

LSE: APF; TSX: APY

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News Release
February 4, 2015

**Anglo Pacific Group PLC
Proposed Acquisition and Firm Placing and Placing and Open Offer**

Anglo Pacific Group PLC ("**Anglo Pacific**", the "**Company**") (LSE: APF, TSX: APY) is pleased to announce that it has entered into a conditional agreement with a private party to acquire their royalty interest in the Narrabri coal project, a major thermal coal and Pulverised Coal Injection ("**PCI**") coal mine located in New South Wales, Australia operated by Australian Stock Exchange listed Whitehaven Coal Limited ("**Whitehaven**") (WHC:ASX) for total consideration of US\$65 million (£42.8 million).

Anglo Pacific will pay the Seller the total consideration of US\$65 million (£42.8 million) in cash and Anglo Pacific shares, in exchange for its royalty interest. The Narrabri Royalty entitles the holder to royalty payments equal to 1% of gross revenue on all coal produced from within the area covered by the Narrabri Royalty.

Highlights of the Acquisition

- opportunity for Anglo Pacific to further diversify its producing royalty portfolio;
- consistent with and demonstrates Management's delivery on its strategy;
- Acquisition entitles the Company to royalty income from January 1, 2015, and is accretive to the key performance indicators of adjusted earnings per share and dividend cover in 2015⁽¹⁾;
- Whitehaven, the majority owner and operator of the Narrabri mine, has a consistent historical production track record at Narrabri, as well as established operational expertise in developing and operating coal mines;
- the Narrabri mine has scope to materially increase production over the short and medium term, with an estimated 22 years of mine life remaining at Narrabri North, and the potential to extend production in the future through the development of Narrabri South;

- the Narrabri mine has an attractive position in the global thermal and PCI coal producer cost curve and is located in Australia, an established mining jurisdiction;
- exposure to a potential recovery in thermal and PCI markets, with the price of thermal coal close to a five year low;
- total consideration of US\$65 million (£42.8 million) payable as follows:
 - US\$60 million (£39.5 million) payable in cash;
 - US\$5 million (£3.3 million) payable in Anglo Pacific shares.

(1) No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The Acquisition constitutes a Class 1 transaction (as defined in Chapter 10 of the Listing Rules) for the Company and requires the approval of Shareholders pursuant to the Listing Rules. Further information on the Acquisition, the Narrabri Royalty and the Company is included below.

Financing of the Acquisition

The Acquisition and associated expenses are expected to be funded from a combination of a proposed Firm Placing, Placing and Open Offer to raise US\$55 - 60 million (£36.2 - 39.5 million) (the "**New Issue**") and a US\$30 million (£19.7 million) 3-year revolving credit facility from Barclays Bank plc.

It is intended that US\$22.5 - 32.5 million (£14.8 - 21.4 million) will be raised through the Firm Placing and US\$22.5 - 32.5 million (£14.8 - 21.4 million) through the Placing and Open Offer. The New Issue will be partially underwritten by the Joint Bookrunners (as defined below) up to US\$7.5 million (£4.9 million), as further detailed in the Appendix to this Announcement.

The Firm Placing, Placing and Open Offer

The Firm Placed Shares and the Conditional Placed Shares are being placed through an accelerated book build process which will be launched immediately following this Announcement, in accordance with the terms and conditions set out in the Appendix. A draft prospectus dated February 4, 2015 will be provided to Placees invited to take part in the Firm Placing and Placing.

THE FIRM PLACING AND PLACING IS FOR INVITED PLACEES ONLY. MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE FIRM PLACING OR PLACING.

Qualifying Shareholders will be able to participate in the fundraising through the Open Offer. The Company will make a further announcement following the close of the Bookbuild and upon the Company and Macquarie Capital (Europe) Limited ("**Macquarie Capital**") and BMO Capital Markets Limited ("**BMO**") agreeing that the Open Offer will proceed, a further announcement will be made regarding the launch of the Open Offer and the Company will publish a prospectus in connection with the Open Offer (the "**Prospectus**"). The Prospectus will contain the terms and conditions and further details regarding the proposed Open Offer and the process by which Qualifying Shareholders may apply for Open Offer Shares. The Prospectus will also constitute a Class 1 circular prepared in accordance with the Listing Rules, including a notice to convene a general meeting (the "**General Meeting**") of the Company for the purpose of passing all resolutions required pursuant to the Firm Placing, Placing and Open Offer and approving the Acquisition by the Company of the Narrabri Royalty and setting out the date on which the General Meeting will be convened.

BMO and Macquarie Capital (the "**Joint Bookrunners**"), are acting as joint bookrunners in connection with the Firm Placing, Placing and Open Offer and Shard Capital Partners LLP ("**Shard Capital**") and together with BMO and Macquarie Capital, the "**Banks**") is acting as Co-Manager.

The Firm Placing, Placing and Open Offer is conditional upon, amongst other things, Shareholder approval. The full timetable for the Open Offer is expected to be published on February 6, 2015.

It is expected that certain Directors will participate in the Firm Placing and Placing subject to final allocations.

Pricing of the Firm Placed Shares and Conditional Placed Shares

The price per Ordinary Share at which the Firm Placed Shares and Conditional Placed Shares are to be placed (the "**Offer Price**") will be decided at the close of the Bookbuild. The book will open with immediate effect following this Announcement. The timing of the closing of the book, pricing and allocations are at the discretion of the Joint Bookrunners and the Company. Details of the Offer Price and the number of Firm Placed Shares and Conditional Placed Shares will be announced as soon as practicable after the close of the Bookbuild.

The Appendix sets out further information relating to the Bookbuild and the terms and conditions of the Firm Placing and Placing. By choosing to participate in the Firm Placing and Placing and by making an oral and legally binding offer to acquire Firm Placed Shares or Conditional Placed Shares, investors will be deemed to have read and understood the Pathfinder and this Announcement (including the Appendix) in their entirety and to be making such offer on the terms and subject to the terms and conditions in this Announcement (including the Appendix) and to be providing the representations, warranties and acknowledgements contained in the Appendix. This Announcement should be read in its entirety.

The Directors expect the net proceeds of the Firm Placing, Placing and Open Offer to be used to provide the majority of funding for the acquisition of the Narrabri Royalty.

Commenting on the Acquisition, Julian Treger, Chief Executive Officer of Anglo Pacific, said:

"The Narrabri royalty will immediately enhance our portfolio of producing royalties and diversify our royalty income. The Acquisition is also consistent with Anglo Pacific's strategy to acquire royalties on mining assets that are competitively positioned on the cost curve, cash or near-term cash producing and located in established mining jurisdictions and, in Whitehaven, the royalty has an operator with an established track record of operational expertise.

The Acquisition demonstrates the opportunities that the current market conditions provide and we will continue to look to enhance our royalty portfolio and further diversify our royalty income stream for the benefit of all our shareholders."

Analyst conference call

There will be an analyst conference call on February 4, 2015 at 9.30 a.m. (GMT) hosted by Julian Treger, Chief Executive Officer, and Mark Potter, Chief Investment Officer. The call can be accessed by dialling +44(0)20 3450 9987 and using the confirmation code 7807732 or quoting 'Anglo Pacific Conference Call'.

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Background to and reasons for the Acquisition and the New Issue

Anglo Pacific's primary strategic objective is to assess royalty-based financing opportunities and/or acquire existing royalties under third party ownership in respect of production or near production stage base metals and bulk materials assets.

Anglo Pacific currently holds a core portfolio of royalties over five mines that are in production and five royalties over projects that are in development or early stage development. However, the majority of the Group's income has historically been derived from the Kestrel royalty.

The Directors believe that the Acquisition will provide the Group with the following benefits:

- further diversification of the royalty portfolio, both in terms of commodity and operator risk, and reduced dependence on Kestrel as the Group's primary source of earnings;
- additional royalty income that is accretive to the key performance indicators of adjusted earnings per share and dividend cover in 2015⁽²⁾;
- exposure to an asset that has scope to materially increase production over the short and medium term, which may, in turn, result in a corresponding increase in royalty income for the Group;
- the addition of a long-life royalty to the portfolio, with an estimated 22 years of mine life remaining at Narrabri North, and the potential to extend production in the future through the development of Narrabri South;
- exposure to a potential recovery in thermal and PCI markets, with the price of thermal coal close to a five year low;
- an investment with a consistent historical production track record at the Narrabri mine, in an established mining jurisdiction, with the established operational expertise of Whitehaven in developing and operating coal mines; and
- an attractive position on the global thermal and PCI coal producer cost curve.

(2) No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The Board considers the Firm Placing, Placing and Open Offer to be a suitable fundraising structure as it will allow access to new investors to broaden the Company's shareholder base, whilst providing Qualifying Shareholders with the opportunity to participate in the fundraising to an extent through the Open Offer.

The Directors expect the net proceeds of the Firm Placing, Placing and Open Offer to be used to provide the majority of funding for the acquisition of the Narrabri Royalty.

Overview of the Narrabri Royalty

The Narrabri Royalty covers the entire Narrabri North underground longwall mine and the adjacent Narrabri South project area held under an exploration title. The Royalty entitles the holder to royalty payments equal to 1% of the FOB⁽³⁾ price net of goods and services tax ("**GST**") of coal sold for export, or 1% of the FOR⁽³⁾ price net of GST of coal sold domestically, in respect of all coal mined from any part of the land underlying the royalty area. As of 1 October 2014, Narrabri North had JORC coal Proved Reserves of 57 Mt and JORC coal Probable Reserves of 83 Mt, and the Narrabri coal project area had a JORC Measured Resource of 180 Mt, a JORC Indicated Resource of 380 Mt and a JORC Inferred Resource of 180 Mt (in each case, inclusive of reserves).

(3) FOB and FOR have the meaning prescribed to them in "The International Rules of Interpretation of Trade Terms" as published by the International Chamber of Commerce, Paris, France, latest edition and subsequent updates, or if that is no longer published an equivalent publication. For the avoidance of doubt:

(i) "Free on Board" (FOB) means that the seller delivers when the goods pass the ship's rail at the named port of shipment.

(ii) "Free on Rail" (FOR) means that the seller delivers when the goods are put onto a railroad car at the named loading point.

Narrabri is located in the Gunnedah Basin of New South Wales, Australia, and is majority owned and operated by Whitehaven. Narrabri is a low cost operation, competitively positioned on the cost curve, with potential to further reduce operating costs as production is increased.

Narrabri location

Please refer to www.anglopacifigroup.com/pdf/150204-NarrabriAcquisition.pdf for a map showing the Narrabri location.

Mining activities commenced at Narrabri North in late June 2010. Underground installation of the longwall was completed in the quarter ended 30 June 2012 with the first longwall coal being cut on 12 June 2012. Narrabri is currently producing high energy export thermal coal and low ash, low sulphur, low phosphorus, mid-volatile PCI coal. In the longer term, Whitehaven is targeting a coal mix of up to 20% PCI and 80% export thermal coal. Given the high quality of Narrabri coal, sales from the mine are not expected to be impacted by the recently announced China's National Development and Reform Commission guidelines restricting coal imports into China.

Narrabri ROM production and royalty income net of GST in the twelve month period ending 30 June 2014 totalled 5.7 Mt and £2.8 million, respectively⁽⁴⁾. Going forwards, Whitehaven is targeting Narrabri ROM production of 6.5 Mt of ROM in FY2015 and FY2016 and 7.0 Mt in FY2017. In December 2014, Whitehaven stated that FY2015 production is expected to exceed previous guidance of 6.5 Mtpa ROM. Narrabri currently has approval to produce up to 8.0 Mtpa of ROM coal.

(4) 9 months' 2014 average pounds sterling:Australian Dollar 1.8178.

Whitehaven is actively exploring opportunities to expand production, as well as extend the mine life beyond the estimated reserve based mine life of 22 years at Narrabri North. Mine life extension is possible via resources conversion, as well as the potential development of Narrabri South where there are an additional 94 Mt of probable JORC Reserves, which would provide a mine life extension of approximately 14 years at a production rate of 6.5 Mtpa of ROM coal. Alternatively, in the future Narrabri South may be developed as a parallel operation to Narrabri North.

The Narrabri Royalty is governed by a number of contracts, which are governed by the laws of Queensland and New South Wales (the "**Narrabri Royalty Contracts**"). The Narrabri Royalty Contracts provide that a statement indicating the amount of royalty to be paid is to be sent to the royalty holder within 14 days of the end of each quarter, following receipt of which the royalty holder is

then to provide an invoice for the relevant amount within 15 days. Payment is then due within 15 days of receipt of that invoice. The Narrabri Royalty Contracts also require the royalty payor to maintain sufficient records to ensure that the royalty can be accurately calculated and entitle the royalty holder or its representatives to inspect such records. In addition, the royalty holder has an annual audit right. The Narrabri Royalty Contracts require each of the Narrabri joint venture partners, as detailed below, to pay the royalty to the extent of their respective interests in the project. The obligations to pay are several, other than those of the subsidiaries of Korea Resources Corporation and Daewoo International Corporation, whose obligations to pay are joint and several to the extent of their combined percentage.

The Narrabri Royalty is currently owned by a private Australian trust, who has held the rights to the Narrabri Royalty since 2008. The figure below shows the historic royalty revenue received by the Seller since underground longwall operations commenced at Narrabri in June 2012. Revenue from the Narrabri Royalty is payable each quarter.

Historical Narrabri Royalty Receipts (A\$m)

Please refer to www.anglopacifigroup.com/pdf/150204-NarrabriAcquisition.pdf for details of the Historical Narrabri Royalty Receipts (A\$m)

The Narrabri coal project consists of the Narrabri North underground longwall mine and the adjacent Narrabri South project area held under an exploration title ("**Narrabri**" or the "**Project**"). Narrabri is located in the Gunnedah Basin of New South Wales, Australia, approximately 25 kilometres (km) south to south-east of the town of Narrabri and 10 km north to north-west of the village of Baan Baa. Narrabri is owned by a joint venture between Whitehaven (70%), J-Power (7.5%), EDF Trading (7.5%), Yudean Group (7.5%) and a consortium comprising subsidiaries of Daewoo International Corporation and Korea Resources Corporation (7.5%). Whitehaven manages and operates the mine on behalf of the joint venture.

Narrabri coal is sold into premium Asian markets, including Japan and Korea. Whitehaven's joint venture partners at Narrabri have life-of-mine offtake contracts that account for most of the mine output, with these contracts being for an agreed annual tonnage sold at the Newcastle benchmark thermal coal price.

The primary lease of the Narrabri operation is ML 1609, which covers an area of 5,298 ha and forms part of the land covered by EL 6243. ML 1609 was issued in January 2008 and site works on the pit top area commenced in April 2008. The Project subsequently received approval in July 2010 to permit the development of a longwall mining operation and associated infrastructure at the Narrabri mine to an approval level of production of 8 Mtpa.

Geology

The Narrabri North mine and Narrabri South project are located in the Gunnedah Basin, which forms part of the Early Permian to Late Triassic Sydney-Gunnedah-Bowen Basin system that runs for 1,800 km in a north-south direction along the east coast of Australia.

The Narrabri mine exploits coal from the Hoskissons seam within the Gunnedah Basin which consists mainly of dull coal, comprising a lower ash basal section and a higher ash upper section. The full seam thickness within ML1609 and EL6243 is in the range 0 to 11.8 m. The seam is overlapped in the eastern part of the tenements by the conglomerate at the base of the Digby Formation. Over the area where the seam is being mined, and is planned to be mined, the full seam thickness is generally of the range 5-9 m. The basal 4.2 m section of the coal seam is defined as the working section for underground development within ML1609.

The Hoskissons seam is developed over an approximate area of 7,200 ha and occurs at depths ranging from 140 m in the east to 360 m in the west. The contained strike length of the coal seam is approximately 16 km whereas the down-dip width of the coal seam within the tenements is 4.5 km.

No igneous intrusions within the coal seam have been identified to date. Igneous bodies are known to intrude the coal seam in other parts of the basin; such as the "Benelabri" area, some 35 km to the southeast.

Resources and Reserves

Whitehaven reports its Reserves and Resources in accordance with the JORC Code (2012 edition). Resources are reported inclusive of Reserves. Reserves and Resources for Narrabri are shown in the tables below.

Resources	
<i>Narrabri Total</i>	<i>Mt</i>
Measured	180
Indicated	380
Inferred	180

Source: Whitehaven Reserves and Resource statement, October 2014.

The coal Resources reported assume the following:

- a maximum raw ash content of 35% (ad) for the basal working section;
- a minimum mineable seam thickness of 1.8 m; and
- no maximum ash was applied to limit resources in the upper section of coal that may be amenable to longwall top coal caving.

No grade parameters for this Resource were published by Whitehaven in their 2014 statement of Coal Resources and Reserves, although this is an implicit requirement of the JORC Code (2012 Edition).

Recoverable Reserves	
<i>Narrabri North</i>	<i>Mt</i>
Proved	57
Probable	83
<i>Narrabri South</i>	<i>Mt</i>
Proved	-
Probable	94

Source: Whitehaven Reserves and Resource statement, October 2014.

No average product yield is stated in the Reserves statement however the average yield from the recoverable coal reserves to realise the marketable coal reserves is 95.0% for Narrabri North and 79.8% for Narrabri South.

Coal quality

Narrabri produces low ash, low sulphur, low phosphor, high energy export thermal coal as well as a mid-volatile PCI coal. In the longer term the coal mix is targeted to be up to 20% PCI and 80% export thermal coal. The table below shows the indicative specifications for coal being produced at Narrabri, as per the New South Wales coal industry profile.

In the last year, coal produced at Narrabri has met or exceeded Newcastle benchmark specifications.

<i>Indicative coal quality</i>	
Moisture % (ad)	5.0%
Moisture % (ar)	11.0%
Ash % (ad)	12.0%
Volatile matter % (ad)	28.5%
Sulphur % (ad)	0.5%
Specific energy (kcal/kg) (gross air dried)	6850

Given the high quality of Narrabri coal, sales from the mine are not expected to be impacted by the recently announced restrictions on the import of coal into China. China's National Development and Reform Commission released new guidelines for coal quality on 15 September 2014, which took effect from 1 January 2015 and extended existing coal quality requirements of maximum 16% ash and 1% sulphur to the Pearl and Yangtze River Deltas (the previous version released in December 2013 applied only to coal sold in Beijing, Tianjin and Hebei). Narrabri's thermal product is well below these restrictions, and therefore sales from the mine are not expected to be impacted by the new guidelines.

From 15 October 2014 China will levy import tariffs on coal set at 3% for anthracite and coking coal (such as PCI), 6% for non-coking coal (such as Newcastle benchmark thermal coal) and 5% for briquettes and other coal-based fuels. Indonesia, the second-biggest exporter of coal, will be exempt from the tariffs due to a free trade agreement between China and the Association of South-eastern Asian Nations. The impact on Whitehaven sales and prices is expected to be limited, with approximately 7% of total Whitehaven FY2014 sales traded with China. On 17 November 2014, Australia and China signed an MOU for the Australia-China Free Trade Agreement which included a provision to eliminate Chinese metallurgical coal import tariffs immediately and remove import tariffs on thermal coal within two years.

Mining and Processing

Narrabri North and Narrabri South Reserves assume the use of retreat longwall mining. In retreat longwall mining, two parallel sets of roadways (gateroads) are driven from main headings to block out an initial longwall panel. Panel widths can range from 100 to 440 m, and lengths can reach 4 to 5 km. Once the gateroads reach the extent of the longwall panel, a connecting roadway is driven, then the longwall face equipment is installed in this. As the longwall face retreats back to the main headings, the roof of the mined area behind the longwall collapses (goaf). Subsequent longwall blocks are formed up by driving more gateroads.

Narrabri North's original longwall panel width is 305 m (295 m actual face plus development roadways). Longwall panel lengths reach approximately 4 km. While recent studies into widening the face are being pursued, the current mine plans appear to be based on the 305 m face width. Standard development roadways are 3.5 m in height and 5.4 m wide. The longwall face equipment has been designed with a 4.2 m mining height and will only extract the lower section of the Hoskissons Seam which ranges from 4.6 to 10 m in thickness. The longwall and development dimensions are typical of other Australian longwall operations, and a modern longwall, and, in the view of the Narrabri Qualified Person, appear adequate to support projected annual production.

ROM coal is transported from the mining faces via panel conveyors and main trunk conveyors, then to the surface by a drift conveyor which discharges the coal to a ROM stockpile. The ROM stockpile footprint as of October 2013 was approximately 2.5 ha. The stockpile area is to be increased to 4.2 ha according to the Mining Operations Plan, which will result in a claimed stockpile capacity of 400,000 t. This will provide an increased capacity to cater for longwall relocations and coal handling and preparation plant shutdowns.

The drift conveyor capacity is shown as 3,500 tph capacity on a coal flow chart extracted from the Mining Operations Plan. The Narrabri Qualified Person believes it is not unreasonable to expect that the capacity could be increased - depending upon the details of the installation, that may be achieved through a combination of some or all of conveyor drive power, belt speeds, belt strength, belt widths and troughing angles.

The Mining Operations Plan states that ROM coal is recovered from the ROM stockpiles, and passed through a rotary breaker to reduce sizing. Material less than 20 mm goes directly to the product coal stockpile, while the remainder goes to the coal preparation plant.

Fine and ultra-fine reject from the coal preparation plant will be dewatered to produce a filter cake which will be disposed of in combination with the coarse coal reject. The washed coal is transferred to the product coal stockpile area (300,000 t capacity) from where it is loaded into train wagons for transport from site. Reject material is trucked to a reject disposal area.

Commissioning of the Narrabri coal handling and preparation plant commenced in August 2011. It was originally operated by a contractor and Whitehaven took over operation in February 2014, hoping to reduce costs and operate more efficiently.

According to Whitehaven's JORC Reserves statement, the Narrabri North process generates a PCI coal product from a low cut point that will produce a 7 - 8% ash product and a thermal product of around 12% ash is produced from the screening undersize and the dense media cyclone middlings. It is envisaged that the Narrabri South product range would be restricted to a thermal product of 8 - 15% ash, which would then be blended as required with other Whitehaven products at the port.

An 11% moisture is assumed for the PCI product, and the thermal product moisture will vary, depending upon the proportion of 13% moisture middlings that is added back to the bypass split.

Historical and forecast production

First longwall coal was cut in June 2012, and since then Narrabri has produced a total of approximately 9.3 Mt of saleable coal during FY2013 (c.3.7 Mt) and FY2014 (c.5.7 Mt).

Please refer to www.anglopacifigroup.com/pdf/150204-NarrabriAcquisition.pdf for a chart showing annual ROM and saleable production at Narrabri for FY2011 - FY2017F.

Production in the second half of FY2014 was impacted by a longwall changeout between panel 2 and panel 3 in February 2014, which took approximately 6 weeks, as well as an issue with the longwall horizon control in April 2014. The horizon control issue was resolved within 3 weeks, and was followed by consecutive monthly production records in May and June, including a record week of 257 Kt ROM production in June.

Whitehaven has publicly stated that it is targeting 6.5 Mt of ROM production in FY2015 and FY2016, and 7.0 Mt in FY2017. In December 2014, Whitehaven stated that it expects FY2015 production to exceed previous guidance of 6.5 Mtpa ROM. Narrabri currently has approval to produce up to 8.0 Mtpa of ROM coal, and Whitehaven is actively exploring opportunities to expand production (see Expansion Potential section below).

During Q1 of FY2015, ROM output was 2.08 Mt and saleable coal was 1.82 Mt, compared to 1.36 Mt ROM production and 1.14 Mt of saleable coal in Q1 FY2014. Annualising the Q1 FY2015 production rate (allowing for a 6 week longwall relocation each year) demonstrates potential current capacity of 7.4 Mtpa.

In Q2 of FY2015, Whitehaven completed the third longwall changeout at Narrabri ahead of schedule and on budget. Mining of longwall 04 commenced on 30 November, and Whitehaven has stated that longwall 04 mining operations are progressing according to plan. Both ROM and saleable coal production during Q2 of FY2015 were lower than the previous corresponding quarter as a result of the six week longwall change during which no ROM coal was produced. During Q2 FY15, ROM production was 0.8 Mt, and saleable coal production was 1.2 Mt. High saleable coal production was due to washing coal stocks build up prior to the longwall changeout.

Narrabri North currently has an estimated mine life of 22 years, assuming that a 6.5 Mtpa ROM production rate is sustained into the future.

Position on Global Cost Curve

Narrabri is a low cost operation targeting operating costs of A\$59 - 62/t FOB (Whitehaven does not disclose whether this includes government and private royalties) in FY2015 and there is cost reduction potential from future increased production.

On a global benchmark comparison, operations at Narrabri are well positioned on the thermal and PCI cost curve as estimated by the CRU Group. The CRU Group forecasts Narrabri to be located at the mid to low end of the second quartile of the global seaborne thermal coal business costs 2015E cost curve, and at the low end of the first quartile of the global seaborne PCI coal business costs 2015E cost curve.

Forecast Global Seaborne Thermal Coal Cost Curve Position
(Business costs 2015E, US\$/tonne)

Please refer to www.anglopacificgroup.com/pdf/150204-NarrabriAcquisition.pdf for Narrabri's position on the forecast global seaborne thermal coal cost curve.

Forecast Global Seaborne PCI Coal Cost Curve Position
(Business costs 2015E, US\$/tonne)

Please refer to www.anglopacificgroup.com/pdf/150204-NarrabriAcquisition.pdf for Narrabri's position on the forecast global seaborne PCI cost curve.

Mine Infrastructure

All key infrastructure is currently in place and operational.

The Narrabri project was developed in two major stages, in order to obtain an improved understanding of the geology of the structure and actual mine water inflows before committing fully to a longwall operation.

Stage 1 was the construction and operation of an underground coal mine extracting up to 2.5 Mtpa of ROM coal for export, and construction and operation of mine surface facilities. Site works on the pit top area for the Narrabri North mine commenced on 7 April 2008, and Stage 1 was completed towards the end of 2010. Stage 2 covered progression from underground mining by continuous miner to longwall mining with an annual production rate of up to 8 Mtpa.

Current mine site infrastructure consists of:

- site access road
- main office, workshop and stores buildings;
- electrical sub-station and associated electricity infrastructure
- equipment laydown area
- rail loop
- sewage treatment plant
- box cut and mine portals
- drift construction to pit bottom
- drift and skyline conveyors
- coal crushing station
- train loadout bin and train loader
- water storages and lined evaporation ponds
- explosives magazine
- coal handling and preparation plant
- mine ventilation and gas drainage infrastructure
- mine dewatering facilities

As seen below, site infrastructure supporting mining operations at Narrabri North has been constructed in an area of ML1609 over which the Narrabri Royalty does not cover. Site infrastructure constructed in the area outside of the Narrabri Royalty area includes the rail loop. No mining operations are expected to occur in the area of ML1609 outside of the Narrabri Royalty area and the Narrabri North mine plan is within the Narrabri Royalty area in its entirety.

Rail and Port Infrastructure

Narrabri is located in a well-established coal mining region with existing rail and port infrastructure providing a path to export markets.

Rail

Whitehaven has two rail haulage contracts in place extending out to 2026, one with Pacific National, and a second one with Aurizon for rail transport on the Narrabri-Werris Creek-Newcastle Ports line (Gunnedah Basin line), an element of the Hunter Valley Rail Corridor.

The rail track has been upgraded to allow 72 wagon (5,400 t) trains to be utilised, and provide an annual capacity of 11-12 Mtpa to be shared between Whitehaven and neighbouring Idemitsu mines. Average train capacities are forecast to reach 7,634 t in 2015. There are plans to further increase Gunnedah Basin rail line capacity to ~16 Mtpa.

The current operating contract with Pacific National for 9.5 Mtpa was renegotiated and extended to 2026. The second haulage contract with Aurizon is for an amount of up to 16.0 Mtpa commencing with the start-up of Whitehaven's Maules Creek project. Aurizon has already begun hauling coal from existing operations under a short term spot contract which has assisted Whitehaven in establishing operations in the region ready for the commencement of Maules Creek operations.

Port

Whitehaven has access to port capacity through both coal terminals at the Port of Newcastle, through an 11% holding in Newcastle Coal Infrastructure Group and long-term capacity allocations through Port Waratah Coal Services. Whitehaven's capacity at Newcastle Coal Infrastructure Group is 6.0 Mtpa, through Whitehaven's equity share of the coal terminal, and its capacity at the Port Waratah Coal Services terminal is 5.3 Mtpa until FY2015. It is likely that additional capacity will be available if required in the future given both coal terminals are currently being underutilised, with a number of coal miners having long-term allocations in excess of their requirements that necessitate payments for unused capacity under "take or pay" contracts.

There is the potential for further additional available port capacity through the development of a new terminal at Port Waratah Coal Services, if there is sufficient demand to justify the construction of this infrastructure.

Expansion Potential

There are a number of expansion opportunities at Narrabri that have the potential to extend mine life and/or increase the rate of production from the mine. Some of these are already being pursued by Whitehaven, as illustrated by their targets of increasing ROM production from approximately 5.7 Mt in FY2014 to in excess of 6.5 Mt in FY2015 and 7.0 Mt in FY2017.

The extent to which these opportunities can be pursued will depend on a number of factors out of the control of Anglo Pacific, including geo-technical characteristics of the mine as well as the decision of Whitehaven and other joint venture partners at Narrabri on whether to pursue and provide funding to implement these opportunities. In addition, a number of the expansion opportunities below have the potential to increase ROM production beyond the approved 8.0 Mtpa under ML 1609; approval for an amendment of the mining lease would be required in such circumstances.

The sections below outline these potential expansion opportunities.

Optimised longwall changeout methods

Productivity at Narrabri is expected to improve as the panel lengths increase from approximately 3.5 Mt blocks (panel 3) to 5.0 Mt (panel 4) and eventually to approximately 7.0 Mt (panel 9 onwards), reducing the frequency of longwall changeouts.

Optimised longwall changeout methods

Since first longwall coal was cut at Narrabri in June 2012, Whitehaven has successfully conducted 3 longwall changeouts, with a changeout time of approximately 6 weeks achieved for the change between LW02 and LW03 in February 2014 and production from the fourth longwall panel (LW04) began on 30 November 2014. Whitehaven is exploring ways in which to reduce longwall changeout times through the optimisation of longwall changeout methods.

Extension of the longwall face

Whitehaven has conducted studies comparing the merits of implementing top-coal caving technology at Narrabri versus the extension of future longwall panels beyond the current 305 m width (295 m actual face plus 10 m development roadway). The studies indicate that extending the longwall face to approximately 400 m is a lower risk option compared to top-coal caving, and longwall face expansion could potentially increase productivity at Narrabri through a reduction in the number of longwall changeouts and in the total development drivage requirement. No timeframe has been set on the implementation of wider longwall faces at Narrabri, although a decision is expected during H2 FY 2015.

Whitehaven expects that increasing the longwall face width to 400 m will enable an increase in annual ROM production of up to 0.8 Mtpa.

Development of Narrabri South

The tenement area to the south of the existing mining lease (Narrabri South) is considered to contain a similar coal resource to that which lies within the existing mining lease. Subject to sufficient infrastructure capacity, a parallel mine could be developed in this area or the mine life of operations extended by transferring longwall operations to Narrabri South once all coal at Narrabri North has been mined. The development of Narrabri South has the potential to provide a reserve based mine life extension of approximately 14 years at a production rate of 6.5 Mtpa ROM.

Whitehaven overview

Whitehaven is a Sydney, Australia based coal producer and developer focused on the emerging Gunnedah Basin, located in the north-west of New South Wales. The Company has been listed on the Australian Securities Exchange since June 2007, and as at February 3, 2015, had a market capitalisation in excess of approximately A\$1.4 billion.

In FY2014, Whitehaven's managed saleable production was approximately 10.3 Mt.

Whitehaven asset location - Gunnedah Basin

Please refer to www.anglopacifigroup.com/pdf/150204-NarrabriAcquisition.pdf to view a map showing the Whitehaven asset location

Apart from the Narrabri mine, Whitehaven owns three operating open cut mines and the Maules Creek mine, which is currently under construction. First coal from the Maules Creek project was railed in December 2014. Maules Creek will produce metallurgical and thermal coal.

Whitehaven's three open pit mines are Werris Creek, Tarrawonga, and Roclen. In FY2014, total managed saleable production at these three operations was 5.1 Mt, and Whitehaven achieved record production at Werris Creek and Tarrawonga with managed saleable production of 2.3 Mt and 1.9 Mt respectively.

Narrabri Qualified Person's Report

The Narrabri Qualified Person's Report can be found at the following link:

http://www.rns-pdf.londonstockexchange.com/rns/9998D_2-2015-2-4.pdf

Principal terms of the Acquisition

The purchaser of the Narrabri Royalty will be APG Aus No 7 Pty Ltd, a wholly-owned subsidiary of the Company and the seller of the Narrabri Royalty is the Ross Family Trust, a private Australian trust which has held the rights to the Narrabri Royalty since 2008. The consideration for the Acquisition is an up-front payment of US\$60 million (£39.5 million) and the issue of the Acquisition Shares (which, at the Offer Price, will have a value equivalent to approximately US\$5 million (£3.3 million)). The Acquisition Shares are subject to lock-in arrangements which, subject to customary exceptions,

prohibits their disposal for a period of six months from completion of the Acquisition. The Seller will be entitled to retain any royalty payments made in respect of coal sold and delivered prior to 1 January 2015.

Kestrel Qualified Person's Report

The Kestrel Qualified Person's Report, which has been prepared for the purposes of the Prospectus, can be found at the following link:

http://www.rns-pdf.londonstockexchange.com/rns/9998D_1-2015-2-4.pdf

Current trading and prospects

The following items of significance have occurred since 30 June 2014:

- Royalty related income in the three months ended 30 September 2014 of £0.5 million (the three months ended 30 September 2013: £3.2 million).
- Total royalty income for 2014 expected to be in the region of £3.2-£3.6 million (31 December 2013: £14.7 million).
- Non-core mining and exploration realisations of £1.8 million in the third quarter, with a remaining £14.1 million of value in non-core mining and exploration interests and receivables as at 30 September 2014.
- Cash and cash equivalents of £9.2 million as at 30 September 2014 (£14.4 million at 30 June 2014) and approximately £8.8 million at 31 December 2014 (£15.7 million at 31 December 2013).
- First production and sales achieved at Maracás which is expected to contribute to royalty income during 2015.
- First production achieved at Four Mile, with 2015 production expected to be 2.6Mlbs of uranium ore concentrate, but royalty income deferred until 2016.
- Continued sales of non-core mining and exploration interests to realise cash, along with the sale of Anglo Pacific's Panorama coal properties in British Columbia, Canada to Atrum Coal Limited for US\$0.5 million of cash, a US\$2.0 million promissory loan note, 1.0 million Atrum Coal Limited shares and a retention of a royalty.
- An impairment charge of £15.4 million for the Isua royalty, an early stage iron ore project owned by London Mining PLC due to London Mining PLC entering into administration.

About the Company

The Company is a global mining royalty company. The Company's vision is to create a leading international diversified royalty company with a focus on base metals and bulk materials. The Company's strategy is to build a diversified portfolio of royalties, focusing on accelerating income growth through acquiring royalties in cash or near-term cash producing assets. It is an objective of the Company to pay a substantial portion of these royalties to Shareholders as dividends. Further details can be found on the Company's website at www.anglopacifigroup.com.

Disclaimer

This Announcement (including the Appendix) is for information only and is not for release, publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Japan, Jersey, South Africa, New Zealand or any jurisdiction in or into which the same would be unlawful. Save as expressly set out herein, this Announcement does not constitute an offer or invitation to underwrite, subscribe for or otherwise acquire or dispose of any securities or investment advice in any jurisdiction, including without limitation, the United Kingdom, the United States, Canada, Australia, Japan, Jersey or South Africa or any jurisdiction in which the same would be unlawful. Any failure to comply with this restriction may constitute a violation of the securities laws of such jurisdiction. Persons needing advice should consult an independent financial adviser.

This Announcement (including the Appendix) has been issued by and is the sole responsibility of the Company. Save for the responsibilities and liabilities, if any, of any of the Banks or Credit Suisse Securities (Europe) Limited ("**Credit Suisse**") under FSMA or the regulatory regime established thereunder, neither any of the Banks nor Credit Suisse assume any responsibility whatsoever and makes no representations or warranties, express or implied, in relation to the contents of this Announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by the Company, or on the Company's behalf, or by any of the Banks or Credit Suisse, or on their behalf, and nothing contained in this Announcement (including the Appendix) is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the Company, the Firm Placing, Placing, Open Offer or the Acquisition. The Banks and Credit Suisse disclaim to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Announcement or any such statement.

BMO, Macquarie Capital and Shard Capital, each of which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting exclusively for the Company and no-one else in connection with the Firm Placing, Placing and Open Offer and they will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or in relation to the contents of this Announcement (including the Appendix) or any transaction or any other matters referred to herein nor for providing advice in relation to the Firm Placing, Placing and Open Offer.

Credit Suisse is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Credit Suisse is acting exclusively for the Company and for no one else in connection with the Acquisition, the content of this Announcement and other matters described in this Announcement. Credit Suisse will not regard any other person as its client in relation to the Acquisition, the content of this Announcement and other matters described in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice to any other person in relation to the Acquisition, the content of this Announcement or any other matters described in this Announcement.

The distribution of this Announcement (including the Appendix) and the proposed issue and placing of the New Ordinary Shares pursuant to the Firm Placing, Placing and Open Offer as set out in this Announcement (including the Appendix) in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Banks that would permit an offering of such shares or possession or distribution of this Announcement (including the Appendix) or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. Persons into whose possession this Announcement (including the Appendix) comes are required by the Company and the Banks to inform themselves about, and to observe, such restrictions.

This Announcement (including the Appendix) is not being distributed by, nor has it been approved for the purposes of section 21 FSMA by, a person authorised under FSMA. This Announcement is being distributed and communicated to persons in the UK only in circumstances in which section 21(1) of FSMA does not apply.

The New Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. There will be no public offer of securities in the United States.

By participating in the Bookbuild, the Firm Placing and the Placing, each person who is invited to and who chooses to participate in the Firm Placing and the Placing by making an oral and legally binding offer to acquire Placing Shares will be deemed to (i) have read and understood this Announcement (including the Appendix) and the Pathfinder in their entirety; (ii) be participating, making an offer and acquiring Placing Shares on the terms and conditions set out herein; and (iii) be providing the

representations, warranties, indemnities, acknowledgements and undertakings contained herein (including in the Appendix).

This Announcement contains forward-looking statements. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The terms "expect", "should be", "will be" and similar expressions identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to: general economic and business conditions; demand for the commodities in which the Company has invested; factors affecting the assets and operations to which the Company's royalty interests relate; competitive factors in the industries in which the Company operates; exchange rate fluctuations; legislative, fiscal and regulatory developments; political risks; terrorism, acts of war and pandemics; changes in law and legal interpretations. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, neither the Company nor the Banks undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

You are advised to read this Announcement and Pathfinder and the information incorporated by reference therein in their entirety for a further discussion of the factors that could affect the Company's or the Group's future performance and the industries in which they operate. In light of these risks and uncertainties, the events described in the forward-looking statements in this Announcement may not occur.

As a royalty holder, the Company generally has limited, if any, access to properties (or to non-public information relating to such properties) on which the Company holds royalties. As such, the disclosure in this Announcement regarding properties and mining operations on which the Company holds royalties is generally based solely on information publicly disclosed by the owners or operators of such properties as of the date hereof. Certain information in this Announcement is derived from the Kestrel Qualified Person's Report and the Narrabri Qualified Person's Report. While the information in this Announcement provides a summary of certain aspects of those reports, such reports include further details, as well as various assumptions and qualifications and should therefore be read in their entirety. The scientific and technical information on which the Kestrel Qualified Person's Report and the Narrabri Qualified Person's Report are based has been reported in accordance with the JORC Code.

Any indication in this Announcement of the price at which Ordinary Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

The price of shares and any income expected from them may go down as well as up and an investor may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

DEFINITIONS

In this Announcement (and including the Appendix) the following terms have the following meanings unless the context requires otherwise:

"Acquisition"	the proposed acquisition by the Purchaser of the Narrabri Royalty
"Acquisition Shares"	the Ordinary Shares to be issued pursuant to the Acquisition
"Application Form"	the personalised application form which will accompany the Prospectus for Qualifying Shareholders for use in connection with

	the Open Offer
"ASX"	Australian Securities Exchange
"Banks"	BMO, Macquarie Capital and Shard Capital
"BMO"	BMO Capital Markets Limited
"Board"	the Directors of the Company
"Bookbuild"	the bookbuilding process in respect of the Firm Placing and the Placing
"certificated or in certificated form"	where a share or other security is not in uncertificated form
"Co-Manager"	Shard Capital
"Companies Act"	the Companies Act 2006 (as amended) including any statutory modification or re-enactment thereof for the time being in force
"Company"	Anglo Pacific Group PLC, registered in England and Wales under number 00897608
"Conditional Placed Shares"	the Open Offer Shares to be allotted and issued by the Company under the Placing subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer, on the terms and subject to the conditions of the Placing and Sponsor's Agreement
"Conditional Placee"	any persons who have agreed to subscribe for Conditional Placed Shares
"Credit Suisse"	Credit Suisse Securities (Europe) Limited
"CREST"	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is operator as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2005, as amended
"Directors"	the Directors of the Company
"Euroclear"	Euroclear UK & Ireland Limited (formerly CrestCo Limited), the operator of CREST
"Existing Ordinary Shares"	the existing ordinary shares of 2 pence each in nominal value in the capital of the Company as at the date of this Announcement
"Financial Conduct Authority" or "FCA"	the UK Financial Conduct Authority
"Firm Placed Shares"	the New Ordinary Shares which the Company will issue pursuant to the Firm Placing
"Firm Placees"	any persons who have agreed to subscribe for Firm Placed Shares
"Firm Placing"	the conditional placing of the Firm Placed Shares by the Banks on behalf of the Company, on the terms and subject to the conditions of the Placing and Sponsor's Agreement

"FSMA"	the Financial Services and Markets Act 2000 (as amended) and all regulations promulgated thereunder from time to time
"General Meeting"	the General Meeting of the Company to be convened for the purpose of passing the Resolutions, including any adjournment thereof
"Group" or "Anglo Pacific"	Anglo Pacific Group PLC and, where the context requires, its subsidiaries at the date of this Announcement
"Gross Revenue Royalty"	a royalty that entitles the royalty holder to a fixed portion of the gross revenues generated from the sales of mineral production from a property
"GST"	has the meaning ascribed in A New Tax System (Goods and Services Tax) Act 1999 (Cth)
"JORC Code"	means the Joint Ore Reserves Committee 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"
"Kestrel"	means the Kestrel coal mine in Australia, which is operated by Kestrel Coal Pty Ltd, a subsidiary of Rio Tinto Coal Australia on behalf of the joint venture partners, Queensland Coal Pty Limited and Mitsui Kestrel Coal Investment Pty Ltd
"Kestrel Qualified Person"	Golder Associates (UK) Limited of Attenborough House, Browns Lane Business Park, Stanton-on-the-Wolds, Nottingham NG12 5BL
"Kestrel Qualified Person's Report"	means the report addressed to the Company and titled "NI 43-101 Technical Report on Kestrel Coal Mine, QLD Australia" produced by the Kestrel Qualified Person and dated January 30, 2015
"Listing Rules"	the listing rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA
"London Stock Exchange" or "LSE"	London Stock Exchange plc
"Macquarie Capital"	Macquarie Capital (Europe) Limited
"ML"	mining lease
"Narrabri" or the "Project"	the Narrabri coal project consisting of the Narrabri North underground longwall mine and the adjacent Narrabri South project area held under an exploration title
"Narrabri Royalty Contracts"	the contracts, governed by the laws of Queensland and New South Wales, governing the Narrabri Royalty
"Narrabri Qualified Person"	Palaris Australia Pty Ltd of 1/384 Hunter St, Newcastle NSW 2300 Australia, PO Box 1225
"Narrabri Qualified Person's Report"	means the report addressed to the Company and titled "National Instrument 43-101 Technical Report on Narrabri North Mine and Narrabri South, Gunnedah Basin, New South Wales" produced by the Narrabri Qualified Person and dated January 14, 2015

"Narrabri Royalty"	a 1% Gross Revenue Royalty at the Narrabri coal project
"New Issue"	the issue of the New Ordinary Shares pursuant to the Firm Placing, Placing and Open Offer
"New Ordinary Shares"	the new Ordinary Shares of 2 pence each in nominal value in the capital of the Company to be issued in connection with the Firm Placing, Placing and Open Offer
"Non-CREST Shareholders"	Shareholders holding Ordinary Shares in certificated form
"Offer Price"	the price at which New Ordinary Shares are to be issued pursuant to the Firm Placing and the Placing
"Official List"	the Official List of the FCA
"Open Offer"	the conditional invitation to Qualifying Shareholders to apply for New Ordinary Shares at the Offer Price on and subject to the terms and conditions to be set out in the Prospectus and in the case of Qualifying non-CREST Shareholders only, the Application Form
"Open Offer Shares"	the New Ordinary Shares for which Qualifying Shareholders will be invited to apply at the Offer Price to be issued pursuant to the terms of the Open Offer
"Ordinary Shares"	ordinary shares in the capital of the Company from time to time
"Overseas Shareholders"	Qualifying Shareholders who have registered addresses outside the United Kingdom
"Pathfinder"	the draft prospectus dated 4 February 2015 to be provided to Placees as updated by any related supplement provided
"PCI"	pulverised coal injection
"Placee"	a Firm Placee or a Conditional Placee
"Placing"	the conditional placing of the Conditional Placed Shares on the terms and subject to the conditions of the Placing and Sponsor's Agreement
"Placing and Sponsor's Agreement"	the Placing and Sponsor's Agreement dated 4 February 2015 between Macquarie Capital, BMO, Shard Capital and the Company relating to the Firm Placing, Placing and Open Offer
"Placing Shares"	the Firm Placed Shares and Conditional Placed Shares
"Prospectus"	means the prospectus to be prepared and published by the Company in connection with the Firm Placing, Placing and Open Offer, which will constitute (a) a circular prepared in accordance with the Listing Rules (including the notice of General Meeting) and (b) a prospectus for the purposes of FSMA, the Listing Rules and the Prospectus Rules
"Prospectus Rules"	the prospectus rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA

"Purchaser"	APG Aus No 7 Pty Ltd, a wholly-owned subsidiary of the Company
"Qualifying non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares are in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date (other than certain Overseas Shareholders)
"Record Date"	the record date for the Open Offer
"Resolutions"	the resolutions to be proposed at the General Meeting, as set out in the notice of General Meeting to be contained in the Prospectus
"Securities Act"	US Securities Act of 1933, as amended
"Seller"	the Ross Family Trust, a private Australian family trust
"Shard Capital"	Shard Capital Partners LLP
"Shareholder"	a holder of Existing Ordinary Share(s)
"Sponsor"	BMO
"TSX"	the Toronto Stock Exchange
"UK Listing Authority or UKLA"	the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA
"uncertificated" or "in uncertificated form"	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"US", "USA" or "United States"	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
"Whitehaven"	Whitehaven Coal Limited

For the purposes of this Announcement, "**subsidiary**", "**subsidiary undertaking**" and "**parent undertaking**" shall, unless the context otherwise requires, have the respective meanings given to them by the Companies Act.

All references to "**pounds**", "**pound sterling**", "**sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to "**Euros**", "**EUR**" and "**€**" are to the lawful currency of the member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

All references to "**USD**", "**US\$**", "**US dollars**" and "**United States dollars**" are to the lawful currency of the United States.

All references to "**C\$**", "**Canadian Dollars**", "**CD**", "**CAD**" or "**CA\$**" are to the lawful currency of Canada.

All references to "**A\$**", "**Australian Dollars**", "**AD**", "**AUSD**" or "**AUS\$**" are to the lawful currency of Australia.

APPENDIX: TERMS AND CONDITIONS OF THE FIRM PLACING AND PLACING

THIS APPENDIX AND THE INFORMATION CONTAINED HEREIN ARE RESTRICTED AND ARE NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, JAPAN, JERSEY, SOUTH AFRICA, NEW ZEALAND OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

IMPORTANT INFORMATION ON THE FIRM PLACING AND PLACING FOR INVITED PLACEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE FIRM PLACING AND THE PLACING. THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("**EEA**") WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC, AS AMENDED FROM TIME TO TIME, AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "**PROSPECTUS DIRECTIVE**") ("**QUALIFIED INVESTORS**"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT, SAVE AS SET OUT HEREIN, BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE, SAVE AS SET OUT HEREIN, IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

NONE OF THE BANKS NOR THE COMPANY MAKES ANY REPRESENTATION TO ANY PLACEES REGARDING AN INVESTMENT IN THE SECURITIES REFERRED TO IN THIS ANNOUNCEMENT. EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN ACQUISITION OF PLACING SHARES.

Persons who are invited to and who choose to participate in the Firm Placing and the Placing, by making an oral or written offer to acquire Firm Placed Shares or Conditional Placed Shares, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given, will be deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, indemnities, acknowledgements and undertakings, contained in this Appendix. In particular each such Placee represents, warrants and acknowledges that:

- (a) if it is a person in a member state of the EEA or it is a Relevant Person it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

- (b) in the case of a person in a relevant member state of the EEA who acquires any Placing Shares pursuant to the Firm Placing and Placing:
- (i) it is a Qualified Investor; and
 - (ii) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that any Placing Shares acquired by it in the Firm Placing and Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA which has implemented the Prospectus Directive to Qualified Investors, or in circumstances in which the prior consent of the Banks has been given to each such proposed offer or resale;
- (c) (A) (i) it is not located in the United States and (ii) it is not acting for the account or benefit of a person in the United States; (B) it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for a non-US person (other than an estate or trust) in reliance on Regulation S under the Securities Act; (C) it is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act; or (D) it is a "qualified institutional buyer" (a "**QIB**") (as defined in Rule 144A under the Securities Act) and it has duly executed an investor letter in a form provided to it and delivered the same to one of the Banks or their respective affiliates;
- (d) if it is a resident of Canada or otherwise subject to the laws of Canada or is purchasing for a principal who is resident in Canada or otherwise subject to the laws of Canada, it (i) is a "**Canadian Permitted Client**" as defined in section 8.8 of National Instrument 31-103 - registration requirements, exemptions and ongoing registrant obligations ("**NI 31-103**"); (ii) has been offered Placing Shares by a bank, or an affiliate thereof, which is appropriately registered under applicable Canadian securities law or that is a foreign dealer permitted to rely on the "international dealer exemption" contained in section 8.18 of NI 31-103; and (iii) has made certain other representations to the Company and the Banks or their respective affiliates (such person being referred to as a "**Canadian Purchaser**");
- (e) it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements and agreements contained in this Announcement; and
- (f) it understands (or, if acting for the account of another person, such person understands) the resale and transfer restrictions set out in this Appendix.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission ("**SEC**"), any State securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Firm Placing and Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act. Any offering to be made in the United States will be made to a limited number of QIBs pursuant to an exemption from registration under the Securities Act in a transaction not involving any public offering.

This Announcement (including this Appendix) is not a prospectus, product disclosure document or other type of disclosure document required to be lodged with the Australian Securities and Investments Commission ("**ASIC**") under Chapter 6D or Chapter 7 of the Australia Corporations Act 2001 (Cth) ("**Corporations Act**") and it has not been, and will not be, lodged with ASIC. Accordingly, this Announcement (including this Appendix) does not contain the information which would be contained in a prospectus, product disclosure document or other type of disclosure document prepared under the Corporations Act, and does not purport to contain all of the information that may be necessary or desirable to enable a potential investor to properly evaluate and consider an investment in the Placing Shares.

In Australia, this Announcement (including this Appendix) is directed only at persons who fall within an exemption from disclosure to investors under the Corporations Act, including a "sophisticated investor" within the meaning of section 708(8) of the Corporations Act or a "professional investor" within the meaning of section 708(11) of the Corporations Act, or a "wholesale client" within the meaning of section 761G of the Corporations Act. Any offer of Placing Shares received in Australia is void to the extent that it needs disclosure to investors under the Corporations Act. Any person to whom Placing Shares are issued pursuant to an exemption from the disclosure requirements provided by the Corporations Act must not, within 12 months after the issue, offer those Placing Shares for sale in Australia unless that offer is itself made pursuant to a disclosure document under Part 6D.2 or Chapter 7 of the Corporations Act or is itself made in reliance on an exemption from the disclosure requirements provided by the Corporations Act.

No prospectus has been lodged or registered by the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Japan, Jersey or South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Japan, Jersey, South Africa or any other jurisdiction outside the United Kingdom.

The Placing Shares have not been, and will not be, qualified for distribution by prospectus under the securities laws of any province or territory of Canada and may only be offered and sold in Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws. The Placing Shares acquired by a Canadian Purchaser cannot, unless permitted under applicable Canadian securities legislation, be traded in Canada for a period of four months and a day from the date of issuance.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.

Each Placee, by accepting a participation in the Firm Placing and Placing, agrees that the content of this Announcement and the draft prospectus dated 4 February 2015 as updated by any related supplement provided (the "**Pathfinder**") is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or the Banks or any other person and none of the Banks or the Company nor any other person will be liable for any Placee's decision to participate in the Firm Placing and Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Firm Placing and Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Each Bank is acting exclusively for the Company and no-one else in connection with the Firm Placing and Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Firm Placing and Placing or in relation to the contents of this Announcement and this Appendix or any transaction or any other matters referred to herein.

Details of the Placing and Sponsor's Agreement and the Placing Shares

The Banks have entered into the Placing and Sponsor's Agreement under which they have agreed, as agents for the Company, to use their respective reasonable endeavours to procure Placees to take up the Placing Shares by way of (i) the Firm Placing; and (ii) the Placing, on the terms and subject to the conditions set out therein. The issue of Conditional Placed Shares to Placees shall be subject to clawback to satisfy valid applications ("**Valid Applications**") by Qualifying Shareholders under the proposed Open Offer.

The Firm Placing and Placing is conditional upon the Placing and Sponsor's Agreement becoming unconditional in all respects. The Placing and Sponsor's Agreement is conditional upon, inter alia, Admission (as defined below) of the New Ordinary Shares occurring at or before 8:00 a.m. London time on 6 March 2015 (or such later time and/or date as BMO and Macquarie Capital may agree).

Subject to the execution and delivery of a terms of subscription setting out the final number of Placing Shares and the final Offer Price (as defined below) following completion of the Bookbuild (as defined below) (the "**Terms of Subscription**") by the Company and the Banks by no later than 6 p.m. on February 5, 2015 (or such later time and/or date as BMO and Macquarie Capital may agree), if any Placee defaults in paying the Offer Price in respect of any Placing Shares allotted to it, the Banks have severally (and not jointly or jointly and severally) agreed to acquire such shares, and the Company has agreed to allot or issue, as applicable, such shares to the Banks at the Offer Price, on and subject to the terms set out in the Placing and Sponsor's Agreement.

If on or before 7.00 a.m. on 9 February 2015, Placees acceptable to the Company are procured for an amount equal to or greater than US\$47.5 million (£31.3 million) but less than US\$55 million (£36.2 million) (the difference between such amount and US\$55 million (£36.2 million) being the "Shortfall") BMO and Macquarie Capital have each agreed on and subject to the terms set out in the Placing and Sponsor's Agreement to acquire such number of New Ordinary Shares at the Issue Price as are required to cover 50% of the Shortfall (rounded down to the nearest whole share). Any New Ordinary Shares which BMO and Macquarie Capital acquire as a result shall be subject to clawback in respect of any Open Offer Shares required to satisfy Valid Applications by Qualifying Shareholders under the terms of the Open Offer, in priority to any right of clawback in respect of the Conditional Placed Shares.

The Placing Shares in the Company to be issued in the Firm Placing and Placing will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of Admission (as defined below) and will on issue be free of all claims, liens, charges, encumbrances and third party rights and interests.

The issue of the Placing Shares is to be effected by way of a cashbox placing. The Company will allot the Placing Shares on a non pre-emptive basis to the Placees in consideration for BMO transferring its holdings of preference shares and ordinary shares in Auctus (Jersey) Limited to the Company. Accordingly, instead of receiving cash as consideration for the issue of Placing Shares (and any Open Offer Shares to be issued), at the conclusion of the Firm Placing, Placing and Open Offer the Company will own all of the issued ordinary shares and preference shares of Auctus (Jersey) Limited whose only asset will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Firm Placing, Placing and Open Offer.

Application for listing and admission to trading

Application will be made to the FCA for the admission of the New Ordinary Shares to the Official List and to trading on the main market for listed securities of the London Stock Exchange plc (the "**London Stock Exchange**"), in accordance with, respectively, the Listing Rules and the requirements contained in the current edition of the "Admission and Disclosure Standards" of the London Stock Exchange ("**Admission**").

It is expected that Admission of the New Ordinary Shares will become effective at or around 8.00 a.m. on February 27, 2015 and that dealings in the New Ordinary Shares will commence at that time.

An application to the TSX will be made to list the New Ordinary Shares.

Bookbuild

The Banks will today commence the bookbuilding process in respect of the Firm Placing and Placing (the "**Bookbuild**") to determine demand for participation in the Firm Placing and Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Firm Placing and Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Banks and the Company shall be entitled to effect the Firm Placing and Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

Participation in, and principal terms of, the Firm Placing and Placing

1. The Banks are arranging the Firm Placing and Placing severally and not jointly or jointly and severally as agents of the Company. Participation will only be available to persons who may lawfully be, and are, invited to participate by any of the Banks. Each of the Banks and their respective affiliates are entitled to enter bids as principal in the Bookbuild.
2. The allotment and issue of the Placing Shares to Placees (or the Banks if any Placee defaults in paying the Offer Price in respect of the Placing Shares allotted to it) by the Company will be in consideration of the transfer to the Company by BMO of shares in Auctus (Jersey) Limited, pursuant to a subscription and transfer deed entered into between BMO, the Company and Auctus (Jersey) Limited.
3. The Bookbuild will establish a single price payable in respect of the Placing Shares (the "**Offer Price**") to the Banks by all Placees whose bids are successful. The Offer Price and the aggregate proceeds to be raised through the Firm Placing and Placing will be agreed between BMO, Macquarie Capital and the Company following completion of the Bookbuild and any discount to the market price of the Ordinary Shares will be determined in accordance with the Listing Rules. The Offer Price is expected to be announced on a Regulatory Information Service by no later than February 5, 2015.
4. To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at one of the Banks. Each bid should state the number of Firm Placed Shares and Conditional Placed Shares which the prospective Placee wishes to acquire at the Offer Price ultimately established by BMO, Macquarie Capital and the Company or at prices up to a price limit specified in its bid. Bids for Conditional Placed Shares are subject to clawback to satisfy Valid Applications by Qualifying Shareholders. Bids for all Placing Shares may be scaled down by the Banks on the basis referred to in paragraph 8 below.
5. The Bookbuild is expected to close no later than 4.30 p.m. (London time) on February 5, 2015 but may be closed earlier or later at the discretion of the Banks. The Banks may, in agreement with the Company, accept bids that are received after the Bookbuild has closed. The Company reserves the right to reduce the amount to be raised pursuant to the Firm Placing and Placing, in its discretion.
6. Subject to certain additional requirements for Canadian Purchasers, each Placee's allocation will be confirmed to Placees orally by the relevant Bank (as agent for the Company) following the close of the Bookbuild, and a contract note will be dispatched as soon as possible thereafter. The relevant Bank's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Bank and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the relevant Offer Price on the terms and

conditions set out in this Appendix and in accordance with the Company's corporate documents.

7. The Company will make a further announcement following the close of the Bookbuild detailing the number of Firm Placed Shares to be issued and the maximum number of Conditional Placed Shares that may be issued and the price at which the Placing Shares have been placed. Upon the Company and Macquarie Capital and BMO agreeing that the Open Offer will proceed, a further announcement will be made regarding the launch of the Open Offer and the Company will publish a prospectus in connection with the Open Offer (the "**Prospectus**"). The Prospectus (if applicable) will contain the terms and conditions and further details regarding the proposed Open Offer and the process by which Qualifying Shareholders may apply for Open Offer Shares and the Prospectus will also constitute a class 1 circular prepared in accordance with the Listing Rules (including a notice to convene the General Meeting of the Company for the purpose of passing all Resolutions required pursuant to the Firm Placing, Placing and Open Offer and approving the Acquisition and setting out the date on which the General Meeting will be convened (the "**General Meeting Date**")).
8. Subject to paragraphs 4 and 5 above, the Banks will, in effecting the Firm Placing and Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares.
9. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and, except with the relevant Bank's consent, will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Bank, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Offer Price and the number of Placing Shares that such Placee has agreed to acquire and the Company has agreed to allot. Each Placee's obligations will be owed to the relevant Bank.
10. Except as required by law or regulation, no press release or other announcement will be made by the Banks or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
11. Irrespective of the time at which a Placee's allocation pursuant to the Firm Placing and Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Firm Placing and Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
12. All obligations under the Bookbuild and Firm Placing and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Firm Placing and Placing" and to the Firm Placing and Placing not being terminated on the basis referred to below under "Right to terminate under the Placing and Sponsor's Agreement".

By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Firm Placing and Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
13. To the fullest extent permissible by law, neither the Banks, the Company nor any of their respective affiliates shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither the Banks, the Company nor any of their respective affiliates shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Banks' conduct of the

Bookbuild or of such alternative method of effecting the Firm Placing and Placing as the Banks, their respective affiliates and the Company may agree.

Conditions of the Firm Placing and Placing

The Firm Placing and Placing is conditional upon the Placing and Sponsor's Agreement becoming unconditional and not having been terminated in accordance with its terms. The Banks' obligations under the Placing and Sponsor's Agreement are conditional on, inter alia:

- (a) Admission occurring at or before 8:00 a.m. London time on 6 March 2015 (or such other time and/or date as BMO and Macquarie Capital may agree);
- (b) the conditional approval of the listing of the New Ordinary Shares by the TSX subject to the fulfilment of certain customary requirements of the TSX prior to Admission;
- (c) the representations, warranties and agreements of the Company contained in the Placing and Sponsor's Agreement being true, accurate and complete on and as of the date of the Placing and Sponsor's Agreement, the time of execution of the Terms of Subscription, the date of publication of the Prospectus (if applicable), the date that any supplementary prospectus is published by the Company (if applicable) and at the time of Admission, in each case by reference to the facts and circumstances then existing;
- (d) the Company having complied with all of the agreements and undertakings and having satisfied or performed all of the conditions and obligations on its part (in all respects which are material in the context of the Firm Placing, Placing and Open Offer) to be performed or satisfied under the Placing and Sponsor's Agreement on or before Admission;
- (e) the execution and delivery of the Terms of Subscription;
- (f) the publication of the results of the Firm Placing, Placing and Open Offer on a Regulatory Information Service by no later than 5pm on 9 February 2015 (or such other time and/or date as BMO and Macquarie Capital may agree);
- (g) no material adverse change having occurred or having been made public since the execution of the Placing and Sponsor's Agreement and prior to Admission;
- (h) the Prospectus being approved by the UK Listing Authority and filed with the FCA in accordance with the Prospectus Rules and FSMA and being published in accordance with Prospectus Rule 3.2 by no later than 9 February 2015 (or such later time and/or date as the Company, Macquarie Capital and BMO may agree in writing);
- (i) the passing of the Resolutions (without material amendment) at the General Meeting on the General Meeting Date (and not, except with the written agreement of Macquarie Capital and BMO, at any adjournment of such meeting) and adoption by the directors of the Company of such resolutions as are required to facilitate and approve the Firm Placing, Placing and Open Offer and the entry into and performance of the agreements relating thereto; and
- (j) there being no information contained in the Prospectus (if applicable) (or in any other publication or announcement issued or to be issued through a Regulatory Information Service by the Company after the date of the Placing and Sponsor's Agreement but prior to or at the same time as publication of the Prospectus, which is relevant or connected to the Firm Placing, Placing and Open Offer) that is not contained in this Announcement, the Pathfinder or the previous announcements made through a Regulatory Information Service since 30 June 2014 in order to comply with any applicable regulatory requirements, which in the opinion of Macquarie Capital and BMO (acting jointly and in good faith) is likely to materially

prejudice the success of the Firm Placing, Placing and Open Offer or which may otherwise be material in the context of the Company and its subsidiaries (the "**Group**"), the Firm Placing, Placing and Open Offer or Admission.

If (i) any of the conditions contained in the Placing and Sponsor's Agreement, including those described above, are not fulfilled or (where applicable) waived by BMO and Macquarie Capital by the respective time or date where specified (or such later time or date as the Company and BMO and Macquarie Capital may agree); or (ii) the Placing and Sponsor's Agreement is terminated in the circumstances specified below, the Firm Placing and the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee (or any person on whose behalf the Placee is acting) agrees that no claim can be made by it in respect thereof.

BMO and Macquarie Capital may, at their discretion and upon such terms as they think fit, jointly waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing and Sponsor's Agreement or to jointly extend the time provided for fulfilment of any such conditions in respect of all or any part of the performance thereof. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

None of the Banks, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Firm Placing and the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Firm Placing and the Placing generally and by participating in the Firm Placing and the Placing each Placee agrees that any such decision is within the absolute discretion of BMO, Macquarie Capital and the Company.

Right to terminate under the Placing and Sponsor's Agreement

BMO and Macquarie Capital are entitled, at any time before and including Admission, to terminate the Placing and Sponsor's Agreement in accordance with the terms of the Placing and Sponsor's Agreement in certain circumstances, including, inter alia: any breach of the representations and warranties given in the Placing and Sponsor's Agreement or any of the representations and warranties given in the Placing and Sponsor's Agreement ceasing to be true, accurate or not misleading by reference to the facts subsisting at the time and is either (i) not capable of being remedied in the opinion of BMO or Macquarie Capital (acting in good faith); or (ii) is not remedied to the satisfaction of BMO or Macquarie Capital (acting in good faith) within five business days; or any material failure to perform any of the Company's undertakings or agreements in the Placing and Sponsor's Agreement by the times specified therein; any material adverse change, or any development reasonably likely to result in, a material adverse change, in the condition or prospects of the Group taken as a whole; or the occurrence of a suspension or material limitation in the trading in any securities of the Company, certain other force majeure events or a banking moratorium declared by the United States, United Kingdom or Ireland or an actual or prospective material adverse change in UK taxation affecting the Group, which in the opinion of the BMO and Macquarie Capital (acting in good faith), would make it impracticable or inadvisable to proceed with the Firm Placing, Placing and Open Offer, the underwriting of the New Ordinary Shares or Admission; or any matter which gives rise to an obligation to publish a supplementary prospectus arising between the publication of the Prospectus and Admission or if any supplementary prospectus has been published or is due to be published by the Company, in either case which BMO or Macquarie Capital consider in their sole judgement (acting in good faith) to be material and adverse in the context of the Group, the Firm Placing, Placing and Open Offer, the underwriting of the New Ordinary Shares or Admission.

If the Firm Placing, Placing and Open Offer is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Firm Placing and the Placing as described in this Announcement shall cease and terminate at such time and no claim may be made by any Placee in respect thereof.

By participating in the Firm Placing and the Placing, Placees agree that the exercise by BMO and Macquarie Capital of any right of termination or the exercise by any Bank of any other discretion under the Placing and Sponsor's Agreement shall be within the absolute discretion of such Bank and

that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise.

Lock-up and undertakings of the Company

The Company has undertaken to the Banks that, between the date of the Placing and Sponsor's Agreement and the date which is 120 calendar days later (both dates inclusive) save as contemplated by the Placing and Sponsor's Agreement or pursuant to the Acquisition, it will not, without the prior written consent of BMO and Macquarie Capital (acting in good faith), (i) directly or indirectly, issue, offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase, deposit into any depository receipt facility or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares or any other interest therein or file any registration statement under the Securities Act with respect to any of the foregoing (or publicly announce the same) or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of Ordinary Shares, whether any such swap or transaction described in statement (i) or (ii) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise. The foregoing sentence shall not apply to: (a) the New Ordinary Shares issued under the Firm Placing, Placing and Open Offer and the shares to be issued pursuant to the acquisition of the Narrabri Royalty; (b) the issue of any Ordinary Shares pursuant to any convertible instruments, options, warrants or other rights existing at the date of the Placing and Sponsor's Agreement; (c) the issue of any Ordinary Shares or options to acquire Ordinary Shares pursuant to any employee, director or executive share schemes existing at the date of the Placing and Sponsor's Agreement or disclosed in, inter alia, the Pathfinder; (d) the issue of any Ordinary Shares in lieu of payment of a cash dividend or pursuant to a scrip dividend; (e) to any director or employee in lieu of any cash payment otherwise payable to such director or employee; (f) the issue of any Ordinary Shares or options to acquire Ordinary Shares to any employee or director of the Company in respect of Ordinary Shares representing an aggregate of no more than one per cent. of the issued share capital of the Company immediately following Admission, provided that such issue is, as at the date thereof, in accordance with an employee share scheme that has been implemented by the Company and that no issue of Ordinary Shares shall result in the requirement for the publication by the Company of a prospectus pursuant to the Prospectus Directive; or (g) the issue of Ordinary Shares or other securities in connection with any acquisition by the Company of a royalty or stream, provided that no issue of Ordinary Shares shall result in the requirement for the publication by the Company of a prospectus pursuant to the Prospectus Directive.

The Company has also undertaken to BMO and Macquarie Capital that it will not, between the date of the Placing and Sponsor's Agreement and the date which is 90 calendar days after the date the Placing Shares are settled with Placees (the "**Settlement Date**") (inclusive), enter into any agreement, commitment or arrangement or put itself into a position where it is obliged to announce any agreement, commitment or arrangement which is material in the context of the Firm Placing, Placing and Open Offer or which could materially and adversely affect the Firm Placing, Placing and Open Offer without prior consultation with the BMO and Macquarie Capital (where legal and reasonably practical).

The Company has also undertaken to the Banks that it will comply with FSMA, the Listing Rules and the Prospectus Rules so as to permit the completion of the distribution of the New Ordinary Shares as contemplated in this Announcement, the Placing and Sponsor's Agreement and any other documents prepared pursuant to the Firm Placing, Placing and Open Offer in compliance therewith and in compliance with all other applicable laws or regulations, codes of conduct and contractual terms, in each case, insofar as they are relevant to the Firm Placing, Placing and Open Offer.

The Company has also undertaken to the Banks that it shall not, and the Company shall procure that no member of the Group will: (i) between the date of the Placing and Sponsor's Agreement and the Settlement Date, without the prior written consent of BMO and Macquarie Capital (such consent not to be unreasonably withheld); and (ii) for a period that is 120 days after the Settlement Date, without having first consulted with BMO and Macquarie Capital (and having taken into account any requests which are reasonable in the context of the Firm Placing, Placing and Open Offer or BMO's and Macquarie Capital's obligations under the Placing and Sponsor's Agreement), take any step which

would be materially inconsistent with, or represent a material departure from, any expression of intention contained in the Prospectus.

Placees' commitments

Placees' commitments will be made solely on the basis of the information contained in this Announcement and the Pathfinder (and, in the case of Canadian Purchasers, the offering memorandum to be distributed by the Banks to Canadian Purchasers in connection with the Firm Placing and Placing (the "**Canadian Offering Memorandum**"). Each Placee, by accepting a participation in the Firm Placing and Placing, agrees that the content of this Announcement, the Pathfinder and the Canadian Offering Memorandum are exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or the Banks or any other person and none of the Banks or the Company nor any other person will be liable for any Placee's decision to participate in the Firm Placing and Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Firm Placing and Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

It is not expected that the final Prospectus will be published prior to Placees entering into a legally binding commitment in respect of the Firm Placing and Placing.

Placees acknowledge that their acceptance of any Placing Shares is not by way of acceptance of the public offer to be made in the Prospectus or application forms but is by way of a contract note and as such section 87Q of the FSMA does not entitle Placees to withdraw in the event that the Company publishes a supplementary prospectus in connection with the Firm Placing and Placing and Open Offer or, to the extent that any such right does arise, Placees irrevocably waive it.

Registration and Settlement

Settlement of transactions in the New Ordinary Shares (ISIN: GB0006449366) following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**"), save as otherwise agreed in respect of any Placee. Subject to certain exceptions, the Banks and the Company reserve the right to require settlement for and delivery of the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild, each Placee allocated Placing Shares in the Firm Placing and Placing will be sent a contract note in accordance with the standing arrangements in place with the relevant Bank stating the number of Placing Shares allocated to it at the Offer Price (including the number of Firm Placed Shares and the number of Conditional Placed Shares), the aggregate amount owed by such Placee to the Bank and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with the relevant Bank.

It is expected that the Settlement Date will be on February 27, 2015 on a delivery versus payment basis in accordance with the instructions set out in the contract note.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Banks.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Banks may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Banks' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve

tax (together with any interest or penalties) or other similar taxes imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees shall not be entitled to receive any fee or commission in connection with the Firm Placing, Placing and Open Offer.

Representations, Warranties and Further Terms

By participating in the Firm Placing and Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with each Bank (in their capacity as bookrunners and placing agents), in each case as a fundamental term of their application for Placing Shares:

1. that it has read this Announcement, including the Appendix, in its entirety and that its acquisition of Placing Shares is subject to and based upon the Pathfinder and, in the case of Canadian Purchasers, the Canadian Offering Memorandum and all the terms, conditions, representation, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained in this Appendix and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Firm Placing, Placing and Open Offer, the Company, the New Ordinary Shares or otherwise, other than the information contained in this Announcement, the Pathfinder and, in the case of Canadian Purchasers, the Canadian Offering Memorandum;
2. for the purposes of the Firm Placing and Placing, that it has not received a final and approved prospectus or other offering document in connection therewith;
3. that none of the Banks, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided, nor will provide it, with any material regarding the Placing Shares or the Company other than this Announcement and the Pathfinder and, in the case of Canadian Purchasers, the Canadian Offering Memorandum; nor has it requested any of the Banks, the Company, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
4. that the content of this Announcement, the Pathfinder and, in the case of Canadian Purchasers, the Canadian Offering Memorandum are exclusively the responsibility of the Company and that none of the Banks, their respective affiliates or any person acting on behalf of any of them has made any representations to it, express or implied, with respect to the Company nor shall have any liability for any information, representation or statement contained in this Announcement, the Pathfinder and, in the case of Canadian Purchasers, the Canadian Offering Memorandum or any information previously published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Firm Placing and Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in this Announcement, the Pathfinder and, in the case of Canadian Purchasers, the Canadian Offering Memorandum, such information being all that such Placee deems necessary to make an investment decision in

respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by any of the Banks or the Company nor any of their respective affiliates and none of the Banks or the Company will be liable for any Placee's decision to accept an invitation to participate in the Firm Placing and Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company and the Group in deciding to participate in the Firm Placing and Placing;

5. that the Ordinary Shares in the capital of the Company are listed on the premium segment of the Official List of the UK Listing Authority and admitted to trading on the main market for listed securities of the London Stock Exchange, and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FCA and that it is able to obtain or access such information, or comparable information concerning any other publicly traded company, in each case without undue difficulty;
6. that none of the Banks, their respective affiliates or any person acting on behalf of any of them has or shall have any liability for any publicly available or filed information or any information, representation, warranty or statement relating to the Company or the Group contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
7. that it is not, and at the time the Placing Shares are acquired will not be a resident of Japan, Jersey or South Africa, and each of it and the beneficial owner of the Placing Shares is not a resident of Japan, Jersey or South Africa, and, at the time the Placing Shares are acquired;
8. that, in Australia, it is a person who falls within an exemption from disclosure to investors under the Australian Corporations Act 2001, including a "sophisticated investor" within the meaning of section 708(8) of the Australian Corporations Act 2001 or a "professional investor" within the meaning of section 708(11) of the Australian Corporations Act 2001, or a "wholesale client" within the meaning of section 761G of the Australian Corporations Act 2001;
9. that it (i) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Placing Shares, (ii) will not look to the Banks for all or part of any such loss it may suffer, (iii) is able to bear the economic risk of an investment in the Placing Shares, (iv) is able to sustain a complete loss of an investment in the Placing Shares and (v) has no need for liquidity with respect to its investment in the Placing Shares;
10. that, other than a Canadian Permitted Client, it is not a resident of Canada or otherwise subject to the laws of Canada and is not purchasing the Placing Shares as principal who is a resident of Canada or otherwise subject to the laws of Canada;
11. that (a) (i) it is not in the United States and (ii) it is not acting for the account or benefit of a person in the United States; (b) it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for a non-US person (other than an estate or trust) in reliance on Regulation S under the Securities Act; (c) it is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act; or (d) it is a QIB and, in each case under this sub clause (d) it has duly executed an investor letter in a form provided to it and delivered the same to one of the Banks or their respective affiliates;

12. that it understands that the Company is likely classified as a passive foreign investment company (a "PFIC") for US federal income tax purposes and it understands the resulting US tax consequences to it. It has consulted with its own tax advisers regarding the potential application of the PFIC provisions to it;
13. that the Placing Shares have not been and will not be registered nor will the Prospectus (if applicable) be cleared in respect of any of the Placing Shares under the securities laws or legislation of the United States, Australia, Japan, Jersey or South Africa and, subject to certain exceptions, may not be offered, sold, or delivered or transferred, directly or indirectly, within those jurisdictions;
14. that acceptance of any Placing Shares is not by way of acceptance of the public offer to be made in the Prospectus or application forms but is by way of a contract note and as such section 87Q of the FSMA does not entitle it to withdraw in the event that the Company publishes a supplementary prospectus in connection with the Firm Placing, Placing and Open Offer or, to the extent that any such right does arise, it will irrevocably waive it;
15. the Placing Shares have not been, and will not be, qualified for distribution by prospectus under the securities laws of any province or territory of Canada and may only be offered and sold in Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws. Any Placing Shares acquired by a Canadian Purchaser cannot, unless permitted under applicable Canadian securities legislation, be traded in Canada for a period of four months and a day from the date of issuance;
16. unless otherwise specifically agreed with the Banks, that it is, or at the time the Placing Shares are acquired that it will be, the beneficial owner of such Placing Shares, or that the beneficial owner of such Placing Shares is not a resident of Australia, Canada, Japan, Jersey or South Africa;
17. that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
18. that it has complied with its obligations under the Criminal Justice Act 1993, section 118 of the FSMA and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, the Money Laundering Regulations 2007 (the "Regulations") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
19. if a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, that any Placing Shares purchased by it in the Firm Placing and Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the European Economic Area which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of the Banks has been given to the offer or resale;
20. that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in

circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;

21. that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive;
22. that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
23. that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
24. that, if located in Switzerland, it is a regulated qualified investor as defined in Article 10(3)(a) and (b) of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended (the "CISA"), and/or a person approached otherwise in a manner that does not constitute distribution (Vertrieb) within the meaning of the CISA;
25. that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Firm Placing and Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) and will honour such obligations;
26. that no action has been or will be taken by either the Company or the Banks or any person acting on behalf of the Company or the Banks that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required other than the United Kingdom;
27. that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Banks, the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Firm Placing and Placing;
28. that it (and any person acting on its behalf) will make payment in respect of the Placing Shares allocated to it in accordance with this Appendix on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other acquirers or sold as the Banks may in their sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the relevant Offer Price and the number of Placing Shares allocated to it and may

be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any interest or penalties) which may arise upon the sale of such Placee's Placing Shares;

29. that none of the Banks, nor any of their respective affiliates, nor any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Firm Placing and Placing and that participation in the Firm Placing and Placing is on the basis that it is not and will not be a client of any Bank and that the Banks have no duties or responsibilities to it for providing the protections afforded to their respective clients or customers or in relation to the contents of this Announcement or any transaction or any other matters referred to herein or for providing advice in relation to the Firm Placing and Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing and Sponsor's Agreement nor for the exercise or performance of any of their respective rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
30. that in making any decision to acquire the Placing Shares, it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares. It further confirms that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Firm Placing and Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Firm Placing and Placing, including the merits and risks involved, and not upon any view express or information provided by or on behalf of the Banks;
31. that in connection with the Firm Placing and Placing, the Banks and any of their respective affiliates acting as an investor for its own account may take up Placing Shares in the Company and in that capacity may retain, purchase or sell for its own account such Placing Shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Firm Placing and Placing. None of the Banks intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
32. that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. None of the Banks or the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement ("**Indemnified Taxes**"). Each Placee and any person acting on behalf of such Placee agrees to participate in the Firm Placing and Placing and it agrees to indemnify the Company and the Banks on an after-tax basis in respect of any Indemnified Taxes;
33. that any agreements entered into by it pursuant to these terms and conditions, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by either

the Company or the Banks in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

34. agrees that the Company, the Banks and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Banks on their own behalf and on behalf of the Company and are irrevocable;
35. to indemnify on an after tax basis and hold the Company, the Banks and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Firm Placing and Placing;
36. that it has neither received nor relied on any inside information concerning the Company in accepting this invitation to participate in the Firm Placing and Placing; and
37. if it is a pension fund or investment company, that its purchase of Placing Shares is in full compliance with applicable laws and regulations.

The foregoing representations, warranties, confirmations, acknowledgements and undertakings (as the case may be) are given for the benefit of the Company as well as each of the Banks and are irrevocable.

The agreement to settle a Placee's acquisition of Placing Shares (and/or the acquisition by a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person direct from the Company of the Placing Shares in question. Such agreement also assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor the Banks will be responsible and the Placees shall indemnify the Company and the Banks on an after-tax basis for any stamp duty or stamp duty reserve tax paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify the Banks accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Each Placee, and any person acting on behalf of the Placee, acknowledges that neither the Company nor the Banks owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing and Sponsor's Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that any Bank or any of their respective affiliates may, at its absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with a Bank, any money held in an account with such Bank on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from such Bank's money in accordance with the client money rules and will be used by such Bank in the course of its own business and the Placee will rank only as a general creditor of such Bank.

All times and dates in this Announcement may be subject to amendment. The Banks shall notify the Placees and any person acting on behalf of the Placees of any changes.

The information contained herein is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any State of the United States and the District of Columbia). These materials do not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States. The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from, or transaction not subject to, the registration requirements of the Securities Act.

This Announcement (including the Appendix) may not be and must not be acted on or relied on by a Canadian purchaser and this Announcement (including the Appendix) does not itself constitute an offer to sell any New Ordinary Shares in, or to any person subject to, the laws of Canada. This Announcement is being sent into Canada only for information in connection with the Firm Placing and Placing and does not constitute an offer to sell, or a solicitation of an offer to buy, New Ordinary Shares to or from a person in Canada.

This document, and the proposed Firm Placing and Placing will be exclusively distributed/made in, into or from Switzerland to regulated qualified investors as defined in Article 10(3)(a) and (b) of the CISA ("**Regulated Qualified Investors**") and/or otherwise in a manner which does not constitute distribution (Vertrieb) within the meaning of the CISA. The Company has not been approved by the Swiss Financial Market Supervisory Authority ("**FINMA**") as a foreign collective investment scheme pursuant to Article 120 of CISA and the Placing Shares will exclusively be distributed in, into or from Switzerland to Regulated Qualified Investors and/or otherwise in a manner which does not constitute distribution (Vertrieb) within the meaning of the CISA. The Placing Shares will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document and any other offering or marketing material relating to the Company or Placing Shares have been prepared without regard to the disclosure standards for issuance prospectuses under the CISA, Article 652a or 1156 of the Swiss Code of Obligations ("**CO**") or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland and therefore does not constitute a prospectus within the meaning of the CISA, Article 652a or 1156 CO or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland. The Placing Shares may not be publicly offered (as such term is defined in the CO) in, into or from Switzerland and may only be distributed in, into or from Switzerland to Regulated Qualified Investors and/or otherwise in a manner which does not constitute distribution (Vertrieb) within the meaning of the CISA. Neither this document nor any other offering or marketing material relating to the Company or the Placing Shares may be distributed to unregulated qualified investors or non-qualified investors within the meaning of the CISA, its implementing ordinance and guidelines in or from Switzerland or made available in Switzerland in any manner which would constitute a public offering within the meaning of the CO and all other applicable laws and regulations in Switzerland. Neither this document nor any other offering or marketing material relating to the Company or the Placing Shares have been or will be filed with, or approved by, any Swiss regulatory authority. The investor protection afforded to investors of interests in collective investment schemes under the CISA does not extend to acquirers of Placing Shares.

Each Placee agrees to provide the Banks with such relevant documents as they may reasonably request to comply with requests or requirements from the Banks resulting from requests that the Company may receive from relevant regulators in relation to the Firm Placing, Placing and Open Offer, subject to its legal, regulatory and compliance requirements and restrictions.

Offsetting provisions

If a Placee is entitled to participate in the Open Offer by virtue of being a Qualifying Shareholder it will be able to apply to subscribe for New Ordinary Shares under the Open Offer and it may elect to have

its participation in the Firm Placing and Placing reduced by up to the number of New Ordinary Shares for which it has validly applied and paid for under the Open Offer. Any participation by a Qualifying Shareholder in the Open Offer will not reduce its commitment in respect of the Firm Placed Shares that make up that Placee's Firm Placing participation.

No portion of a Placee's Firm Placing and Placing participation may be offset through any purchase of New Ordinary Shares by any other means. A Placee may not reduce its Firm Placing and Placing participation through further placing or any other means, nor undertake hedging activities such as selling shares of the Company nor induce the sale of shares of the Company nor enter into put options or call options or any other hedging derivatives transactions on shares of the Company nor carry out any other transaction for its own account which could have a significant effect on the price of the shares of the Company or that is intended, directly or indirectly, to have the economic effect of hedging or otherwise mitigating the economic risk associated with the Firm Placing and Placing participation.

Without prejudice to the foregoing sentence, the foregoing restrictions above shall not apply to (a) (i) transactions entered into for the purposes of hedging derivatives transactions of any kind in relation to shares of the Company, or (ii) proprietary positions on securities of the Company, in each case entered into by a Placee prior to this Announcement, or (b) any other hedging transactions relating to ordinary course market making or customer facilitation transactions. Furthermore, a Placee will be subject to no limitation on carrying out the restricted transactions for the account of its customers, or on buying shares of the Company for its own account, provided that those transactions are carried out in the ordinary course of its business and it complies with the securities market's existing regulations on rules of conduct and market abuse.