

24 April 2006

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Inspicio plc ('Inspicio' or the 'Company')

Acquisition of Environmental Services Group Limited ('ESGL')

Following the announcement made on 7 April 2006 by the Company regarding a potential acquisition, the board of Inspicio plc (INP.L), the UK and international inspection and testing business, is pleased to announce that it has entered into an agreement for the proposed acquisition of 100 per cent of the share capital of Environmental Services Group Limited from Mowlem plc (now owned by Carillion PLC) for a total consideration of £16 million on a net debt/cash free basis. This continues Inspicio's stated strategy of growth by acquisition. It is expected that completion will occur with effect from 30 April 2006 subject to the satisfaction of certain conditions. Inspicio has raised approximately £4.5 million by way of an over subscribed cash placing by Bridgewell Securities of 3,750,000 new Ordinary Shares ('Placing Shares') at a price of 119.5 pence per Ordinary Share (the 'Placing Price') (the 'Cash Placing') in order to satisfy part of the consideration.

Background on Environmental Services Group Limited ('ESGL')

ESGL is a leading UK provider of testing solutions and integrated consultancy for both naturally occurring and built environments. The Soil Mechanics division was established in 1943 and is the leading ground investigation services provider in the UK. From its origin in specialist ground investigation, ESG was diversified through a number of acquisitions and the creation of new business units, since the late 1980's.

The turnover, EBITDA and profit before tax attributable to ESG, as extracted from the management accounts and adjusted for exceptional and one-off items for the year ending 31 December 2005, were approximately £43.4 million, £2.6 million and £1.8 million, respectively. ESG's net assets, as extracted from ESG's statutory reporting pack as at 31 December 2005, were approximately £3.1 million.

ESG's businesses now service a number of markets, including construction, environmental, utilities and local authority. It has an extensive network of 16 offices across the UK and Ireland and employs approximately 800 technical staff.

ESG's operations are carried out through six specialist business units. Details of the business units and contribution to turnover at 31 December 2005 are set out below:

Soil Mechanics ('SM') - Contributed 54% of 31 December 2005 turnover

SM is the leading ground investigation contractor in the UK and Ireland (where it trades as Geotech Specialist Limited), providing drilling, sampling, testing and advice for geotechnical, groundwater, geological, environmental, contaminated land and marine survey purposes.

TES Bretby ('TES') - 21% of turnover

TES is one of the UK's largest independent mineral and waste testing laboratories, employing over 250 chemists, engineers and technicians who provide a range of testing, analysis and monitoring support services for environmental and safety professionals. TES focuses on coal quality assessment in which it is a market leader.

A wider network of laboratories and field staff support the main facility in Burton-upon-Trent. ESGL also participates in a joint venture, Alex Stewart TES Bretby BV, whose operation is aligned with TES, mainly testing metals, minerals and other commodities.

Global Analysis ('Global') - 7% of turnover

Global provides analysis and testing services to the food, pharmaceutical, dairy and water industries.

CL Associates ('CLA') - 9% of turnover

CLA is a specialist geotechnical and environmental consultancy advising a range of land developers, utilities and governmental customers on a variety of areas such as contamination of ground and groundwater, remediation of contaminated sites, environmental management and waste.

Environmental Contamination Services ('ECS') - 7% of turnover

ECS is an asbestos consultancy which undertakes asbestos surveys, develops asbestos management solutions and provides removal of asbestos services.

Built Environment Services ('BES') - 2% of turnover

BES provides services such as Legionella monitoring and risk assessments, building condition and dilapidation surveys, statutory inspections and structural surveys.

Reasons for the acquisition

Inspicio was admitted to AIM on 29 April 2005 with the strategy of acquiring and managing businesses in the UK and international inspection and testing markets. The first of these acquisitions was made in October 2005, when the Inspectorate Group was acquired for £52 million. Encouraged by the continued performance to plan of the Inspectorate Group, the management of Inspicio has been pursuing further acquisition opportunities in the inspection and testing market. The acquisition of ESGL marks the continuation of this acquisition strategy.

Operationally, ESGL's services provide an excellent complement to Inspicio's existing service offerings:

- Inspicio's global network provides an ideal platform to drive additional growth in ESGL by offering ESGL's services, in particular by leveraging the Soil Mechanics brand through Inspicio's worldwide channels.

- There is a good fit between ESGL's existing minerals testing business and Inspicio's Metals and Minerals business, particularly in relation to the coal testing business. Divisional cross selling opportunities exist between the divisions.
 - Already exciting new growth in the world-wide demand for coal.
 - Synergy of the internationally recognised coal testing and technology expertise within ESGL and Inspectorate.
 - Inspectorate's global platform provides an ideal launch pad for expansion.
 - Strengthens the testing component in the already growing coal testing and inspection testing business.

The above illustrates some of the ways in which the Company will be able to enhance growth by utilising the two businesses' laboratory skills base. The board believes that the acquisition will be immediately earnings enhancing. Furthermore, it is expected that earnings will be further improved then ESGL becomes part of Inspicio, a group focusing exclusively on testing and inspection. In addition to the existing earnings benefits of the acquisition, it is expected that further earnings benefits will be made as ESGL takes advantage of Inspicio's current UK tax losses.

Overall the acquisition of ESGL provides an important step in Inspicio establishing itself as a global leader in the testing and inspection industry.

The Cash Placing

Pursuant to the acquisition, Inspicio has raised approximately £4.5 million by way of a placing of 3,750,000 new Ordinary Shares at 119.5 pence per Ordinary Share by Bridgewell Securities Limited. The Cash Placing Shares will represent 6.8 per cent of the existing issued share capital of the Company. The Placing Price of 119.5 pence per share is equal to the middle market closing price of 119.5 pence per Ordinary Share on 18 April 2006.

Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading will commence on 25 April 2006. The Placing Shares will, when issued and fully paid, rank pari passu in all respects with the Company's existing Ordinary Shares, including the right to receive any dividend or other distribution thereafter declared, made or paid.

Commenting on the acquisition, Inspicio's Chief Executive Officer, Mark Silver, said:

'The earnings enhancing acquisition of ESGL is in line with our stated strategy of acquiring complementary businesses, which will provide leverage to new customers and revenues and further enhance our position as a market leader in the provision of inspection and testing services. This acquisition not only enjoys an excellent strategic fit in respect of both geography and people, but also offers multiple cross-selling opportunities through our global network.'

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