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If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document and any accompanying documents or forms 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 delivery to the purchaser or transferee. However, this document and any 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, including, but not limited to, the United States, Canada, Republic of South Africa, New Zealand, Australia and Japan (being the “Excluded Territories”).

Application will be made to the London Stock Exchange for the Placing Shares and the Consideration Shares to be admitted to trading on AIM. It is expected that admission to AIM will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on 23 July 2010 and dealings in the Consideration Shares will commence at 8.00 a.m. on 30 July 2010.

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## **Northbridge Industrial Services plc**

*(Incorporated and registered in England and Wales under the Companies Act 1985, with registered number 5326580)*

### **Proposed Acquisition of Tasman Oil Tools Pty Ltd**

**Placing of 5,606,000 new Ordinary Shares at 125 pence per share**

**and**

### **Notice of Extraordinary General Meeting**

**Nominated Adviser**

**Smith & Williamson Corporate Finance Limited**

**Broker**

**Arbuthnot Securities Limited**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Northbridge which is set out on pages 5 to 11 of this document, which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.**

The Notice of an Extraordinary General Meeting of Northbridge Industrial Services plc to be held on 22 July 2010 at 10.00 a.m. at the offices of Buchanan Communications, 45 Moorfields, London EC2Y 9AE is set out at the end of this document. The Form of Proxy should be completed and returned by post, electronically or (during normal business hours only) by hand to the Company’s registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and, to be valid, must arrive by not later than 10.00 a.m. on 20 July 2010. Return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the EGM should they so wish.

Smith & Williamson, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser for the Company and no one else in relation to the proposals outlined in this document and will not be responsible to any person other than the Company for providing the protection afforded to customers of Smith & Williamson or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. No action has been taken or will be taken in any jurisdiction outside the United Kingdom by either the Company or Smith & Williamson that would permit a public offer of Ordinary Shares in any such jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document. Persons into whose possession this document comes are required by the Company and Smith & Williamson to inform themselves about and to observe any restriction as to the Placing and the distribution of this document.

Arbuthnot Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as broker for the Company and no one else in relation to the proposals outlined in this document and will not be responsible to any person other than the Company for providing the protection afforded to customers of Arbuthnot Securities or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. No action has been taken or will be taken in any jurisdiction outside the United Kingdom by either the Company or Arbuthnot Securities that would permit a public offer of Ordinary Shares in any such jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document. Persons into whose possession this document comes are required by the Company and Arbuthnot Securities to inform themselves about and to observe any restriction as to the Placing and the distribution of this document.

This document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful and, subject to certain exceptions is not for distribution in or into the United States, Canada, Republic of South Africa, New Zealand, Australia, or Japan. The New Ordinary Shares will not be registered under the United States 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, Republic of South Africa, New Zealand, Australia or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Overseas Shareholders 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. The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Existing Ordinary Shares after Admission.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 20 July 2010
Extraordinary General Meeting	10.00 a.m. on 22 July 2010
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on 23 July 2010
CREST accounts credited in respect of the Placing Shares	23 July 2010
Admission and dealings in the Consideration Shares expected to commence on AIM	8.00 a.m. on 30 July 2010
Completion of the Acquisition	30 July 2010
Despatch of definitive share certificates	by 6 August 2010

### PLACING STATISTICS

Placing Price	125p
Number of Existing Ordinary Shares	9,092,257
Number of Placing Shares	5,606,000
Estimated net proceeds of the Placing receivable by the Company	£6.7 million
Number of Consideration Shares (based on the £:A\$ exchange rate as at 29 June 2010)	739,884
Number of Ordinary Shares in issue immediately following Completion	15,438,141
Number of New Ordinary Shares expressed as a percentage of the Enlarged Share Capital (excluding treasury shares)	41.5 per cent.

## DEFINITIONS

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

“Acquisition”	the proposed acquisition of the entire issued share capital of Tasman by Northbridge Australia
“Acquisition Agreement”	the proposed sale and purchase agreement relating to the Acquisition
“Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies
“Arbuthnot Securities”	Arbuthnot Securities Limited
“Articles”	the articles of association of the Company in force as at the date of this document
“Bank Facility”	a proposed five year term loan facility of up to £3 million from Bank of Scotland Plc at an interest rate equal to LIBOR plus 3.25 per cent. on indicative terms received by the Company, subject to contract and due diligence and satisfaction of conditions precedent before availability
“Capita Registrars”	Capita Registrars, a trading name of Capita Registrars Limited
“Company” or “Northbridge”	Northbridge Industrial Services plc
“Completion”	completion of the Acquisition in accordance with the terms of the proposed Acquisition Agreement
“Consideration Shares”	739,884 new Ordinary Shares to be issued to the Vendor pursuant to the Acquisition (assuming currency conversion rate of £1:A\$1.73 as at 29 June 2010)
“CREST”	the computerised settlement system operated by Euroclear to facilitate the transfer of title to shares in uncertificated form. The Relevant System (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Crestchic”	Crestchic Limited, a wholly owned subsidiary of the Company
“Deferred Consideration”	the deferred consideration that may be payable by the Company in relation to the Acquisition pursuant to the Acquisition Agreement
“Directors” or the “Board”	the directors of Northbridge, whose names appear on page 5 of this document
“Enlarged Group”	the Group, as enlarged by the Acquisition, immediately following Admission
“Enlarged Share Capital”	the 15,285,991 Ordinary Shares (excluding the 152,150 Ordinary Shares held by the Company as treasury shares) in issue immediately following Completion
“Euroclear”	Euroclear UK & Ireland Limited

“Excluded Territories”	being, USA, Canada, Republic of South Africa, New Zealand, Australia and Japan
“Existing Ordinary Shares”	the 9,092,257 Ordinary Shares in issue at the date of this document, of which 152,150 Ordinary Shares are held by the Company as treasury shares
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of the Company convened for 10.00 a.m. on 22 July 2010, notice of which is set out at the end of this document
“Form of Proxy”	the form of proxy attached to this document for use at the EGM
“FSA”	the UK Financial Services Authority
“FSMA”	the UK Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiary undertakings
“LIBOR”	London Interbank Offered Rate
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the Consideration Shares and the Placing Shares
“Notice of EGM”	the notice convening the EGM set out at the end of this document
“Northbridge Australia”	Northbridge Australia Pty Limited
“Ordinary Shares”	ordinary shares of 10p each in the share capital of the Company
“Placees”	the subscribers or purchasers of Placing Shares pursuant to the Placing
“Placing”	the conditional placing by Arbuthnot Securities of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the agreement dated 29 June 2010 between the Company, Smith & Williamson and Arbuthnot Securities in connection with the Placing
“Placing Price”	125 pence per Placing Share
“Placing Shares”	the 5,606,000 new Ordinary Shares which are proposed to be allotted and issued pursuant to the Placing
“Resolutions”	the resolutions set out in the Notice of EGM
“Shareholders”	holders of Ordinary Shares
“Smith & Williamson”	Smith & Williamson Corporate Finance Limited, the Company’s AIM nominated adviser
“Tasman”	Tasman Oil Tools Pty Ltd
“UKLA”	the UK Listing Authority
“US”, “USA” or “United States”	the United States of America, each state thereof (including the district of Columbia); its territories, possessions and all areas subject to its jurisdiction
“Vendor”	Cata Pty Ltd

All references in this document to “£” or “p” are to the lawful currency of the United Kingdom and all references to “A\$” are to the lawful currency of Australia.

Unless otherwise stated, the following exchange rate is used throughout this document: £1 = A\$1.73.

**LETTER FROM THE CHAIRMAN OF  
NORTHBRIDGE INDUSTRIAL SERVICES PLC**

*(Incorporated and registered in England and Wales under the Companies Act 1985, with registered number 5326580)*

*Directors:*

Peter Harris *(Non-executive Chairman)*  
Eric Hook *(Chief Executive)*  
Ash Mehta *(Finance Director)*  
Jim Gould *(Non-executive Director)*  
David Marshall *(Non-executive Director)*  
Michael Dodson *(Non-executive Director)*

*Registered Office*

Second Avenue  
Centrum 100  
Burton-on-Trent  
DE14 2WF  
United Kingdom

30 June 2010

Dear Shareholder

**PROPOSED ACQUISITION OF TASMAN OIL TOOLS PTY LTD  
PLACING OF 5,606,000 NEW ORDINARY SHARES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. Introduction**

The Company announced earlier today that its subsidiary Northbridge Australia proposes to acquire Tasman for an aggregate consideration of A\$16.9 million (£9.8 million) and intends to raise approximately £7.0 million (before expenses) by way of a placing of 5,606,000 new Ordinary Shares at a price of 125 pence per share. The net proceeds of the Placing will be used to fund part of the cash element of the consideration payable for Tasman and for additional working capital. The balance of the cash element of the consideration payable for Tasman will be satisfied using the Bank Facility and the Group's cash resources. The Placing and Acquisition are conditional on the Company entering into the Acquisition Agreement, which the Board expects to do shortly, and the approval of Shareholders at the EGM.

Tasman, which is based in Perth, Western Australia, specialises in the rental of equipment for the onshore and offshore oil industry across Australia, supplying drilling and handling tools as well as a range of specialist plant including pumps, blow out preventers and mud pump motors.

The proposed aggregate consideration payable for the entire issued share capital of Tasman is A\$16.9 million (£9.8 million), subject to certain adjustments, which is comprised of an initial consideration of A\$13.9 million (£8.0 million) to be satisfied by A\$12.3 million (£7.1 million) in cash from the proceeds of the Placing, the Bank Facility and the Group's cash resources and the issue of Consideration Shares representing A\$1.6 million (£0.9 million). In addition, and dependent on there being no net asset adjustment or breach of warranty, it is proposed that Northbridge Australia will pay to the Vendor a Deferred Consideration of A\$3.0 million (£1.7 million) which will be satisfied in cash payable in two instalments. The first instalment of the Deferred Consideration of A\$1.0 million (£0.6 million) would be payable on 30 December 2010. The second instalment of the Deferred Consideration of A\$2.0 million (£1.2 million) would be payable on 30 September 2011.

The Directors believe that the Acquisition would complement Northbridge's existing businesses and is in line with the Company's stated strategy to acquire companies in specialist, niche sectors which are capable of further organic growth. Tasman operates in the attractive oil and gas sector and has a strong cash flow and hire fleet. The Acquisition would give the Company a foothold into the Asia-Pacific region and would provide the opportunity to distribute the Group's other products and services across Australia. If completed, the Board expects the Acquisition to be immediately earnings enhancing.

The Placing Shares have been conditionally placed with institutional and other investors. Subject to, *inter alia*, the passing of the Resolutions at the EGM and Admission, dealings in the Placing Shares are expected to commence on AIM at 8.00 a.m. on 23 July 2010. Completion of the Acquisition is expected to occur and admission and dealings in the Consideration Shares are expected to commence on AIM at 8.00 a.m. on 30 July 2010.

Certain Directors (and their related parties, including Western Selection plc) have irrevocably undertaken to vote in favour of the Resolutions in respect of 3,498,397 Ordinary Shares, representing, in aggregate, approximately 39.1 per cent. of the Existing Ordinary Shares (excluding 152,150 Ordinary Shares held by the Company as treasury shares).

The Acquisition will not proceed unless the Placing takes place. However, the Placing will proceed whether or not the Acquisition completes. In the unlikely event that the Acquisition does not complete, the net proceeds of the Placing will be placed on deposit on a short-term basis and the Directors will consider whether to use the proceeds to finance other carefully selected acquisitions, which would be approved, if necessary, by Shareholders, and/or consider the possibility of returning cash to Shareholders.

**The Placing is being made on a non pre-emptive basis. The making of a pre-emptive offer would require the production of a prospectus which would have to comply with the Prospectus Rules and be pre-vetted and approved by the FSA. Having given the matter careful consideration, the Directors do not believe that the time and costs involved in producing a prospectus would be justified in the context of a fundraising of this size and nature.**

**The purpose of this document is to explain the background to and reasons for the Acquisition and the Placing and why the Board considers the Acquisition and the Placing to be in the best interests of the Company and the Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.**

## **2. Background to and reasons for the Acquisition and Placing**

Northbridge's strategy is to build a group of specialist industrial equipment businesses in niche sectors which are capable of further organic growth and which demonstrate some or all of the following criteria:

- potential for expansion into complete outsourcing providers;
- supplying, or capable of supplying, a non-cyclical customer base including utility companies, the public sector and the oil and gas sector;
- incorporating a strong element of service work; and
- annual turnover of between approximately £1 million and £10 million.

Through the consolidation of a number of such companies, Northbridge intends to add value through organic expansion into new geographical or industry markets and increase the Company's product offering to its customer base. In delivering such a strategy, the Board believes that Northbridge will be able to capitalise on the opportunity to become a significant industrial services business serving an international market.

Since the Ordinary Shares were admitted to trading on AIM in March 2006, Northbridge has made a number of acquisitions and incorporated a new subsidiary in the Jebel Ali Free Zone of Dubai. On its admission to AIM, Northbridge acquired Crestchic, which designs and manufactures load bank equipment, which it hires and sells to a diverse national and international customer base. Crestchic is one of the largest specialist load bank equipment manufacturers in the world.

In March 2007, the Group acquired the trade and assets of Loadbank Hire Services, a competitor of Crestchic in the London area, for a total consideration of £909,000. The additional equipment, staff and premises provided additional scale to the business as well as affording better access to the Group's customers and markets in the south east of England.

In September 2007, the Group acquired a 51 per cent. holding in RDS (Technical) Limited (“RDS”) for £650,000. The principal business of RDS is to provide generators and associated equipment to the oil and gas industry in the Caspian Sea through a branch office in Azerbaijan. The remaining 49 per cent. of RDS was acquired by the Group for £1.1 million in June 2008.

In April 2009, Northbridge acquired 67 per cent. of the share capital of Tyne Technical Equipment Rental Services LLC (“TTERS”), a company registered in Dubai whose principal business is the rental of generators and the sale of associated services to the infrastructure and the oil and gas industries in the United Arab Emirates. Northbridge has an option to acquire the remaining 33 per cent. of the share capital of TTERS on 13 April 2011 for a price based on a multiple of net profits in the preceding twelve months, subject to a maximum amount of £680,000. Additionally, in 2007, the Company incorporated a subsidiary, Northbridge (Middle East) FZE, in the Jebel Ali Free Zone of Dubai to focus on supplying equipment to the oil and gas industries in the Middle East and the Caspian Sea.

The Directors of Northbridge believe that the proposed acquisition of Tasman, a business that specialises in the rental of drilling tools and equipment to the oil and gas industry and conducts servicing of some client-owned equipment, would be a positive next step in the development of the Company and is in line with its stated strategy. Tasman is a well established profitable business that has been trading for more than 25 years. In addition, Tasman is cash generative with a broad range of rental assets suitable for the oil & gas industry and the Board believes that it is also capable of organic growth. Further information on Tasman is set out below in paragraph 3. The Board believes that Tasman is an excellent strategic fit for the Group increasing the range of services that the Enlarged Group will be able to offer its oil and gas customers as well as increasing the geographical reach of the Enlarged Group.

The net proceeds of the Placing will, in conjunction with the Bank Facility and the Group’s cash resources, be used to finance the consideration and expenses payable in relation to the Acquisition.

### **3. Information on Tasman**

Tasman provides rental of tools and drilling equipment to the oil and gas industry and conducts servicing of some client-owned equipment. Tasman was founded in 1980 and its head office is in Perth, Western Australia. In addition, Tasman has operations in three further locations across Australia being Darwin (Northern Territories), Sale (Victoria) and Roma (Queensland) (via an agent). From these locations, Tasman services approximately 150 customers, assisting them with their onshore and offshore drilling activities.

Tasman provides services to a number of large oil and gas exploration and drilling companies as well as large oilfield services companies such as Apache Energy Limited, Santos Limited, Weatherford Australia, Woodside Energy Limited, ConocoPhillips and Exxon Mobil (Esso Australia Pty Limited).

Tasman’s business operations are divided into the following key divisions:

#### ***Equipment Rental***

Tasman has a broad range of tools and drilling equipment available for rental to customers in the oil and gas industry. Typically, Tasman enters into rental agreements for periods ranging from weeks to several months and has a high level of repeat business. Tasman has over 4,000 products available for rental including drill strings and collars, blow-out preventers, hole openers, stabilisers, mud pumps, power tongs, torque wrenches and power wash down units. Equipment rental is Tasman’s main operational area and accounted for approximately 80 per cent. of total turnover for the year ended 30 June 2009. 2009 saw an increase in oil and gas activity as a result of high global oil prices which in turn translated into record equipment rental revenue for Tasman.

#### ***Service***

Tasman’s main workshop in Perth offers a servicing and repair facility to drilling and service companies for the maintenance of their own drilling equipment. This division is complementary to the Equipment Rental division as customers may hire equipment whilst their own are being serviced. Tasman’s capability in servicing has recently been expanded with the completion of a pressure testing bay in March 2010. Revenue from the Service division represented approximately 13 per cent. of Tasman’s turnover in the year ended 30 June 2009.

### **Product Sales**

Tasman also sells consumables and spare parts to drilling companies such as corrosion inhibitors, industrial plants, mud spill kits, thread protectors and lubricants. Products are sourced from third party manufacturers/suppliers to be on-sold to customers. Revenue from this activity represented approximately 7 per cent. of Tasman's turnover in the year ended 30 June 2009.

### **Financial information**

The trading record of Tasman for the three years ended 30 June 2009 as extracted from Tasman's financial statements is summarised below:

	<i>Year ended 30 June 2009 A\$'000</i>	<i>Year ended 30 June 2008 A\$'000</i>	<i>Year ended 30 June 2007 A\$'000</i>
Turnover	11,167	10,229	9,579
Gross profit	9,667	8,718	8,127
<i>Gross margin (%)</i>	87%	85%	85%
Operating profit (EBIT)	5,729	4,544	4,466
Profit before taxation	5,744	4,564	4,461
Net assets	21,175	15,383	8,001

Tasman expects to produce another strong performance for the year ending 30 June 2010 with revenues comparable to 2009. Profits in 2010 are expected to be lower than 2009 as 2009 included exceptional profits from the sale of some surplus equipment during the year.

#### **4. Proposed terms of the Acquisition**

The proposed aggregate consideration payable for the entire issued share capital of Tasman is A\$16.9 million (£9.8 million), subject to certain adjustments, which is comprised of an initial consideration of A\$13.9 million (£8.0 million) to be satisfied by A\$12.3 million (£7.1 million) in cash from the proceeds of the Placing, the Bank Facility and the Group's cash resources and the issue of Consideration Shares representing A\$1.6 million (£0.9 million). In addition, subject to warranties given by the Vendor being satisfactory and there being no net asset adjustment, it is proposed that Northbridge Australia will pay to the Vendor a Deferred Consideration of A\$3.0 million (£1.7 million) which will be satisfied in cash payable in two instalments. The first instalment of the Deferred Consideration of A\$1.0 million (£0.6 million) would be payable on 30 December 2010. The second instalment of the Deferred Consideration of A\$2.0 million (£1.2 million) would be payable on 30 September 2011. The Placing and Acquisition are conditional on the Company entering into the Acquisition Agreement, which the Board expects to do shortly, and the approval of Shareholders at the EGM.

It is proposed that Tasman's three properties located in Perth (Western Australia), Sale (Victoria) and Darwin (North Territory) will be transferred out of Tasman prior to Completion. The net book value of the properties as at 30 June 2009 was approximately A\$8.4 million (£4.9 million). It is proposed that Northbridge Australia will lease the properties from the Vendor for a period of ten years from the date of Completion subject to a break clause at an aggregate annual rent of A\$680,000 (£393,064) with periodic reviews.

Following Completion, audited accounts of Tasman will be prepared. The aggregate purchase price will be adjusted upwards or downwards by A\$1 for each A\$1 by which the net assets of Tasman on the date of Completion exceed or are less than A\$5,660,152 plus 50 per cent. of the retained earnings (after tax and excluding profit and tax on the transfer of certain properties to the Vendor before Completion) of Tasman for the year ending 30 June 2010.

Application will be made to the London Stock Exchange for the Consideration Shares to be admitted to trading on AIM. It is expected that the Acquisition will be completed, and dealings in the Consideration Shares on AIM will commence on 30 July 2010. As part of the Acquisition Agreement the Vendor will be required to enter into a lock-in agreement in respect of all of the Consideration

Shares. Under the terms of the lock-in agreement, the Vendor will be required to agree not to sell, transfer or otherwise dispose of any Consideration Shares, other than in specified circumstances, for a period of 18 months following Completion.

## 5. Details of the Placing

The Company is proposing to raise approximately £7.0 million (before expenses) through the issue of the Placing Shares at the Placing Price in order to part-fund the cash element of the consideration payable pursuant to the proposed Acquisition. The Placing Price represents a discount of approximately 6.0 per cent. to the closing mid-market price of 133 pence per Ordinary Share on 29 June 2010, being the last business day prior to the publication of this document. The Placing Shares will represent approximately 41.5 per cent. of the Enlarged Share Capital (excluding treasury shares).

Pursuant to the terms of the Placing Agreement, Arbuthnot Securities, as agent for Northbridge, has agreed conditionally to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price. The Placing will not be underwritten. The Placing Agreement contains warranties from the Company in favour of Arbuthnot Securities (for itself and as agent for each of the Placees) and Smith & Williamson 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 Arbuthnot Securities and Smith & Williamson in relation to certain liabilities that may occur in respect of the Placing.

The obligations of Arbuthnot Securities and Smith & Williamson under the Placing Agreement are conditional, *inter alia*, upon Admission having occurred by 8.00 a.m. on 23 July 2010 (or such later date as may be agreed, being no later than 6 August 2010), there being prior to Admission no material breach of the warranties given to Arbuthnot Securities and Smith & Williamson and Shareholders passing the Resolutions at the EGM.

Arbuthnot Securities and/or Smith & Williamson may terminate the Placing Agreement in specified circumstances (including for breach of warranty at any time prior to Admission, if such breach is reasonably considered by Arbuthnot Securities and/or Smith & Williamson to be material in the context of the Placing) and in the event of a force majeure event occurring at any time prior to Admission. If the conditions of the Placing Agreement are not fulfilled on or before the relevant date in the Placing Agreement, application monies will be returned to applicants without interest as soon as possible thereafter.

The Placing is conditional on the passing of the Resolutions set out in the Notice of EGM. Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive any dividend or other distribution declared, made or paid following Admission. It is expected that Admission will become effective and that dealings in the Placing Shares will commence at 8.00 a.m. on 23 July 2010.

As part of the Placing, the following Directors have agreed to subscribe in aggregate for 132,000 Placing Shares at the Placing Price, representing approximately 2.4 per cent. of the Placing Shares. Details of the Directors subscriptions and resultant interests following Completion are set out in the table below:

Director	Immediately prior to Admission		Immediately Following Completion	
	No. of Ordinary Shares	% of issued share capital <sup>1</sup>	No. of Ordinary Shares	% of Enlarged Share Capital <sup>1</sup>
PR Harris	800,000	8.95%	880,000	5.76%
AK Mehta	25,147	0.28%	29,147	0.19%
JW Gould	250,750	2.80%	290,750	1.90%
MG Dodson	281,250	3.15%	289,250	1.89%

1. Excluding 152,150 Ordinary Shares held in treasury by Northbridge.

In addition, Western Selection plc (of which David Marshall, a non-executive Director, is a director) has agreed to subscribe for 325,000 Placing Shares. Following Completion, Western Selection plc will be interested in 2,200,000 Ordinary Shares representing approximately 14.4 per cent. of the Enlarged Share Capital.

## **6. Bank Facility**

In order to finance part of the cash element of the consideration payable for the proposed Acquisition, the Company is proposing to enter into the Bank Facility. The Board considers that it is in the best interests of the Company that the cash element of the consideration payable for the proposed Acquisition be funded by a combination of debt and equity in order to maximise the return to Shareholders.

## **7. Current trading and future prospects**

On 25 March 2010, Northbridge reported its preliminary results for the year ended 31 December 2009 with consolidated revenue for the year of £12.7 million (2008: £15.7 million), gross profit of £7.5 million (2008: £8.0 million) and profit before taxation of £2.2 million (2008: £3.0 million). Gross margins improved to 59.0 per cent. from 51.0 per cent. in 2008. Earnings per share, excluding currency movements, continued to grow to 20.0 pence per share (2008: 19.4 pence per share). Net assets at 31 December 2009 were £12.4 million (2008: £10.0 million). Northbridge also announced an increase in its final dividend to 2.7 pence per share, raising the total dividend for the year to 4.1 pence per share (2008: 3.9 pence per share), an increase of 5.1 per cent.

On 14 June 2010, the Company announced a number of new contract wins and a trading update. In the announcement the Company confirmed that overall activity had continued to grow and enquiries and quotes for the sale of manufactured units had increased compared with the levels of 2009. In addition rental demand had improved strongly in most of the Company's markets and the Group expected to report substantial growth in the first six months of 2010. As a result the Directors are confident that the Group's performance in 2010 will comfortably achieve the current market expectations for the year.

## **8. Irrevocable undertakings**

Certain of the Directors (and their related parties, including Western Selection plc) have irrevocably undertaken to vote in favour of the Resolutions in respect of 3,498,397 Ordinary Shares, representing in aggregate, approximately 39.1 per cent. of the Existing Ordinary Shares.

## **9. Extraordinary General Meeting**

A notice convening the EGM, to be held at the offices of Buchanan Communications, 45 Moorfields, London EC2Y 9AE at 10.00 a.m. on 22 July 2010, is set out at the end of this document. At the EGM, the Resolutions will be proposed. A summary of the Resolutions is set out below:

In Resolution 1 the Directors are seeking shareholder approval to allot up to an additional 6,345,884 new Ordinary Shares pursuant to the Placing and the Acquisition which will amount to a maximum of 41.5 per cent. of the Enlarged Share Capital, based on the assumed currency conversion rate. This approval is in addition to the authority given to the Directors at the Company's Annual General Meeting on 18 May 2010 to allot relevant securities up to an aggregate nominal amount of £2,090,774. The authority sought to be given to the directors, pursuant to Resolution 1, to allot shares in the capital of the Company requires an ordinary resolution of the Shareholders at a general meeting under s551 of the Act. This authority will expire at the conclusion of the next annual general meeting or 22 October 2011, whichever is the earlier.

Following the passing of Resolution 2 as a special resolution, the Directors will have authority under s561 of the Act:

- (a) to allot the Consideration Shares; and
- (b) to allot for cash up to 5,606,000 new Ordinary Shares in accordance with the Placing without being required first to offer such securities to Shareholders in accordance with the statutory pre-emption rights set out in s561 of the Act. This authority will expire at the conclusion of the next annual general meeting or 22 October 2011 (whichever is the earlier).

#### **10. Action to be taken in respect of the Extraordinary General Meeting**

Shareholders will find a Form of Proxy enclosed for use at the EGM. Whether or not you intend to be present at the EGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 10.00 a.m. on 20 July 2010, being 48 hours before the time appointed for holding the EGM. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

#### **11. Documents available**

Copies of this document will be available to the public free of charge from the registered office of the Company at Second Avenue, Centrum 100, Burton-on-Trent, DE14 2WF and from the offices of Arbuthnot Securities, Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR, during normal office hours, (Saturdays, Sundays and Bank Holidays excepted) from the date of this document until the date which is one month following Completion and on the Company's website: [www.northbridgegroup.co.uk](http://www.northbridgegroup.co.uk).

#### **12. Recommendation**

**The Directors believe that the Acquisition and the Placing are 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 their related parties have irrevocably undertaken to do in respect of their entire beneficial holdings amounting, in aggregate, to 3,498,397 Ordinary Shares, representing approximately 39.1 per cent. of the Existing Ordinary Shares, excluding 152,150 Ordinary Shares held in treasury by Northbridge.**

Yours faithfully,

**Peter Harris**  
*Chairman*

**NORTHBRIDGE INDUSTRIAL SERVICES PLC**  
*(Incorporated and registered in England and Wales with No: 5326580)*

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Northbridge Industrial Services plc (the “Company”) will hold an Extraordinary General Meeting at the offices of Buchanan Communications, 45 Moorfields, London EC2Y 9AE on 22 July 2010 at 10.00 a.m. for the purpose of considering and, if thought fit, passing 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 the Directors from time to time of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “2006 Act”), as amended, (in addition to (and not in substitution for) all previous authorities pursuant to Section 80 of the Companies Act 1985 (the “1985 Act”) or section 551 of the 2006 Act, to the extent not utilised at the date this Resolution is passed) to exercise all the powers of the Company to allot Relevant Securities (as defined in the notes to this Resolution) up to an aggregate nominal amount of £560,600 (for the Placing Shares) and equivalent for the Consideration Shares to the value of A\$1.6 million provided that:

This power, unless renewed, shall expire at the conclusion of the Annual General Meeting of the Company in 2011 or the date which is fifteen months from the date of this Resolution, whichever is the earlier but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

**SPECIAL RESOLUTION**

2. THAT, in accordance with section 571 of the 2006 Act, the Directors be and they are hereby empowered to allot equity securities (as defined in sub-section (1) of section 560 of the 2006 Act) pursuant to the authority conferred on them by Resolution 1 to allot equity securities (as defined in section 560 of the 2006 Act) as if sub-section (1) of section 561 of the 2006 Act did not apply to the allotment, provided that the power hereby conferred shall be limited to:
  - a. the allotment of equity securities consisting of New Ordinary Shares of 10p each to be issued to the Vendor at the Issue Price up a maximum value of A\$1.6 million in accordance with the terms of a proposed agreement between the Company (1), Northbridge Australia Pty Limited (2), Cata Pty Ltd (3), N.R. Luck (4) G. Luck (5) and C. Morris-Luck (6) for the purchase of the entire issued share capital of Tasman Oil Tools Pty Ltd; and
  - b. the allotment for cash of equity securities for the purposes of the Placing consisting of the Placing Shares on the terms and conditions contained in the Placing Agreement dated 29 June 2010 between the Company (1), Arbuthnot Securities Limited (2) and Smith & Williamson Corporate Finance Ltd (3).

This power, unless renewed, shall expire at the conclusion of the Annual General Meeting of the Company in 2011 or the date which is fifteen months from the date of this Resolution, whichever is the earlier but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Dated: 30 June 2010

By order of the Board  
Company Secretary

*Registered Office:*  
Second Avenue  
Centrum 100  
Burton-on-Trent  
DE14 2WF

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and on a poll, vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
2. To be effective, the relevant Form of Proxy must be completed and lodged with the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road Beckenham, Kent BR3 4TU no later than 48 hours before the meeting.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the EGM (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on 20 July 2010 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the Register.
5. Relevant Securities means:
  - a. Shares in the Company other than shares allotted pursuant to:
    - i. an employee share scheme (as defined by s1166 of the Act);
    - ii. a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
    - iii. a right to convert into shares in the Company where the grant of the right itself constituted a Relevant Security.
  - b. Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by s1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

