

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should consult your independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Subscription Shares in Baker Steel Resources Trust Limited, please forward this document as soon as possible to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

This document should be read in conjunction with, and is subject to, the detailed provisions contained in the Company's articles of association.



#### **BAKER STEEL RESOURCES TRUST LIMITED**

*(A closed ended investment company incorporated in Guernsey under the provisions of The Companies (Guernsey) Law, 2008 with registered no. 51576)*

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*Directors:*

Howard Myles (*Chairman*)  
Edward Flood  
Charles Hansard  
Clive Newall  
Christopher Sherwell

*Registered Office:*

Arnold House  
St Julian's Avenue  
St Peter Port  
Guernsey GY1 3NF

14 February 2013

To Subscription Shareholders of Baker Steel Resources Trust Limited (the **Company**)

#### **FINAL EXERCISE DATE FOR SUBSCRIPTION SHARES**

Dear Sir or Madam

This letter is sent to you as a registered holder of the subscription shares of no par value in the Company (the **Subscription Shares**) to remind you that the Subscription Share Rights (the **subscription rights**) carried by your Subscription Shares may be exercised up until Tuesday 2 April 2013. **This is the final exercise date of the subscription rights carried by your Subscription Shares.** Each of your Subscription Shares carries the right (but not the obligation) to subscribe for one ordinary share of no par value (an **Ordinary Share**) at an exercise price of 100 pence.

If any subscription rights are not exercised by their holders by 2 April 2013, the Company will appoint a trustee (the **Trustee**) in respect of the unexercised subscription rights. If in the Trustee's opinion the net proceeds of sale of the Ordinary Shares that would arise on exercise of the unexercised subscription rights (after deduction of all costs and expenses incurred by, and any fee payable to, the Trustee) will exceed the costs of subscription, the Trustee shall on or prior to 16 April 2013 either exercise the subscription rights and sell in the market the Ordinary Shares acquired on exercise or (if it appears to the Trustee that doing so is likely to realise greater net proceeds for Subscription Shareholders) accept any offer available to Subscription Shareholders for the purchase of the outstanding Subscription Shares. The Trustee shall distribute pro rata the net proceeds of such sale (after deduction of any costs and expenses incurred by, and any fee payable to, the Trustee) less such subscription costs to the persons entitled to them by no later than 2 June 2013, provided that entitlements under £10.00 per holder shall be retained for the benefit of the Company. If the Trustee does not exercise the subscription rights prior to 16 April 2013 (and so that its decision in respect thereof shall be final and binding on all holders of outstanding Subscription Shares), all rights attaching to such Subscription Shares shall lapse on that date.

The subscription rights attached to each Subscription Share can be exercised only once. Your attention is drawn to the table on page 4 detailing the mid-market quotations for the Ordinary Shares and the Subscription Shares.

## Subscription Shares held in certificated form

If you wish to exercise some or all of your subscription rights and you hold your Subscription Shares in certificated form, please complete and sign the Notice of Exercise of Subscription Rights (the **Notice**) on the reverse of your Subscription Share certificate(s) (specifying how many Subscription Shares you wish to exercise). Please send the completed Notice together with your payment to Capita Registrars (the **Registrar**), at the following address:

Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of these companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to Capita Registrars Limited **Re: Baker Steel Resources Trust Limited - Subscription Shares**.

Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers' draft to such effect.

The account name should be the same as that shown in the Notice.

**The Notice and payment must be received no later than 5.00 p.m. on 2 April 2013 for certificated holders.**

You will not be able to withdraw a completed Notice, once lodged. If you have lost your Subscription Share certificate(s), please contact the Shareholder Helpline on 0871 6640386 (calls cost 10p per minute plus network extras, other network providers' costs may vary) who will send you a letter of indemnity to complete. Lines are open from 9:00 a.m. to 5:30 p.m. (UK time) Monday to Friday (excluding UK public holidays). If you are calling from outside the United Kingdom, please telephone +44 20 8639 3407. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline cannot give any financial, legal or tax advice.

For a written request, please send it to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom.

The completed letter of indemnity together with a covering letter confirming your instructions relating to the exercise of some or all of your subscription rights must be returned to the Registrar at the above address together with a cheque for the relevant subscription amount so as to arrive no later than 5.00 p.m. on 2 April 2013.

## Subscription Shares held through CREST

Holders who wish to exercise some or all of their subscription rights attached to Subscription Shares held in uncertificated form (i.e. through CREST) must send an Unmatched Stock Event Instruction (a **"USE Instruction"**) in CREST to Capita Registrars, the Company's receiving agent (the **"Receiving Agent"**), properly authenticated in accordance with Euroclear's specifications, to transfer the Subscription Shares in respect of which subscription rights are to be exercised from the relevant account of the CREST Member to the Receiving Agent. **This USE Instruction should be received by not later than 5.00 p.m. (London time) on 2 April 2013.**

Once sent, a USE Instruction exercising subscription rights shall be irrevocable, save with the consent of the Board of the Company. To be effective, any such notice or instruction must comply not only with the requirements set out in this notice but also with any statutory requirements for the time being applicable.

The USE Instruction must be authenticated in accordance with Euroclear's specifications and, in addition to the information that is required for settlement in Euroclear, the USE Instruction must contain the following details:

- (i) Number of Subscription Shares to be exercised;
- (ii) Aggregate amount payable on exercise;
- (iii) Participant ID of the Subscription Share Holder;

- (iv) Member account ID of the Subscription Share Holder;
- (v) Participant ID of the Receiving Agent. This is RA06;
- (vi) Member account ID of the Receiving Agent. This is BSRTSUBS;
- (vii) Corporate action number. This will be displayed on the corporate actions details page;
- (viii) Corporate action ISIN. This is GG00B64WLC23; and
- (ix) Intended settlement date. This shall be no later than 2 April 2013.

In order for a USE Instruction to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle **by not later than 5.00 p.m. (London time) on 2 April 2013**.

A USE Instruction will be treated as having been received for these purposes at the time at which the USE Instruction is received by Euroclear. This will be conclusively determined by the time stamp applied by you or your sponsor's network provider's communications post at Euroclear on receipt of the USE Instruction.

It is a further condition of the validity of the USE Instruction that, at the time at which the Receiving Agent receives the USE Instruction which is otherwise valid, neither the Company nor the Receiving Agent receive actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in the Uncertificated Securities Regulations 2001 in relation to such USE Instruction. These matters include notice that any information contained in the USE Instruction was incorrect or notice of lack of authority to send the USE Instruction.

**It is your responsibility to take such action as shall be necessary to ensure that a valid USE Instruction is received by no later than 5.00 p.m. (London time) on 2 April 2013.** You are referred in particular in this connection to Section 2, Chapter 1, of the CREST/Euroclear manual concerning practical limitations to the Euroclear system.

### General information

If you wish to have some or all of the Ordinary Shares issued through the exercise of subscription rights allotted to someone else, please complete and lodge a Form(s) of Nomination, which is available from the Registrar. A Form of Nomination must be signed by both the registered holder and by each person who is to receive the Ordinary Shares and must be lodged with the Registrar when you lodge your Notice and payment. It should be noted that a Form of Nomination may not be used in connection with the exercise of subscription rights attached to the Subscription Shares held in uncertificated form.

Under existing legislation, the exercise of subscription rights attached to Subscription Shares by a UK resident or ordinarily resident holder will not constitute a disposal for the purposes of United Kingdom taxation of capital gains. Instead, the Ordinary Shares acquired pursuant to the exercise of the subscription rights will be treated as the same asset as the Subscription Shares in respect of which the subscription rights are exercised. The base cost of the Subscription Shares, if any, will be added to the subscription price of 100 pence in computing the deemed base cost of the Ordinary Shares acquired upon such exercise. Further information relating to taxation can be found at Part VII of the prospectus dated 31 March 2010. If you are in any doubt as to your tax position, you are advised to consult your professional adviser.

If you nominate a third party to be allotted the Ordinary Shares to be issued through the exercise of subscription rights, such nomination will constitute a disposal for the purposes of United Kingdom taxation and you should consult your professional adviser as to the capital gains tax, inheritance tax, stamp duty reserve tax and other taxation consequences of such a transaction.

The Ordinary Shares acquired on exercise of the subscription rights should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£11,280 for the 2012/2013 tax year). The subscription price paid upon exercise of the subscription rights will contribute towards the annual subscription limit unless the subscription price is paid out of cash already within the stocks and shares ISA or with cash subscribed in the same tax year to a cash ISA held by you and transferred to your stocks and shares ISA.

These statements are intended only as a general guide to the tax treatment of shareholders on an exercise of their subscription rights, based on current United Kingdom tax law and what is understood to be the current practice of HM Revenue & Customs, and they may not apply to certain shareholders. For instance, investments held in ISAs will be free of United Kingdom tax on capital gains. If you are resident outside the United Kingdom or are in any doubt as to the potential tax or other consequences of exercising your subscription rights, you

should consult your own professional adviser.

Ordinary Shares issued pursuant to the exercise of the Subscription Shares will be allotted not later than 16 April 2013. Application will be made to the UK Listing Authority for the new Ordinary Shares to be admitted to the Official List and to the London Stock Exchange plc for those securities to be admitted to trading on the London Stock Exchange's market for listed securities. The Company will use all reasonable endeavours to obtain such admission no later than 16 April 2013. Certificates for the Ordinary Shares will be posted to those holders of Subscription Shares in certificated form not later than 30 April 2013. In the meantime, any transfers will be certified against the respective registers.

For CREST participants, the Registrar will, on or prior to 16 April 2013, instruct Euroclear UK & Ireland to credit your appropriate stock account (being a stock account under the participant ID and member account ID specified in your Uncertificated Subscription Notice) with the Ordinary Shares issued to you, or to which you are entitled.

The Ordinary Shares allotted to you will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to 16 April 2013 but will otherwise rank as one class of share with the existing Ordinary Shares.

The mid-market quotations, derived from the London Stock Exchange plc, on the first business day in each of the six months prior to the date of this letter and as at 12 February 2013 (the latest practicable date prior to the printing of this notice) for one Ordinary Share and one Subscription Share were as follows:

	Ordinary Shares (p)	Subscription Shares (p)
3 September 2012	84.250	10.5
1 October 2012	87.500	12.5
1 November 2012	86.375	11.5
3 December 2012	78.875	4.0
2 January 2013	83.250	4.5
1 February 2013	94.000	4.0
12 February 2013	94.250	3.0

*The financial effect of conversion*

The following table illustrates the basis of conversion, applying as applicable the most recent figures given above.

	Capital
Market value of Subscription Share	3.0 pence
Subscription Price	100 pence
Market value of resultant Ordinary Share	94.25 pence

The unaudited net asset value per Ordinary Share as at 31 January 2013 was 112.4 pence. The diluted net asset value per Ordinary Share as at 31 January 2013 was 110.3 pence.

This letter is sent by way of reminder only in order to comply with the rights of the Subscription Shares and should not be read by Subscription Shareholders as a recommendation to exercise their subscription rights or otherwise. In this respect, if you require advice, you should contact an independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000. The full terms of the Subscription Shares are contained within Part VI of the Prospectus issued on 31 March 2010 which can be obtained from the Company Secretary, HSBC Securities Services (Guernsey) Limited, Arnold House, St Julian's Avenue, St Peter Port, Guernsey GY1 3NF, telephone +44 1481 707 000.

Yours faithfully,

for and on behalf of  
Baker Steel Resources Trust Limited

*Past performance is not a guide to future performance. Changes in the rates of exchange between currencies may cause the value of investments to fluctuate. Shares in the developing and emerging markets in which the Company invests, can prove volatile and this may be reflected in the Company's share price. The price of shares and any income from them may fall as well as rise and is not guaranteed. The investor may not get back the original amount invested. This document does not constitute an offer or invitation to purchase shares in the Company.*