

12 May 2011

Crimson Tide plc ("Crimson Tide" or the "Company")

Exercise of option and repayment of loan facility

On 6th August 2008, the Company announced that it had secured a borrowing facility of up to £300,000 with the Goodwin Accumulation and Maintenance Trust (the "Trust"), a trust of which Stephen Goodwin, the Company's Chief Executive, is a trustee, and granted an associated option to purchase new Ordinary Shares up to a value of 50% of the loan facility. The initial term of eighteen months was extended for a further eighteen months in March 2010.

Crimson Tide is pleased to announce that the Trust has decided to exercise the option and purchase 7.5 million new ordinary shares in the capital of the Company (the "Option Shares") at an exercise price of 1 pence per share. At the same time, the Company will repay the remaining balance of the outstanding loan of £212,492.05 using part of the funds raised in January 2011 and cancel the balance of the option facility. Following completion of these transactions, the Company's borrowings will have reduced to £30,000 (repayable this year) with the resulting reduction in future interest costs.

Application will be made to the London Stock Exchange for the admission of the shares to AIM and admission is expected on 18 May 2011. Following admission to AIM of the Option Shares, the Company will have 445,486,234 Ordinary Shares in issue.

Pursuant to Rule 13 of the AIM Rules for Companies, the exercise of the option and repayment of the outstanding loan by the Trust constitutes a related party transaction. The Board of the Company (excluding Stephen Goodwin), having consulted with the Company's Nominated Adviser, W.H. Ireland Limited, considers that the transactions are fair and reasonable insofar as its shareholders are concerned.

Barrie Whipp, Executive Chairman of Crimson Tide, commented:

"We're delighted that the Trust has opted to exercise its option, which not only underlines Steve's confidence in the business and its opportunities but which also enables the Company to conserve considerable cash balances for accelerating its growth strategy. We have a profitable company with an excellent pipeline for growth, the necessary capital with which to expand and a negligible level of debt."

As a result of exercising the option, the trust will hold 9,150,000 Ordinary Shares, representing 2.05% of the new total issued share capital.

Enquiries:

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