

OAKHILL GROUP PLC

ARRANGEMENTS TO STRENGTHEN OAKHILL

Oakhill Group plc (“Oakhill” or “the Company”) announces that it proposes to enter into agreements today which provide for accelerating the development of Oakhill under the leadership of Mr Peter Lynch. If these agreements are approved by shareholders, Mr Lynch will take over the position of executive Chairman and will increase his shareholding in the Company pursuant to an acquisition of Ordinary Shares from Mr Ray McLoughlin and participation in a Placing of New Ordinary Shares. Mr Lynch was previously Chief Financial Officer of eircom Group PLC and is a current holder of approximately 8.3% of the existing issued share capital of Oakhill.

Background to the Proposals

For many years the businesses of Oakhill have been operating in rapidly changing and very price-sensitive commodity markets. In confronting the challenges posed by these circumstances, the Board of Oakhill has maintained a policy of continuing capital investment to increase the Company’s product capability and market range and to reduce its operating costs thereby strengthening the businesses and improving their competitiveness. While this investment has proved worthwhile, the Company has struggled to keep pace with the rate of change and there has been a failure to achieve the desired levels of growth in profits and shareholder value. Against this background the Board carried out a fundamental review of its strategic options during 2006.

It has been clear for some time that the route to growth for Oakhill lay in a more far-reaching expansion drive based on widening its range of businesses through strategic acquisition in its current business areas and in related areas and that this required a quantum leap in terms of ambition and resources. While the Board is confident that existing management has the vision and abilities to mount such an expansion drive, the Company has no record of raising funds in the stock market. Accordingly the Board and management took the decision to identify an investor who would take a leadership position in the Company, would have the background required to secure substantial institutional and stock market support, and who would have the ambition to take Oakhill to a new level based on that support.

This decision led to discussions with Mr Lynch. These discussions established that the aspirations of Oakhill and the ambitions of Mr Lynch were compatible.

The Directors believe that Mr Lynch has the attributes necessary to help Oakhill achieve the strategic objectives set out by the Board. Mr Lynch has an impressive track record, further information on which is set out in the Appendix to this announcement.

Agreements

1. Placing

Oakhill has entered into a placing agreement under which in aggregate 14,109,770 New Ordinary Shares would be placed at a price of €0.15 per New Ordinary Share, with Mr Lynch subscribing for 4,200,000 New Ordinary Shares, Mr John Doris subscribing for 1,333,333 New Ordinary Shares and non-discretionary clients of Goodbody Stockbrokers subscribing for the balance of 8,576,437 New Ordinary Shares (the “Placing”). The aggregate number of such New Ordinary Shares, when issued, will represent approximately 20% of the enlarged issued share capital of the Company.

2. Warrants

In addition it is envisaged that 50,000,000 Warrants will be created in respect of new Ordinary Shares. The Warrants will be allotted to Mr Lynch. Of the 50,000,000 Warrants, 25,000,000 will be exercisable at any time within five years of the date of their creation (the “Exercise Period”) at the warrant holder’s discretion. The remaining 25,000,000 Warrants will become exercisable during the Exercise Period at the warrant holder’s discretion only if the market value of an Oakhill Ordinary Share (being the last quoted price of the Ordinary Shares on IEX at close of trading on the relevant day) has been equal to or greater than €0.35 for no less than 30 trading days of the prior 180 trading days. The provisions of the Irish Takeover Rules with respect to the potential creation of a controlling interest in the Company by any person or

persons acting in concert would require consideration at the time of exercise of all or any of the Warrants by such persons.

3. Conditions

Completion of the Placing and the allotment of the Warrants will be conditional upon:

- (i) the approval by Oakhill shareholders of all of the resolutions to be proposed at an extraordinary general meeting of the Company ("EGM");
- (ii) the Share Sale (as referred to below); and
- (iii) the Irish Stock Exchange and the London Stock Exchange approving the application for Admission of the New Ordinary Shares to dealing on IEX and AIM respectively.

4. Share Sale by Mr McLoughlin

Mr McLoughlin, who is currently the largest shareholder in Oakhill, has agreed to facilitate the introduction of Mr Lynch by selling to Mr Lynch the Ordinary Shares which he holds personally in Oakhill, being 5,204,126 Ordinary Shares which represent approximately 9.22% of the existing issued share capital of the Company, this sale to be at a price of €0.15 per share ("Share Sale").

Use of Funds

The Placing of the New Ordinary Shares will raise in aggregate approximately €2.1 million, before expenses. Mr Lynch anticipates that these funds will be available, after expenses, for general corporate and working capital purposes during the initial period following his appointment when he will be carrying out an operational review, developing a strategy for the Group going forward, assembling a high quality management team and searching for appropriate acquisition opportunities.

Subsequent Holdings

Following the Placing and the Share Sale, Mr Lynch will hold, in addition to the Warrants, in aggregate 14,104,126 Ordinary Shares which will represent approximately 19.99% of the enlarged issued share capital of the Company. Mr McLoughlin will remain interested in 11,287,833 Ordinary Shares through a corporate holding which will represent approximately 16.00% of the enlarged issued share capital of the Company.

Board

The Board is unanimously of the view and has agreed with Mr Lynch that the best way to signal a new beginning and to provide Mr Lynch with the operating flexibility required to develop the business is to arrange that the existing directors make way for Mr Lynch and his team and accordingly all the present Directors will resign on completion of the Placing and will be replaced by Mr Lynch and Mr Doris ("New Directors"). The appointment of the two New Directors will be conditional upon the approval of shareholders to be sought at the EGM and on completion of the Placing. On appointment, Mr Lynch will become Executive Chairman of the Company and Mr John Doris will become a non-executive Director of the Company.

Further information on the New Directors is contained in the Appendix to this announcement.

Compliance with Combined Code

Oakhill is committed to maintaining high standards of corporate governance. As a company whose shares are admitted to trading on AIM and IEX, compliance by Oakhill with the provisions of the Combined Code is not mandatory. However, the Directors intend, where practicable for a company of Oakhill's size and nature, to comply with the Combined Code. The New Directors have confirmed their commitment to this policy going forward.

Advisors

It is expected that Davy will resign as AIM nominated adviser, IEX adviser and broker to the Company upon completion to be replaced by Goodbody Stockbrokers as broker and IEX adviser and AIB Corporate Finance as AIM nominated adviser.

Reasons for Recommendation of the Board

In reaching its decision to unanimously recommend approval of the Proposals by shareholders, the Board placed particular emphasis on the following factors:

- The Placing Price represents a premium of approximately 15% the closing price per Ordinary Share on the Irish Stock Exchange on 11 April, 2007 (the latest practicable date prior to this announcement). The Placing Price represents premia of approximately 14%, 20% and 40% respectively to the prior three, six and twelve month average prices per Ordinary Share on the Irish Stock Exchange;
- Mr Lynch has an impressive track record and, in the opinion of the Board, has the experience and abilities necessary to help Oakhill achieve the strategic objectives which the Board has targeted in its strategic review; and
- Mr McLoughlin has voluntarily agreed to sell his personal shareholding to Mr Lynch thereby reducing the dilution effects of the Placing. There is no requirement under the Proposals for any other Shareholders to dispose of any part of their holdings.

Posting of EGM Circular

The document convening the EGM and containing further information on the proposals and on the Boards reasons for recommending them to shareholders is being posted to shareholders shortly and the EGM is expected to be held at 10.30 a.m. on 9 May, 2007 at Jurys Hotel, Ballsbridge, Dublin 4, Ireland.

For reference:

Oakhill Group plc: Dan O'Donohoe Tel: + 353 1 240 1400	Davy Corporate Finance Limited: Eugénée Mulhern Tel: + 353 1 679 6363
Q4 Public Relations Gerry O'Sullivan Tel: + 353 1 475 1444	Goodbody Stockbrokers Kevin Keating Tel: + 353 1 667 0420

APPENDIX INFORMATION ON THE PROPOSED NEW DIRECTORS

1. Mr Peter Lynch

Mr Lynch, 49, graduated in Economics from Trinity College Dublin, and qualified as a Chartered Accountant with KPMG. He is a Member of the Securities Institute. Mr Lynch worked in audit, management consultancy and corporate finance with KPMG before moving to NCB stockbrokers as part of the initial creation of their corporate finance activity. While there he was involved with company start ups, investments and semi state reviews. Thereafter Mr Lynch moved to a software company as finance director and then to Riada Corporate Finance (then ABN AMRO Corporate Finance Limited) as a director when that activity was being established. At Riada he had responsibility for establishing the investment activity and the corporate brokerages. During his time there he was appointed Operations Director of Corporate Finance, Group Operations Director and Managing Director of Riada Stockbrokers in quick succession.

On 14 February, 1995, Mr Lynch joined Adare Printing Group plc (Adare) as Finance Director, a business he had advised for a number of years prior to then. Over the course of Mr Lynch's involvement with Adare until July 2000 the company grew from turnover of ca. IR£2 million to ca. IR£213 million through a series of acquisitions and turnaround situations. Shareholders saw earnings per share grow from 9.5 pence to c. 95 pence over the same period. Mr Lynch credits the performance to the strong management team with whom he worked and to his Adare board colleagues.

On 30 March, 2000, Mr Lynch approached the other directors of Adare with a proposal to take the company private. After a short period of internal corporate competitive activity the then CEO took the company private and Mr Lynch stepped down from the board.

While developing a new investment vehicle Mr Lynch was approached about stepping into the vacant role in eircom Group PLC as Chief Financial Officer. eircom had been floated the previous year, had just contracted to sell its mobile business to Vodafone and had been the subject of a number of approaches about the residual fixed line business and other assets.

Mr Lynch was brought in for both his operational and corporate finance expertise.

Some ca. €10 billion of transactions were led and executed by the team assembled by Mr Lynch during his six year tenure with the company, including the sale to Valentia for €3.0 billion, a euro bond issue of over €1.0 billion, a second IPO of €300 million, a rights issue of some €420 million, the acquisition of Meteor Mobile Communications Limited, the sale to Babcock and Brown Infrastructure Limited for €4.4 billion as well as a number of multi billion euro bank refinancings. Throughout that period Mr Lynch was also responsible for a number of operational and strategic activities including supply chain management, property, the eircom wholesale business, IT, Finance, execution of the Groups mobile strategy and developing and implementing the compliance environment. As a result, Mr Lynch has very significant capital markets, operational and strategic expertise.

It is Mr Lynch's intention to develop Oakhill as an acquisition and development capital vehicle. The first steps in this will be to assemble a high quality team while searching for appropriate opportunities.

Mr John Doris

John Doris B.Sc., M.B.A., F.C.C.A. is principal of Meridian Business Advisors Limited, a Dublin based consultancy firm. He is widely experienced in manufacturing, distribution and corporate finance.

- 2.** The following information on the New Directors is provided in accordance with Schedule 2, paragraph (g) of the IEX Rules and the AIM Rules.

- (a) The New Directors currently hold the following directorships and partnerships and have held the following directorships and partnerships with the five years prior to the date of the document.

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>and Prior directorships and partnerships</i>
Peter Lynch (Age 49)	Copperstar Limited	Eircom Group plc Eircom Group Limited Eircom Limited Barra Limited Eircable Limited Osprey Property Limited Eircom (Holdings NO. 1) Limited Eircom (Holdings NO. 2) Limited Eircom (Holdings NO. 3) Limited Eircom (Holdings NO. 4) Limited Eircom (Holdings NO. 5) Limited Eircom (Initial Funder) Limited Eircom ESOP Trustee Limited Eircom Funding (Holdings) Limited Eircom Funding Irish Telecommunications Investments Limited Valentia Telecommunications Meteor II Limited Meteor Mobile Communications Limited Meteor Mobile Holdings Limited Meteor Ireland Holdings Limited Intrust Properties Limited
John Doris (Age 60)	Altion Limited Liberator Aviation Services Limited Meridian Business Advisors Limited Morrison TES Limited Natures Best Holdings Limited Percana Limited Profast Group Limited	Imetrex Technologies Limited E Brook Limited Zabah Limited Eircom Retail Limited Euroscreen Limited International Screen Limited DP Computing Limited Athlone Extrusions (Film) Limited

From July 2000 to December 2001 John Doris represented a venture capital company as a non-executive director on the board of Bay Electrical Holdings Limited and its subsidiaries, Wexford Electronix Limited and Bay Technology Limited. A receiver was appointed to this group in December 2001.

John Doris represented the Riada Business Expansion Scheme as a non-executive director on the board of Portfolio International Limited for a number of months in 1990. This company subsequently went through an examinership process.

- (b) Save as disclosed herein, none of the New Directors have:
- (i) any unspent convictions in relation to indictable offences;
 - (ii) ever been declared bankrupt or been the subject of an individual voluntary arrangement;
 - (iii) ever been a director of a company which, while he was a director or within 12 months of his ceasing to be a director, had a receiver appointed, entered into liquidation, entered into administration, entered into a voluntary arrangement or made any compositional arrangements with its creditors generally or with any class of its creditors;

- (iv) ever been a partner in a partnership which while he was a partner or within 12 months of his ceasing to be a partner entered into compulsory liquidation, administration or a partnership voluntary arrangement;
- (v) owned any asset or been a partner in a partnership which while he owned that asset or was a partner or within 12 months after his ceasing to own that asset or be a partner entered into receivership;
- (vi) been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies); and
- (vii) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

12 April, 2007