

18 January 2008

Centurion Electronics plc (“Centurion” or the “Company”)

Refinancing arrangements

Introduction

The Company is pleased to confirm that, as previously announced it is in the final stages of documenting an agreement to inject further funding into the Company. This funding will be provided by a new facility in the amount of up to £1,500,000 from Lloyds TSB. In addition a further £750,000 will be provided by Ravensworth International Limited (“Ravensworth”).

Ravensworth currently owns some 9.6 per cent of the existing issued share capital of the Company and £2,000,000 loan notes which upon conversion would represent some 51.9 per cent of the then enlarged share capital. Ravensworth is also owed £250,000 under a working capital facility. Given Ravensworth’s shareholding, the proposed investment by Ravensworth falls to be treated as a related party transaction under the AIM Rules and therefore requires a fairness opinion from the independent directors.

The Company expects to conclude the new financing and security arrangements with Ravensworth (the “Ravensworth Proposals”) by 25 January 2008. The Ravensworth Proposals require, among other matters, the approval of shareholders to an increase of authorised share capital and disapplication of pre-emption rights. In view of the Company’s urgent need for funds it is intended to convene an appropriate Extraordinary General Meeting of the Company for this purpose in the near future.

Terms of the refinancing

Lloyds TSB has agreed to provide a facility of £1,500,000 subject to Centurion raising a further £750,000. A further requirement to accept the funding offer from Lloyds TSB is that they take a first charge over the Company’s assets. At present Ravensworth have a first charge over the Company’s assets.

Ravensworth have agreed to invest a further £750,000 by way of a new convertible loan note which would carry an interest rate of 10 per cent per annum and have a two year life during which at any time Ravensworth could elect to convert the loan note into Centurion shares at a price of 0.5 pence per share.

Ravensworth have made this additional investment conditional upon the replacement of their existing £2,000,000 convertible loan notes and £250,000 working capital facility with new convertible loan notes carrying the same terms as will apply to the loan notes to be issued.

The impact of this is that, assuming Ravensworth’s new loan note is exercised in full, Ravensworth would own shares representing some 97 per cent of the then enlarged share capital.

Ravensworth have informed the Independent Directors that they are only willingly to provide the additional financing and release their first charge on the Company’s assets, which will enable the Lloyds TSB trade finance agreement to be enacted on the basis of the company agreeing to the terms of the Ravensworth proposal as set out above.

Commercial assessment

The independent directors have undertaken a thorough review of the Company’s options to maximise shareholder value and have come to the conclusion that none of these would deliver more value than the Ravensworth Proposals.

The Company currently has sufficient funding to continue to trade for the next seven days. Accordingly, despite the fact that the terms of the Ravensworth Proposals may result in Ravensworth

being in a position to very substantially dilute the existing equity in the Company the alternative is a cessation of trading which the Independent Directors believe is likely to result in a complete loss of value for existing shareholders.

In recognition of the above the Independent Directors believe that accepting the Ravensworth Proposals is the best option available to shareholders, as no other alternatives are available. Accordingly the Independent Directors, who have consulted with Centurion's Nominated Adviser, believe the Ravensworth Proposals to be fair and reasonable.

Next steps

Centurion, Ravensworth and Lloyds TSB are continuing to work on finalising the documentation required to implement the refinancing proposal referred to above. The Independent Directors of Centurion expect these to be completed and ready for signing by 25th January 2008. In the event this slips a further announcement will be made.

In the event this does not result a completed transaction it is likely that the Company would have insufficient funds to continue to trade.

AIM Quotation

As previously announced Centurion's shares will be suspended from trading on AIM from Monday 21 January 2008 following the departure of the Company's nominated adviser JMFinn Capital Markets Limited. If the Company does not appoint a new nominated adviser by 20 February 2008 Centurion's quotation on AIM will be cancelled at 7am on 21 February 2008.

Centurion has approached a number of potential new nominated advisers and has discussions ongoing. However, if none of these discussions lead to an appointment shareholders should be aware that it would not be possible for Centurion to remain on AIM beyond 20 February 2008.

Contacts

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