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If you have sold or transferred, or subsequently sell or transfer, all of your Ordinary Shares in Plexus Holdings plc (the “**Company**”), please send this document and the accompanying 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 or is effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale was effected.

The distribution of this document and/or the accompanying Form of Proxy into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the Form of Proxy come should inform themselves about, and observe, any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions.

The Existing Ordinary Shares are admitted to trading on AIM under the symbol POS. Application will be made for the Placing Shares to be admitted to trading on AIM under the symbol POS. AIM is a market designed primarily for emerging or 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 United Kingdom 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 United Kingdom Listing Authority has examined or approved the contents of this document. This document does not constitute a recommendation regarding the securities of the Company.

The Directors, whose names appear on page 1 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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 that dealings in the Placing Shares will commence at 8.00 a.m. on 29 June 2016. The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, paid or made following Admission.

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## **Plexus Holdings plc**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with company number 03322928)*

**Placing of 9,230,770 new Ordinary Shares of 1p each at a Placing Price of 65p per share**

**Authority to allot and issue shares**

**and**

**Notice of General Meeting**

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**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 on pages 7 to 16 of this document and which contains a recommendation from the Board that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

Cenkos Securities plc ("**Cenkos Securities**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Cenkos Securities will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities or for advising any other person on the arrangements described in this document. Cenkos Securities has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos Securities for the accuracy of any information or opinions contained in this document or for the omission of any information. Cenkos Securities as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

The Placing 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 laws of any state of the United States of America or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the Placing Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States of America, Canada, Australia or Japan. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action. This document does not constitute an offer, or its solicitation, to subscribe for or buy any of the Placing Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

**Notice of a General Meeting of Plexus Holdings plc, to be held at the offices of Fox Williams LLP, 10 Finsbury Square, London EC2A 1AF at 2.00 p.m. on 28 June 2016, is set out at the end of this document. Whether or not you propose to attend the General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. To be valid the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, SLC Registrars of 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ by no later than 2.00 p.m. on 26 June 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). If you hold your Ordinary Shares in uncertificated form (i.e., in CREST) you may appoint a proxy electronically by following the instructions set out in Note 4 on page 19 so that it is received by the Company's registrars by no later than 2.00 p.m. on 26 June 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The time of receipt of the electronic appointment of a proxy will be taken to be the time from which the Company's registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.**

**Completion and return of a Form of Proxy or completion and transmittal of the electronic appointment of a proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish.**

#### **FORWARD-LOOKING STATEMENTS**

The statements contained in this document that are not historical facts are "forward-looking" statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative of such words or other variations of them or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of one of the Company's authorised executive officers. These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiary undertakings. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied, in such forward-looking statements. The forward-looking statements contained in this document speak only as at the date of this document. Except to the extent required by the FCA, the London Stock Exchange or applicable law, the Company will not necessarily update any of them in light of new information or future events and undertakes no duty to do so.

The date of this document is 13 June 2016.

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## DIRECTORS AND ADVISERS

### Directors

Jerome Jeffrey Thrall  
Bernard van Bilderbeek  
Graham Stevens  
Craig Hendrie  
Geoffrey Thompson  
Charles Jones  
Kunming Liu

Non-executive Chairman  
Chief Executive Officer  
Finance Director  
Technical Director  
Non-executive Director  
Non-executive Director  
Non-executive Director

### Company Secretary

Douglas William Armour

### Registered Office

42-50 Hersham Road  
Walton-on-Thames  
Surrey KT12 1RZ

### Nominated Adviser and Broker

Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London EC2R 7AS

### Solicitors to the Company

Fox Williams LLP  
10 Finsbury Square  
London EC2A 1AF

### Solicitors to the Nominated Adviser and Broker

Maclay Murray & Spens LLP  
15 Lauriston Place  
Edinburgh EH3 9EP

### Registrars

SLC Registrars  
42-50 Hersham Road  
Walton-on-Thames  
Surrey KT12 1RZ

## PLACING STATISTICS<sup>1</sup>

Placing Price	65 pence per Placing Share
Number of Existing Ordinary Shares	96,155,469
Number of Placing Shares	9,230,770
Gross proceeds of the Placing	£6,000,000.50
Proceeds of the Placing receivable by the Company, net of expenses	approximately £5,650,000
Number of Ordinary Shares in issue following Admission	105,386,239
Placing Shares as a percentage of the Enlarged Ordinary Share Capital	approximately 8.76 %

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing	13 June 2016
This document posted to Shareholders (by first class post)	13 June 2016
Latest time and date for receipt of completed Forms of Proxy and electronic appointments of proxy	2.00 p.m. on 26 June 2016
General Meeting	2.00 p.m. on 28 June 2016
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on 29 June 2016
CREST accounts credited in respect of the Placing Shares	by 29 June 2016
Share certificates despatched in respect of the Placing Shares	by 6 July 2016

Each of the times and dates shown above and elsewhere in this document are indicative and accordingly are subject to change. References to time in this document are to London time unless otherwise stated. If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service. All events listed in the above timetable following

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<sup>1</sup> Assumes Placing is fully subscribed

the General Meeting are conditional on the passing, at the General Meeting, of the Resolutions contained in the Notice of General Meeting.

## DEFINITIONS

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

“Admission”	admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the AIM rules for companies published by the London Stock Exchange from time to time;
“Board”	the board of Directors of the Company for the time being, including a duly constituted committee of the Directors;
“Cenkos Securities”	Cenkos Securities plc, a company incorporated in England and Wales with company number 05210733 whose registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS;
“Company” or “Plexus”	Plexus Holdings plc, a company incorporated in England and Wales with company number 03322928 whose registered office is at 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 SI 2001: No.3755 (as amended)) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations);
“Directors”	the directors of the Company whose names are set out on page 1 of this document;
“Enlarged Ordinary Share Capital”	the entire issued ordinary share capital of the Company immediately following Admission;
“Existing Ordinary Shares”	the Ordinary Shares in issue as at the date of this document;
“Form of Proxy”	the form of proxy for use at the General Meeting, which accompanies this document;
“FCA”	the UK Financial Conduct Authority;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);

“General Meeting”	the general meeting of the Company to be held at the offices of Fox Williams LLP, 10 Finsbury Square, London, EC2A 1AF at 2.00 p.m. on 28 June 2016;
“Gusar”	LLC Gusar (OOO Gusar) a company incorporated in the Russian Federation with its principal office at 57 Transportnaya St, Gus-Khrustalny, Vladimir Region, Russia 601506;
“Jereh”	Jereh International (Hong Kong) Co., Ltd, a company incorporated and registered in Hong Kong, China with company number 51169712-000-09-13-5 whose registered office at RMS 05-15 13A/F South Tower World Finance CTR Harbour City, 17 Canton Road, TSIM Sha Tsui, Hong Kong;
“Jereh Option”	the option for Jereh to subscribe for such number of new Ordinary Shares as would result in Jereh owning a further 5 per cent. of the entire issued share capital of the Company (in addition to the 4,468,537 new Ordinary Shares for which Jereh subscribed on 1 July 2015) following exercise of the Jereh Option;
“Konar”	CJSC Konar (Zao Konar), a company incorporated in the Russian Federation with its principal office at 4-B Lenin Ave, Chelyabinsk, Russia 454085;
“London Stock Exchange”	London Stock Exchange plc;
“Notice of General Meeting”	the notice convening the General Meeting, which is set out at the end of this document;
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company;
“Overseas Shareholders”	Shareholders who are resident in, or citizens or nationals of, jurisdictions outside the United Kingdom;
“Placing”	the placing by Cenkos Securities of the Placing Shares on behalf of the Company at the Placing Price pursuant to and on the terms of the Placing Agreement;
“Placing Agreement”	the conditional agreement dated 10 June 2016 between the Company and Cenkos Securities for the placing of the Placing Shares at the Placing Price;
“Placing Price”	65 pence per Ordinary Share;

“Placing Shares”	9,230,770 new Ordinary Shares to be issued pursuant to the Placing;
“Regulatory Information Service”	one of the regulatory information services authorised by the United Kingdom Listing Authority to receive, process and disseminate regulatory information in respect of listed companies;
“Resolutions”	the resolutions set out in the Notice of General Meeting;
“Shareholders”	persons who are registered as holders of Ordinary Shares from time to time;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“United Kingdom Listing Authority”	the FCA, acting in its capacity as the competent authority for the purposes of Part IV of FSMA; and
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America.

## LETTER FROM THE CHAIRMAN

**Registered and incorporated in England and Wales under the Companies Act 1985 with company number 03322928)**

Directors:

Registered Office:

42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ

Jerome Jeffrey Thrall (Non-executive Chairman)

Bernard van Bilderbeek (Chief Executive Officer)

Graham Stevens (Finance Director)

Craig Hendrie (Technical Director)

Geoffrey Thompson (Non-executive Director)

Charles Jones (Non-executive Director)

Kunming Liu (Non-executive Director)

*To Shareholders and, for information only, to the holders of options over, Ordinary Shares*

13 June 2016

Dear Shareholder,

**Placing of 9,230,770 new Ordinary Shares at a Placing Price of 65 pence per share**

**Authority to allot and issue shares**

**and**

**Notice of General Meeting**

### **1. INTRODUCTION**

The Company has today announced that it has conditionally raised £6,000,000.50, before expenses, by way of a placing of 9,230,770 new Ordinary Shares at a price of 65 pence per Ordinary Share to new and existing investors.

The allotment and issue of the Placing Shares would exceed the Directors' existing authorities to allot shares for cash on a non pre-emptive basis and therefore a General Meeting is being convened to seek Shareholders' approval to grant new authorities to enable the Directors to implement the Placing.

In addition to the authorities required to conclude the Placing, the Company is seeking authority from Shareholders to issue and allot new Ordinary Shares over and above the Placing Shares, representing 10 per cent. of the Enlarged Ordinary Share Capital following the Placing. This would enable the Company to satisfy the issue of shares pursuant to the

Jereh Option, should it be exercised before expiry on 30 June 2016 and provide the Board with the flexibility to issue further shares if required. The authority in place following the Placing, if approved by Shareholders, would be consistent with the 10 per cent. authority which was approved at the last Annual General Meeting of the Company.

Accordingly, the Company is convening the General Meeting, to be held at 2.00 p.m on 28 June 2016, at which it will seek authority for the Directors to allot Ordinary Shares up to an aggregate nominal amount of £197,674.10 and to disapply pre-emption rights in relation to those allotments. The Resolutions to be proposed at the General Meeting are set out in the Notice of General Meeting at the end of this document.

**The purpose of this document is to provide you with information about the background to and the reasons for the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.**

**You will find set out at the end of this document a notice of the General Meeting and a Form of Proxy is also enclosed with this document. Completion of the Form of Proxy will not preclude you from attending the General Meeting and voting in person.**

## **2. BACKGROUND TO AND REASONS FOR THE PLACING**

### *Introduction*

Plexus Holdings plc is an AIM-traded oil and gas engineering services business and owns the proprietary POS-GRIP® friction-grip method of wellhead engineering. The Company rents for exploration and sells for production wellhead equipment and associated tooling to a number of major oil and gas operators across the world. Plexus' POS-GRIP method of engineering enables the Company to deliver superior solutions to the industry, across a number of applications in oil and gas wellheads and connectors.

### *Background*

During the last 12 months the Company has achieved a number of significant milestones, despite the difficulties currently being experienced by the wider oil and gas sector, where the industry saw a steep decline in operator activity at the end of 2015 calendar year and into the first three months of 2016.

The Company's core business of renting proprietary POS-GRIP® friction-grip exploration wellhead equipment, particularly for High Pressure/High Temperature ('HP/HT') applications, performed well in the year to 30 June 2015, and achieved record revenue, EBITDA, profit before tax and profit after tax. Plexus' core business has historically held a market leading position in the European and UK North Sea markets.

During the last 12 to 18 months the Company has focused on growing its international business, and has successfully secured new international oil and gas customers in new territories around the world.

In July 2015 Plexus signed a licence agreement with Jereh in China to facilitate the rental, sale, and manufacture of Plexus' wellhead equipment to supply the major Chinese, wider Asian, Brazil, Indian and Middle East oil and gas markets. A further strategic initiative in the region was announced shortly afterwards, when a collaboration agreement with China Oilfield Services Limited, a major integrated oilfield service solution provider which is majority owned by Chinese state owned company CNOOC Group (the largest producer of

offshore crude oil and natural gas in China), Red Sea Technologies Ltd, a leading oilfield design and services company in South East Asia, and Jereh, to explore commercial opportunities for shallow water subsea and crossover wellhead production systems for oil and gas field activities in China.

In July 2015 Plexus Products (Asia) Sdn Bhd ('PPA'), the Company's Malaysian joint venture ('JV') secured a local PETRONAS licence to manufacture and supply Plexus' POS-GRIP wellhead equipment in Malaysia. With this licence it is expected that PPA will be able to develop and grow the supply of Plexus POS-GRIP rental exploration and production wellhead equipment to the Malaysian market, which the Plexus board believes offers significant growth opportunities for the Company.

Most recently, in January 2016, the Company confirmed that it had entered into an exclusive licence agreement with Gusar and Konar, two independent Russian oil and gas equipment manufacturers, to undertake the rental, manufacture and servicing of Plexus' jack-up drilling wellhead exploration equipment into the Russian Federation and the other CIS states oil and gas markets. This was a significant strategic milestone for Plexus as it provides the Company with low cost access to these important oil and gas regions without the requirement to make significant investment in capital intensive assets such as manufacturing.

The Company was further encouraged by the recent equity investment in Plexus by Gusar, who subscribed US\$5 million for a circa 7 per cent. stake in the Company. At the same time, Plexus entered into a commercial agreement with Gusar and Konar, designed to, *inter alia*, accelerate the arrangements set out in the existing licence agreement to enable Gusar and Konar to manufacture and sell POS-GRIP surface production wellhead systems in the Russian Federation and other CIS states.

The Company anticipates that, in due course, the arrangements with Gusar, Konar and Jereh will enable the Company to accelerate its strategy of expansion into major global markets beyond its traditional North Sea market by partnering with established local manufacturers and service providers who have existing relationships with key local operators, including national oil and gas companies.

#### *POS-GRIP Python® Subsea Wellhead*

Plexus has also made good progress with its new POS-GRIP Python Subsea Wellhead ('Python Subsea Wellhead'), which has been designed to address key technical issues and requirements highlighted by regulators and operators following the Gulf of Mexico incident in April 2010 and to achieve a new best in class standard for subsea wellheads that can for the first time match those of premium couplings. The Python Subsea Wellhead was launched in September 2015 at the Aberdeen Oil Show and testing has now been substantially completed, including qualifying the Python Subsea Wellhead hanger system to a new proposed higher Shell standard. The Company is currently undertaking a process to identify and secure the running of a Python Subsea Wellhead prototype.

#### *Current Market Conditions*

Despite the encouraging progress described above, Plexus has not been immune to the ongoing global economic downturn and in particular the oil price decline to a low of below US\$30 per barrel in January 2016, which has impacted drilling activity across the sector. The Company stated in January 2016 that it had seen a significant slowdown in planned activity by its customers to the extent that it cannot see the reduced activity levels being recovered in the current financial year as a result of a number of projects being delayed, postponed or

cancelled. The Company also stated that it expected its financial results for the year to 30 June 2016 to be significantly below market expectations.

As a result, Plexus implemented a number of cash conservation steps to stabilise the Company during the difficult oil market cycle, as well as undertaking a series of cost cutting measures which saw significant headcount and general overhead reductions. The Company also confirmed that it was actioning the optimal allocation of its resources to enable it to continue to progress the existing range of future opportunities which were broader and more international than ever before, including the investment in on-going R&D and POS-GRIP® product extensions at a time when the industry continues to actively pursue innovative cost saving disciplines and safety driven initiatives.

The Board has concluded that, whilst it is difficult to predict how long the downturn will last, it is likely that lower levels of activity in the oil and gas sector will continue over the next 12 to 18 months. However, the Board has every expectation that once activity in the sector resumes Plexus will see a recovery in its order book. The Company holds a fast response rental wellhead inventory, comprising in excess of 60 wellhead sets, and has a strong reputation with a large number of blue chip customers around the world who recognise the benefits and significant cost savings achievable through the use of Plexus' POS-GRIP® technology. Furthermore, Plexus has the only wellhead technology which has passed a new proposed higher Shell standard, which the Board believes will result in additional interest in the Company's wellhead designs, and its ability to match the seal and test standards of premium couplings.

#### *Proposed Placing*

As a result of the downturn in market conditions described above, and the impact this had had on Plexus' financial performance, the Company has elected to complete a conditional fundraising to raise £6,000,000.50 at this time. This is intended to strengthen Plexus' balance sheet during the current down cycle and to provide Plexus with the flexibility to support the capital requirements of its long term strategy of becoming a leading international oil and gas services company, supplying a new and superior standard of wellhead equipment for exploration, production and subsea applications.

The proceeds of the Placing will be applied across a number of the Company's areas of activity to ensure that Plexus is well placed to take advantage when sector activity resumes. In particular, the Board believes that the net proceeds of the Placing will enable Plexus to:

- take advantage of existing global opportunities (beyond the Company's on-going North Sea operations) and to continue to support Plexus' activities in new regions – Asia, Russia and North/South America;
- progress the Python Subsea Wellhead development programme towards a trial in 2016;
- support on-going development of POS-GRIP product suite (including production and subsea applications);
- strengthen Plexus' working capital position during the down cycle; and
- channel targeted R&D spend towards complementary products (WellTree™, Xmas Trees) and decommissioning market.

### **3. CURRENT FINANCIAL POSITION AND FUTURE PROSPECTS**

#### *Financial Results*

The Company released its interim financial results for the six months ended 31 December 2015 on 30 March 2016.

Although in line with market expectations, the results confirmed that the Company had suffered from the contraction in exploration activity, particularly in its organic North Sea market which is a consequence of the current low oil price. This has impacted on its core business of renting its proprietary POS-GRIP® friction-grip exploration wellhead equipment to oil and gas customers around the world and has resulted in a sharp year on year reduction in sales.

#### *Future prospects*

There have, however, been recent encouraging signs of an oil price recovery. Major industry players have said that they see the oil price returning to US\$50 per barrel or above by the end of 2016 and this viewpoint has been brought sharply into focus as the price hovers around US\$50 per barrel before the mid-year point. Industry experts have also predicted that demand for energy will rise strongly over the next few decades as emerging nations continue to move up the development curve, and oil and gas is required to satisfy much of this growth. Significantly more energy will be required over the next twenty years to enable the world economy to grow.

During the down turn operators have had to recalibrate their break even costs, conserve cash and cut capex, which has impacted in terms of a significant reduction in new projects, and exploration activity in particular. The current fall in exploration and production activity sits alongside oilfields that deplete at five to seven per cent. per annum, which has led commentators to form the view that there is a real risk of a strategic oil crisis later in the decade with a resultant price spike.

There are significant potential opportunities for Plexus in the future. The Company's POS-GRIP technology is able to deliver significant time and cost savings on the surface and, in due course and even more significantly, subsea in addition to offering unique safety and operational advantages. Plexus is targeting international markets and regions such as Russia, where it has been reported for example that Rosneft increased drilling activity by 30 per cent. in 2015 and plans a further increase in 2016. In addition, alongside the day to day gyrations and volatility there are signs that both OPEC and non-OPEC producers wish to see a return to stability and a higher oil price that can support necessary investment and planned capex.

Therefore, in the opinion of the Directors, there is a positive long term outlook across the industry particularly for oil and gas as opposed to coal, which in turn is underpinned by future population growth.

The Company is proprietary technology driven and its patent protected IP has been successfully deployed in more than 400 wells around the world. Its superior performance, safety and best in class properties have given it a strong market position in the niche jack-up exploration space, and the Directors are confident that this success can be extended into the much larger land and platform, and subsea applications space. As a result the IP which the Company owns means that it is not subject to cyclical risk to the same extent as many other businesses in this sector. The Company has a strong R&D ethic and is continuously developing new patented technology and even where earlier patents eventually expire the Company has an extensive body of knowledge and know-how.

### *Recent Developments*

The Company now has a proven technology and POS-GRIP® method of engineering reputation which has resulted in a strong market position in the North Sea which forms a strong base from which to expand into other territories, including China and Russia. In addition, significant progress has been made in developing new Plexus products based on the existing POS-GRIP® technology including the new Python Subsea Wellhead which was launched in September 2015 as a new best in class and safest standard for the multi-billion dollar subsea market, and has a combination of key features not previously seen in a subsea wellhead. The development of this new product has been supported in a Joint Industry Project by major international oil companies including BG, eni, Maersk, Total and Shell.

In addition to the Gusar arrangements and the matters set out above, the Company has also secured a US\$0.6m well contract in January 2016 with a new customer, Masirah Oil Limited for oil exploration in offshore Oman, and an order from Talisman Malaysia Limited in February 2016 for an exploration well in offshore Malaysia. It has also received a further £0.6m purchase order from Det Norske in May 2016 to supply surface wellhead and mudline equipment services for a well in offshore Norway.

### *Existing Bank Facilities*

The Company's existing bank facilities with Bank of Scotland comprise: (i) a £5 million three year revolving credit facility (which is renewable in September 2016); (ii) a £1 million overdraft facility re-payable on demand; and a reducing five year £1.5 million term loan (to September 2019), with a current balance of approximately £1.1 million at the date of this document.

### *Future planning*

The Board believes that by sensible financial and commercial planning and the nature of its core rental wellhead inventory business model the Company will be in a good position, particularly relative to its competitors, to take advantage of improving conditions in the sector. The Company has developed a strategy which should see it able to enter the next upturn in a strong position as a consequence of having a full suite of rental equipment ready to deploy and an expanded product base.

Faced, however, with lower orders and revenues, the Company is not waiting for a significant pick-up in exploration activity to return to positive cash flow. With this in mind, Plexus has implemented a series of cost cutting and personnel reduction measures designed to ensure it comes through this cycle much leaner and in a position to capitalise on the opportunities that Plexus believes will present themselves when new projects come back on stream. These measures have been structured in a manner which does not jeopardise the long-held commitment to essential research and development, which we recognise as being key to the long term success of the Company. Similarly we are also mindful to safeguard our core competencies to ensure that when growth returns, we are well placed to take advantage.

The Company has achieved these substantial savings in areas of capital expenditure, operating expenditure, non-essential research and development and expenditure on personnel. A reduction in the headcount from 150 to 80 has been implemented which will reduce payroll costs from £8.15m in 2015/16 to £4.27m for 2016/17. There has also been a reduction in capital expenditure of just under 20 per cent. during the same period. The Board has focussed on seeking to ensure the Company is cash generative for the remainder of the current downturn.

Management continues to remain confident about long term growth and shareholder value creation prospects, particularly in relation to the major surface production wellhead and

subsea exploration and production markets, whilst recognising the importance of structuring and positioning Plexus to ensure that it operates through the current cycle and emerges fully able to participate in a recovery in the sector.

#### 4. USE OF PROCEEDS

The Board intends to use the gross proceeds of the Placing, expected to be £6,000,000.50, to ensure that the matters described in paragraph 2 of this letter can be implemented and it is anticipated that these funds will be deployed as detailed below:

<b>Use of Proceeds</b>	
Support for activities in new regions – Asia, Russia and N./S. America	£1.0m
Financing of Python subsea wellhead trial well development programme	£2.0m
Ongoing development of POS-GRIP product suite	£1.0m
General working capital (incl. retention of key personnel)	£0.5m
Further R&D towards complementary products (e.g. WellTree™, Xmas Trees) and decommissioning market	£1.5m

#### 5. DETAILS OF THE PLACING

The Company has conditionally raised £6,000,000.50 before expenses (£5,650,000.50 net of expenses), by way of the issue of the Placing Shares at the Placing Price, subject to the passing of the Resolutions at the General Meeting.

The Placing Price of 65 pence per New Ordinary Share represents a discount of 3.35 per cent. to the Closing Price of 67.25 pence per Existing Ordinary Share on 8 June 2016.

In setting the Placing Price, the Board has considered the price at which the Placing Shares need to be offered to investors to ensure the success of the Placing and have held discussions with a number of institutional and other investors who have agreed to subscribe for the Placing Shares at that price pursuant to the Placing. In structuring the Placing, the Board has had regard, amongst other things, to the current market conditions and the level of the Company's share price.

The Placing Shares would represent approximately 8.76 per cent. of the Company's issued share capital immediately following the Placing.

### *Director Participation in the Placing*

Nazdar Limited, which is ultimately controlled by Jerome Jeffrey Thrall, has agreed to invest £1,034,482 (US\$1,500,000) in the Placing by subscribing for 1,591,512 Placing Shares.

Ben van Bilderbeek has agreed to invest £200,000 in the Placing by subscribing for 307,693 Placing Shares.

The Placing is conditional upon:

- the passing of the Resolutions as set out in the notice convening the General Meeting;
- the Placing Agreement having become unconditional in all respects and not having been terminated; and
- Admission of the Placing Shares to trading on AIM.

The Placing is not being underwritten.

### *Placing Agreement*

Cenkos Securities has entered into a Placing Agreement with the Company under which it has agreed to use its reasonable endeavours, as agent for the Company, to procure places for the Placing Shares.

The placing of the Placing Shares is conditional upon, *inter alia*, the Resolutions being duly passed at the General Meeting and Admission becoming effective on or before 8:00 a.m. on 29 June 2016 or such later time and/or date as the Company and Cenkos Securities may agree, but in any event by no later than 8:00 a.m. on 6 July 2016.

The Placing Agreement contains warranties from the Company in favour of Cenkos Securities in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify Cenkos Securities in relation to certain liabilities it may incur in respect of the Placing. Cenkos Securities 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.

The Placing Agreement provides that a commission and corporate finance fee shall be payable to Cenkos Securities in relation to its obligations under the Placing Agreement.

### *Dealings*

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 at 8:00 a.m. on 29 June 2016.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

## **6. GENERAL MEETING**

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of Fox Williams LLP, 10 Finsbury Square, London EC2A 1AF, at 2.00 p.m. on 28 June 2016 to consider the Resolutions.

The Resolutions deal with the following matters:

### ***Resolution 1 – Authority to allot shares***

Resolution 1, which will be proposed as an ordinary resolution, authorises the Directors to allot Ordinary Shares up to an aggregate nominal amount of £197,674.10, being the maximum aggregate nominal amount of the Placing Shares and a further number of new Ordinary Shares which will represent 10 per cent. of the Enlarged Ordinary Share Capital following the issue of new Ordinary Shares pursuant to the Placing.

### ***Resolution 2 – To dis-apply pre-emption rights***

Resolution 2, which will be proposed as a special resolution, and will be conditional on the passing of Resolution 1 above, allows the Directors to allot equity securities on a non pre-emptive basis, which is limited to (i) the issue and allotment of up to an aggregate nominal amount of £197,674.10, being the maximum aggregate nominal amount of the Placing Shares and (ii) a further number of new Ordinary Shares which will represent 10 per cent. of the Enlarged Ordinary Share Capital following the issue and allotment of new Ordinary Shares pursuant to the Placing.

## **7. ACTION TO BE TAKEN BY SHAREHOLDERS**

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions printed on it and returned to the Company's registrars, SLC Registrars of 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ as soon as possible and, in any event, so as to be received by no later than 2.00 p.m. on 26 June 2016, being 48 hours before the time appointed for holding the General Meeting.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy electronically by following the instructions set out in Note 4 on page 19 so that it is received by the Company's registrars by no later than 2.00 p.m. on 26 June 2016. The time of receipt of the electronic appointment of a proxy will be taken to be the time at which the Company's registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The completion and return of a Form of Proxy or completing and transmitting the electronic appointment of a proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

## **8. RECOMMENDATION**

**The Directors believe that the Placing and the issue and allotment of further new Ordinary Shares will promote the success of the Company for the benefit of its Shareholders as a whole.**

**The Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings\* amounting, in aggregate, to 57,807,468 Existing Ordinary Shares, representing approximately 60.12 per cent. of the existing issued share capital of the Company.**

Yours faithfully

Jerome Jeffrey Thrall

*Chairman*

\* Ben van Bilderbeek is one of the beneficiaries of a trust which controls 59.962 per cent. of the shares of Mutual Holdings Limited and the entire issued share capital of OFM Investment Limited.

Jeffrey Thrall, has a beneficial interest in 8,000 Ordinary Shares and in addition Thrall Enterprises Inc, has an indirect beneficial interest in a company which controls 32.477 per cent. of Mutual Holdings Limited.

At the date of this letter, Mutual Holdings Limited holds 42,700,001 Ordinary Shares, being 44.41 per cent. of the entire issued share capital of the Company, and OFM Investment Limited holds 15,069,767 Ordinary Shares, being 15.67 per cent. of the entire issued share capital of the Company.

## NOTICE OF GENERAL MEETING

### PLEXUS HOLDINGS PLC

("the Company")

(Company number 3322928)

#### Notice of General Meeting

Notice is given that a general meeting of the Company will be held at the offices of Fox Williams LLP at 10 Finsbury Square, London EC2A 1AF on 28 June 2016 at 2.00 p.m. to consider and, if thought fit, pass the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

#### Ordinary Resolution

1. That in substitution for all existing authorities, the directors be generally and unconditionally authorised in accordance with section 551 Companies Act 2006 ("**the Act**") to exercise all the powers of the Company to allot Ordinary Shares in the Company or to grant rights to subscribe for, or to convert any security into, Ordinary Shares in the Company up to an aggregate nominal amount of £197,674.10, during the period from the date of the passing of this resolution and expiring on the date of the next annual general meeting or on 31 December 2016, whichever is earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would, or might, require shares to be allotted or rights to subscribe for, or convert security into, shares to be granted after such expiry.

#### Special Resolution

2. That, subject to the passing of Resolution 1 above and Section 551 of the Act, the directors be empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - i. up to an aggregate nominal amount of £92,307.70; and
  - ii. up to an aggregate nominal amount of £105,366.40 representing the nominal value of 10 per cent. of the Company's issued share capital after the issue and allotment of the Ordinary Shares described in Resolution 2(i) above; and
  - iii. shall include the power to sell treasury shares under Section 727 of the Act.

Date: 13 June 2016

By order of the Board

**Douglas Armour FCIS** *Company Secretary*

*Registered office:*

42-50 Hersham Road  
Walton-on-Thames  
Surrey KT12 1RZ

A member entitled to attend and vote at the above meeting has the right to appoint a proxy or proxies to attend and vote in his place. A proxy need not be a member of the Company.

Your attention is drawn to the notes appearing overleaf.

## NOTES

1. A member entitled to attend and vote at the above meeting has the right to appoint a proxy or proxies to attend and vote in his place. A proxy need not be a member of the Company.
2. The form of proxy and power of attorney or other authority, if any, under which it is signed, or a copy of such power or authority certified by a notary, must be completed and returned to the offices of the Company's registrars, SLC Registrars, 42-50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ, to arrive not less than 48 hours before the time set for the meeting or adjourned meeting.
3. In accordance with regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) only those persons entered on the register of members of the Company as holders of Ordinary Shares at 6pm on the penultimate day of the meeting are entitled to attend or vote at the meeting either in person or by proxy in respect of the shares held by them at the relevant time. Any changes made to the register of members of the Company after that time shall be disregarded in determining the right of any person to attend and vote at the meeting.
4. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent SLC Registrars (ID7RA01) by 2.00 p.m. on 26 June 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change to the instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. A proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 may be treated as invalid. In any case, proxy forms must be received by the Company's registrars no later than 2.00 p.m. on 26 June 2016.
5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
6. A copy of this notice can be found at [www.plexusplc.com](http://www.plexusplc.com)