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Stirling Industries plc

("Stirling" or the "Company")

Update on recent activity

Further to the announcement this morning of the Company's financial results for the financial period ended 31 March 2019, Stirling (AIM: STRL.L) is providing an update on its progress with respect to the potential acquisition of its first operating asset (the "Transaction").

As communicated at the time of its successful listing on AIM, Stirling was established to "acquire, develop, and sell" industrial businesses where it can implement strategic, operational and performance enhancements. The Company's business model involves raising equity and debt finance to fund acquisitions, developing acquired businesses through proactive strategic and operational management (including capital investment and / or bolt-on acquisitions) overseen by Stirling's highly experienced executive team and, after a period of time, selling the businesses and returning the proceeds to shareholders, with the objective of creating and realising significant incremental shareholder value. Any acquisition must fit with Stirling's strict investment criteria, which focus on investments in resilient and diversified industrial businesses offering attractive upside potential.

The Company is currently in advanced discussions regarding the potential acquisition of its first operating asset. Due diligence has been substantially concluded and has confirmed our firm belief that the asset is a strong fit with Stirling's investment criteria. The Transaction's headline terms have been agreed in principle with the vendor and the majority of pre-signing workstreams, including the drafting of the necessary documentation, are substantially complete.

Debt funding for the Transaction has been agreed in principle, with the proposed lending banks now credit approved and the necessary documentation in near-final form. Stirling is now seeking the necessary equity funding to enable it to execute definitive legal documentation with respect to the Transaction. Details of the form, size and pricing of any such equity fund raising will be announced at the time of posting of the admission document in connection with the Transaction. Completion of the Transaction will be conditional on, amongst other things, shareholder approval at a General Meeting.

This Transaction, if entered into, will be a reverse takeover for the purposes of the AIM Rules for Companies and Stirling has requested a temporary suspension of trading in its ordinary shares pending either the publication of the admission document following entry into a definitive legal agreement in respect of the Transaction or the announcement of the termination of discussions.

Whilst discussions are on-going, there can be no certainty at this time as to the final terms and conditions of the Transaction or whether the Transaction will proceed. A further announcement will be made as appropriate in due course. Stirling currently expects to be able to update shareholders in the period leading up to its Annual General Meeting ("AGM"), which is to be held on 30 September 2019. The formal notice of Stirling's AGM is being sent to shareholders today.

This announcement contains inside information for the purposes of the Market Abuse Regulation (EU) NO. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of Stirling is Simon Thomas, Chief Operating Officer and Company Secretary of Stirling.

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