

1 February 2010

WILLIAM SINCLAIR HOLDINGS PLC

Bolton Fell update

William Sinclair Holdings plc has been informed by Natural England that the European Commission has confirmed that Bolton Fell Moss in Cumbria has become a Site of Community Importance (SCI). This European designation means that the UK government will now designate the site as a Special Area of Conservation (SAC).

As previously disclosed the Company has been conducting negotiations with Natural England regarding the potential compulsory purchase of its peat bog and factory at Bolton Fell. The designation as a SAC will be a step forward in reaching agreement over the level of compensation due to the company as a result of this process. Discussions with Natural England are ongoing and a voluntary agreement could be reached in the spring of 2010.

Bernard Burns, Chief Executive Officer for William Sinclair, said "We are pleased that any remaining doubt about the designation of Bolton Fell has now been removed and we can move forward in the discussions with Natural England regarding compensation."

The Company believes that the negotiations will probably involve a five year exit from the facility with reducing annual harvests allowing an efficient transfer of production to an alternative site. Several suitable alternatives have been identified and are being evaluated and the Company has made substantial progress in the development of a sustainable peat substitute, commencing mass production last month. William Sinclair has sufficient peat from its harvest to meet expected demand for the 2010 season.

For further information:

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