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PRESS RELEASE

**CLS Holdings plc
("CLS", the "Company" or the "Group")**

Vauxhall – New Spring Mews Development

CLS Holdings plc announces that following a public consultation and detailed discussions with planning officers, it intends to submit a planning application in the autumn for an 18,100 sq m mixed use development, Spring Mews, on the site it has assembled adjacent to Spring Gardens in Vauxhall, SE11. The scheme is proposed to consist of 408 beds of student housing together with a 120 bed budget hotel, a 325 sq m retail unit, 520 sq m of business units and a replacement 560 sq m Community Centre.

The Group is already in discussions with potential tenants for pre-lets for the hotel, student housing and retail unit. Subject to planning, it is intended that construction will commence in the second half of 2012. The proposed development would have a development cost of approximately £46 million.

The scheme is on a separate site half a mile from the proposed Vauxhall Square development, for which the Group announced its plans in February 2011 and on which the Group expects to submit an application towards the end of this year.

Sten Mortstedt, Executive Chairman of CLS, commented:

"These mixed-use proposals can provide substantial investment and regeneration into the Vauxhall area whilst meeting the significant demand for student accommodation and hotel rooms in central London."

"As a long standing local Vauxhall based company, we are pleased to be able to work together with the Vauxhall Garden Community Centre to provide a brand new Community Centre facility within these plans."

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