any part, of this document. Cantor Fitzgerald Europe may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Ordinary Shares (including the Placing Shares) and/or related instruments for its own account for the purposes of hedging any underwriting exposure or otherwise. Except as required by applicable law or regulation, Cantor Fitzgerald Europe does not propose to make any public disclosure in relation to any such transactions.

This document contains (or may contain) certain forward-looking statements with respect to the Group and certain of its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Group's control. As a result, the Company's actual future results may differ materially from the plans, goals and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as at the date they are made. Except as required by the FCA, the London Stock Exchange or applicable law, the Company, Cantor Fitzgerald Europe and their respective directors, officers, employees, agents, managers, members and partners expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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DIRECTORS AND ADVISERS

Directors	Alan Wilson John Hayward Joanna Allen Philip Cammerman Neil MacDonald Brian Newman	<i>(Non-Executive Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Chief Financial Officer)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i>
Company Secretary	Joanna Allen	
Registered Office	Newton Business Centre Newton Chambers Road Chapeltown Sheffield S35 2PH	
Nominated Adviser and Broker	Cantor Fitzgerald Europe One Churchill Place London E14 5RB	
Solicitors to the Company	hlw Keeble Hawson LLP Commercial House Commercial Street Sheffield S1 2AT	
Solicitors to the Nominated Adviser and Broker	Goodman Derrick LLP 10 St Bride Street London EC4A 4AD	
Registrars	Neville Registrars Neville House 18 Laurel Lane Halesowen B63 3DA	

PLACING STATISTICS

Placing Price	122 pence
Number of Existing Ordinary Shares	14,495,165
Number of Placing Shares to be issued by the Company pursuant to the Placing	4,100,000
Number of Ordinary Shares in issued following Admission of the Placing Shares	18,595,165
Percentage of the Enlarged Share Capital represented by the Placing Shares	22.05 per cent.
Gross proceeds of the Placing	£5.0 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing	16 October 2017
Despatch of the Circular and the Form of Proxy	16 October 2017
Latest time and date for receipt of Forms of Proxy for the General Meeting	12.00 p.m. on 1 November 2017
General Meeting	12.00 p.m. on 3 November 2017
Admission of the Placing Shares to trading on AIM	8.00 a.m. on 6 November 2017
CREST stock accounts credited in respect of Placing Shares in uncertificated form	as soon as practicable after 8.00 a.m. on 6 November 2017
Despatch of definitive share certificates for Placing Shares (where applicable) or as soon as possible thereafter	within 14 days of Admission

Notes:

- (1) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company (with the agreement of Cantor Fitzgerald Europe), in which event details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement to a Regulatory Information Service.
- (2) References to times in this document are to London times unless otherwise stated.
- (3) Assumes that resolutions 1 and 3 of the Resolutions that are set out in the Notice of General Meeting are passed.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Act	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 operated by the London Stock Exchange;
AIM Rules	the AIM Rules for Companies and/or the AIM Rules for Nominated Advisers (as the context may require);
AIM Rules for Companies	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;
AIM Rules for Nominated Advisers	the rules of AIM as set out in the publication entitled 'AIM Rules for Nominated Advisers' published by the London Stock Exchange from time to time;
Board or Directors	the board of directors of the Company for the time being;
Business Day	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
certificated or in certificated form	the description of a share or other security which is not in uncertificated form (that is not in CREST);
Circular or this document	this document dated 16 October 2017;
Closing Price	the closing middle market quotation of an Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
Cantor Fitzgerald Europe	Cantor Fitzgerald Europe, nominated adviser and broker to the Company;
Company or Pressure Technologies plc	Pressure Technologies plc, a company incorporated in England and Wales with registered number 06135104 and having its registered office at Newton Business Centre, Newton Chambers Road, Chapeltown, Sheffield, S35 2PH;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST Manual	the compendium of documents entitled "CREST Manual" issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules (including CREST Rule 8), the CCSS Operations Manual and the CREST Glossary of Terms;
CREST member	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);

CREST participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
CREST Proxy Instruction	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear's specifications;
CREST Regulations	the Uncertificated Securities Regulations 2001;
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor;
CREST sponsored member	a CREST member admitted to CREST as a sponsored member;
Enlarged Share Capital	the issued share capital of the Company immediately following Admission;
EU	the European Union;
Euroclear	Euroclear UK & Ireland Limited;
Existing Issued Share Capital	the issued share capital of the Company as at the Latest Practicable Date;
Existing Ordinary Shares	the 14,495,165 Ordinary Shares in issue as at the date of this document being the entire issued share capital of the Company prior to the Placing;
FCA	the UK Financial Conduct Authority;
Form of Proxy	the form of proxy accompanying this document relating to the General Meeting;
FSMA	the UK Financial Services and Markets Act 2000, as amended;
General Meeting or GM	the general meeting of the Company, notice of which is set out at the end of this document, and including any adjournment(s) thereof;
Group	the Company and/or its subsidiary undertakings at the date of this document (as defined in sections 1159 and 1160 of the Act);
Latest Practicable Date	means 6.00 p.m. on 13 October 2017, being the latest practicable date prior to the announcement by the Company of its intention to undertake the Placing;
London Stock Exchange	London Stock Exchange plc;
Notice of General Meeting	the notice of General Meeting, set out in Part II of this document;
Options	options granted by the Company over unissued Ordinary Shares pursuant to employee share option schemes and rights to subscribe for shares pursuant to employee and non-executive long term incentive plans put in place by the Company;
Option holders	the employees of the Company (including Directors) who hold Options;
Ordinary Shares	ordinary shares of 5 pence each in the capital of the Company;
Participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;

Placees	the persons who have agreed to subscribe for the Placing Shares;
Placing	the placing of the Placing Shares with the Placees pursuant to the Placing Agreement;
Placing Agreement	the agreement dated 16 October 2017 between the Company and Cantor Fitzgerald Europe relating to the Placing, details of which are set out in paragraph 7 of Part I of this document;
Placing Price	122 pence per Placing Share;
Placing Shares	the 4,100,000 new Ordinary Shares to be issued by the Company under the Placing;
Prospectus Rules	the Prospectus Rules published by the FCA;
Registrars	Neville Registrars Limited of Neville House, 18 Laurel Lane, Halesowen, B63 3DA;
Regulatory Information Service or RNS	has the meaning given in the AIM Rules for Companies;
Resolutions	the resolutions to be proposed at the General Meeting which are set out in full in the Notice of General Meeting;
Shareholders	holders of Existing Ordinary Shares;
uncertificated	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
UK or United Kingdom	the United Kingdom of England, Scotland, Wales and Northern Ireland;
US or United States	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
US Securities Act	the US Securities Act of 1933, as amended; and
£ or sterling	pounds sterling, the legal currency of the United Kingdom

PART I

LETTER FROM THE CHAIRMAN OF PRESSURE TECHNOLOGIES PLC

Incorporated and registered in England and Wales with registered number 061351047

Directors:

Alan Wilson	<i>(Non-Executive Chairman)</i>
John Hayward	<i>(Chief Executive Officer)</i>
Joanna Allen	<i>(Chief Financial Officer)</i>
Philip Cammerman	<i>(Non-Executive Director)</i>
Neil MacDonald	<i>(Non-Executive Director)</i>
Brian Newman	<i>(Non-Executive Director)</i>

Registered office:

Newton Business Centre
Newton Chambers Road
Chapelton
Sheffield
S35 2PH

16 October 2017

To Shareholders and, for information only, to the holders of Options

Placing of 4,100,000 Placing Shares at 122 pence per Placing Share and Notice of General Meeting

1. Introduction

The Company announced on 16 October 2017 that it proposes to undertake a Placing to raise approximately £5.0 million (before expenses) through the issue of Placing Shares at a placing price of 122 pence per Placing Share.

The Placing Price represents a discount of 3.17 per cent. to the Closing Price on the Latest Practicable Date. 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 occur on 6 November 2017. The Placing is conditional, *inter alia*, on the passing of certain resolutions at the General Meeting.

The purpose of this letter is to set out the background to, and the reasons for, the Placing. It explains why the Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole. It also recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do themselves in respect of their own beneficial shareholdings.

Shareholder approval will be sought in respect of the Placing at the General Meeting which is convened for 12.00 p.m. on 3 November 2017 at the offices of Pressure Technologies plc at Newton Business Centre, Newton Chambers Road, Chapelton, Sheffield, S35 2PH.

Your attention is drawn to the Notice of General Meeting contained at the end of this document and paragraphs 7 and 8 of this letter which explain the purpose of the General Meeting and action to be taken by you in relation to the Notice of General Meeting.

2. Overview of Pressure Technologies

Pressure Technologies has four divisions, Precision Machined Components, Engineered Products, Cylinders (comprising the Group's manufacturing divisions) and Alternative Energy, serving four markets: oil and gas, defence, industrial gases and alternative energy.

Precision Machined Components comprises Al-Met, Roota Engineering, Quadscot Precision Engineers and Martract:

- Al-Met produces wear resistant components in a range of high-alloy steels and tungsten carbides for use in high-pressure choke and flow control valves, designed to regulate flow volumes in extremely demanding applications in the subsea and surface oil and gas industries.
- Roota and Quadscot make a wide range of components for oil and gas pressure systems and downhole tools, with Roota generally focusing on larger, longer products and Quadscot on smaller products manufactured in a range of high-alloy materials.

- Martract specialises in grinding and lapping ball and seat assemblies and gate valves which is highly complementary to the division.

The Engineered Products division manufactures a range of Hydratron-branded air-operated high-pressure hydraulic pumps, gas boosters, power packs, hydraulic control panels and test rigs, mainly for use in the oil and gas sector.

For Precision Machined Components and Engineered Products, the drivers of development in the business remain principally tied to the oil and gas sector.

In the Cylinders division, Chesterfield Special Cylinders supplies a range of high-pressure cylinder systems into the defence, oil and gas and industrial gases markets. For Cylinders, development is driven by the defence market and the provision of value added services, particularly Integrity Management.

The Alternative Energy division is a designer and supplier of proprietary technology and equipment used to upgrade biogas produced by the anaerobic digestion of organic waste to high-quality methane, which is suitable either for injection into the gas grid, or used as vehicle fuel.

3. Background to and reasons for the Placing and use of proceeds

As highlighted in the interim results for the six months to 1 April 2017, released in June, and the trading update announced at the end of August, the Group's three Manufacturing Divisions: Precision Machined Components, Engineered Products and Cylinders are emerging from a sustained period of retrenchment and re-organisation arising from the oil and gas market downturn.

Precision Machined Components and Chesterfield Special Cylinders are beginning to experience an uplift in activity, stemming from increased confidence in the oil market, providing a stabilised and increasing order load, together with strong defence contracts stretching into the medium term. Engineered Products has been stabilised but is still experiencing reduced levels of demand due to continued low investment in capital equipment in the oil market.

The Board believes that the upward trajectory in sales revenue and profits, underpinned by the benefits of restructuring, should continue across these divisions with market and product development across several areas providing the momentum to maintain this progress.

The Alternative Energy division has experienced positive progress in recent years, with the global biogas upgrading market expected to be worth approximately US\$2 billion by 2022, compared to US\$0.33 billion in 2015. Whilst the division has a significant pipeline of sales opportunities, order placement has been frustratingly slow and difficult to predict, whether as a result of delays in changes to legislation or issues around customer project funding. The Board has taken steps to improve efficiencies and reduce costs through a global restructuring with centralisation in North America and has confidence in the order pipeline, particularly in North America as this large market comes to understand the economic and environmental benefits of using waste for energy.

The Board believes that the Placing will provide a number of benefits and stems in part from the strong support of the Company's long standing institutional shareholders. In particular, the Board intends to use the proceeds of the Placing to:

- strengthen the Group's balance sheet by reducing borrowings, principally stemming from the acquisition of Martract in December 2016;
- invest in the manufacturing divisions, in light of the strengthening conditions in the key oil & gas and defence markets, whilst also pursuing opportunities in other markets;
- identify and capitalise on the opportunities for both organic and non-organic growth, particularly in Precision Machined Components; and
- provide support to Alternative Energy such that it has the best opportunity to capitalise on the significant market potential during 2018 and beyond.

4. Current trading and outlook

On 13 June the Company announced its interim results for the six month period to 1 April 2017 and on 31 August provided an update on the year ended 30 September 2017. As highlighted, the Group's Manufacturing Divisions are on track to at least meet market expectations but that slippage on orders in Alternative Energy, plus some cost overruns on certain European projects, means the Board expects to report results behind original market expectations for the financial year just ended.

The Board looks forward to 2018 with confidence for the Manufacturing Divisions, as a result of a strong forward order book, particularly for Precision Machined Components, and the defence contracts already secured by Cylinders. The Board has provided cautious guidance on Alternative Energy, where the 2018 outturn relies on contracts which are still in negotiation.

In respect of the fatal accident at Chesterfield Special Cylinders in June 2015, other than the submission by Chesterfield Special Cylinders of written responses to questions from the Health and Safety Executive (HSE), there have been no further developments since the interim statement on 13 June 2017 and the HSE investigation into this accident remains ongoing.

As previously stated, the Board continues to be confident in the medium to long term prospects for the Group underpinned by a stabilising oil market, strong defence contracts and a growing global market in waste to energy solutions.

The audited preliminary results for the year ending 30 September 2017 will be announced on Tuesday 12 December 2017.

5. Details of the Placing

The company has conditionally raised approximately £5.0 million (before expenses) through a proposed placing of up to 4,100,000 Placing Shares with new and existing institutional investors at the Placing Price. The Placing Shares will represent approximately 22.05 per cent. of the Enlarged Share Capital immediately following Admission. The Placing Price represents a discount of approximately 3.17 per cent. to the Closing Price of 122 pence per Ordinary Share on the Latest Practicable Date.

Upon Admission, the Company's Enlarged Share Capital is expected to comprise 18,595,165 Ordinary Shares with one voting right per ordinary share. Therefore, the figure of 18,595,165 Ordinary Shares may be used by Shareholders following Admission as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

The Placing Shares, when issued and fully paid, will rank *pari passu* in full with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Cantor Fitzgerald Europe, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional upon, among other things, the conditions set out above (please see 'conditionality' in paragraph 5 of this Part I) and none of the warranties or undertakings given to Cantor Fitzgerald Europe prior to Admission being or becoming untrue, inaccurate or misleading in any material respect.

The Placing Agreement contains customary warranties given by the Company in favour of Cantor Fitzgerald Europe in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cantor Fitzgerald Europe (and its affiliates) in relation to certain liabilities which they may incur in respect of the Placing.

Cantor Fitzgerald Europe has the right to terminate the Placing Agreement in certain circumstances prior to Admission. In particular, in the event of a material breach of the warranties or a material adverse change or if the Placing Agreement does not become unconditional.

The Placing is not being underwritten. However, binding placing commitments have been received from the Placees, pursuant to which they have conditionally agreed to take up their allocation of Placing Shares.

Under the Placing Agreement, the Company has agreed to pay to Cantor Fitzgerald Europe a fixed sum together with a commission based on the aggregate value of certain of the Placing Shares placed at the Placing Price and the costs and expenses of the Placing together with any applicable VAT.

Conditionality

The Placing is conditional, *inter alia*, upon the following:

- the General Meeting having been duly convened and held and Resolutions 1 and 3 having been duly passed without amendment;
- the warranties contained in the Placing Agreement being true and accurate and not misleading in all material respects at all times before Admission;
- there having been no development or event (nor any development or event involving a prospective change of which the Company is, or might reasonably be expected to be, aware) which will or is likely to have a material adverse effect on the condition (financial or otherwise), prospects, management, results of operations, financial position, business or general affairs of the Company or of the Group, respectively;
- the Placing Shares having been allotted, subject only to Admission, in accordance with the Placing Agreement; and
- Admission taking place not later than 8.00 a.m. on 6 November 2017 or such later date as the Company and Cantor Fitzgerald Europe may otherwise agree (but not being later than 8.00 a.m. on the Long Stop Date); and

If the conditions set out above are not satisfied or waived (where capable of waiver), the Placing will lapse and the Placing Shares will not be issued and all monies received from investors in respect of the Placing Shares will be returned to them as soon as possible thereafter.

Settlement and dealings

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Admission of the Placing Shares is expected to take place, and dealings on AIM are expected to commence, at 8.00 a.m. on 6 November 2017 (or such later time and/or dates as may be agreed between the Company and Cantor Fitzgerald Europe). No temporary document of title will be issued.

6. Effect of the Placing

Upon completion of the Placing the Placing Shares will represent approximately 22.05 per cent. of the Enlarged Share Capital.

7. General Meeting

The General Meeting of the Company, notice of which is set out at the end of this document, is to be held at 12.00 p.m. on 3 November 2017 at the offices of Pressure Technologies plc at Newton Business Centre, Newton Chambers Road, Chapeltown, Sheffield, S35 2PH. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions to approve the Placing.

A summary and explanation of the Resolutions is set out below. Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting at the end of this document.

If either Resolution 1 or 3 is not passed at the General Meeting or an adjourned meeting by the date specified in the Placing Agreement the conditions of the Placing Agreement will not be satisfied.

Resolution 1: Authority to allot shares

This ordinary resolution will grant the Directors authority to allot the Placing Shares for the purposes of the Placing. The authority given by this Resolution will expire 90 days after the date of the passing of the Resolution. This authority will be in addition to that given to the Directors pursuant to Resolution 2.

Resolution 2: Authority to allot shares

Conditional on the passing of Resolution 1, Resolution 2 renews the authority of the Directors to allot Ordinary Shares (or to grant rights to subscribe for or convert any securities into Ordinary Shares) for:

- (a) up to a maximum nominal amount of £309,919 which represents approximately one-third of the Enlarged Share Capital; or
- (b) in the case of a rights issue up to a maximum aggregate nominal value of £619,838 which represents approximately two-thirds of the Enlarged Share Capital.

The authority given by this Resolution will expire at the conclusion of the next annual general meeting of the Company. This authority will be in addition to that given to the Directors pursuant to Resolution 1.

Resolution 3: Disapplication of pre-emption rights

Conditional on the passing of Resolution 1, Resolution 3 disapplies the statutory pre-emption rights in respect of the allotment of the Placing Shares to be allotted pursuant to Resolution 1 in connection with the Placing. The authority given by this Resolution will expire 90 days after the date of the passing of the Resolution. This authority will be in addition to that given to the Directors pursuant to Resolution 4.

Resolution 4: Disapplication of pre-emption rights

Conditional on the passing of Resolutions 1 and 2, Resolution 4 renews the authority of the Directors to allot equity securities pursuant to Resolution 2 otherwise than in accordance with statutory pre-emption rights up to an aggregate nominal value of £92,975 which represents approximately 10 per cent. of the Enlarged Share Capital. The authority given by this Resolution will expire at the conclusion of the next annual general meeting of the Company. This authority will be in addition to that given to the Directors pursuant to Resolution 3.

8. Action to be taken in relation to the General Meeting

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's registrars at Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 12.00 p.m. on 1 November 2017.

If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Neville Registrars Limited (CREST Participant ID: 7RA11) so that it is received by no later than 12.00 p.m. on 1 November 2017. The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish.

9. Recommendation and voting intentions

The Directors believe that the Placing is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions as they and Shareholders connected with them intend to do so in respect of their aggregate beneficial holdings of the Existing Issued Share Capital, representing 7.16 per cent. of the Existing Issued Share Capital.

Yours faithfully,

Alan Wilson

Non-Executive Chairman
Pressure Technologies plc.

PART II

NOTICE OF GENERAL MEETING

Pressure Technologies plc

(Incorporated and registered in England and Wales with registered number 06135104)

NOTICE IS HEREBY GIVEN that a General Meeting of Pressure Technologies plc (the “Company”) will be held at the offices of Pressure Technologies plc at Newton Business Centre, Newton Chambers Road, Chapeltown, Sheffield, S35 2PH at 12.00 p.m. on 3 November 2017 for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolutions 1 and 2 will be proposed as Ordinary Resolutions and Resolutions 3 and 4 will be proposed as Special Resolutions:

ORDINARY RESOLUTIONS

1. That the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot ordinary shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal amount of £205,000 in connection with the Placing (as such term is defined in the circular to the Company’s shareholders dated 16 October 2017 of which this notice forms part). This authority is in addition to the authority provided in resolution 2 (if such resolution is passed) (and shall not be reduced by the nominal amounts allotted or granted from time to time under resolution 2 below) but shall be in substitution for and shall replace any other existing authorities to the extent not utilised at the date of this resolution. This authority, unless renewed, extended, varied or revoked by the Company in a general meeting, shall expire 90 days after the date of the passing of this resolution, save that the Company may, prior to the expiry of such period, make an offer or agreement which would or might require shares to be allotted in the Company after such expiry and the directors may allot shares in the Company in pursuance of such offer or agreement notwithstanding the expiry of the authority given by this resolution.
2. That, subject to the passing of resolution 1, the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:
 - (a) up to an aggregate nominal amount of £309,919 (such amount to be reduced by the nominal amount allotted or granted from time to time under (b) below in excess of such sum); and
 - (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £619,838 (such amount to be reduced by the nominal amount allotted or granted from time to time under (a) above) in connection with or pursuant to an offer or invitation by way of rights issue in favour of:
 - (i) holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment; and
 - (ii) holders of any other class of equity securities entitled to participate therein or, if the directors consider it necessary, as permitted by the rights of those securities,

but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever.

These authorities are in addition to the authority provided in resolution 1 above (and shall not be reduced by the nominal amounts allotted or granted from time to time under resolution 1 above) but shall be in substitution for and shall replace any other existing authorities to the extent not utilised at

the date this resolution is passed and shall expire at the conclusion of the next annual general meeting of the Company save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of any such offer or agreement as if the authorities conferred hereby had not expired.

SPECIAL RESOLUTIONS

3. That, subject to the passing of resolution 1, the directors of the Company be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 (the “**Act**”) to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority conferred by resolution 1 above in connection with the Placing (as such term is defined in the circular to the Company’s shareholders dated 16 October 2017 of which this notice forms part) as if section 561 of the Act did not apply to any such allotment. This power, unless renewed, extended, varied or revoked by the Company in general meeting, shall expire 90 days after passing of this resolution save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
4. That, subject to the passing of resolutions 1 and 2, the directors of the Company be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 (the “**Act**”) to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authorities conferred by resolution 2 as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities for cash in connection with or pursuant to an offer or invitation (but in the case of the authority granted under resolution 2(b), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or, if the directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the directors may deem necessary or appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever; and
 - (b) the allotment of equity securities for cash in the case of the authority granted under resolution 2(a) above, and otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £92,975.

This power shall expire at the conclusion of the next annual general meeting of the Company save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Dated: 16 October 2017

By order of the Board

Joanna Allen
Company Secretary

Notes:

1. Resolutions 1 and 2 are proposed as Ordinary Resolutions. This means that for the Resolutions to be passed, more than half of the votes cast on such Resolutions must be in favour of such Resolutions. Resolutions 3 and 4 are proposed as Special Resolutions. This means that for these Resolutions to be passed, at least three-quarters of the votes cast on such Resolutions must be in favour of such Resolutions.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. If a member appoints more than one proxy in relation to the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which the member is the registered holder will be apportioned to the blank proxy form.
3. To appoint as a proxy a person other than the chairman of the meeting, a member must insert the proxy's full name in the box on the proxy form. If a member signs and returns a proxy form with no name inserted in the box, the chairman of the meeting will be deemed to be the member's proxy. Where a member appoints as a proxy someone other than the chairman, the member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. If a member wishes a proxy to make any comments on the member's behalf, the member will need to appoint someone other than the chairman and give them the relevant instructions directly.
4. A member which is a corporation is entitled to appoint one or more corporate representatives to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member. If a member which is a corporation appoints more than one corporate representative in relation to the meeting, each representative must exercise the rights attached to a different share or shares held by that member. In the case of a member which is a corporation, the proxy form must be executed under the corporation's common seal or signed on its behalf by a duly authorised officer of the corporation or an attorney for the corporation.
5. A form of proxy is enclosed. To be valid, the form of proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and deposited at the office of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours (excluding non-working days) before the time for holding the meeting (or any adjourned meeting). Completion of a form of proxy does not preclude a member from attending and voting in person at the meeting if (s)he so wishes.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered in the Company's register of members at close of business on 13 October 2017 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes in the Company's register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting. If the meeting is adjourned, as at close of business on the day two days (excluding non-working days) before the date of the adjourned meeting shall apply for the purpose of determining the entitlement of members to attend and vote at the adjourned meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 3 November 2017 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Neville Registrars Limited (CREST Participant ID: 7RA11), no later than 48 hours (excluding non-working days) before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
9. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.