

THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL

Neither this Announcement nor any part of it constitutes an offer to sell or issue or the solicitation of an offer to buy, subscribe or acquire any new ordinary shares in any jurisdiction in which any such offer or solicitation would be unlawful and the information contained herein is not for publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan, South Africa or any jurisdiction in which such publication or distribution would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (as amended), under the securities legislation of any state of the United States or under the applicable securities laws of Australia, Canada, Japan or South Africa.

London Mining Plc
Quoted on London AIM (LOND LN)
("London Mining" or the "Company")

24 January 2012

EQUITY OFFERING TO ACCELERATE DEVELOPMENT OF MARAMPA PROJECT

Highlights

- Equity offering of USD90m
- Enables Company to bring forward Marampa production ramp-up to 5Mtpa to 2014 when combined with expected offtake prepayment financing facility of approximately USD45m
- Economies of scale improve operating costs in 2013 and 2014 and secure development of infrastructure for expanded sustainable mine life
- Increased cash flow positions Company for straightforward, low-cost expansion to 9Mtpa
- Additional headroom of USD30m for further downside protection
- First ship has arrived and is being loaded

Graeme Hossie, Chief Executive Officer of London Mining said *"The equity issue announced today will enable London Mining to accelerate the growth of the Marampa Project in Sierra Leone, as well provide us with greater headroom to execute our long term strategy and withstand short term fluctuations in the iron ore price. Marampa has already been significantly technically de-risked following the start of production of high quality sinter concentrate from the first plant and the full commissioning of the logistics required to supply the seaborne iron ore market."*

London Mining announces that the Company intends to raise USD90m through an offering of new ordinary shares to institutional shareholders by way of a firm placing and a conditional placing, completion of which will be subject to shareholder approval (the "Placing"). The net proceeds of the Placing are intended to be used primarily to fund acceleration of production at the Marampa iron ore project in Sierra Leone.

The USD90m Placing proceeds, combined with the expected USD45m prepayment of offtake from expanded production, will fund accelerated Phase 1 expansion to 5Mtpa by 2014. The accelerated programme now includes earlier expansion of the existing plant, accelerated development of the second processing plant and earlier than expected enhancement of logistics required to ensure delivery of higher volumes of production. Early funding of this expansion program will allow construction to commence

ahead of the wet season in Sierra Leone (May to October) and allows the retention of the construction team responsible for the successful completion of the existing Marampa operation.

The specific uses of the combined USD135m proceeds include: USD15m for the accelerated upgrade to 2.5Mtpa and optimisation of the existing plant including installation of ball mill and gravity circuit; USD56m for acceleration of construction and ordering of long lead items for the second 2.5Mtpa Phase 1 plant ahead of the wet season; USD10m to undertake the Phase 2 BFS for expansion to 17Mtpa; and acceleration of USD12m of the USD40-50m infrastructure upgrade and optimisation programmes that were previously scheduled for 2014. The remainder of the proceeds will provide a USD30m contingency buffer including downside pricing contingency, plus an additional USD12m for working capital, fees and general corporate purposes, including other London Mining projects.

As announced on 17 January, the Company has received term sheets from two potential offtakers for USD45m of prepayment related to the provision of future offtake. As soon as the USD45m prepayment offtake agreement is signed, the Company will initiate construction to execute this accelerated production expansion.

The identification by the Company of more highly weathered high grade ore and its analysis of the potential for the application of a gravity process combined with magnetic separation during BFS work for the 9Mtpa expansion has identified a simple and low incremental investment potential to rapidly increase plant output to 5Mtpa. Expansion to 5Mtpa for total project capital expenditure of USD300-310m represents low capital intensity of less than USD62/t of production capacity.

Marampa production is expected to be unchanged at 1.5Mtpa in 2012, increased by 0.7Mt to 4.2Mt in 2013 and by 0.4Mt to 5Mtpa in 2014. This increased production provides the operation with significant economies of scale, improving near term operating margins and secures the development of the infrastructure enhancements and support services required for a larger, longer life operation.

Successful delivery of the near term production plan in 2012 and 2013 will provide London Mining with significantly increased cash flow and takes advantage of expected higher pricing over the next three years. The expected increased cash flow will also strengthen London Mining's capability to self-fund the future expansion at Marampa to 9Mtpa.

Loading of the first seagoing vessel commenced on 23 January and a further two vessels have been requested for February loading.

The Placing

London Mining announces that the Company intends to raise USD90m through an offering of new ordinary shares ("**Ordinary Shares**") in the Company (the "**Placing Shares**") to institutional and other investors.

Up to 11,199,214 Placing Shares are to be placed firm and are to be issued by the Company further to the directors' authority to allot Ordinary Shares for cash on a non-pre-emptive basis (the "**Firm Placing Shares**"). An additional number of Placing Shares ("**Conditional Placing Shares**") will be placed with investors conditional on shareholder approval at a general meeting of the Company to be convened on or around 13 February 2012 (the "**GM**"). The precise total number of shares issued in the Placing will be finally determined such that the proceeds arising from the Placing amount to approximately USD90 million (before expenses).

The Placing is subject to the terms and conditions set out in Appendix A.

J.P. Morgan Cazenove and Liberum Capital Limited will today commence an accelerated bookbuilding process in respect of the Placing ("Bookbuild"). The book will open with immediate effect. The timing of the closing of the book, pricing and allocations is at the discretion of J.P. Morgan Cazenove, Liberum

Capital Limited and London Mining. Details of the Placing Price will be announced as soon as practicable after the close of the Bookbuild.

The Company will apply for admission of the Firm Placing Shares to trading on AIM ("**First Admission**"). It is expected that admission to trading of the Firm Placing Shares on AIM will take place on or around 27 January 2012.

The Company will also apply for admission of the Conditional Placing Shares, the issue of which is subject to shareholder approval, on AIM ("**Second Admission**"). It is expected that admission to trading of the Conditional Placing Shares on AIM will take place on or around 14 February 2012.

The Placing Shares will, when issued, be credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after First Admission or Second Admission (as applicable) in respect of the Ordinary Shares then in issue and will otherwise rank on First Admission or Second Admission (as applicable) *pari passu* in all respects with the existing issued Ordinary Shares of the Company.

Following notice of the meeting convening the GM, the timing of the admission and settlement of the Conditional Placing Shares will be confirmed.

The Firm Placing is conditional, among other things, upon First Admission becoming effective. The Conditional Placing is conditional, among other things, upon shareholder approval and First Admission and Second Admission becoming effective. The Firm Placing is not conditional on the Conditional Placing.

The Placing is also conditional upon the placing agreement between the Company, J.P. Morgan Cazenove and Liberum Capital Limited not being terminated. Appendix A to this Announcement (which forms a part of this Announcement) sets out further information relating to the Bookbuild and the terms and conditions of the Placing.

J.P. Morgan Cazenove and Liberum Capital Limited (together, the "Banks") are acting as Joint Bookrunners and J.P. Morgan Cazenove is acting as Sole Global Coordinator in connection with the Placing.

For more information, please contact:

London Mining Plc +44 20 7408 7500
Graeme Hossie, Chief Executive Officer
Rachel Rhodes, Chief Financial Officer
Thomas Credland, Head of Investor Relations

Liberum Capital (Nominated Advisor/Broker) +44 20 3100 2000
Clayton Bush / Christopher Kololian

J.P. Morgan Cazenove (Broker) +44 20 7742 4000
Neil Passmore / Robert Bassett Cross

Brunswick Group LLP +44 20 7404 5959
Carole Cable / Daniel Thöle

About London Mining

London Mining is focused on identifying, developing and operating mines to become a mid-tier supplier to the global steel industry. London Mining is producing high specification iron ore from its Marampa Mine in Sierra Leone and developing two other iron ore mines in Greenland and Saudi Arabia as well as a coking operation in Colombia. All London Mining's assets have deliverable production with potential for

expansion. The Company listed on AIM in London on 6 November 2009. It trades under the symbols LOND.L (Reuters) and LOND LN (Bloomberg). More information about London Mining can be found at www.londonmining.co.uk.

Neither the content of the Company's website nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to compare, continue to hold, or dispose of, securities in the Company.

This Announcement is for information only and does not contain or constitute an offer of, or the solicitation of an offer to buy, securities in Australia, Canada, Japan, South Africa or the United States or any jurisdiction in which the same would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**"), under the securities legislation of any state of the United States or under the applicable securities laws of Australia, Canada, Japan or South Africa. The securities referred to herein 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 US Securities Act. Subject to certain exceptions, the securities referred to herein may not be offered or sold in Australia, Canada, Japan or South Africa or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan or South Africa. Any failure to comply with these restrictions may constitute a violation of U.S., Australian, Canadian, Japanese or South African securities laws, as applicable. No public offer of London Mining's securities is being or will be made in the United Kingdom, the United States, Australia, Canada, Japan, South Africa or elsewhere. No action has been taken by London Mining or the Banks that would permit an offering of the securities referred to herein or possession or distribution of this Announcement or any other offering or publicity material relating to such securities in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by London Mining and the Banks to inform themselves about, and to observe, any such restrictions.

This Announcement has been issued by and is the sole responsibility of London Mining. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Banks or by any of their respective affiliates or agents as to or in relation to the accuracy or completeness of this Announcement, or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is hereby expressly disclaimed.

J.P. Morgan Cazenove, which is authorised and regulated by the Financial Services Authority ("**FSA**"), and Liberum Capital which is authorised and regulated by the FSA are acting for London Mining in connection with the Placing and no one else and will not be responsible to anyone other than London Mining for providing the protections afforded to clients of J.P. Morgan Cazenove and Liberum Capital, respectively, or for providing advice in relation to the Placing.

This Announcement is not for publication or distribution, in whole or in part, directly or indirectly, in or into the United States, Canada, Australia, Japan, South Africa or any jurisdiction in which the same would be unlawful.

Certain statements in this Announcement are forward-looking statements which are based on London Mining's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, London Mining undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this Announcement is subject to change without notice and

neither London Mining nor the Banks assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

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 London Mining for the current or future financial years would necessarily match or exceed the historical published earnings per share of London Mining.

APPENDIX A: TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT, INCLUDING THE APPENDIX (TOGETHER, "**THIS ANNOUNCEMENT**") AND THE INFORMATION CONTAINED HEREIN ARE RESTRICTED AND ARE NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND 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 WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC 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(5) 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 IN (A) AND (B) TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT 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 RELATES 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. EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, FINANCIAL, BUSINESS AND RELATED ASPECTS OF A PURCHASE OF PLACING SHARES.

Persons who are invited to and who choose to participate in the Placing by making an oral or written offer to subscribe for Placing Shares, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given (the "**Placees**"), 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, acknowledgements, undertakings and agreements contained in this Appendix. In particular, each such Placee represents, warrants and acknowledges that:

- (a) it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (b) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, any Placing Shares acquired by it in the 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 European Economic Area ("**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; and

(c) it is outside the United States and is subscribing for the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the US Securities Act).

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, Australia, Canada, Japan or South Africa. No public offer of securities of the Company is being made in the United Kingdom, United States or elsewhere.

In particular, the Placing Shares referred to in this Announcement have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States, and the Company has not been registered as an investment company under the US Investment Company Act of 1940, as amended. None of this document, the Placing Shares, nor any document related to this document or the Placing Shares, have been approved or disapproved by the US Securities and Exchange Commission, 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 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 US Securities Act.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with and/or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan 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 or otherwise transferred, directly or indirectly, in or into the United States, Australia, Canada, Japan, South Africa or any other jurisdiction outside the United Kingdom.

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.

Details of the Placing Agreement and the Placing Shares

The Banks have entered into a placing agreement (the "**Placing Agreement**") with the Company under which the Banks, as agents of the Company, have severally (and not jointly or jointly and severally), on the terms and subject to the conditions set out therein, agreed to use reasonable endeavours to procure Placees to take up the Placing Shares. Under the Placing, up to 11,199,214 of the Placing Shares are to be placed firm (the "**Firm Placing Shares**") and an additional number of new Ordinary Shares are available to be placed subject to shareholder approval at the General Meeting of the Company (the "**Conditional Placing Shares**"). If Placees procured by the Banks fail to take up their allocation of the Placing Shares at the Placing Price (as defined below), the Banks have severally (and not jointly or jointly and severally) agreed to purchase such Placing Shares at the Placing Price on and subject to the terms set out in the Placing Agreement.

The Placing Shares will, when issued, be credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after First Admission or Second Admission (as applicable) in respect of the Ordinary Shares then in issue and will otherwise rank on First Admission or Second Admission (as applicable) *pari passu* in all respects with the existing issued Ordinary Shares of the Company.

In this Appendix, unless the context otherwise requires, Placee means a person (including individuals, funds or others) by whom or on whose behalf a commitment to take up Placing Shares has been given.

Application for listing and admission to trading

Application will be made to the London Stock Exchange plc (the "**London Stock Exchange**") for admission to trading of the Firm Placing Shares on AIM ("**AIM**") (the "**Admission of the Firm Placing Shares**"). It is expected that the Admission of the Firm Placing Shares will become effective and that dealings on AIM in the Firm Placing Shares will commence at 8.00 a.m. (London time) on or around 27 January 2012.

Application will be made to the London Stock Exchange for admission to trading of the Conditional Placing Shares on AIM (the "**Admission of the Conditional Placing Shares**" and, together with the Admission of the Firm Placing Shares, "**Admission**", as the context requires). It is expected that, subject to shareholder approval at the General Meeting of the Company, which is expected to be held on or around 13 February 2012, the Admission of the Conditional Placing Shares will become effective and that dealings on AIM in the Conditional Placing Shares will commence at 8.00 a.m. (London time) on or around 14 February 2012.

Bookbuild

The Banks will today commence the bookbuilding process in respect of the Placing (the "**Bookbuild**") to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the 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 Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

Participation in, and principal terms of, the Placing

1. The Banks are arranging the Placing severally (and not jointly or jointly and severally) as joint bookrunners.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Banks. The Banks and their respective affiliates are entitled to enter bids in the Bookbuild as principal.
3. The Bookbuild will establish a single price (in Pounds Sterling) payable to the Banks by all Placees whose bids are successful (the "**Placing Price**"). The Placing Price, the number of Placing Shares to be issued and the split of the Placing Shares between Firm Placing Shares and Conditional Placing Shares will be determined, following consultation, between the Banks and the Company following completion of the Bookbuild. The Placing Price, the number of Placing Shares to be issued and the split of the Placing Shares between Firm Placing Shares and Conditional Placing Shares will be announced on a Regulatory Information Service following the completion of the Bookbuild (the "**Placing Results Announcement**").
4. To bid in the Bookbuild, prospective Placees should communicate their bid by telephone to their usual sales contact at one of the Banks. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at either the Placing Price which is ultimately established by the Company and the Banks or at prices up to a price limit specified in its bid. Bids may be scaled down or allocated between Firm Placing Shares and Conditional Placing Shares by the Banks on the basis referred to in paragraph 7 below.

5. The Bookbuild is expected to close no later than 4.30 p.m. (London time) on 24 January 2012 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.
6. Each prospective Placee's allocation (and the split between Firm Placing Shares and Conditional Placing Shares) will be confirmed to the Placee orally by the relevant Bank following the close of the Placing, and a trade confirmation 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 the Banks and the Company, under which the Placee agrees to acquire the number of Firm Placing Shares and/or Conditional Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's Memorandum and Articles of Association.
7. Subject to paragraphs 4 and 5 above, the Banks may choose to accept bids, either in whole or in part, on the basis of allocations determined at their discretion (in consultation with the Company) and may scale down any bids for this purpose on such basis as they may determine. The acceptance of bids shall be at the Banks' absolute discretion. The Banks may allocate accepted bids between Firm Placing Shares and Conditional Placing Shares as they may in their absolute discretion determine. The Banks may also, notwithstanding paragraphs 4 and 5 above, subject to the prior consent of the Company, (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The Company reserves the right to reduce or seek to increase the amount to be raised pursuant to the Placing.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Announcement 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 Placing Price and the number of Placing Shares such Placee has agreed to acquire. Each Placee's obligations under this paragraph will be owed to the Company and to the relevant Bank.
9. 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.
10. Irrespective of the time at which a Placee's allocation pursuant to the Firm Placing is confirmed, settlement for all Firm Placing Shares to be acquired pursuant to the Firm Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement". Irrespective of the time at which a Placee's allocation pursuant to the Conditional Placing is confirmed, settlement for all Conditional Placing Shares to be acquired pursuant to the Conditional Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
11. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

12. By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the 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 of the Banks nor any of their respective affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither of the Banks nor any of their respective affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the relevant Bank's conduct of the Bookbuild or of such alternative method of effecting the Placing as the Banks, their affiliates and the Company may agree.

Conditions of the Placing

Each of the Banks' obligations under the Placing Agreement are conditional on, inter alia:

- (a) the agreement between the Banks and the Company of the Placing Price and the number of Placing Shares (including the number of Firm Placing Shares and the number of Conditional Placing Shares) to be issued, as established in the Bookbuild process;
- (b) in relation to the obligations relating to the Firm Placing Shares:
 - (i) Admission of the Firm Placing Shares occurring not later than 8.00 a.m. (London time) on 27 January 2012 or such other date as may be agreed between the Company and the Banks, not being later than 10 February 2012;
 - (ii) the Circular and the Form of Proxy having been posted to the shareholders of the Company before 27 January 2012 or such other date as may be agreed between the Company and the Banks; and
 - (iii) each of the warranties contained in the Placing Agreement being true, accurate and not misleading on and as at the date of the Placing Agreement and remaining true and accurate and not misleading at all times during the period up to Admission of the Firm Placing Shares, as though they had been given and made on such dates by reference to the circumstances at the relevant time; and
- (c) in relation to the obligations relating to the Conditional Placing Shares:
 - (i) Admission of the Firm Placing Shares becoming effective;
 - (ii) the passing without amendment of the Shareholder Resolution at the General Meeting or such later date as may be agreed between the Company and the Banks, not being later than 27 February 2012;
 - (iii) Admission of the Conditional Placing Shares occurring not later than 8.00 a.m. (London time) on 14 February 2012 or such other date as may be agreed between the Company and the Banks, not being later than 28 February 2012; and
 - (iv) each of the warranties contained in the Placing Agreement being true, accurate and not misleading on and as at the date of the Placing Agreement and remaining true and accurate and not misleading at all times during the period up to Admission of the Conditional Placing Shares, as though they had been given and made on such dates by reference to the circumstances at the relevant time.

If: (i) any of the conditions contained in the Placing Agreement in relation to the Firm Placing Shares, including those described above, are not fulfilled or (where applicable) waived by both Banks by the

respective time or date where specified (or such later time or date as the Company and the Banks may agree); (ii) any of such conditions becomes incapable of being fulfilled; or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing in relation to the Placing Shares (both Firm Placing Shares and Conditional Placing Shares) will lapse and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee against either the Company or any of the Banks in respect thereof. The Firm Placing is not conditional in any way on the Conditional Placing.

If: (i) any of the conditions contained in the Placing Agreement in relation to the Conditional Placing Shares, including those described above, are not fulfilled or (where applicable) waived by both Banks by the respective time or date where specified (or such later time or date as the Company and the Banks may agree); (ii) any of such conditions becomes incapable of being fulfilled; or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing in relation to the Conditional Placing Shares will lapse and the Placee's rights and obligations hereunder in relation to the Conditional Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee against either the Company or any of the Banks in respect thereof.

The Banks may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of any of the obligations in relation to the conditions in the Placing Agreement save that the above conditions relating to Admission of either the Firm Placing Shares or the Conditional Placing Shares taking place and the Company's allotment and issue of the Placing Shares may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither the Banks nor the Company 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 Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Banks and the Company.

Right to terminate under the Placing Agreement

Either of the Banks may, at any time on or before Admission of the Conditional Placing Shares, terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, inter alia, a breach of the warranties given to the Banks in the Placing Agreement; the failure of the Company to comply with obligations which are material in the context of the Placing; or the occurrence of a force majeure event which, in the opinion of the Banks acting in good faith, is likely to prejudice the success of the Placing. Following Admission of the Firm Placing Shares, the Placing Agreement shall not be capable of rescission or termination to the extent that it relates to the placing or the issue of the Firm Placing Shares.

Notwithstanding Admission of the Firm Placing Shares, the Banks retain their rights under the Placing Agreement to terminate the placing of the Conditional Placing Shares in accordance with the terms thereof. Any such termination after completion of the placing of the Firm Placing Shares will not, for the avoidance of doubt, affect the completed placing of the Firm Placing Shares.

If any of the obligations of the Banks with respect to the Placing are terminated in the manner contemplated above, the rights and obligations of each Placee shall cease and terminate at such time and no claim can be made by any Placee in respect thereof. The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances.

By participating in the Placing, Placees agree that the exercise by the Banks of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Banks and that they need not make any reference to Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise.

Lock-up

The Company has undertaken to the Banks that, between the date of the Placing Agreement and the date which is 90 days later, it will not, and will procure that none of its subsidiaries will, without the prior written consent of each of the Banks (such consent not to be unreasonably withheld or delayed) (a) offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or other shares in the capital of the Company or any securities convertible into or exchangeable for Ordinary Shares or other shares in the capital of the Company or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Ordinary Shares or other shares in the capital of the Company, whether any such transaction described in (a) or (b) above is to be settled by delivery of Ordinary Shares or other shares in the capital of the Company or such other securities, in cash or otherwise, provided that the foregoing shall not prevent or restrict the grant of options under, or the allotment and issue of shares pursuant to any existing employee share schemes of the Company or the allotment and issue of shares pursuant to contractual obligations in existence at the date of the Placing Agreement.

No Prospectus

No offering document or prospectus has been or will be published or submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement 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 nor the Company nor any other person will be liable for any Placee's decision to participate in the 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 Placing. The Company is not making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax, financial or business advice. Each Placee should consult its own lawyer, tax advisor, financial advisor and business advisor for legal, tax, financial and business advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN: GB00B1VZK334) following Admission will take place on a delivery versus payment basis within the CREST system.

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 possible or practicable (including within the CREST system) or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation in accordance with the standing arrangements in place with the relevant Bank stating the number of Placing Shares allocated to it at the Placing Price (including the split between Firm Placing Shares and Conditional Placing Shares, if any), the aggregate amount owed by such Placee to the relevant 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 either the standing CREST or certificated settlement instructions that it has in place with the relevant Bank.

It is expected that settlement of Firm Placing Shares will be on 27 January 2012 on a T+3 basis in accordance with the instructions set out in the trade confirmation.

Settlement for any Conditional Placing Shares issued and allotted pursuant to the Placing will, subject to the passing of the Shareholder Resolution, take place on the date of Admission of the Conditional Shares which is expected to be 14 February 2012.

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) 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 trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Representations, Warranties and Further Terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) for the benefit of the Company and the Banks:

1. represents and warrants that it has read and understood this Announcement, including the Appendix, in its entirety and that its subscription of the Placing Shares is subject to and based upon only the terms, conditions, representations, warranties, acknowledgments, agreements and undertakings and other information contained herein;
2. acknowledges that no offering or admission document or prospectus has been prepared or published in connection with the placing of the Placing Shares and represents and warrants that it has not received a prospectus or other offering or admission document in connection therewith;
3. acknowledges that none of the Banks, the Company nor any of their respective affiliates nor any person acting on behalf of any of them has provided it, and will not provide it, with any information or material regarding the Placing Shares or the Company other than this Announcement; 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 or material;
4. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that none of the Banks, their respective affiliates or any person acting on behalf of them has or shall have any liability for any information, representation or statement contained in this Announcement 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 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 the Placing Shares is contained in this Announcement and any information: (i) previously published by the Company by notification to a Regulatory Information Service, (ii) contained in annual audited accounts published by the Company, or (iii) contained in the Admission Document published by the Company on 3 November 2009 in connection with the application for its Ordinary Shares to be admitted to trading on AIM, 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 (whether express or implied) made by any of the Banks or the Company and none of the Banks nor the Company will be liable for any Placee's decision to accept an invitation to participate in the 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 in deciding to participate in the Placing;

5. acknowledges that none of the Banks, their respective affiliates nor 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 its business contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
6. represents and warrants that it is, and at the time the Placing Shares are acquired will be, acquiring the Placing Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act;
7. represents and warrants that (a) it is not, and at the time the Placing Shares are acquired will not be, a resident of the United States, Australia, Canada, Japan or South Africa, and (b) 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, will not look to the Banks for all or part of any such loss it may suffer, is able to bear the economic risk of an investment in the Placing Shares, is able to sustain a complete loss of the investment in the Placing Shares and has no need for liquidity with respect to its investment in the Placing Shares;
8. acknowledges that the Placing Shares have not been and will not be registered or qualified for offer and sale nor will a prospectus be cleared in respect of any of the Placing Shares under the securities laws or legislation of the United States (or under the securities laws of any state or other jurisdiction of the United States), Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered, sold, or delivered or transferred, directly or indirectly, within those jurisdictions and agrees not to reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
9. unless otherwise specifically agreed with the Banks, represents and warrants that it is, or at the time the Placing Shares are acquired that it will be, the beneficial owner of such Placing Shares;
10. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to 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 transfer Placing Shares into a clearance system;
11. represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2003 and the Money Laundering Regulations 2007 (the "**Regulations**") 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;
12. if a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, represents and warrants that the Placing Shares purchased by it in the 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 EEA 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;

13. represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from the relevant Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to Qualified Investors or otherwise in circumstances which have not resulted and which will not result in contravention of section 85(1) of the Financial Services and Markets Act 2000 ("**FSMA**");
14. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in the requirement to publish a prospectus in any member state of the EEA within the meaning of the Prospectus Directive;
15. represents and warrants 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;
16. represents and warrants 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;
17. represents and warrants that if it resides in a member state of the EEA it is a Qualified Investor within the meaning of the Prospectus Directive;
18. represents and warrants that if it resides in the United Kingdom it is a Qualified Investor within the meaning of the Prospectus Directive and a person (a) who has professional experience in matters relating to investments and is an "Investment Professional" falling within article 19(5) (investment professionals) of the Order, or (b) who falls within article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Order;
19. represents and warrants 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 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 and conditions set out or referred to in this Announcement) and will honour such obligations;
20. where it is subscribing for Placing Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account: (a) to subscribe for the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and the Announcement of which it forms part; and (c) to receive on its behalf any investment letter and/or Placing Allocation Letter relating to the Placing in the form provided by any of the Banks;
21. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Appendix on the due time and date set out herein and it has obtained all necessary consents and authorities to enable it to give its commitment so to

subscribe, failing which the relevant Placing Shares may be placed with other Placees 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 Placing 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 due pursuant to the terms and conditions set out or referred to in this Announcement) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;

22. acknowledges 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 Placing and that participation in the Placing is on the basis that it is not and will not be a client of any Bank and that none of the Banks has any duty or responsibility to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, undertakings or indemnities contained in the Placing 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;
23. undertakes 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 nor the Company will be responsible for any liability to stamp duty, stamp duty reserve tax or any similar tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and the Banks on an after tax basis in respect of the same on the basis that the Placing Shares will be allotted to the CREST account of the Relevant Bank or its affiliate or agent who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
24. acknowledges 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 any Bank 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;
25. 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 each of the Banks and the Company and are irrevocable, and with respect to any of the representations, warranties, acknowledgements, undertakings and agreements deemed to have been made by a purchaser of the Placing Shares as a fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power and authority to make the foregoing representations, warranties, acknowledgments, undertakings and agreements on behalf of each such account;
26. agrees 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 Placing;

27. represents and warrants that it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;
27. acknowledges that time shall be of the essence as regards the obligations pursuant to this Appendix to the Announcement;
28. if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations; and
29. represents and warrants that it is an institution or an addressee which: (a) has such knowledge and experience in financial and business matters and expertise in assessing credit, market and all other relevant risks as to be capable of evaluating, and has evaluated independently, the merits, risks and suitability of its investment in the Placing Shares; and (b) it and any accounts for which it is acting are each able to bear the economic risk of such investment, and are each able to sustain all or a substantial portion of any investment in the Placing Shares and the Placee will not look to the Banks for all or any part of any such loss or losses it may suffer.

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 subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

Each Placee, and any person acting on behalf of the Placee, acknowledges and agrees that the Banks do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing 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 FSA 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 the Banks' 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.

If the Company or any Bank or their respective affiliates request any information about a Placee's agreement to subscribe for Placing Shares and/or any evidence supporting the representations and warranties given above, such Placee shall (and it undertakes to) promptly disclose such information or evidences (as applicable to them). 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.