

12 January 2010

**Hydrodec Group plc
(the “Company”)**

Director’s dealing in securities

The Company was notified on 11 January 2010 that on the same date John Gunn, non-executive Deputy Chairman of the Company, purchased £10,000 nominal value of the Company’s fixed rate unsecured convertible loan notes 2012 (“Loan Notes”) at par on behalf of his pension fund.

Following the purchase, Mr Gunn is taken to be interested, for the purposes of the AIM Rules, in £110,000 Loan Notes. The Loan Notes are convertible into ordinary shares of 0.5 pence each in the Company (“Ordinary Shares”) at a conversion price of 17.65p per Ordinary Share.

Mr Gunn also has a beneficial interest in 4,637,500 Ordinary Shares, representing 1.6% of the Ordinary Shares with voting rights in the Company, and 3 million share options.

For further information please contact:

Hydrodec Group plc **020 7786 9810**

Neil Gaskell, Chairman

Mark McNamara, Chief Executive

Mike Preen, Company Secretary

Numis Securities Limited **020 7260 1000**

Nominated Adviser: Simon Blank

Corporate Broker: David Poutney / Alex Ham