

16 February 2015

Dear Shareholder,

*To Shareholders and, for information purposes only, to the holders of options and warrants*

## **Update regarding the Proposed Delisting, Proposed Subscription and Suspension of Trading**

### **Introduction**

On 23 January 2015 Cambria Africa Plc ("Cambria" or "the Company") sent a circular to Shareholders (the "Circular") together with a notice convening a General Meeting of the Company to seek Shareholders' approval to cancel the admission of the Company's ordinary shares of 0.01 pence each ("Shares") to trading on AIM ("Cancellation" or "Delisting").

The Company today announces that it no longer intends to seek Shareholders' approval for the Delisting as it has entered into a conditional share subscription agreement with Ventures Africa Ltd (the "SSA"), further details of which are provided below.

Ventures Africa Ltd wishes Cambria to maintain its quotation on AIM. The Company believes that the access to the funding under the SSA overrides the reasons given for its original intention to delist.

As such, at the General Meeting to be held at 9.00 am on 18 February 2015, prior to any of the Resolutions set out in the Circular being put to the Shareholders, the Chairman of the meeting shall, with the consent of the meeting and in accordance with article 61 of the Company's articles of association, adjourn the meeting indefinitely (*sine die*).

## **The conditional Share Subscription Agreement**

The SSA with Ventures Africa Ltd (VAL) provides for the subscription of 107,000,000 ordinary shares ("Subscription Shares") at a price of 0.85p per Share (the "Subscription Price") in the Company, payable in cash on completion (the "Allotment").

Under the terms of the SSA entered into between the Company and VAL, VAL will subscribe for the Subscription Shares at the Subscription Price, conditional, inter alia, upon:

- The Takeover Panel agreeing, subject to the approval of independent shareholders as set out in the Takeover Code (the "Code"), to waive the obligation of VAL to make a general offer for the shares of the Company pursuant to Rule 9 of the Code (a "Whitewash");
- The independent shareholders, as set out in the Code, voting in favour of the Whitewash; and
- Shareholders voting to dis-apply pre-emption rights to enable the Allotment to complete.

The parties have targeted a completion date of 1 April 2015, with a long stop date of 15 June 2015. Should all conditions of the SSA be met and the agreement therefore entered into, VAL would own 50.55 per cent of the voting rights of the Company. The proceeds of the placement will be used to provide general working capital for the Company's existing investments.

In the event that such conditions are not satisfied, or waived by VAL where capable of waiver, or become incapable of fulfilment, before the Long Stop Date, the Subscription Agreement will terminate.

Following the completion of the placement of 107,000,000 Subscription Shares, the Company will have 216,655,162 ordinary shares in issue. The Subscription Shares will rank pari passu in all respects with the Company's existing ordinary shares.

## **General Meeting**

In order to satisfy the conditions of the Subscription Agreement, it is intended that a circular convening a general meeting will be sent to shareholders in due course and a further announcement made at that time.

## **Suspension of Trading**

Under the AIM Rules for Companies, the Company is required to publish its audited annual accounts for the period to 31 August 2014 (the "Accounts") by 28 February 2015 which would not have been the case if the Company was to be delisted as initially intended. The Accounts will not be ready for publication by this date and as a consequence the trading in the Company's shares will be suspended from 7.30am on 17 February 2015 until it can publish its Accounts. The Company expects to publish its Accounts by the end of May 2015.

Yours faithfully,



**IAN PERKINS**  
*Non-executive Chairman*