

RED LEOPARD HOLDINGS PLC

("RLH" or the "Company")

ISSUE OF CONVERTIBLE SECURED LOAN NOTES

RLH (AIM: RLH), is pleased to announce that on 22 September 2011 the board executed an instrument for the issue of up to £300,000 8 per cent. secured loan notes repayable in 2012 unless otherwise converted as detailed below (the "Loan Notes").

In the Company's interim results published on 19 September it announced that it had secured loans of £129,000. These loans have now been applied to the Loan Notes on the same commercial terms. In addition the Company has issued an additional £20,000 of Loan Notes taking the total number of Loan Notes outstanding to £149,000. John May, Chairman of the Company has provided £61,000 of the £129,000 loans which have now been applied to the Loan Notes. John May's Loan Notes constitutes a related party transaction for the purposes of the AIM Rules for Companies and, as such, having consulted with the Company's nominated adviser, the independent director considers that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

The Company will announce the issuance of any further Loan Notes up to the maximum aggregate £300,000 if and when they are issued.

The Loan Notes will accrue interest at a rate of 8 per cent per annum, payable at six monthly intervals from the date of issue, and at the Company's option can be redeemed in whole or in part prior to maturity, without penalty, on any of the interest payment dates. Unless converted, the Loan Notes are redeemable immediately prior to any sale or delisting of the Company and repayment in the event of any default.

The Loan Notes shall be automatically converted into new ordinary shares in the Company ("Ordinary Shares"), upon and subject to a capital reorganisation of the share capital of the Company, which for these purposes shall mean a reduction of the nominal value of the Company's shares. At the noteholder's option (and in the event the Loan Notes have not been automatically converted by the Company), the Loan Notes are convertible in whole into Ordinary Shares on any of the interest payment dates, in the event of early redemption (in respect of the amount specified to be redeemed), on maturity or on any instance of default, sale or delisting of the Company. As detailed below, it is the directors' intention to undertake a capital reorganisation and so effect an automatic conversion of the Loan Notes as soon as practicable.

In the event of conversion, the issue price of the new Ordinary Shares to be issued to the noteholder will be the greater of 0.1pence and the nominal value of one Ordinary Share at the time of conversion of those Loan Notes.

At the discretion of the Company, it is entitled to pay interest accruing on the Loan Notes in the form of cash or the issue of new Ordinary Shares. If interest is paid in the form of shares, the number of new Ordinary Shares to be issued and allotted (credited as fully paid) to the noteholder will be determined by dividing the amount of interest payable by the closing middle market price of an Ordinary Share on the business day immediately prior to the relevant interest payment date.

The conversion price mentioned above is less than the Company's current nominal value per Ordinary Share of 0.2pence. Accordingly, since English company law prevents the Company from issuing new

shares at a price below the prevailing nominal value of its Ordinary Shares, the Company has undertaken to seek to implement a capital reorganisation prior to 30 June 2012 such that the nominal value of each Ordinary Share is reduced to an amount sufficiently below the conversion price, which may include (but shall not be limited to) the sub-division of the existing issued Ordinary Shares into new ordinary shares of a lower nominal amount and a new class of non-voting deferred shares of a lower nominal amount. A further announcement in respect of the Company's proposed capital reorganisation will be made in due course and an appropriate circular will also be issued to all shareholders of the Company to provide more details and convene a general meeting to obtain the requisite shareholder approvals.

By way of security in respect of the Company's obligations under the Loan Note, the Company has granted security over all of the Company's assets. This security will be automatically released by the security trustee on behalf of the noteholders on the earlier of (i) conversion or redemption of all outstanding Loan Notes and (ii) the aforementioned proposed capital reorganisation becoming effective.