

MINCON GROUP PLC
("Mincon" or the "Group")

Acquisition of Minority Interest in Subsidiary

Mincon Group plc (*ESM:MIO AIM:MCON*), the Irish engineering group specialising in the design, manufacture, sale and servicing of rock drilling tools and associated products, today announces the purchase of the remaining 25% minority interest in Mincon Rockdrills USA Inc. from Jones FT, LLC.

Summary:

- Mincon Rockdrills USA Inc. owns and operates Mincon's manufacturing facility in Benton, Illinois, USA. This facility manufactures Down-the-Hole (DTH) Bits and Horizontal Directional Drilling (HDD) Bits for the Group. The facility is exclusively dedicated to the production of high quality Bits.
- Mincon purchased 50% of this business in 2003, and increased its shareholding to 75% in 2004. As a result of this transaction, Mincon Rockdrills USA Inc. will become a wholly-owned subsidiary of the Group.
- Consideration payable of US\$2.42m is to be satisfied by the issue of 3,069,838 new ordinary shares of nominal value €0.01 each ("Ordinary Shares"). Application has been made to the Irish Stock Exchange and the London Stock Exchange for the 3,069,838 new Ordinary Shares to be admitted to trading on the ESM Market of the Irish Stock Exchange and the AIM market of the London Stock Exchange and dealings are expected to commence in these new Ordinary Shares on 24 December 2014. Following admission of these new Ordinary Shares, Mincon's issued share capital will consist of 210,541,102 Ordinary Shares.
- Jones FT, LLC is beneficially owned by the Jones family, which includes Mike Jones the Managing Director of Mincon Rockdrills USA Inc.
- Mincon currently consolidates 100% of Mincon Rockdrills USA Inc. with the current 25% minority interest presented as income not attributable to shareholders of the Group. With effect from today, 100% of the income from Mincon Rockdrills USA, Inc. will be attributable to shareholders of the Group.

Kevin Barry, Chief Executive Officer, commenting on the acquisition, said:

"We are delighted to have completed the acquisition of the remaining 25% shareholding in Mincon Rockdrills USA Inc. and at the same time retaining Mike Jones and the Jones family as shareholders in the Mincon Group. Our manufacturing plant in Benton is an integral part of our operations, manufacturing a substantial portion of the Group's Bits, with the added benefit of being centrally located in the USA – the largest surface drilling market in the world."

Forward looking statements

Any forward looking statements made in this document represent the Board's best judgment as to what may occur in the future. However, the Group's actual results for the current and future financial periods and corporate developments will depend on a number of economic, competitive and other factors, some of which will be outside the control of the Group. Such factors could cause the Group's actual results for future periods to differ materially from those expressed in any forward looking statements included in this announcement.

ENDS

19 December 2014

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