



30 January 2009

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

HEADSTART CONVERTIBLE LOAN and WARRANTS VARIATION ISSUE OF EQUITY DIRECTORS DEALINGS

New Variation Agreement

Symphony Environmental Technologies Plc ("Symphony", "Company" or "the Group"), the degradable plastics and waste-to-energy Group, announces that further to the Convertible Loan Agreement made between the Company and Headstart Global Fund Limited and Headstart Global Aggressive Fund Limited ("Headstart") on 13 December 2006 and announced on 15 December 2006 and previous variation agreements between the Company and Headstart dated 27 September 2007, 8 May 2008 and 30 July 2008, a new variation agreement ("New Variation Agreement") was entered into by the Company and Headstart on 28 January 2009.

Pursuant to the terms of the New Variation Agreement:

- The principal amount of the outstanding convertible redeemable loan notes ("Loan Notes") will be reduced from £340,000 to £240,000;
- Subject to repayments being made in accordance with the New Variation Agreement, the remaining Loan Notes will not be convertible; and
- The balance of the Loan Notes will be repaid over the next 12 months - with an option for early repayment without penalty

Conversion Shares

Pursuant to the New Variation Agreement, Headstart issued two final notices of conversion on 28 January 2009 in respect of an aggregate of £100,000 nominal of Loan Notes. As a result of the conversion, which was at the rate of 1.9p per ordinary share, 5,263,157 ordinary shares of 1p each in the Company ("the Conversion Shares") were to be issued. As agreed with the Company, Headstart directed that the Conversion Shares be issued to six members of the Board of Symphony for an aggregate price of £110,000 (2.09p per share) and that such monies would be paid to Headstart. Details of the Conversion Shares issued are set out below.

Repayment of the Loan Notes

Under the terms of the last variation agreement dated 30 July 2008, the Company was obliged to repay all outstanding Loan Notes and accrued interest thereon to Headstart by 30 March 2009. Under the terms of the New Variation Agreement the Company

shall, on or before 26 February 2009, pay to Headstart all accrued but unpaid interest on the Loan Notes up to 28 January 2009. The Company shall repay to Headstart the remaining £240,000 nominal of Loan Notes (together with interest accruing from 28 January 2009) during the period March 2009 to 26 February 2010 by way of 12 monthly payments, together with monthly interest of 1.5 per cent on the Loan Notes outstanding immediately prior to each such payment.

Headstart has also agreed not to issue any further notices of conversion in respect of the Loan Notes held by them from time to time, provided that the Company meets the 12 monthly repayments. If it wishes to do so, the Company shall be entitled to repay all or part of the outstanding Loan Notes at par at any time before 26 February 2010 without penalty.

Warrant Instrument Variation

The New Variation Agreement also provides for a variation to be made to the warrant instrument entered into by the Company on 13 December 2006 ("the Warrant Instrument") in respect of the grant of warrants over 500,000 ordinary shares in the Company. The exercise price for these warrants has been changed from 15p per ordinary share to 4.125p per ordinary share.

Directors Dealings

Six members of the Board have purchased the Conversion Shares (Ordinary Shares of 1p), referred to above and their holdings of ordinary shares in the Company following such purchases are as follows:

<i>Director</i>	<i>No. of Conversion shares</i>	<i>No. of Ordinary Shares currently held or interested in</i>	<i>No. of Ordinary Shares held or interested in following the purchase of the Conversion Shares</i>	<i>Percentage of Company's enlarged issued share capital</i>
Michael Laurier	4,438,997	10,203,142	14,642,139	12.60%
Michael Stephen	239,234	36,764	275,998	0.24%
Hugo Swire	239,234	125,000	364,234	0.31%
Nicolas Clavel	250,000	-	250,000	0.22%
Ian Bristow	47,846	847,972	895,818	0.77%
Michael F Stephens	47,846	263,448	311,294	0.27%

The Conversion Shares will be allotted to the purchasers as above and application has been made for these shares to be admitted to trading on AIM. It is expected that admission will be effective and that dealings in the Conversion Shares will commence on 5 February 2009.

The Conversion Shares, which will represent approximately 5.53% per cent of the Company's enlarged issued ordinary share capital, will rank *pari passu* with the existing ordinary shares in issue.

The Company's enlarged issued share capital immediately following the conversion will be 116,184,577 ordinary shares of 1p.

Symphony's Chief Executive, Michael Laurier, said: "This agreement with Headstart places the Company on a much sounder financial footing, with the amount owing substantially reduced and the option of converting the Loan Notes now removed. I am delighted that my fellow directors have shown their confidence in the Company as we continue to grow Symphony."

For further information, please contact:

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Further information on the Symphony Environmental Technologies Group of companies:

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC is a world leader in oxo-biodegradable plastic technology. The technology is recognised by the d₂w[®] droplet logo on thousands of tonnes of oxo-biodegradable plastic products. In the last 12 months enough d₂w[®] pro-degradant additive has been supplied to make more than **5 billion plastic products**.

Symphony has a diverse and growing customer base and has successfully established itself as an international business. Its d₂w[®] products can already be found in more than 50 countries around the world. Symphony is proud to be a member of the Oxo-biodegradable Plastics Association (www.biodeg.org).

Symphony is also developing innovative waste-to-energy technology and cost-effective processes to convert plastics, tyres and other waste-streams into valuable products.

Further information on the Symphony Group can be found at www.degradable.net