

About ServicePower

ServicePower, publicly traded on the London Stock Exchange (LSE:SVR), allows companies to locate their employed field resources in the right geography, ensure they have the right mix of skills, and outside this geography create a network of independent, authorised service contractors whose costs are efficiently managed by our sophisticated warranty management software. The schedules and routes for both the employed field resources and the independent servicers are optimised by ServicePower's technology to ensure the right balance between the cost of operations and ensuring customers receive a superior service experience.

This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

This announcement may contain forward-looking statements, including, without limitation, statements containing the words 'believes', 'anticipates', 'expects', and similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in this announcement to reflect future events or developments.

KBC Peel Hunt Ltd, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for ServicePower Technologies plc and for no one else in relation to the matters described in this announcement and will not be responsible to anyone other than ServicePower Technologies plc for providing the protections afforded to clients of KBC Peel Hunt Ltd or for providing advice in relation to the contents of this announcement. No representation or warranty, express or implied, is made by KBC Peel Hunt Ltd as to any of the contents of this announcement and, without limiting the statutory rights of any person to whom this announcement is issued, no liability whatsoever is accepted by KBC Peel Hunt Ltd for the accuracy of any information or opinions contained in this announcement or for the omission of any material information. KBC Peel Hunt Ltd will not be offering advice and it will not otherwise be responsible for providing customer protections to recipients of this announcement in respect of the Placing.

The Placing Shares referred to in this announcement have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the requirements of the Securities Act. There will be no public offer of the Placing Shares in the United States, the United Kingdom or elsewhere. The Placing Shares are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of this offering. Any representation to the contrary is unlawful.

Introduction

As announced by your Board on 9 June 2008, ServicePower intends to apply to cancel its Listing on the Official List and apply for its share capital to be admitted to trading on AIM. It is anticipated that the effective date of the cancellation of Listing and Admission to trading on AIM will be 23 September 2008.

The Company also announced on 9 June 2008 that it had secured a loan facility to be used for interim working capital purposes and that it intended to raise further funds in conjunction with its move to AIM. I am pleased to announce that £5.0m (approximately £4.6m net of expenses) will be raised on Admission by way of a placing of 100,000,000 Placing Shares at a price of 5p per share (being a premium of 2.5 per cent. to the mid-market price of an Ordinary Share of 4.88p at the close of business on 29 July 2008). The Placing will be fully underwritten by KBC.

The Company's Ordinary Shares currently trade at a market price which is below the nominal value of those shares of 10p each. In order to conduct the Placing at the Issue Price it is necessary to reorganise the Company's share capital.

The cancellation of the Listing is conditional upon approval from a majority of not less than 75 per cent. of the Shareholders as (being entitled to do so) vote in person or by proxy at the Extraordinary General Meeting. In addition, in order to complete the Placing, Shareholder approval is required to conduct the Capital Reorganisation, to authorise the directors to issue New Ordinary Shares in connection with the Placing and the Facility (if required) and to disapply statutory pre-emption rights. The Company is also proposing to update its Current Articles to take account of the Capital Reorganisation and recent changes in company law.

Background to and Reasons for the Transfer to AIM

As stated in the Company's interim management statement released on 16 May 2008, since the beginning of the year the Company has made significant progress with the restructuring of its operations on a global basis. With the operational restructuring progressing under Mark Duffin's leadership, the Directors have been focusing on the strategies to take the Company to the next stage of achieving scale, greater profitability and continuing growth; both organically and through acquisition.

The Board believes that AIM is a more appropriate market for achieving these goals and that a transfer to AIM should lead to lower ongoing costs associated with being a public company as well as a simplification of the Company's administration and regulatory requirements. It also believes that AIM will offer greater flexibility, particularly with regard to corporate transactions, and should enable the Company to agree and execute transactions more quickly, if acquisition or other opportunities arise in the future.

AIM, which is operated and regulated by the London Stock Exchange, has an established reputation with investors and analysts. It was launched in June 1995 as the London Stock Exchange's market specifically designed for smaller companies, with a more flexible regulatory regime. Since its inception, there have been more than 3,000 admissions to AIM and over £57 billion has been raised collectively making AIM an internationally recognised market.

In the opinion of the Directors the key differences between the obligations of an AIM quoted company and those of a company whose shares are listed on the Official List are:

- under the AIM rules, a nominated advisor is required at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. KBC has been appointed as the Company's nominated advisor and broker;
- for transactions by AIM companies, prior shareholder approval under the AIM Rules is only required for reverse takeovers and disposals that result in a fundamental

change of business. Under the Listing Rules, a broader range of transactions require prior shareholder approval by a majority of shareholders;

- there is no requirement for a minimum number of shares in an AIM quoted company to be held in public hands, whereas on the Official List a minimum of 25 per cent. of a company's issued ordinary share capital has to be maintained in public hands at all times;
- there is no requirement under the AIM Rules for a prospectus or admission document to be published for further issues of securities, unless such securities are offered to the wider public; and
- compliance with the combined code on corporate governance is not strictly required by AIM companies. However, the Board envisages no material alteration in the standards of reporting and governance which the Company maintains.

Once admitted to AIM, Shareholders should continue to be able to trade the New Ordinary Shares in the usual manner through their stockbroker or other suitable intermediary, subject to liquidity. Liquidity on AIM is in part provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price between 8.00 a.m. and 4.30 p.m. on business days.

Background to and Terms of the Placing

As stated in the Company's interim management statement released on 16 May 2008, cash balances have reduced since the year end and the Company has been looking to strengthen its balance sheet. On 6 June 2008, the Company entered into the Facility which has been drawn down in full and has been used to address the interim working capital needs of the Company. Further details of the Facility are set out below. In conjunction with the cancellation of its Listing and subsequent Admission to AIM, and in order to provide the Company with additional working capital, the Company is to raise £5.0 million through the issue of 100,000,000 Placing Shares at an Issue Price of 5p. The Placing will be fully underwritten by KBC.

The Placing Shares have been conditionally placed with certain Shareholders and new investors on a non pre-emptive basis. The Directors believe that the additional costs and time that would be incurred if the Placing Shares were offered to Shareholders on a pre-emptive basis by way of a rights issue or open offer would not be in the best interests of the Company or its Shareholders.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions made or paid on or after Admission. The Placing Shares may be held in certificated or uncertificated form.

The Placing Shares will represent approximately 52.8 per cent. of the issued share capital of the Company following completion of the Placing and the Capital Reorganisation.

The Placing is conditional, *inter alia*, upon:

- the passing of the Resolutions;
- the Placing and Underwriting Agreement becoming unconditional in all respects (save as to Admission) and not having been terminated in accordance with its terms; and
- Admission occurring by 8.00 a.m. on or around 23 September 2008 (or such later date as may be agreed between the Company and KBC, not being later than 8.00 a.m. on 3 October 2008).

The Facility

The Facility of £1 million was entered into on 6 June 2008 and has been drawn down in full. Interest accrues at a rate of 8 per cent. per annum, compounded every six months. The Facility is secured over the Company's assets in priority to any other charge that ServicePower currently has or grants in the future. The Facility is repayable upon the earlier of 31 December 2008, the passing of the Resolutions or in certain other default circumstances. If Shareholders approve the Resolutions and the Placing is completed, the Facility will become repayable at the Company's election to the Lenders either through:

- the issuance of a convertible loan note to the Lenders which will give the Lenders the right to convert the loan into New Ordinary Shares in ServicePower at the lower of 5p per New Ordinary Share or the Issue Price. The rate of interest on the Convertible would be 8 per cent. per annum, compounded every six months; or
- the issuance of New Ordinary Shares at the lower of 4p per New Ordinary Share or a 20 per cent. discount to the Issue Price.

If Shareholders do not approve the Resolutions, the Facility will become repayable in full, including accrued interest, on 31 December 2008 and a 200 per cent. premium on the total outstanding monies will become payable by ServicePower to the Lenders. ServicePower has received irrevocable undertakings to vote in favour of the Resolutions from Shareholders who are beneficially interested in Ordinary Shares representing approximately 35 per cent. of the total issued share capital of the Company. These irrevocable undertakings include irrevocable undertakings received from the Lenders in respect of the Ordinary Shares in which they are beneficially interested.

Working Capital

The Directors are of the opinion that, taking into account the proceeds of the Placing, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

Cancellation and Admission to trading on AIM

Conditional upon the Resolutions being approved, the Company will give notice to cancel the Listing of the Ordinary Shares on the Official List and to remove them from trading on the London Stock Exchange's market for listed securities and will apply to the London Stock Exchange for the admission of the New Ordinary Shares to trading on AIM.

It is anticipated that the last day of dealings on Ordinary Shares on the Official List will be 22 September 2008. Cancellation of the Listing and trading of Ordinary Shares will take effect at 8.00 a.m. on 23 September 2008, being not less than 20 business days following the date of the Extraordinary General Meeting.

It is currently anticipated that Admission will take place and dealings will commence on AIM at 8.00 a.m. on 23 September 2008.

Capital Reorganisation

The Ordinary Shares currently trade at a market price which is below the nominal value of those shares of 10p each. A company may only issue new shares for a subscription price at or above the nominal value of those shares. Therefore, in order to conduct the Placing and to issue any Ordinary Shares pursuant to the terms of the Facility as well as provide flexibility for further issues of shares in the future, it is proposed that every authorised but unissued Ordinary Share of 10p in the capital of the Company be subdivided into ten New Ordinary Shares of 1p each and every issued ordinary share of 10p in the capital of the Company be sub-divided into and reclassified as one New Ordinary Share of 1p and nine Deferred Shares

of 1p each. The sub-division is structured in order not to dilute the existing shareholdings in the Company.

The Deferred Shares will have no practical economic value as they will not be listed, will be non-voting, will carry no right to a dividend and will be subject to eventual redemption by the Company for a nominal amount. The proposed rights and restrictions attaching to the Deferred Shares will be set out in the New Articles to be adopted pursuant to Resolution numbered 2 and are summarised in the Circular. The Capital Reorganisation will take effect on the date of Admission.

The Company's authorised ordinary share capital is £12,510,000 comprising 125,100,000 Ordinary Shares of 10p nominal value each, of which 89,264,299 Ordinary Shares are currently in issue. Following the Capital Reorganisation, the Company's authorised ordinary share capital will remain at £12,510,000.

Assuming no further Ordinary Shares are issued between the date of the Circular and the date on which the Capital Reorganisation becomes effective, other than in connection with the Placing, the issued ordinary share capital will comprise 189,264,299 New Ordinary Shares and 803,378,691 Deferred Shares. The rights attaching to the New Ordinary Shares, including voting and dividend rights, will be the same as the rights attaching to the Ordinary Shares (subject to the terms of the New Articles).

The proposed Capital Reorganisation will not affect the rights attaching to the existing or unissued Ordinary Shares, other than to alter their nominal value. The proposed Capital Reorganisation will not affect the voting rights of the holders of existing Ordinary Shares and will be made by reference to holdings of existing Ordinary Shares on the register of members as at the close of business on 22 September 2008.

Trading in the New Ordinary Shares is expected to commence on AIM on 23 September 2008. No share certificates will be issued for the Deferred Shares and your existing Ordinary Share certificates will remain valid. For Shareholders who hold shares through the CREST system, credit of existing Ordinary Shares will be not be effected.

No stamp duty or SDRT will be payable in the United Kingdom in respect of the issue (following the Capital Reorganisation) of the New Ordinary Shares.

Adoption of New Articles of Association

Conditional upon Resolution 3 being approved, the Company is also proposing to adopt New Articles. The New Articles update the Current Articles, primarily to take account of changes in English company law brought about by the Companies Act 2006, and to reflect the Capital Reorganisation.

The principal changes introduced in the New Articles are summarised in the Circular. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006, have not been noted. A copy of the Current Articles and of the New Articles will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the registered office of the Company (and will also be available for inspection at the Extraordinary General Meeting itself).

Extraordinary General Meeting

A notice convening the Extraordinary General Meeting is set out on page 19 of the Circular. The Extraordinary General Meeting is to be held on 22 August 2008 at 11.00 a.m. at the offices of KBC Peel Hunt, 111 Old Broad Street, London EC2N 1PH.

At the Extraordinary General Meeting the following Resolutions will be proposed:

1. Resolution 1, as a special resolution, to approve the cancellation of the Listing and the application for Admission to AIM;

2. Resolution 2, as a special resolution, (conditional upon resolution 3 being passed) to adopt the New Articles;
3. Resolution 3, as an ordinary resolution, (conditional upon Admission) to effect the Capital Reorganisation;
4. Resolution 4, as an ordinary resolution, (which is conditional upon resolutions 1 to 3 being passed and the Placing and Underwriting Agreement becoming unconditional in all respects save for Admission) to authorise the Directors to allot sufficient Ordinary Shares to effect the Placing and repay the Facility, as applicable, and also to allot further shares up to an additional aggregate nominal amount of £713,500.12;
5. Resolution 5, as a special resolution, (which is conditional upon resolutions 1 to 4 being passed and the Placing and Underwriting Agreement becoming unconditional in all respects save for Admission) to empower the Directors, pursuant to section 95(1) of the Act, to allot equity securities on a non pre-emptive basis in respect of the Placing and repayment of the Facility up to an additional aggregate nominal amount of £94,632.15.

New Share Option Plan

After Admission to AIM, the Company intends to introduce a new share option plan to supplement the existing ServicePower Technologies plc (Approved) 2000 Share Option Scheme and the ServicePower Technologies plc (Unapproved) 2000 Share Option Scheme to further incentivise employees and directors of the Company. The new share option plan will be subject to shareholder approval as recommended by the Guidance on Share Based Incentive Schemes published by the Association of British Insurers and the Company intends to prepare a separate circular in connection with such approval after the move to AIM.

Directors Holdings

Lindsay Bury, Barry Welck and Hugh Fitzwilliam-Lay, all Directors of the Company, have subscribed for 4,300,000, 1,500,000 and 3,000,000 Placing Shares respectively in the Placing. Following these subscriptions they will have the following beneficial interests:

Name	Interest prior to Placing	Subscription	No of Ordinary Shares after the Placing	Percentage of the Enlarged Share Capital after the Placing
Lindsay Bury	5,046,036*	4,300,000	7,969,684	4.9%
Barry Welck	2,653,815	1,500,000	4,153,815	2.2%
Hugh Fitzwilliam-Lay	2,789,350	3,000,000	5,789,350	3.0%

* - Lindsay Bury was reported in the Company's 2007 annual report as being interested in 6,627,286 Ordinary Shares, including 1,518,250 held by Bury, Fitzwilliam, Lay and Partners LLP. Upon further analysis, the Company understands that the holding of Bury, Fitzwilliam, Lay and Partners LLP should not be aggregated with Lindsay Bury's other interests in the Company.

Circular

The circular containing information on the proposed Placing and the proposed Transfer to AIM and containing the notice of the EGM is expected to be posted today to Shareholders and will be available for inspection shortly at the UK Listing Authority's Document Viewing Facility, which is situated at:

Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Importance of the Vote

The Group is not currently in breach of its existing facilities but, if Shareholders do not approve the Resolutions, the Directors anticipate that the Group will be in breach of its existing facilities on 31 December 2008, the point at which the Facility falls due for payment, with a 200 per cent. premium on the total outstanding monies. In this event, the Group would need to arrange alternative financing, such as debt financing in order to meet its commitments which the Directors would attempt to source immediately following the EGM. The Company does not have any alternative sources of finance available to it and the Directors currently believe that the Company would be unlikely to be able to obtain sources of financing or, alternative sources of financing on acceptable terms. Should Shareholders not approve the Resolutions, the Directors would also consider sourcing new equity finance whilst the Company is admitted to the Official List. However, in view of the additional time and costs associated with producing a UKLA approved prospectus, the Directors do not believe this would be in the best interests of Shareholders, when compared to the Proposals. If the Group was unable to complete this additional financing then it would be unable to trade and would become insolvent on 31 December 2008.

Recommendation

The Board considers that the proposed cancellation of the Listing and admission to trading on AIM, the Placing (including the requisite authorities to allot New Ordinary Shares on a non pre-emptive basis), the Capital Reorganisation and the adoption of the New Articles are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own holdings, which in aggregate amount to 10,489,201 Ordinary Shares representing approximately 11.75 per cent. of the total voting rights in the Company and are included in the aggregate irrevocable undertakings received of 35 per cent. of total voting rights referred to in paragraph 4 above.

**APPENDIX I
PLACING STATISTICS**

Number of existing Ordinary Shares in issue at the date of this announcement	89,264,299
Issue Price	5p
Number of Placing Shares to be issued pursuant to the Placing	100,000,000
Gross proceeds of the Placing	£5.0 million
Estimated net proceeds of the Placing	£4.6 million
Number of Ordinary Shares in issue immediately following Admission to AIM	189,264,299

APPENDIX II
EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Final time and date for receipt of completed Forms of Proxy for EGM	11.00 a.m. on 20 August 2008
EGM of the Company	11.00 a.m. on 22 August 2008
Last day of dealings in the Ordinary Shares on the Official List	22 September 2008
Cancellation of Listing	8.00 a.m. on 23 September 2008
Admission and first day of dealings in the Enlarged Share Capital on AIM	8.00 a.m. on 23 September 2008
CREST accounts credited for the Placing Shares	23 September 2008
Despatch of definitive share certificates (where applicable) by	30 September 2008

The dates set out in this expected timetable of events may be adjusted by the Company and KBC Peel Hunt, in which event details of the new dates will be notified to the UK Listing Authority, London Stock Exchange and, where appropriate, to Shareholders.

APPENDIX III DEFINITIONS

“Act”	the Companies Act 1985 and the Companies Act 2006 as amended from time to time
“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	the AIM market of London Stock Exchange
“AIM Rules”	together the AIM Rules for Companies and the AIM Rules for Nomads
“AIM Rules for Companies”	the rules for AIM companies published by London Stock Exchange from time to time
“AIM Rules for Nomads”	the rules for Nominated Advisers published by London Stock Exchange from time to time
“Articles”	the articles of association of the Company from time to time
“Capita Registrars”	a trading name of Capita Registrars Limited
“Capital Reorganisation”	The proposed reorganization of the share capital of the Company to take effect on Admission as described in the Circular
“Circular”	the circular from the Company to its shareholders relating to the Placing, the Capital Reorganisation, the Changes to the Articles of Association and the proposed Transfer to AIM expected to be dated the same date as this announcement
“Combined Code”	the Combined Code on Corporate Governance published by the Financial Reporting Council from time to time
“Company” or “ServicePower”	ServicePower Technologies plc
“CREST”	the system for paperless settlement of trades and holdings of uncertificated shares administered and operated by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001
“Current Articles”	the Company’s Articles’ as at the date of the Circular
“Deferred Shares”	the deferred shares of 1p each in the capital of the Company following the Capital Reorganisation
“Directors” or the “Board”	all or any of the directors of ServicePower
“Enlarged Share Capital”	the issued ordinary share capital of the Company as enlarged by the Placing and repayment of the Facility
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company, notice of which is set out at the end of the Circular
“Facility”	the £1 million loan facility entered into by the Company with the Lenders on 6 June 2008

“Form of Proxy”	the form of proxy accompanying the Circular for use by Shareholders in connection with the Extraordinary General Meeting
“FSMA”	Financial Services and Markets Act 2000
“Group”	the Company and its subsidiary undertakings
“Issue Price”	5p per Placing Share
“KBC”	KBC Peel Hunt Ltd, a member of the London Stock Exchange, which is authorised and regulated for designated investment business in the United Kingdom by the Financial Services Authority
“Lenders”	Herald Ventures II Limited Partnership, Herald Investment Trust Plc, BFL&P LLP, and the Alphagen Volantis Fund Limited
“Listing”	the admission of Ordinary Shares on the Official List
“Listing Rules”	the listing rules of the UK Listing Authority
“London Stock Exchange”	London Stock Exchange plc
“New Articles”	the new Articles to be adopted by the Company pursuant to the Resolutions
“New Ordinary Shares”	ordinary shares of 1p each in the capital of the Company following the Capital Reorganisation
“Notice of EGM”	the notice of the EGM, which is set out at the end of the Circular
“Official List”	the Daily Official List of the UK Listing Authority
“Ordinary Shares”	the existing ordinary shares of 1p each in the capital of the Company as at the date of the Circular
“Placing”	the conditional placing by KBC Peel Hunt pursuant to the Placing Agreement of up to 100,000,000 new Ordinary Shares with investors at the Issue Price
“Placing and Underwriting Agreement”	the agreement dated 28 July 2008 between the Company and KBC Peel Hunt relating to the Placing
“Placing Shares”	the new Ordinary Shares which are the subject of the Placing
“Proposals”	the cancellation of the Listing, the Admission, the Placing and the requisite Resolutions
“Prospectus Rules”	the prospectus rules published by the Financial Services Authority pursuant to Part VI of FSMA
“Record Date”	the record date for the Capital Reorganisation
“Registrars”	Capita Registrars
“Regulatory Information Service”	Regulatory Information Service as defined by the Listing Rules of the UKLA

“Resolutions”	the resolutions set out in the Notice of EGM and “Resolution” shall mean any one of them
“Shareholders”	the holders of Ordinary Shares from time to time
“Transfer to AIM”	the cancellation of the admission of the Ordinary Shares to the Official List and to trading on London Stock Exchange’s main market for listed securities and the simultaneous admission of the Enlarged Share Capital to AIM
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlements to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA