

AGM Presentation

12 February 2015

Presented by Alan Wilson, Chairman, and John Hayward, Chief Executive Officer



Agenda

Formalities

Pressure Technologies plc – 10 year history

Group structure

Oil and gas market conditions

Group overview

Lunch

Factory tours – Chesterfield Special Cylinders and Roota

Formalities



Resolutions

Resolution 1: To receive and adopt the accounts together with the reports of the directors and auditors for the period ended 27 September 2014.

Resolution 2: To approve the Directors' Remuneration report for the period ended 27 September 2014.

Resolution 3: To reappoint P S Cammerman as a director.

Resolution 4: To reappoint T J Lister as a director.

Resolution 5: To approve the final dividend of 5.6p per share in respect of the period ended on 27 September 2014.

Resolution 6: To reappoint Grant Thornton UK LLP as auditors of the Company and to authorise the directors to fix their remuneration.

Resolution 7: To authorise the Directors to allot shares up to 33% of the Company's issued share capital.

Resolution 8: Withdrawn

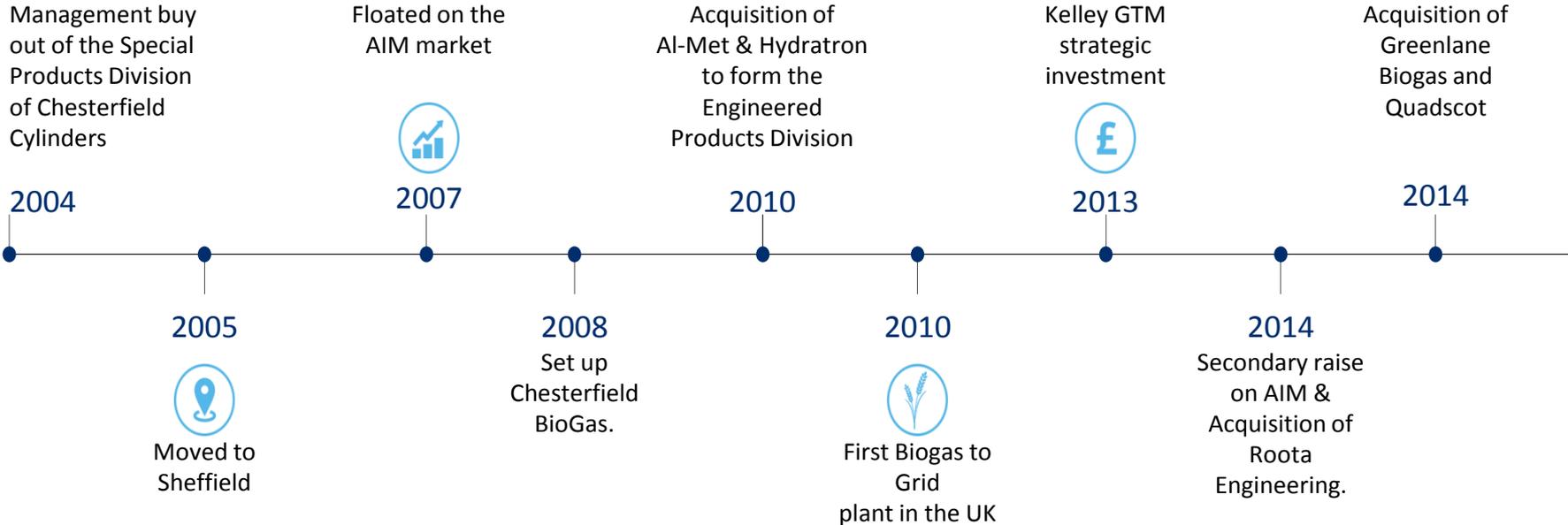
Resolution 9: To authorise the Company to make market purchases of the Company's ordinary shares.

10 year history and Group structure

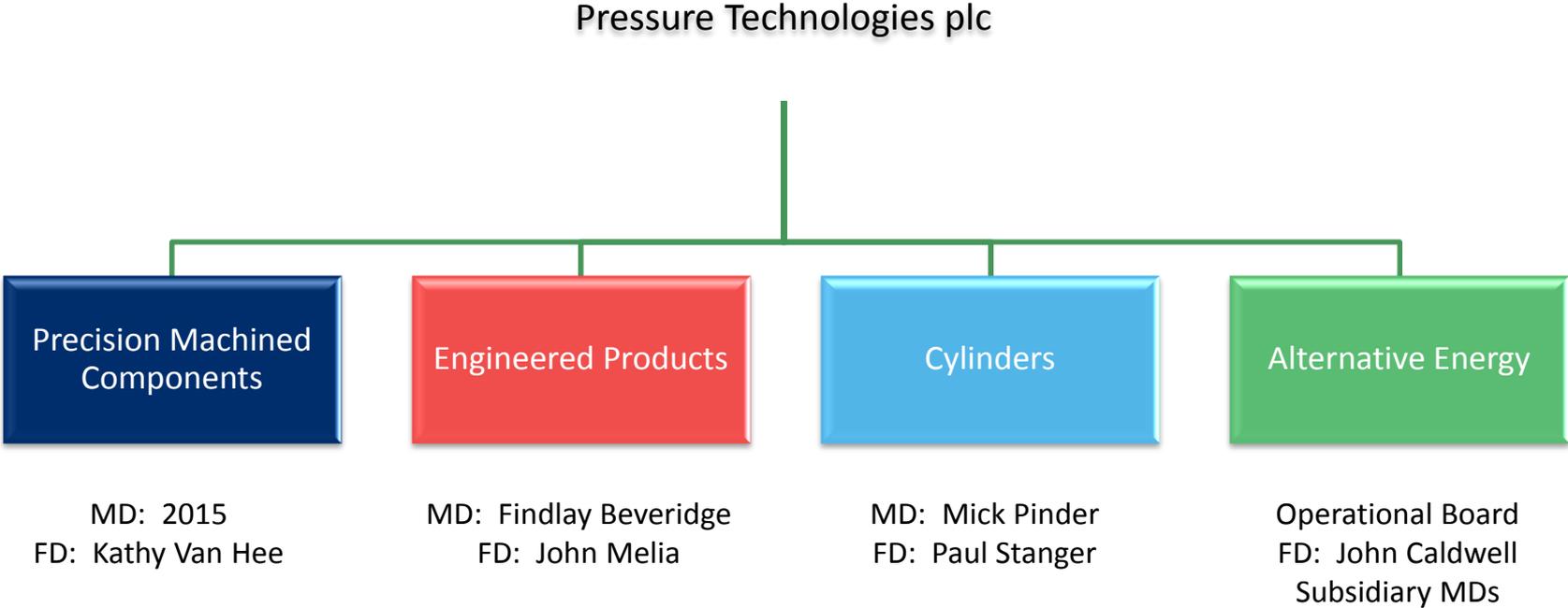


10 year history

10 years of progress



New divisional structure for 2015

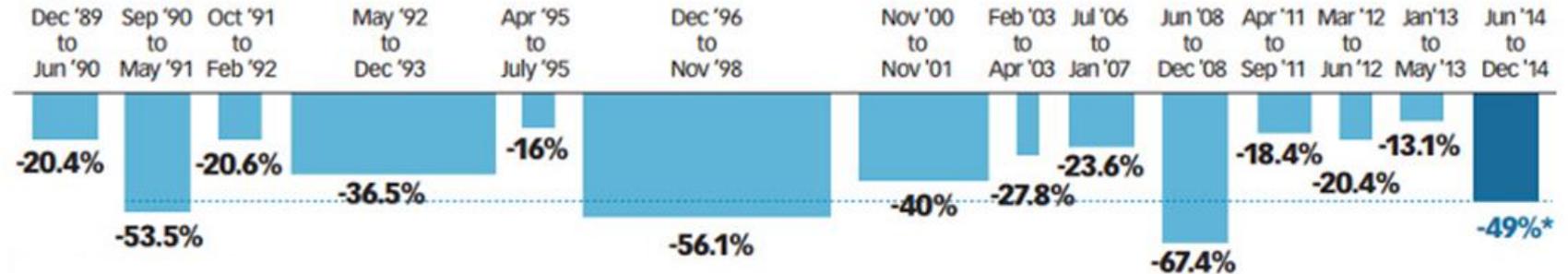


Oil and gas market conditions



Oil price slump history

Major slumps



Time to reach bottom (months)



Time to recover 75% of fall (months)

* As at end-December 2014

13 slumps in last 26 years

Slump classified as lower price than six months before and after

Pace & magnitude of current slide is one of the biggest since 1988

Time to recover 75% of pre-slump prices took as long, or longer than the fall

International Energy Agency

The clear distribution of roles between OPEC and non-OPEC countries that governed the oil market for the last 30 years has been suspended

Non-OPEC producers cannot, for now, count on OPEC to act as swing supplier and cut output in the event of an oil price drop

This slump is unusual because it is supply & demand-driven, with record non-OPEC supply growth in 2014 and unexpectedly weak demand growth

Notably, demand is as much a catalyst to the current environment as supply

China, currently the world's largest oil importer, has been the impetus behind the growth of global demand for the last 15 years

Consumption in China will gradually replace manufacturing and exports as the fuel of the economy, so demand for oil will grow at a much slower pace in the future

International Energy Agency forecast

Oil prices are likely to average \$55/bbl in 2015 and remain well below \$100/bbl for the foreseeable future

Brent climbing to \$60/bbl in 2015, before inching up to \$73/bbl by 2020

Oil inventories held by OECD may be near an all-time high of 2.83mbbls by mid-2015

The dramatic inventory build grinds to a halt as early as mid-2015, and market tightens thereafter

Group overview



Precision Machined Components

Good start to the financial year with sales in line with management expectations

Demand for wear parts at Al-Met remains strong

Changes to ordering patterns forecast by customers at Roota and Quadscot and second-half of the financial year likely to be affected

Demands for price reductions is being managed by cost reduction through better purchasing practices and product re-engineering

Opportunity for Quadscot to provide in-source sub-contracted parts for the Engineered Products and Cylinders Division



Engineered Products

Project execution delays impacting first-half results in the UK

US operation experiencing slow conversion of order pipeline as customers delay decisions on capital spend

Pricing pressures similar to Precision Machined Components Division and managed in the same way

Prospects remain strong and further progress expected beyond this financial year



Cylinders

Chesterfield Special Cylinders

Performing in line with expectations for 2015 due to long order to delivery lead time but little visibility for the 2016 deepwater oil and gas market

Sales of services into the defence and oil and gas markets continue to strengthen

New forge entered production January 2015 to improve capability and productivity in ultra large cylinder forging

Increased capability to build high pressure bulk storage and transportation equipment for the European alternative fuels market

Long-term future of the site secured by the purchase of the freehold property at Sheffield



Kelley GTM

Slower than anticipated growth due to down-turn in investment in the United States onshore oil and gas market

Option to increase shareholding from 40% to 80% unlikely to be exercised

Provision of £1.4 million to be made against loans to Kelley GTM due to the uncertainty of repayment

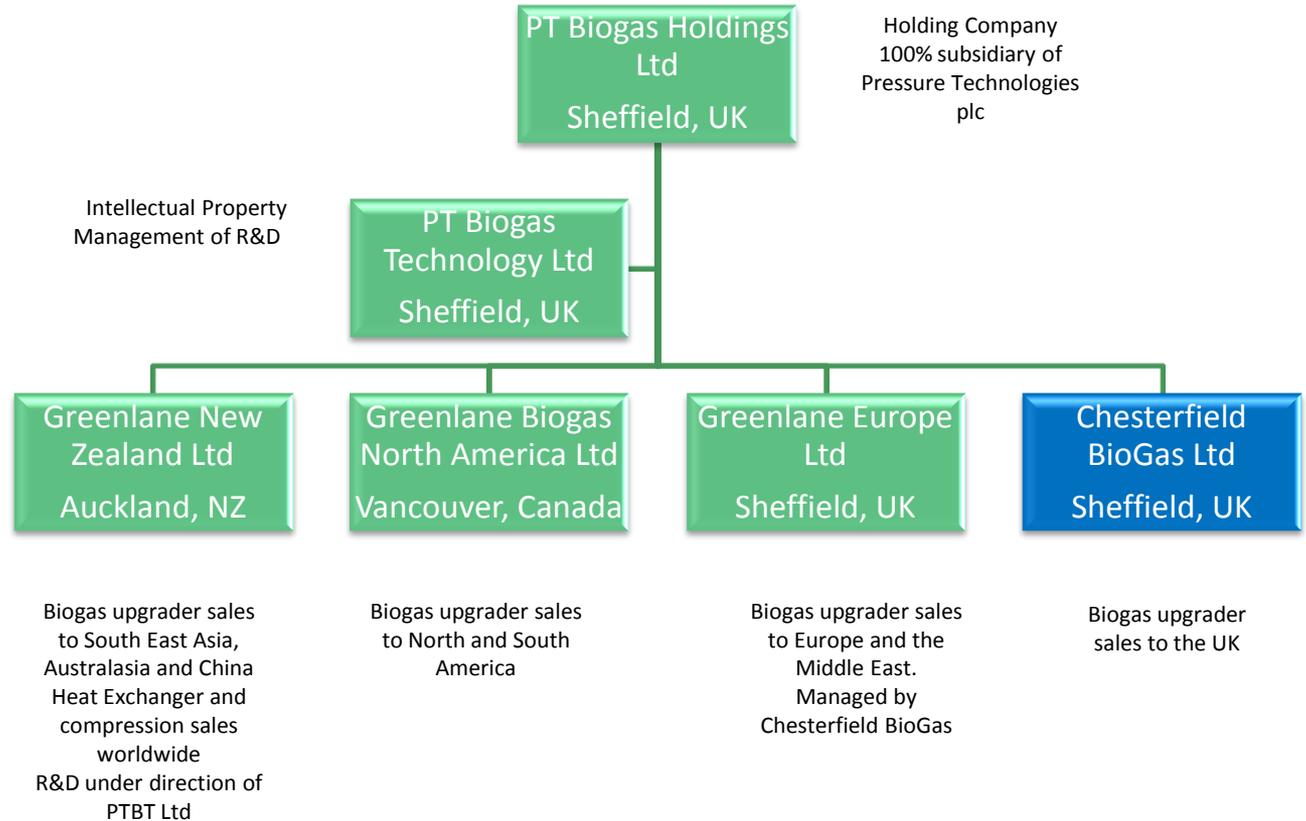
Alternative Energy

Key senior management from Greenlane retained

Divisional FD appointed

Operational Board of FD, and subsidiary MDs established, reporting to the Group CEO

Financial stability of PRES combined with Greenlane expertise gives firm foundation for growth



Alternative Energy

Greenlane, the Group's technology provider for biogas upgrading purchased in October 2014

Integration of Greenlane into the Group is proceeding well and Chesterfield BioGas will be rebranded as Greenlane during 2015

Some slippage on timing of projects from end of 2015 financial year to 2016 and one project cancelled in North America

One development project reclassified from capital to revenue impacting 2015 results

Encouraging pipeline of orders for biogas upgraders in North and South America and the UK

New Zealand subsidiary has successfully re-launched its heat exchanger and compression systems business

Prospects for 2016 remain exciting



Outlook

Underlying prospects for the Group remain very positive

Low oil price is having an adverse impact on order intake from the oil and gas market

Market conditions mask the Group's strengths in product and service quality and strong customer relationships

Strong prospects for the Alternative Energy Division which are not driven by the oil price

The Group has a strong balance sheet with low gearing and an increasingly diversified industrial base

Investment to continue through the cycle

Progressive dividend policy to be continued

Well placed to take advantage of opportunities as market conditions improve

Questions?



Lunch followed by factory tours



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