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Mediasurface plc (“Mediasurface” or the “Company”)

**Acquisition of Immediacy Limited
and
Placing of 19,347,826 new Ordinary Shares**

26 June 2007 - Mediasurface plc, the AIM listed Content Management Software Author and Vendor, today announces its intention to acquire Immediacy Limited (“Immediacy”) for consideration of approximately £5.6 million.

Highlights

- Mediasurface plc has conditionally agreed to acquire Immediacy for an initial consideration of approximately £5 million plus deferred consideration of £0.80 per pound of net assets in excess of £370,000.
- The Placing by KBC Peel Hunt will raise approximately £4.45 million in addition to a £2 million term loan facility which the Company has secured. These proceeds will be used to fund the cash element of the initial consideration, defray the costs of the Placing and the Acquisition and strengthen the balance sheet.
- Under the terms of the Placing Agreement, KBC Peel Hunt has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at 23 pence per share.
- Immediacy develops, markets and implements Web Content Management software designed specifically for – and marketed directly to – mid-sized organisations.
- The Directors believe that the acquisition of Immediacy has compelling strategic and financial logic for both companies and represents an attractive opportunity for Mediasurface to broaden its portfolio and acquire 206 support paying customers.
- The principal benefits of the Acquisition:
 - Broaden the Mediasurface product portfolio with the addition of a successful mid-range content management technology and customer base
 - Complementary solution that targets a segment of the web content management market that is not currently addressed by Mediasurface
 - Transferable technological skills
 - Greater sales opportunities, both by enabling Mediasurface to address a wider market and by promoting Immediacy in new geographies in which Mediasurface is already established

Introduction

Mediasurface has conditionally agreed to acquire Immediacy Limited for initial consideration of approximately £5.0 million plus deferred consideration of £0.80 per pound of Net Assets in Immediacy in excess of £370,000, which will be determined by the preparation of completion accounts dated 31st May 2007. Of the consideration, approximately £5.1 million will be payable in cash on completion of the Acquisition, with the balance being satisfied by the issue of approximately 2 million Consideration Shares at a share price equal to the Placing Price. The Consideration Shares to be issued to the four major shareholders (representing approximately 90% of the total number of Consideration Shares to be issued) will be subject to a lock-in until 31 December 2007 and thereafter will be subject to trading exclusively through the Company's brokers.

Reasons for and details of the Placing and use of proceeds

The Placing will raise approximately £4.45 million in addition to £2 million term loan facility agreed with Lloyds TSB Bank plc. These proceeds will be used to fund the cash element of the initial consideration due under the terms of the Share Purchase Agreement, with the balance being used to defray the costs of the Placing and the Acquisition and strengthen the balance sheet.

Under the terms of the Placing Agreement, KBC Peel Hunt, as agent for Mediasurface, has agreed conditionally to use its reasonable endeavors to procure subscribers for the Placing Shares at 23 pence per share.

The Placing Price of 23 pence per Placing Share is at a discount to the closing middle market price of 23.25 pence per Ordinary Share on 25 June 2007, being the last business day before announcement of the Placing, which the Directors consider to be fair and reasonable given the size of the Placing.

The Placing Shares are not being offered to Shareholders on a pre-emptive basis because the Board has concluded, having taken appropriate advice, that it was not in the best interests of the Company to make such a pre-emptive offer due to the time and cost involved and the necessity to complete the Acquisition successfully in a timely manner.

The Placing will be effected in three stages:

- In order to protect the Company's potential eligibility for EIS status, 831,883 EIS Placing Shares are being placed with investors who may seek relief under the EIS legislation and are expected to be admitted to trading on AIM on 2 July 2007.
- 13,581,163 VCT and Non-Qualifying Placing Shares are being placed with VCT and other investors and are expected to be admitted to trading on AIM one business day later on 3 July 2007.
- 4,934,780 EGM Placing Shares are being placed with other investors and are expected to be admitted to trading on AIM on 24 July 2007.

The Company offers no certainty with regard to the Company's suitability for and qualification for VCT and EIS relief.

The EIS Placing is conditional, *inter alia*, on admission of the EIS Placing Shares to trading on AIM having occurred but is not conditional on the admission of the VCT and Non-Qualifying Placing Shares nor the EGM Placing Shares.

The VCT and Non-Qualifying Placing is conditional, *inter alia*, on admission of the EIS Placing Shares to trading on AIM having occurred and also on admission of the VCT and Non-Qualifying Placing Shares to trading on AIM occurring.

The EGM Placing is conditional, *inter alia*, on the resolutions to authorise the Directors to allot the EGM Placing Shares being passed at the EGM and on admission of the EIS Placing Shares and the VCT and Non-Qualifying Placing Shares to trading on AIM having occurred.

The Web Content Management Market

The Immediacy solution is designed to meet the requirements of medium sized businesses. Mediasurface's Morello and Pepperio target large, multinationals and smaller businesses respectively. There is therefore clear differentiation in the market positioning and functionality delivered by the extended Mediasurface product portfolio.

Immediacy

Since Immediacy was founded in 1996, it has built a customer base including 206 support paying customers, mid-sized organisations from across the public and private sector. It markets and implements its solution through a network of 43 active partners and its direct sales channel.

The Immediacy content management system (Immediacy CMS) focuses on making the process of creating, publishing and managing content online, simple and intuitive for non-technical users. As a result of its ease of use and rapid deployment it provides a scalable content management system that is particularly suited to medium-sized businesses.

The average licence and first year support revenue for an Immediacy project is £27,000. Licence revenues account for 49% of company revenues, with consulting and support accounting for 25% and 26% respectively.

In the year ended 28 February 2007, Immediacy generated revenues of £3.4 million, representing an increase of 42% over the previous year, and made a profit before tax of £0.5 million. As at 28 February 2007, Immediacy had net assets of £1.0 million. The annual value of Immediacy's support base is currently £0.9m.

Morello from Mediasurface

Mediasurface also focuses on providing content management systems. Its Morello content management solution has been developed specifically for multinational and large organisations. It incorporates many enterprise-strength capabilities not present in Immediacy that make it capable of managing hundreds of sites simultaneously in different languages and in different geographies, yet retaining ease of use and a strong business user focus.

Reasons for Acquisition

The Directors believe that the acquisition of Immediacy has compelling strategic and financial logic for both companies and represents an attractive opportunity for Mediasurface to extend its portfolio, acquire approximately 206 new customers and to accelerate its growth.

The principal benefits of the Acquisition are as follows:

- *Extend product range with a complementary solution*

Mediasurface currently has two products – Morello and Pepperio. Both are designed to help organisations to build and run their web applications: internet, extranet and intranet - Morello has been designed as an enterprise strength solution for multinationals and larger organisations, “Pepperio”, Mediasurface’s hosted website management tool, delivers an affordable solution for smaller businesses.

“Immediacy CMS” has also been built to help companies maximise their website presence, however it has been developed specifically for – and primarily targets - mid-sized enterprises. Immediacy therefore complements the Mediasurface product portfolio, fitting neatly between Morello and Pepperio, enabling Mediasurface to deliver a comprehensive product set in which there is little product overlap with solutions developed specifically for every profile of business.

- *Product we know in a market we understand*

Immediacy operates in the same core market sector of web content management as Mediasurface. Consequently the Mediasurface management team has a detailed understanding of running a profitable business in this market, fully understanding the end-user and partner requirements. This is expected to assist greatly with the integration and ongoing management of Immediacy.

The Immediacy business also has a similar successful growth profile, and the Directors believe that it has a similar corporate culture and product values, which again is expected to assist in the ongoing integration of the business much easier.

- *Sales opportunities*

The Directors believe that Mediasurface’s ability to convert new business will be enhanced by the added profile and greater financial security of operating as a larger group. The Directors also believe that there is an opportunity for incremental growth by promoting Immediacy in Europe, USA and Asia/Pacific through Mediasurface’s existing sales and support infrastructure in these regions.

- *Skills Sharing*

As a result of the combination of the two businesses, the Directors expect to be able to share key technical skills across the businesses.

EIS

The Directors believe that the Company will be a qualifying company for the purposes of the EIS legislation; however they can offer no certainty in this regard. The Company's advisers have made an application to HM Revenue & Customs seeking provisional assurance that the proposed issue of the EIS Placing Shares will be a qualifying investment for the purposes of EIS investors.

The continuing availability of EIS relief will be conditional, *inter alia*, on the Company continuing to satisfy the requirements for a qualifying company throughout the period of three years from the date of the investor making his investment.

VCT Qualifying Holding Status

On the basis of the information provided, HM Revenue & Customs has given provisional assurance that Mediasurface will comply with the requirements of Chapter 4 of Part 6 of the Income Tax Act 2007 in respect of monies raised by a VCT by an issue of shares or securities prior to 6th April 2006 and that the Ordinary Shares will be eligible shares for the purposes of VCTs. The continuing status of the VCT Shares as a qualifying holding for VCT purposes will be conditional, *inter alia*, upon the Company and the VCT continuing to satisfy the relevant requirements.

Neither the Company nor the Directors make any warranty or give any undertaking that relief will be available in respect of any investment in the Placing Shares, nor do they warrant or undertake that the Company will keep its qualifying status throughout the relevant period or that, once given, such relief will not be withdrawn.

Settlement and dealings

Separate applications will be made to the London Stock Exchange for the Consideration Shares, the EIS Placing Shares, the VCT and Non-Qualifying Placing Shares and the EGM Placing Shares to be admitted to trading on AIM. It is expected that the EIS Placing Shares will become effective on 2 July 2007, the Consideration Shares and VCT Placing Shares and Non-Qualifying Shares will become effective on 3 July 2007 and the EGM Placing Shares will become effective on 24 July 2007.

The Placing Shares and Consideration Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

The Placing has been structured this way to allow investment under the first tranche, the EIS Placing Shares, to be eligible as qualifying investments under EIS legislation.

Conditions to the Placing

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

- the Sale and Purchase Agreement becoming unconditional in all respects, save for any conditions as to the Placing Agreement having become unconditional or Admission having taken place;
- the EIS Placing is conditional on the Placing Agreement not being terminated in accordance with its terms prior to Admission of the EIS Placing Shares occurring;
- the VCT and Non-Qualifying Placing is also conditional on the Placing Agreement not being terminated in accordance with its terms so far as it relates to the VCT and Non-

Qualifying Placing prior to Admission of the VCT and Non-Qualifying Placing Shares occurring;

- each of the EIS Placing and the VCT and Non-Qualifying Placing are also conditional on Admission of the EIS Placing Shares occurring by 2 July 2007 (or such later date as KBC Peel Hunt and the Company may agree being not later than 7 August 2007); and
- the VCT and Non-Qualifying Placing is also conditional on Admission of the VCT and Non-Qualifying Placing Shares occurring by 3 July 2007 (or such later date as KBC Peel Hunt and the Company may agree being not later than 7 August 2007)
- the EGM Placing is conditional upon shareholder approval at the EGM of the necessary resolution to allot and issue the EGM Placing Shares, Admission of the EIS Placing Shares occurring by 2 July 2007 (or such later date as KBC Peel Hunt and the Company may agree being not later than 7 August 2007), Admission of the VCT and Non-Qualifying Placing Shares occurring by 3 July 2007 (or such later date as KBC Peel Hunt and the Company may agree being not later than 7 August 2007) and on Admission of the EGM Placing Shares occurring by 24 July 2007 (or such later date as KBC Peel Hunt and the Company may agree being not later than 7 August 2007).

Extraordinary General Meeting

A notice convening the EGM to be held at 9.00 a.m. on 23 July 2007 will be sent to Shareholders by 29 June 2007. At the EGM, a special resolution will be proposed to authorise the Directors to allot up to 4,347,826 Ordinary Shares in connection with the EGM Placing without having to make a pre-emptive offer to Shareholders. The authority referred to above is in addition to the existing authorities of the Directors to allot shares on a non pre-emptive basis.

Timetable

Admission and commencement of dealings in the EIS Placing Shares	8.00am on 2 July 2007
Admission and commencement of dealings in the VCT and Non Qualifying Placing Shares	8.00am on 3 July 2007
Latest time and date for receipt of Forms of Proxy	9.00 am on 19 July 2007
EGM	9.00am on 23 July 2007
Admission and commencement of dealings in the EGM Placing Shares	8.00am on 24 July 2007

Statistics

Number of Existing Ordinary Shares	77,244,842
Approximate number of Consideration Shares to be issued	2,000,000
Number of Placing Shares to be issued	19,347,826
Enlarged Share Capital following the completion of the Placing	98,592,668
Consideration Shares and Placing Shares as a percentage of the Enlarged Share Capital	22.4%

APPENDIX 1

TERMS AND CONDITIONS OF THE PLACING

For KBC Placees only - Important Information

1. Eligible Participants

This Appendix, including the terms and conditions of the Placing set out below, is directed only at persons who are FSMA Qualified Investors.

In this Appendix “you” or “KBC Placee” means any person who is or becomes committed to subscribe for Placing Shares under the Placing pursuant to a commitment given to KBC Peel Hunt acting as agent for the Company.

Members of the public are not eligible to take part in the Placing.

2. Overseas jurisdictions

The distribution of this announcement and the Placing and/or issue of ordinary shares in certain other jurisdictions may be restricted by law. No action has been taken by the Company or KBC Peel Hunt that would permit an offer of ordinary shares or possession or distribution of this announcement or any other offering or publicity material relating to such ordinary shares in any jurisdiction where action for that purpose is required. FSMA Qualified Investors who seek to participate in the Placing must inform themselves about and observe any such restrictions. In particular, this announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for ordinary shares in the capital of the Company in the United States, Canada, Japan or Australia or in any other jurisdiction in which such offer or solicitation is or would be unlawful. The Placing Shares have not been and will not be registered under the US Securities Act or under the securities laws of any State or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold, resold or delivered, directly or indirectly in or into the United States, or to, or for the account or benefit of, any US persons (as defined in Regulation S under the US Securities Act). No public offering of the Placing Shares is being made in the United States. No money, securities or other consideration from any person inside the United States is being solicited pursuant to this announcement or the Placing.

3. Placing

This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

KBC Peel Hunt will arrange the Placing as agent for and on behalf of the Company. KBC Peel Hunt will determine in its absolute discretion the extent of each KBC Placee's participation in the Placing, which will not necessarily be the same for each KBC Placee. No commissions will be paid to or by KBC Placees in respect of their agreement to subscribe for any Placing Shares.

Each KBC Placee will be required to pay to KBC Peel Hunt, on the Company's behalf, the Placing Price as the subscription sum for each Placing Share agreed to be subscribed by it under the Placing in accordance with the terms set out in this Appendix. Each KBC Placee's obligation to subscribe and pay for Placing Shares under the Placing will be owed to each of the Company and KBC Peel Hunt. Each KBC Placee will be deemed to have read this announcement in its entirety.

To the fullest extent permitted by law and applicable FSA rules, neither KBC Peel Hunt nor any other KBC Person shall have any liability to KBC Placees or to any person other than the Company in respect of the Placing.

4. Participation and settlement

Participation in the Placing is only available to persons who are invited to participate in it by KBC Peel Hunt.

A KBC Placee's commitment to subscribe for a fixed number of Placing Shares under the Placing will be agreed orally with KBC Peel Hunt. Such agreement will constitute a legally binding commitment on your part to subscribe for that number of Placing Shares at the Placing Price on the terms and conditions set out or referred to in this Appendix and subject to the Company's memorandum and articles of association. After such agreement is entered into a written confirmation will be dispatched to you by KBC Peel Hunt confirming the number of Placing Shares that you have agreed to subscribe, the aggregate amount you will be required to pay for those Placing Shares and settlement instructions. It is expected that such written confirmations will be despatched on the date of this announcement, that the "trade date" for settlement purposes for the EIS Placing Shares will be 27 June 2007, the "trade date" for settlement purposes for the VCT and Non-Qualifying Placing Shares will be 27 June 2007, the "trade date" for settlement purposes for the EGM Placing Shares will be 24 July 2007, the "settlement date" will be 2 July 2007 for the EIS Placing Shares, 3 July 2007 for the VCT and Non-Qualifying Placing Shares and 24 July 2007 for the EGM Placing Shares.

A settlement instruction form will accompany each written confirmation and, on receipt, should be completed and returned to Jamie Reynolds at KBC Peel Hunt by fax on 020 7972 0112 by 3.00 p.m. on 27 June 2007.

Settlement of transactions in the Placing Shares (ISIN: GB00B1XYM75) will take place within the CREST system, subject to certain exceptions, on a "delivery versus payment" (or "DVP") basis. You should settle against CREST ID: 546. KBC Peel Hunt reserves the right to require settlement for and delivery of the Placing Shares to KBC Placees by such other means that it deems appropriate if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this announcement or would not be consistent with the regulatory requirements in any KBC Placee's jurisdiction.

If Placing Shares are to be delivered to a custodian or settlement agent, please ensure that the written confirmation is copied and delivered immediately to the appropriate person within that organisation.

5. No Prospectus

No prospectus has been or will be submitted for approval by the FSA in relation to the Placing or the Placing Shares. KBC Placees' commitments in respect of Placing Shares will be made solely on the basis of the information contained in this announcement and on the terms contained in it.

6. Placing Shares

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares.

Applications will be made for the admission of the EIS Placing Shares, the VCT and Non-Qualifying Placing Shares and the EGM Placing Shares to trading on AIM. It is expected that Admission of the EIS Placing Shares will take place, and dealings in the EIS Placing Shares will commence, on 2 July 2007, that Admission of the VCT and Non-Qualifying Placing Shares will take place, and dealings in the VCT and Non-Qualifying Placing Shares will commence, on 3 July 2007 and that the Admission of the EGM Placing Shares will take place, and dealings in the EGM Placing Shares will commence on 24 July 2007.

7. Placing Agreement

KBC Peel Hunt has today entered into the Placing Agreement with the Company under which KBC Peel Hunt has, on the terms and subject to the conditions set out in the Placing Agreement, agreed to use its reasonable endeavours as agent of the Company to procure subscribers for (i) the EIS Placing Shares (ii) the VCT and Non-Qualifying Placing Shares, and (iii) the EGM Placing Shares in each case at the Placing Price. The Placing is not being underwritten by KBC Peel Hunt or any other person

8. Placing conditions

Each of the EIS Placing, the VCT and Non-Qualifying Placing and EGM Placing is conditional, *inter alia*, on (a) the Placing Agreement not being terminated in accordance with its terms prior to Admission of the EIS Placing Shares occurring and, in respect of the VCT and Non-Qualifying Placing and EGM Placing only, prior to Admission of the VCT and Non-Qualifying Placing Shares occurring and, in respect of the EGM Placing only, prior to Admission of the EGM Placing Shares occurring (b) EIS Admission taking place not later than 8.00 a.m. on 2 July 2007 (or such later date and time as the Company and KBC Peel Hunt may agree), and (c) the Company having received VCT qualifying status from HM Revenue & Customs. The VCT and Non-Qualifying Placing is also conditional, *inter alia*, on the Admission of the VCT and Non-Qualifying Placing Shares taking place not later than 8.00 a.m. on 3 July 2007 (or such later date and time as the Company and KBC Peel Hunt may agree). The EGM Placing is further conditional upon passing of the relevant resolution to allot and issue the EGM Placing Shares and Admission of the EGM Placing Shares taking place not later than 8.00 a.m. on 24 July 2007 (or such later date and time as the Company and KBC Peel Hunt may agree).

KBC Peel Hunt reserves the right (with the agreement of the Company) to waive or extend the time and or date for the fulfilment of any of the conditions in the Placing Agreement applicable to the EIS Placing and/or to the VCT and Non-Qualifying Placing and/or the EGM Placing to a time no later than 8.00 am on 7 August 2007 (“the Long Stop Date”).

If any condition in the Placing Agreement applicable to the EIS Placing is not fulfilled or waived by KBC Peel Hunt by the relevant time, both the EIS Placing, the VCT and Non-Qualifying Placing and the EGM Placing will lapse and your rights and obligations pursuant to the Placing shall cease and terminate at such time. If Admission of the EIS Placing Shares occurs but any condition in the Placing Agreement applicable to the VCT and Non-Qualifying Placing is not fulfilled or waived by KBC Peel Hunt by the relevant time, the VCT and Non-Qualifying Placing will lapse and your rights and obligations pursuant to the VCT and Non-Qualifying Placing shall cease and terminate at such time. If Admission of the EIS Placing Shares and the VCT and Non-Qualifying Placing Shares occurs but any condition in the Placing Agreement applicable to the EGM Placing is not fulfilled or waived by KBC Peel Hunt by the relevant time, the EGM Placing will lapse and your rights and obligations pursuant to the EGM Placing shall cease and terminate at such time.

The Placing Agreement may be terminated by KBC Peel Hunt at any time prior to Admission of the EIS Placing Shares, so far as it relates to the VCT and Non-Qualifying Placing, at any time prior to Admission of the VCT and Non-Qualifying Placing Shares and, so far as it relates to the EGM Placing, at any time prior to Admission of the EGM Placing Shares in certain circumstances including, *inter alia*, following a material breach of the Placing Agreement by the Company or the occurrence of certain *force majeure* events. The exercise of any right of termination pursuant to the Placing Agreement, any waiver of any condition in the Placing Agreement and any decision by KBC Peel Hunt whether or not to extend the time for satisfaction of any condition to the Placing Agreement or otherwise in respect of the EIS Placing, VCT and Non-Qualifying Placing or EGM Placing shall be within KBC Peel Hunt's absolute discretion. KBC Peel Hunt shall have no liability to you in the event of any such termination, waiver or extension or in respect of any decision whether to exercise any such right of termination, waiver or extension.

9. Payment default

Your entitlement to receive any Placing Shares will be conditional on KBC Peel Hunt's receipt of payment by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as KBC Peel Hunt may in its absolute discretion determine. KBC Peel Hunt may, in its absolute discretion, waive such condition, and shall not be liable to you in the event of it deciding whether to waive or not to waive such condition.

If you fail to make such payment by the required time for any Placing Shares (1) the Company may release itself (if it decides, at its absolute discretion, to do so) and will be released from all obligations it may have to allot and/or issue any such Placing Shares to you or at your direction which are then unallotted and/or unissued, (2) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the fullest extent permitted under its articles of association or otherwise by law and to the extent that you then have any interest in or rights in respect of any such shares, (3) the Company or, as applicable, KBC Peel Hunt may sell (and each of them is irrevocably authorised by you to do so) all or any of such shares on your behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, KBC Peel Hunt (i) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares, (ii) any amount required to cover any stamp duty or stamp duty reserve tax arising on the sale, and (iii) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale, and (4) you shall remain liable to the Company and to KBC Peel Hunt for any loss which it may suffer as a result of it (i) not receiving payment in full for such Placing Shares by the required time, and/or (ii) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by KBC Peel Hunt for value by the required time referred to above at the rate of two percentage points above the base rate of Barclays Bank plc.

10. KBC Placees' warranties and undertakings to the Company and KBC Peel Hunt

By agreeing with KBC Peel Hunt to subscribe for Placing Shares under the Placing you irrevocably acknowledge and confirm and warrant and undertake to, and agree with, each of the Company and KBC Peel Hunt (in its capacity as placing agent), in each case as a fundamental term of your application for Placing Shares and of the Company's obligation to allot and/or issue any Placing Shares to you or at your direction, that:

- (a) you agree to and accept all the terms set out in this announcement;

- (b) your rights and obligations in respect of any of the Placings will terminate only in the circumstances described in this announcement and will not be capable of rescission or termination by you in any circumstances;
- (c) this announcement, which has been issued by the Company, is the sole responsibility of the Company;
- (d) you have not been, and will not be, given any warranty or representation in relation to any Placing Shares or to the Company or to any other member of its Group in connection with the Placing, other than by the Company as included in this announcement;
- (e) you have not relied on any representation or warranty in reaching your decision to subscribe for Placing Shares under the Placing, save as given or made by the Company as referred to in the previous paragraph;
- (f) you are not a customer of KBC Peel Hunt in relation to the Placing and KBC Peel Hunt is not acting for you in connection with the Placing and will not be responsible to you in respect of the Placing for providing protections afforded to its customers;
- (g) you have not been, and will not be, given any warranty or representation by any KBC Person in relation to any Placing Shares or the Company or any other member of its Group;
- (h) you will pay the full subscription amount as and when required in respect of all Placing Shares allocated to you in accordance with such terms and will do all things necessary on your part to ensure that payment for such shares and their delivery to you or at your direction is completed in accordance with the standing CREST instructions (or, where applicable, standing certificated settlement instructions) that you have in place with KBC Peel Hunt or put in place with KBC Peel Hunt with its agreement;
- (i) you are entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to you and you have complied, and will fully comply, with all such laws (including where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002, and the Money Laundering Regulations 2003) and have obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such subscription, and you will provide promptly to KBC Peel Hunt such evidence, if any, as to the identity of any person which it may request from you (for the purpose of its complying with such Regulations or otherwise in connection with your participation in the Placing) in the form and manner requested by KBC Peel Hunt on the basis that any failure by you to do so may result in the number of Placing Shares that are to be allotted and issued to you or at your direction pursuant to the Placing being reduced to such number, or to nil, as KBC Peel Hunt may decide at its sole discretion;
- (j) you have complied and will comply with all applicable provisions of the FSMA with respect to anything done or to be done by you in relation to any Placing Shares in, from or otherwise involving the United Kingdom and you have not made or communicated or caused to be made or communicated, and you will not make or communicate or cause to be made or communicated, any “financial promotion” in relation to Placing Shares in contravention of section 21 of FSMA;

- (k) you are a FSMA Qualified Investor and you are a person at or to whom any communication relating to the Company that is a “financial promotion”, as referred to in FSMA, may lawfully be issued, directed or otherwise communicated without the need for such communication to be approved, made or directed by an “authorised person” as referred to in FSMA;
- (l) you are acting as principal only in respect of the Placing or, if you are acting for any other person in respect of the Placing (1) you are both an “authorised person” for the purposes of FSMA and a “qualified investor” as defined at Article 2.1(e)(i) of Directive 2003/71/EC (known as the Prospectus Directive) acting as agent for such person, and (2) such person is either (i) a FSMA Qualified Investor or (ii) a “client” (as defined in section 86(2) of FSMA) of yours that has engaged you to act as his agent on terms which enable you to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;
- (m) nothing has been done or will be done by you in relation to the Placing or to any Placing Shares that has resulted or will result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares in accordance with FSMA or the UK Prospectus Rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;
- (n) you are not, and are not acting in relation to the Placing as nominee or agent for, a person who is or may be liable to stamp duty or stamp duty reserve tax in respect of any agreement to acquire (or any acquisition of) shares or other securities at a rate in excess of 0.5% (including, without limitation, under sections 67, 70, 93 or 96 of the Finance Act 1986 concerning depositary receipts and clearance services), and the allocation, allotment, issue and/or delivery to you, or any person specified by you for registration as holder, of Placing Shares will not give rise to a liability under any such section;
- (o) you will not treat any Placing Shares in any manner that would contravene any legislation applicable in any territory or jurisdiction and no aspect of your participation in the Placing will contravene any legislation applicable in any territory or jurisdiction in any respect or cause the Company or KBC Peel Hunt to contravene any such legislation in any respect;
- (p) (applicable terms and expressions used in this paragraph have the meanings that they have in Regulation S made under the US Securities Act) (1) none of the Placing Shares has been or will be registered under the US Securities Act, (2) none of the Placing Shares may be offered, sold, taken up or delivered, directly or indirectly, into or within the United States except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act, (3) you are not within the United States and (unless you will be subscribing Placing Shares pursuant to an exemption referred to above in this paragraph) you are not a US person, (4) you have not offered, sold or delivered and will not offer sell or deliver any of the Placing Shares to persons within the United States, directly or indirectly, (5) neither you, your affiliates, nor any persons acting on your behalf, have engaged or will engage in any directed selling efforts with respect to the Placing Shares, (6) you will not be subscribing Placing Shares with a view to resale in or into the United States, and (7) you will not distribute any offering material relating to Placing Shares, directly or indirectly, in or into the United States or to any persons resident in the United States;

- (q) KBC Peel Hunt may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any other KBC Person or any person associated with any KBC Person to do so or by allowing officers of the Company and/or employees of Group companies to subscribe Placing Shares under the Placing at the Placing Price;
- (r) time is of the essence as regards your obligations under this Appendix;
- (s) this Appendix and any contract which may be entered into between you and KBC Peel Hunt and/or the Company pursuant to it or the Placing shall be governed by and construed in accordance with the laws of England, for which purpose you submit to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute, or matter arising out of or relating to this Appendix or such contract, except that each of the Company and KBC Peel Hunt shall have the right to bring enforcement proceedings in respect of any judgement obtained against you in the courts of England and Wales in the courts of any other relevant jurisdiction; and
- (t) nothing in this Appendix shall exclude any liability of any person for fraud on its part. All times and dates in this announcement are subject to amendment at the discretion of KBC Peel Hunt, except that in no circumstances will the date scheduled for Admission be later than the Long Stop Date. None of your rights or obligations in respect of the Placing is conditional on any other person agreeing to subscribe for any Placing Shares under the Placing and no failure by any other Placee to meet any of its obligations in respect of the Placing shall affect any of your obligations in respect of the Placing.

APPENDIX 2

DEFINITIONS

“Acquisition”	the acquisition of the entire issued and to be issued share capital of Immediacy Limited
“Admission”	the admission to trading on AIM in accordance with Rule 6 of the AIM Rules for Companies of the relevant Placing Shares becoming effective
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the London Stock Exchange’s rules for companies relating to AIM entitled “AIM Rules for Companies”
“Board”	the Company’s board of directors
“Company” or “Mediasurface”	Mediasurface Plc
“Consideration Shares”	approximately 2,000,000 new Ordinary Shares to be issued as part of the initial consideration in accordance with the terms of the Sale and Purchase Agreement to the vendors of the entire issued share capital of Immediacy Limited
“CREST”	the system for paperless settlement of trades and holdings of uncertificated shares administered and operated by CRESTCo Limited
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company convened for 9.00 a.m. on 23 July 2007
"EGM Placing"	the placing by KBC Peel Hunt of the EGM Placing Shares pursuant to the Placing Agreement
"EGM Placing Shares"	the 4,347,826 Ordinary Shares to be allotted and issued pursuant to the Placing Agreement
"EIS"	Enterprise Investment Scheme
"EIS Placing"	the placing by KBC Peel Hunt of the EIS Placing Shares pursuant to the Placing Agreement
"EIS Placing Shares"	the new Ordinary Shares which are the subject of the Placing and qualify for EIS tax relief
“Enlarged Share Capital”	the Company's issued share capital immediately after the completion of the Placing and the issue of the Consideration Shares
“Existing Ordinary Shares”	77,244,842 Ordinary Shares in issue on the date of this announcement
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000

“FSMA Qualified Investor”	a person who is a “qualified investor” as referred to at section 86(7) of FSMA and at or to whom any private communication relating to the Company that is a “financial promotion” (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an “authorised person” as referred to in FSMA
“KBC Peel Hunt”	KBC Peel Hunt Ltd
“KBC Person”	any person being (i) KBC Peel Hunt, (ii) an undertaking which is a subsidiary undertaking of KBC Peel Hunt, (iii) a parent undertaking of KBC Peel Hunt or (other than KBC Peel Hunt) a subsidiary undertaking of any such parent undertaking, or (iv) a director, officer, agent or employee of any such person
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	Ordinary shares of one pence each in the Company
“Placees”	persons who agree to subscribe Placing Shares pursuant to the Placing, with “KBC Placees” being Placees who agree to do so through KBC Peel Hunt
“Placing”	the proposed conditional placing of Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement relating to the Placing between the Company and KBC Peel Hunt dated the same date as this announcement
“Placing Price”	23 pence per Placing Share
“Placing Shares”	the EIS Placing Shares, VCT and Non-Qualifying Placing Shares and the EGM Placing Shares
“Sale and Purchase Agreement”	the sale and purchase agreement entered into on 26 June 2007 to effect the Acquisition
“Shareholders”	holders of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“US Securities Act”	the US Securities Act of 1933
“VCT”	venture capital trust
"VCT and Non-Qualifying Placing Shares"	the placing by KBC Peel Hunt of the VCT and Non-Qualifying Placing Shares pursuant to the Placing Agreement

Forward Looking Statements

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.

The Placing Shares referred to in this announcement have not been and will not be registered under the US Securities Act and may not be offered or sold in the United States except pursuant to an exception from, or a transaction not subject to, the requirements of the US Securities Act. There will be no public offer of the Placing Shares in the United Kingdom, United States of America or elsewhere.