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CLS Holdings plc

("CLS", the "Issuer", the "Company")

Issue of Sterling-denominated 5.50 per cent. Bonds due December 2019 (the "Bonds")

Prospectus confirmation announcement

Terms used herein shall have the meaning given to them in the Prospectus dated 22 August 2012 (the "Prospectus") relating to the Bonds. This announcement constitutes the Sizing Announcement referred to in the Prospectus and must be read in conjunction with the Prospectus. This announcement is not a prospectus for the purposes of EU Directive 2003/71/EC (as amended) (the "**Prospectus Directive**") and/or Part VI of the Financial Services and Markets Act 2000. Investors should note that all Bonds are subscribed for on the basis of the information contained in the Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of the Prospectus and this Sizing Announcement. Investors may obtain copies of the Prospectus and the Sizing Announcement on the website of the Regulatory News Services operated by the London Stock Exchange and the Company's website www.clsholdings.com.

Due to strong demand, the offer period relating to the Bonds closed early at 10.00 a.m. (London time) on 30 August 2012, and accordingly Bonds can no longer be subscribed pursuant to the offer. In accordance with Article 8(1) of the Prospectus Directive, the Issuer is pleased to confirm the following in connection with the offer of the Bonds:

Aggregate principal amount of the Bonds: £65,000,000

Estimated net proceeds of the offer: £64,382,500

Issue Date: 11 September 2012

Executive Chairman of CLS, Sten Mortstedt, commented:

"CLS's bond issue has proved very successful and we are delighted that a large number of investors have shown great confidence in our Company. Due to an exceptional demand we were obliged to close subscriptions four days prior to schedule, as subscriptions already exceeded the initial target by almost 40 per cent.. This also led us to increase the size of the issue to £65 million from the initial objective of £50 million."

CLS Holdings plc

+44 (0)20 7582 7766

www.clsholdings.com

Sten Mortstedt, Executive Chairman

Henry Klotz, Executive Vice Chairman

Richard Tice, Chief Executive Officer

Smithfield Consultants**+44 (0)20 7360 4900**

Alex Simmons

Andrew Wilde

Canaccord Genuity**+44 (0)20 7523 8000**

Mark Glowrey

Henrietta Podd

Notes to editors:

- The bonds may not be suitable for all investors. Investors should ensure they fully understand the risks and seek independent financial advice.
- Investors should note that the price of the bonds can rise and fall during the life of the investment and the price of the bonds could fall below the issue price of £100.
- In the event that CLS Holdings plc defaults, becomes insolvent or goes out of business investors may lose some or all of their investment.

Disclaimer

The offering and the distribution of this announcement and other information in connection with the offer in certain jurisdictions may be restricted by law and persons into whose possession this announcement or any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase. Any purchase of Bonds pursuant to the offer should only be made on the basis of the information contained in the Prospectus, available as described above.

The Bonds have not been and will not be registered under the US Securities Act of 1933 (the "**Securities Act**") and, subject to certain exceptions, may not be offered, sold or delivered within the United States. The Bonds are being offered and sold outside of the United States in reliance on Regulation S of the Securities Act, and are subject to certain U.S. tax law requirements.