

9 September 2009

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

Update on Placing of New Ordinary Shares

All capitalised terms in this announcement have the same meaning as defined in the circular to Shareholders dated 5 August 2009.

Further to the announcements made by the Company on 28 August 2009 concerning the passing of all the Resolutions at the General Meeting and the subsequent non-payment by NewCo of GBP2.0 million to Travelzest which led to a suspension of the Company’s shares on 28 August 2009, the Company announces that it has procured a further GBP2.0 million of funding (the “Additional Funding”) from certain Placees representing 40,000,000 New Ordinary Shares. In total, therefore, the number of New Ordinary Shares to be issued pursuant to the Placing remains 114,170,000, as was anticipated in the Circular. The Placing Price remains 5 pence per New Ordinary Share.

The Additional Funding has been sourced from, inter alia, Merchant Securities, Mark Molyneux and Jack Fraser.

Mark Molyneux and Jack Fraser, the Group’s non-Executive Chairman and Chief Operating Officer and Financial Director respectively, are each a related party of the Company by virtue of their directorships. The placing of New Ordinary Shares in connection with the Additional Funding to Mark Molyneux and Jack Fraser will, accordingly, be treated as related party transactions under the AIM Rules.

Merchant Securities is classified as a related party of the Company by virtue of its substantial shareholding (as defined in the AIM Rules) in the Company. The placing of New Ordinary Shares to Merchant Securities in association with the Additional Funding will, accordingly, be treated as a related party transaction under the AIM Rules.

The Directors (other than Mark Molyneux and Jack Fraser), having consulted with Investec in its capacity as Nominated Adviser to the Company, consider that the terms of the related party transactions with the related parties described above are fair and reasonable insofar as the Company’s shareholders are concerned.

The number of New Ordinary Shares placed with related parties in connection with the Additional Funding and their expected resultant shareholdings following the Placing are set out below.

Name	Existing holding	% of Existing ISC	Shares subscribed for under the Placing (including in connection with the Additional Funding)	Resultant holding	% of Enlarged ISC
Merchant Securities	7,842,273	25.3	28,120,000	35,962,273	24.8%
Jack Fraser*	Nil	Nil	13,280,000	13,280,000	9.2%
Mark Molyneux*	39,682**	0.1	15,520,000	15,559,682	10.7%

* Excludes interests under Options and Incentive Options as set out in the Circular to Shareholders dated 5 August 2009

** Registered in the name of Pershing Nominees Limited, an account of Merchant Securities and included in the Merchant Securities existing and resultant holding above

The New Ordinary Shares will be issued credited as fully paid and will rank pari passu with the Issued Share Capital (including the right to receive all dividends or other distributions declared, made or paid thereon after the date of Admission).

Admission of the New Ordinary Shares to trading on AIM and commencement of dealings are expected to take place on 9 September 2009.

The Company has also requested the restoration of the Company’s shares to trading on AIM, which is expected to occur at 07:30 on 9 September 2009.

Barclays has agreed that the Amended Facility Agreement will become effective on admission of the New Ordinary Shares.

On admission of the New Ordinary Shares, the Company will have 145,136,100 Ordinary Shares in issue.

This announcement does not form part of any offer of securities, or constitute a solicitation of any offer to purchase or subscribe for securities in any jurisdiction.

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