

Deep Sea Leisure PLC ("DSL" or the "Company")

Related Party Transaction

7 December 2007

The Company announces that it has entered into two separate loan agreements with a fellow group company Aspro Ocio Group S.A. ("Aspro").

The first of the loan agreements, entered into in March 2007, was for a sum of £2 million. Interest on the loan has been charged at a rate of 5.25% for the duration of the loan. DSL entered into a second loan agreement in May 2007 to provide Aspro with a further £0.5 million, and interest has been charged at a rate of 1 per cent. above the Bank of England Base Rate for the duration of the loan. Under the terms of DSL's existing banking agreements, interest is earned on cash deposits at a rate of Natwest base rates less 1 per cent.

Both of the loans and the interest payments were due to be repaid in full by Aspro by 30 September 2007. However, on 27 September 2007, DSL agreed to extend these loan facilities until 30 March 2008. The outstanding interest payment of £71,000 was received by DSL on 2 October 2007 and a new interest rate set at the Bank of England Base Rate less 0.25 per cent. was agreed to be charged on the total outstanding loan amount of £2.5 million for the duration of the loan.

The loans to Aspro are classified as related party transactions for the purposes of the AIM Rules as a consequence of Net-Ein S.A, being a subsidiary of Aspro and a substantial shareholder, and DSL's non-executive Chairman, Angel Barrachina and non-executive Director Carlos Marina also being Directors of Aspro.

Messrs Marina and Barrachina have taken no part in the Board's consideration of the transaction. In accordance with the AIM Rules, the independent directors of DSL, being non-executive Director Michael Denny and Finance Director Sue Elaiho, having now consulted with the Company's Nominated Adviser, Brewin Dolphin Limited, consider the terms of each of the loan agreements, and the variations thereto, to be fair and reasonable insofar as the Company's shareholders are concerned. In advising the Independent Directors Brewin Dolphin has taken account of the Independent Directors' commercial assessment of the transaction.

Ends

Contact

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