2 July 2010

Green Compliance plc ("**Green Compliance**" or "**the Company**")
Acquisition of Pure Group Management Limited

In accordance with the Company's strategy of building a business focussed on its selected "blue collar" compliance markets, the Board of Green Compliance is pleased to announce a further acquisition within the water treatment and hygiene sector.

On 1 July 2010 the Company completed the acquisition of the entire issued share capital of Pure Group Management Limited ("Pure") which trades as Water Pure Systems Limited.

Pure was acquired for an initial consideration of £5.0m, satisfied as to £4.075m in cash at completion, 52,000,000 new ordinary shares of 1p each valued at 1.25p per shares (the Placing Price of the Placing announced in June this year) and £275,000 of loan notes.

The initial cash component of the consideration will be financed from existing cash resources and £0.5m from bank debt increasing the amount drawn down from the existing facility with HSBC to £2.1m. The loan notes are repayable in 3, 6, 9 and 12 months from completion, in tranches of £90,000, £90,000, £47,500 and £47,500 respectively. Interest will be payable on the loan notes commencing three months from completion at a rate of 3% per annum on the outstanding balance.

Further deferred cash consideration will become payable conditional on Pure achieving specified profit targets for the year to 30 April 2011. For every £1 of profit before tax earned by Pure between £0.8m and £1m, the vendors will receive an additional £6 in deferred consideration. Additionally, for every £1 of profit before tax earned by Pure over £1.0m the vendors will receive £7.50 in deferred consideration. The deferred consideration will be paid in cash.

Pure has traded since 1989 and provides a variety of water treatment and commissioning services to its nationwide customer base, predominantly comprising of multi-site operations in the leisure, commerce and industrial markets and also Government bodies. For the financial year ended 30 April 2010 Pure reported sales of £4.039M, EBITDA of £959,000 and profit before tax of £901,000. Net assets were £1,722,000.

The Directors and vendors of Pure, Mark Taylor, Judith Taylor and Ben Gibson will remain with the business post completion. The Agreement stipulates that Mark Taylor, Judith Taylor and Ben Gibson will not dispose any of the new ordinary shares they have received as part of the consideration for an initial period of 12 months from 1 July 2010 except in limited circumstances or with the prior written consent of the Company.

Application has been made for the new ordinary shares to be admitted to trading on AIM and it is expected that admission and dealings will commence on 7 July 2010.

Commenting on the acquisition John Prowse, CEO of Green Compliance plc, said :

"The acquisition of Pure, which has a long established track record and solid client base within the sector, is a further valuable addition to the group. The Directors believe that, along with the existing water treatment and hygiene businesses already within the Company, the acquisition expands our geographical reach and positions Green Compliance as one of the largest operators within the sector in the UK."

Enquiries:


**Green Compliance plc**

John Prowse, Chief Executive Officer Tel: 01285 770978

**Hansard Communications**

John Bick and Kirsty Corcoran Tel : 0207 245 1100 or 07872 061007

**Collins Stewart**

NOMAD and Broker

Bruce Garrow and Ileana Antypas Tel: 020 7523 8350