

9 September 2016

PAPILLON HOLDINGS PLC
("Papillon" or the "Company")

**Possible Acquisition
and
Suspension of Listing**

The Directors of Papillon are pleased to inform shareholders that it has signed non-binding Heads of Terms to acquire the entire issued share capital of myclubbetting.com Limited, a specialised betting and gaming related business, for new shares in the Company (the "Acquisition"). The Acquisition, if completed, would result in Papillon shareholders having a minority interest in the enlarged group (the "Group").

The Acquisition is subject, *inter alia*, to the completion of due diligence, documentation and compliance with all regulatory requirements, including the Listing and Prospectus Rules and, as required, the Takeover Code.

The Acquisition, if it proceeds, will constitute a Reverse Takeover under the Listing Rules since, *inter alia*, in substance it will result in a fundamental change in the business of the issuer.

As the Acquisition will constitute a Reverse Takeover under the Listing Rules, the listing in the Company's ordinary shares have been suspended at the request of the Company pending the publication of a prospectus and the application for the enlarged Company to have its Ordinary Shares admitted to the Official List and to trading on the main market for listed securities of the London Stock Exchange.

The Company is working on the preparation of a prospectus in relation to the Acquisition and will, in due course, be making application for the enlarged Company to have its Ordinary Shares admitted to the Official List and to trading on the main market for listed securities of the London Stock Exchange.

The Company will update shareholders as the matter progresses.

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