

10 April 2006

Plant Health Care plc
("PHC", the "Company" or "Plant Health Care")

Proposed placing of 10,000,000 new Ordinary Shares to raise £6.5 million (before expenses)

Summary of the Placing:

- Placing of 10,000,000 new Ordinary Shares at a placing price of 65p to raise £6.5 million (before expenses).
- Funds raised to be used primarily to develop the market for Myconate®, the Company's unique natural plant root compound.
- Myconate® trials to date conducted in the USA, Europe and Brazil have shown that under varying conditions Myconate® generated yield increases of up to 25 per cent.
- Plant Health Care is the only company in the world with the legal right to use this unique and exclusive technology.
- Based on recent US corn prices, a yield increase of only 5 per cent. would produce a 75 per cent. return on the incremental cost of the application of Myconate®.

A circular containing a notice of extraordinary general meeting convened for 10.00 a.m. on 5 May 2006 has today been sent to shareholders of the Company outlining the terms of the Placing and seeking Shareholder approval to, inter alia, enable the Directors to allot the Placing Shares in connection with the Placing.

This summary should be read in conjunction with, and is subject to, the full text of the attached announcement.

Notes:

Evolution Securities Limited, which is regulated in the United Kingdom by The Financial Services Authority, is acting exclusively for Plant Health Care plc and for no one else in relation to the Placing and will not be responsible to anyone other than Plant Health Care plc for providing the protections afforded to customers of Evolution Securities Limited or for providing advice in relation to matters referred to in this announcement.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such

jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

This announcement does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law.

These written materials are not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933 (the "US Securities Act") or an exemption there from. Plant Health Care plc has not and does not intend to register any of the New Ordinary Shares under the US Securities Act. The New Ordinary Shares will not be offered or sold to the public in the United States.

For enquiries:

Plant Health Care plc
John Brady, Chief Executive

Tel: 001 603 525 3702

Tavistock Communications
Jeremy Carey
Christian Taylor-Wilkinson

Tel: 020 7920 3150

Evolution Securities
Tim Worlledge
Tim Redfern

Tel: 020 7071 4300

Definitions:

Words and expressions where defined in the circular issued by the Company and dated 10 April 2006 shall, unless the context requires otherwise, have the same meaning in this announcement.

Plant Health Care plc
("PHC", the "Company" or "Plant Health Care")

Proposed placing of 10,000,000 new Ordinary Shares to raise £6.5 million (before expenses)

1. Introduction

The Board announced today that it proposes to raise £6.5 million (before expenses) by way of a placing of 10,000,000 new Ordinary Shares at a price of 65 pence per share. The net proceeds of the Placing will be used primarily to develop the market for Myconate®, the Company's unique natural plant root compound, which recent trials have confirmed can increase the yield from many agricultural crops.

The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Board authority to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply to, *inter alia*, the allotment of the Placing Shares. The Placing, which has been arranged and fully underwritten by Evolution Securities pursuant to the terms of the Placing Agreement, is also conditional upon Admission.

The Company also announced today its preliminary results for the year ended 31 December 2005.

2. Background to and Reasons for the Placing

In 2004 the Group purchased VAMTech, a company specialising in the synthesis of Formononetin, a compound that stimulates the growth of mycorrhizal fungi already existing in the soil, thereby improving the growth and health of plants and crops. In 2005 the compound was branded PHC Myconate®. The technology is protected by long-term patents covering both manufacturing and usage in the US and Europe. Plant Health Care is the only company in the world with the legal right to use this unique and exclusive technology.

A number of trials (including field trials) have been undertaken on this technology since 1992. In April 2005 Plant Health Care expanded the scope of these trials, and initiated extensive trials around the world on a variety of crops and in a variety of conditions. In the final quarter of 2005 and in the first quarter of 2006, the results from the trials were received, confirming the Board's belief that Myconate® has the potential to revolutionize the farming of row crops, including corn (or maize) and soybeans, two of the most widely cultivated row crops in the world. Plant Health Care now wishes to raise funds to conclude its trial program, prove the commercial viability of Myconate® in 2006 and commence commercialisation of Myconate® during 2006 and 2007.

3. Myconate® Trials to Date

Trials conducted in the USA, Europe and Brazil, have shown that across a variety of different soils and in varying climatic and growing conditions, Myconate® generated yield increases of up to 25 per cent., with the greater effect observed in situations of heightened environmental stress, such as drought and poor soil.

The trials demonstrated that Myconate® can be applied as a mix with fertilizer or as a coating applied directly to the seed. The significant increase in yield and the ease of application has led a number of the world's major agrichemical and seed companies to carry out further tests in 2006. Accordingly, it is unlikely to be any earlier than 2007 before Plant Health Care achieves any significant degree of adoption of Myconate® by agrichemical and seed coating companies.

However, the Board believes that major agrichemical and seed coating companies will be more inclined to early adoption if there is already a market demand for Myconate®. The economics of farming are becoming increasingly demanding and the Company expects that farmers will be willing to experiment with new products, in this case Myconate®, due to the economic benefits being sufficiently compelling.

In terms of economic impact for the farmer, based on recent US corn prices, a yield increase of 3 per cent. would cover the incremental cost of applying Myconate® and that a yield increase of 5 per cent. would increase gross profit per acre by \$6.50 from an extra cost of \$8.50 per acre and accordingly over a 75 per cent. return on the incremental cost of application of Myconate®.

The Board therefore believes that the Company should endeavour to bring Myconate® to market at the earliest opportunity in order to shorten the time to adoption by major agrichemical and seed coating companies.

4. Global Market for Myconate®

The Company's trials have shown that Myconate® is particularly effective when applied to corn and soybeans, two of the most widely cultivated row crops in the world.

In 2005, 763 million tons of corn were produced worldwide on 363 million acres, the United States being the largest corn producer accounting for 40 per cent. of world production. In general, yields around the world fluctuate due to variable growing conditions and the intensity of crop management. The world average yield in 2005 was 77 bushels per acre.

In 2005, 230 million tons of soybeans were produced worldwide on 225 million acres. The world average yield in 2005 was 34 bushels per acre.

The size of the worldwide agricultural market presents a significant opportunity for Plant Health Care, as Myconate® can be used with a wide

range of crops. The table below gives an indication of the potential value of the corn and soybeans markets that the Company is entering:

	Worldwide Hectares (millions)	Yield Per Hectare	kg	Price Per kg	Average Trial Yield Increase	Estimated Gross Increase (million)	kg	Estimated Gross Value of kg Yield Increase
Soybeans	91	2,293		\$0.21	13%	27,126		\$5.7 billion
Corn (Maize)	147	4,707		\$0.08	9%	62,274		\$5.0 billion

5. The Route to Market for Myconate®

Plant Health Care's objective is to become the world's leading supplier of natural products for the promotion of plant health and growth. Over the past 12 months Plant Health Care has moved the focus of its business efforts towards products for the agriculture sector.

The Directors believe that agriculture is a larger worldwide market than other "Green Markets" and that Myconate® will have applicability across a wide range of the world's most valuable agricultural crops.

Whilst Plant Health Care is making considerable progress with the agrichemical and seed companies, the Board also believes it is important to introduce Myconate® into the farming sector as soon as possible. The Company has identified the following three principal channels to market:

(i) **Distributors.** Sales of Myconate® to distributors who sell into existing channels through integrated sales forces and who offer farmers the full complement of products required for crop production;

(ii) **Seed companies.** Sales of Myconate® to seed companies who will sell coated-seed to distributors and farmers; and

(iii) **Agrichemical companies.** Chemical companies selling into the agriculture sector supply their products either to the seed coating companies or to farmers via distributors.

The commercialisation of Myconate® is being undertaken in a staged process. Trials with the agrichemical and seed companies are continuing into 2006. The Company anticipates that its first sales of Myconate® will be to distributors in three US States during 2006.

The Company believes that by targeting distributors directly, Myconate® will obtain early adoption by end users (i.e. farmers), which will increase the likelihood of adoption by the agrichemical and seed companies and of the Company entering into one or more licensing agreements with a significant partner.

The Board's ultimate objective is to enter into a partnership or licensing agreement with one or more of the large agrichemical and seed companies to globally distribute Myconate®.

6. Current trading and prospects

As detailed in the Company's audited preliminary results year ended 31 December 2005 announced today, trading conditions for the Company remain encouraging. The Company showed a 19 per cent. increase in turnover to \$10.2 million (2004 – \$8.6 million). The operating loss for the year before exceptional costs was \$2.3 million (2004 – loss of \$2.2 million). After exceptional costs, interest and other finance charges and taxation on certain overseas operations, the net loss for the year was \$3 million (2004 – loss of \$2.9 million). At 31 December 2005 the Group had cash balances (net of short-term borrowings) of \$1 million.

These results reflect a significant increase in revenues in the second half of 2005 in comparison with the same period in 2004. Second half turnover rose by 34 per cent. to \$5.5 million (2004 – \$4.1 million) and second half margins were 52 per cent. (2004 – 42 per cent.), while overhead expenses in the second half increased by only 6 per cent. compared to 2004. The operating loss for the second half was \$0.7 million (2004 – loss of \$1.6 million).

The Board is confident that turnover in the year to December 2006 will continue to show significant growth as the contracts the Company signed last year with John Deere, Symbiot and the relationship with Ewing Irrigation continue to develop.

European sales are expected to grow by over 50 per cent. in 2006, led by the successful commercialization of Pre-Tect™. In Mexico sales are also expected to increase in 2006 and in the US the Company expects to achieve \$1.0 million of first year sales into the agriculture sector.

The Board also continues to participate in discussions with several other companies regarding potential strategic alliances and/or joint venturing opportunities.

7. The Placing

The Company proposes to raise approximately £6.0 million (net of expenses) through the issue of the Placing Shares at the Placing Price. The Placing Price represents a discount of 3.7 per cent. to the closing middle market price of 67.5 pence on 6 April 2006, being the last practicable date prior to the publication of this document. The Placing Shares will represent 24.9 per cent. of the Company's issued share capital immediately following Admission.

8. The Placing Agreement

Pursuant to the terms of the Placing Agreement, Evolution Securities has conditionally agreed to use its reasonable endeavors, as agent for the

Company, to place the Placing Shares at the Placing Price with certain institutional and other investors. The Placing has been fully underwritten by Evolution Securities. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the EGM and Admission becoming effective on or before 8.00 a.m. on 9 May 2006 (or such later time and/or date as the Company and Evolution Securities may agree, but in any event by no later than 8.00 a.m. on 31 May 2006).

The Placing Agreement contains warranties from the Company in favour of Evolution Securities in relation to, *inter alia*, the accuracy of the information contained in this document and certain other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Evolution Securities in relation to certain liabilities it may incur in respect of the Placing. Evolution Securities has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, for *force majeure* or in the event of a material breach of the warranties set out in the Placing Agreement.

9. Settlement and 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 such Admission will become effective and that dealings will commence on 9 May 2006. The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that CREST accounts will be credited on the day of Admission and that share certificates (where applicable) will be dispatched by first class post by 18 May 2006.

10. Directors' participation in the Placing

Samuel Wauchope has agreed to subscribe for 20,000 Placing Shares at the Placing Price. This represents 0.2 per cent. of the Placing Shares. None of the other Directors will participate in the Placing.

11. Use of Proceeds

The net proceeds of the Placing will be approximately £6.0 million. The proceeds will be used to develop the market for Myconate® and to satisfy the general working capital requirements of the Group following Admission.

12. Extraordinary General Meeting

The circular to be sent out to shareholders today contains a notice convening the EGM to be held on 5 May 2006 at the offices of Reed Smith, Minerva House, 5 Montague Close, London SE1 9BB at 10.00 a.m. at which the Resolutions, all of which are inter-conditional, will be proposed for the purposes of implementing the Placing.

PLACING STATISTICS

Placing Price	65p
Number of Existing Shares	30,150,462
Number of Placing Shares being placed on behalf of the Company	10,000,000
Estimated proceeds receivable by the Company, net of expenses	£6.0 million
Number of Ordinary Shares in issue following Admission	40,150,462
Number of Placing Shares as a percentage of the enlarged issued share capital	24.9 per cent.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	10 April 2006
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 3 May 2006
Extraordinary General Meeting	10.00 a.m. on 5 May 2006
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on 9 May 2006
Expected date for CREST stock accounts to be credited for Placing Shares in uncertificated form	9 May 2006
Expected date for posting of share certificates for Placing Shares	by 18 May 2006