

31 March 2010

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

Conversion of loan into new ordinary shares

Baydonhill (AIM: BHL), one of the UK's leading foreign exchange specialists, announces that it has today agreed with Ekwiex FX Limited (“Ekwiex”) that the existing £700,000 loan facility granted by Ekwiex in August 2007, will be converted into new ordinary shares (“Ordinary Shares”) in the capital of the Company.

Under the terms of the loan agreement, the loan was convertible into new Ordinary Shares at 6 pence per share at any time up to the repayment date, 30 April 2010. Since the loan was made, no principal amounts have been repaid. The conversion of the £700,000 loan will reduce the Company's indebtedness and strengthen its balance sheet.

In addition, the Company has granted to Ekwiex 300,000 warrants to subscribe for new Ordinary Shares at 12 pence per share (the current middle market price per share) at any time up to 31 March 2013.

The conversion of the loan will result in the issue of 11,666,667 new Ordinary Shares and application has been made for these shares to be admitted to trading on AIM (“Admission”). Admission is expected to become effective and dealings on AIM are expected to commence on 8 April 2010. Following Admission, Ekwiex will be interested in 35,391,374 Ordinary Shares, representing 71.85 per cent of the issued share capital of the Company as enlarged by the loan conversion. On Admission, the Company will have a total of 49,255,490 Ordinary Shares in issue.

The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Disclosure and Transparency Rules.

Under the AIM Rules, the conversion of the loan and the issue of warrants as described above (“the Transaction”) constitute a related party transaction. The independent directors, having consulted with Merchant John East Securities Limited (“MJES”), the Company's Nominated Adviser, consider the terms of the Transaction to be fair and reasonable insofar as the Company's shareholders are concerned. In advising the independent directors, MJES has taken into account the commercial judgement of the independent directors.

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