

30 November 2007

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Faroe Petroleum plc
("Faroe Petroleum", "Faroe" or the "Company")

**Placing of 30,612,245 new Ordinary Shares
at 147 pence to raise £45 million**

Faroe Petroleum, the independent oil and gas company focusing principally on exploration in the Atlantic Margin, the North Sea and Norway, has conditionally raised £45 million (approximately £43 million net of expenses) through a Placing with institutional and other investors of 30,612,245 new Ordinary Shares in the Company at 147 pence per Ordinary Share. The Placing is subject to Shareholder approval at an extraordinary general meeting to be held on 27 December 2007.

Highlights:

Following the Placing the Company will be fully funded to:

- Carry out the prepared drilling campaign across its portfolio with the potential drilling of 26 wells by the end of 2009;
- Accelerate the maturing and development of its existing licences;
- Farm into attractive exploration and appraisal prospects within Faroe's core areas of activity;
- Accelerate growth in Norway;
- Conclude acquisitions of certain development and production assets (development programmes will be substantially debt financed); and
- Continue to drive the licence application programme.

Panmure Gordon, Nominated Adviser and Joint Broker to the Company, and Tristone Capital, as Joint Broker to the Company, have together conditionally placed 30,612,245 new Ordinary Shares with existing Shareholders and other financial institutions. The Placing Price represents a discount of approximately 4.8 per cent. to the closing middle market price of 154 pence per share on 29 November 2007, the last business day prior to this announcement. The Directors are also subscribing a total of 96,634 Placing Shares at the Placing Price.

Graham Stewart, Chief Executive of Faroe Petroleum said:

"Faroe has been transformed over the last few years; the team has built a strong portfolio of production, appraisal and exploration assets with a very substantial prize in excess of two billion barrels of oil equivalent net un-risked resource. Alongside this we have established high-level partnerships with major oil companies and now enjoy the position as the third largest gross acreage holder in the Atlantic Margin.

This Placing gives us the firepower through efficient use of capital to execute the many opportunities open to us, including a 26 well programme, with 15 expected by the end of 2008. Faroe now has the momentum to realise substantial value for Shareholders and we look forward to updating the market on our progress in the future."

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Development of the business to date

The Directors announced, on 10 September 2007, the interim results for the six months ended 30 June 2007, which stated that the Company's portfolio of licences totalled 34: 5 in the Faroes, 20 in the UK, 2 in the Netherlands and seven in Norway. Since then the Company has announced:

- the acquisition of an 18.75 per cent. interest in the UK Wissey field gas development;
- a farm out of a 12.5 per cent. interest in its Faroes Licence 005 and the granting of an option over 2.5 per cent. of its West of Shetland Cardhu licence;
- the successful drilling and testing of an appraisal well on the Breagh gas discovery in the UK Southern North Sea (10 per cent);
- the acquisition of interests in the UK Schooner gas field (4.83 per cent.) and Topaz gas field development (7.5 per cent.);
- the swap of interests in the Company's Norwegian Fogelberg exploration licence (15 per cent.) for an interest in PL376 (10 per cent.); and
- a farm in to Faroes Licence 007, where the William well is currently being drilled, and acquisition of interests in the Norwegian Granat exploration licence (10 per cent.) and Trym field development asset (10 per cent.).

Further details of the licences held by the Company and licences to be acquired by it (subject to certain conditions) are set out in paragraph 5 of Part II to the Circular posted to Shareholders today.

The Company is in the process of relinquishing three UK exploration licences which it has decided, in the normal course of portfolio management and following thorough technical assessment, not to take forward, namely Licence P1160 covering Blocks 205/19a, 20a, P1353 covering Blocks 18/3, 4 and P1294 covering Block 14/23a. The Company has satisfied all work commitments in connection with these licences. The Company has also applied to BERR for a deferment of the drill or drop commitment for Licence P1161 covering Blocks 206/5a, 10a, which is otherwise required by 1 December 2007, and in the Faroes the Company is negotiating the extension of its option over a 4.04 per cent. interest in Licence 006, which is otherwise due to expire on 30 November 2007.

The Company has built a strategic position in the Atlantic Margin (UK and Faroes) to become the third largest gross acreage holder in the area. This includes acreage held as a sole licence holder and acreage held through a number of joint ventures with major oil companies (e.g. BP, Chevron,

Eni, Shell and Statoil). In addition to the Company's exposure in the UK and Faroes, the Company has now established itself firmly in Norway, being the most successful new entrant in the APA 2006 licensing round, with seven new licences awarded, and has the greatest number of licences in Norway of any oil and gas company trading on AIM. The Directors believe that the Norwegian oil and gas market is significantly under-developed in comparison with the UK North Sea and holds great potential for the Company to create significant additional shareholder value.

Current business strategy

The Company's business strategy to create value for Shareholders can be summarised as follows:

- to discover substantial hydrocarbon resources West of Shetlands, Faroes and Norway by drilling attractive high impact exploration wells with material equity stakes;
- to acquire and de-risk promising exploration and appraisal acreage in the wider North Sea and Norway in order to grow the underlying value of the Company; and
- to acquire and exploit development and production assets on sensible metrics to strengthen underlying portfolio value.

The risk/reward profile of the Company's portfolio can be generalised as follows:

- Atlantic Margin: higher risk with a significant number of high impact opportunities;
- North Sea: provides opportunities for lower risk exploration and the exploitation of appraisal assets; and
- Southern Gas Basin: opportunities for low risk development and production assets with near term cash flow potential.

The Directors continue to believe that the opportunity for a significant step change in value will only be created through the successful drilling of targeted assets. The Company has prepared a significant drilling campaign across its portfolio with the potential of drilling 26 wells by the end of 2009. Each of these wells has a differing risk and reward profile and the Directors are of the opinion that the drilling campaign, when considered in its entirety, has a good chance of delivering successful results, with an accompanying significant increase in the value of the business.

While continuing to pursue the drilling of the exploration portfolio, the Company has been building a portfolio of non-operated gas interests in producing/near producing fields, close to infrastructure in the UK Southern North Sea. The 2006 acquisition of Orca Minke has now been augmented with the acquisition of an interest in the Wissey development (18.75 per cent.) and, as announced earlier today, the acquisition of interests in the Schooner gas field (4.83 per cent.) and the Topaz (7.5 per cent.) gas field development. As such, production risk is being diversified across several fields. Production achieves a number of objectives for the Company, notably cash flow to finance running costs and, in time, work programme costs, the utilisation of accumulated tax losses from exploration activity, which effectively increases the profitability of production, and the ability to utilise debt finance. The Company's targeted gas acquisitions all benefit from any upside in the gas price and are managed by experienced operators (Gaz de France, RWE and Tullow).

Reasons for the Placing

As the growth of the Company accelerates, especially with the expansion into Norway, the Directors and management team are reviewing a greater number of good quality investment opportunities which the Board believes will continue to increase shareholder value. This has been demonstrated through the recent acquisitions and farm in transactions conducted in the second half

of 2007. The Company is seeking an increase in its capital resources to fund this growth and specifically for the following activities:

- increasing the level of exploration and appraisal drilling activity, while maintaining material equity interests by:
 - accelerating the maturing of its existing licences;
 - farming into attractive exploration and appraisal prospects in Norway and the UK;
- accelerating growth in Norway;
- funding development and production acquisitions (development programmes will be substantially debt financed);
- farming out from a position of financial strength to secure favourable commercial terms; and
- continuing the licence application programme.

The Directors believe that the costs of the above activities require the Company to be appropriately funded. The Company's current strategy will be part funded through a combination of its current cash reserves, bank debt, production revenues and the raising of further equity capital from farm out arrangements. The Directors are proposing to fund the remaining cash requirement of the strategy through the proceeds of the Placing. The Directors are also subscribing in the Placing as set out in paragraph 3 of Part II of the Circular.

Details of the Placing

Subject to the passing of the Resolutions at the Extraordinary General Meeting, the Company is proposing to raise £45 million before expenses (approximately £43 million net of expenses) by the issue of the Placing Shares pursuant to the Placing. The Placing Shares will represent approximately 30 per cent. of the enlarged issued share capital of the Company. Panmure Gordon and Tristone Capital have conditionally placed the Placing Shares with institutional investors at the Placing Price. The Directors are also subscribing a total of 96,634 Placing Shares at the Placing Price.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares.

Admission is expected to take place and dealings in the Placing Shares to commence on AIM on 28 December 2007. Share certificates in respect of Placing Shares to be held in certificated form are expected to be despatched by no later than 7 January 2008. Placing Shares to be held in uncertificated form are expected to be delivered in CREST by no later than 7 January 2008.

The Placing has only been made to persons falling within Article 19 or Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) and who are also "qualified investors" for the purposes of section 86(7) of FSMA and no other person may now participate in the Placing or rely on any communication relating to it. The offer of the Placing Shares has not been made to the public for the purposes of the Prospectus Rules. The Circular and this announcement do not constitute an offer, or the solicitation of an offer, to subscribe or buy any of the Placing Shares.

Current trading and prospects

The Directors announced on 10 September 2007 the interim results of the Company for the six months ended 30 June 2007, since when the Company has entered into contracts to acquire a

number of production, development and exploration assets as set out on page 5 of the Circular. The Company has also mandated a leading oil and gas lending bank to provide a credit facility to finance in part the development assets.

Extraordinary General Meeting

A notice convening the Extraordinary General Meeting to be held on 27 December 2007 at 2.30 p.m. at the offices of Financial Dynamics, 26 Southampton Buildings, London WC2A 1PB, is set out at the end of the Circular. At this meeting special resolutions will be proposed, *inter alia*, to:

- (a) increase the authorised share capital of the Company from £12,000,000 to £18,000,000 by the creation of an additional 60,000,000 Ordinary Shares;
- (b) authorise the Directors, pursuant to Section 80 of the Act, to allot up to:
 - (i) 30,612,245 new Ordinary Shares in respect of the Placing; and
 - (ii) 42,535,134 new Ordinary Shares following the implementation of the Placing (representing approximately 41 per cent. of the issued share capital of the Company following the implementation of the Placing); and
- (c) disapply statutory pre-emption rights, *inter alia*, in relation to:
 - (i) the Placing; and
 - (ii) the allotment of equity securities for cash up to an aggregate nominal amount of £522,475.80 (representing approximately five per cent. of the issued share capital of the Company following the implementation of the Placing).

The proposed increase in the authorised share capital of the Company to 180,000,000 Ordinary Shares contained in (a) above is necessary to allow for the issue of the Placing Shares and to leave further headroom for any subsequent issues. The allotment authority contained in (b) above is required for the issue of the Placing Shares and any further issues prior to the annual general meeting to be held in 2008. The allotment authority contained in (b), as reduced to approximately 40 per cent. following the implementation of the Placing, represents the following:

- 7,703,414 Ordinary Shares in connection with various employee share options and other option arrangements; and
- 34,831,720 Ordinary Shares equivalent to approximately one third of the issued share capital of the Company following the Placing.

The allotment authorities contained in (b) and (c) above will expire at the Company's forthcoming 2008 annual general meeting and such authorities as will be required on an ongoing basis will be proposed at such time.

The Board believes that the Placing is in the best interests of the Company and Shareholders as a whole. The Directors therefore unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as they intend to do in respect of their own beneficial holdings, which amount in aggregate to 330,861 Ordinary Shares (representing approximately 0.45 per cent. of the current issued share capital of the Company).

APPENDIX

TERMS AND CONDITIONS OF AND IMPORTANT INFORMATION ON THE PLACING

The Placing, and the terms and conditions herein, are directed exclusively at persons (i) who are “qualified investors” (as defined in section 86(7) of the FSMA) and (ii) falling within Article 19 or Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (such category of investors being referred to as “**Relevant Persons**”) and no other persons. Accordingly, this announcement is exempt from the general restriction set out in Section 21 of the FSMA on the communication of invitations or inducements to engage in investment activity and has not been approved by a person who is authorised under the FSMA.

Members of the public are not entitled to take part in the Placing and this announcement is communicated to them for the purposes of information only. This announcement and the terms and conditions herein must not be relied on, acted on or responded to by persons who are not Relevant Persons. If you are in any doubt as to whether you are a Relevant Person you should consult a professional adviser for advice.

This announcement and appendix does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this announcement (or copies thereof) and the Placing and issue or transfer (as the case may be) of the Placing Shares in certain jurisdictions may be restricted by law. Relevant Persons to whose attention this announcement has been drawn are required by the Company and the Brokers to inform themselves about and to observe any such restrictions.

Placees are deemed to have read and understood this announcement in its entirety and to be making such offer on the terms and conditions contained in this appendix, and to be providing the representations, warranties, agreements, acknowledgements and undertakings, in each case as contained in this appendix.

The following definitions have been used in this announcement:

“Act”	the Companies Act 1985 (as amended) and, to the extent in force, the Companies Act 2006
“Admission”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the AIM rules for Companies and the AIM Rules for Nominated Advisers published by the London Stock Exchange
“BERR”	the Department for Business Enterprise and Regulatory Reform
“Board” or “Directors”	the directors of the Company whose names are set out on page 5 of the Circular
“Brokers”	Panmure Gordon and Tristone Capital, jointly and/or severally and “Relevant Broker” means either of them as the context so requires (by reference to the relevant subscriber procured)
“Company”, “Faroe” or “Faroe Petroleum”	Faroe Petroleum plc
“Circular”	the Circular dated 30 November 2007 describing the Placing and giving notice of the Extraordinary General Meeting

“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland is the operator
“DTR”	the Disclosure and Transparency Rules made by the Financial Services Authority with effect from 20 January 2007 pursuant to Commission Regulation 2004/109/EC), as revised from time to time
“Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 27 December 2007, notice of which is set out at the end of the Circular
“FSMA”	Financial Services and Market Act 2000
“Group”	the Company and its subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“Panmure Gordon”	Panmure Gordon (UK) Limited
“Placees”	persons who subscribe for Placing Shares under the Placing
“Placing”	the placing of the Placing Shares
“Placing Agreement”	the conditional agreement dated 30 November 2007 between the Company, Panmure Gordon and Tristone Capital relating to the Placing, summary details of which are set out on page 11 of the Circular
“Placing Price”	147 pence per Placing Share
“Placing Shares”	the 30,612,245 new Ordinary Shares to be issued pursuant to the Placing
“Prospectus Rules”	the Prospectus Rules made by the Financial Services Authority with effect from 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004, as revised from time to time
“Resolutions”	the resolutions set out in the notice of Extraordinary General Meeting, which is set out at the end of the Circular
“Shareholder(s)”	holder(s) of Ordinary Shares
“Tristone Capital”	Tristone Capital Limited
“UK”	the United Kingdom of Great Britain and Northern Ireland

The Placing

Pursuant to the Placing Agreement, the Brokers, on behalf of the Company, have conditionally placed 30,612,245 new Ordinary Shares at the Placing Price. The Placing will raise £45 million (approximately £43 million net of expenses).

Application will be made (conditional on the approval of Shareholders at the General Meeting) to the London Stock Exchange for the Admission of the Placing Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence on 28 December 2007 at which time it is also expected that the Placing Shares will be enabled for settlement in CREST.

The Placing Shares will be issued credited as fully paid, will be issued subject to the memorandum and articles of association of the Company and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive any future dividends and other distributions.

Terms of the Placing Agreement

Pursuant to the Placing Agreement, the Brokers have agreed to use their reasonable endeavours to place the Placing Shares with Placees selected by them.

The Placing is conditional upon, inter alia, the passing of the Resolutions at the Extraordinary General Meeting, Admission and the Placing Agreement having become unconditional and not having been terminated in accordance with its terms prior to Admission. If the conditions of the Placing Agreement are not fulfilled or waived on or before 8.00 am on 28 December 2007 (or such later time and date as the Company and Panmure Gordon may agree, being no later than 8.00 am on 11 January 2008) the Placing will not become unconditional and the rights and obligations of the Placees hereunder shall cease and determine at such time and no claim can be made by any Placee in respect thereof. In such circumstances, the Placing monies will be returned to the Placees, without interest, as soon as practicable thereafter, at the Placees' risk.

Neither Panmure Gordon, Tristone Capital 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 either of them 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 Agreement, nor for any decision any of them may make as to the satisfaction of any condition nor in respect of any decision that any of them make in respect of the any right of termination or other discretion under the Placing Agreement.

In consideration of their services in connection with the Placing, the Company will pay to the Brokers a sales commission of up to five per cent. of the aggregate value of the Placing Shares. The Placing Agreement contains warranties given by the Company with respect to the Group, its business and certain matters connected with the Placing and an indemnity from the Company in favour of each of the Brokers and their affiliates.

Panmure Gordon (having consulted properly with Tristone Capital) is entitled to terminate the Placing Agreement in certain circumstances prior to Admission, principally in the event that any of the warranties contained therein are, or become, untrue, inaccurate or misleading in any material respect or if an event of force majeure arises.

Overseas shareholders

The Placing Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or under the securities law of any state of the United States nor have they been qualified for sale under the securities legislation of any province or territory of Canada and the relevant exemptions are not being obtained from the Securities Commission of any province of Canada and accordingly, the Placing Shares may not, subject to certain exemptions, be offered, sold, taken up, delivered or transferred (directly or indirectly) and will, absent an applicable exemption, not qualify for sale within the United States or Canada or to, or for the account or benefit of, any person or corporation in (or with a registered address in) the United States or Canada.

The Placing Shares will not be lodged or registered with the Australian Securities and Investments Commission under Australia's Corporations Law and are not being offered for subscription or sale and may not be directly or indirectly offered, sold or delivered in or into Australia or for the account or benefit of any person or corporation in (or with a registered address in) Australia.

The relevant clearances have not been, and will not be, obtained from the Ministry of Finance of Japan and no document in relation to the Placing has been or will be lodged with or registered by the Ministry of Finance of Japan. The Placing Shares may not therefore be offered or sold, directly or indirectly, in or into Japan, its territories and possessions and any areas subject to its jurisdiction.

No document in relation to the Placing Shares has been or will be lodged for registration with the Registrar of Companies in the Republic of Ireland and the Placing Shares will not be offered, sold or delivered, directly or indirectly in the Republic of Ireland. All subscribers for Placing Shares must provide addresses outside the Republic of Ireland for the receipt of certificates for Placing Shares.

The approval of the South African exchange control authorities has not been, and will not be, obtained in relation to the Placing Shares. The Placing Shares may not therefore be offered or sold directly or indirectly in or into South Africa.

This announcement and any contract note made available to Placees do not constitute an offer to sell, or a solicitation to buy, Placing Shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this announcement (or copies thereof) and the Placing and issue or transfer (as the case may be) of the Placing Shares in certain jurisdictions may be restricted by law. Persons to whose attention this announcement has been drawn are required by the Company and the Brokers to inform themselves about and to observe any such restrictions.

General

These terms and conditions apply to persons making an offer to subscribe for Placing Shares under the Placing. Each Relevant Person to whom these conditions apply, as described above, who confirms his agreement to the Relevant Broker (on behalf of itself and the Company) to subscribe for Placing Shares (which may include the Relevant Broker and/or its nominee(s)) hereby agrees with both the Relevant Broker and the Company to be bound by these terms and conditions as being the terms and conditions on which the Placing Shares will be issued under the Placing. A Placee shall, without limitation, become so bound if the Relevant Broker confirms to it by telephone (i) the Placing Price and (ii) its allocation (the “**Confirmation**”) and the Relevant Broker so notifies the Company’s registrar on behalf of the Company.

Conditional on (i) the passing of the Resolutions at the Extraordinary General Meeting, (ii) Admission occurring on 28 December 2007 or such later date as the Company and Panmure Gordon may agree (not being later than 11 January 2008), (iii) the Confirmation, each Placee agrees to subscribe for the number of Placing Shares allocated to it, at the Placing Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights a Placee may have. A conditional contract note will be dispatched as soon as possible following the Confirmation.

Each Placee undertakes to pay the Placing Price for the Placing Shares issued to such Placee in such manner as shall be directed by the Relevant Broker. Liability for stamp duty and stamp duty reserve tax is described below. In the event of failure by any Placee to pay as so directed, the relevant Placee shall be deemed hereby to have appointed the Relevant Broker or any nominee of the Relevant Broker to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as directed by the Relevant Broker.

In the case of a joint agreement to subscribe for Placing Shares, references to a Placee in these terms and conditions are to each Placee who is a party to such agreement and each such Placee’s liability is joint and several.

To ensure compliance with the Money Laundering Regulations 2003 (as amended from time to time) and the Proceeds of Crime Act 2002, the Relevant Broker and/or Capita Registrars may require verification of a Placee’s identity and address, if they do not already hold the same. Each Placee acknowledges that it is a term of its participation in the Placing that, pending the provision of evidence of identity and address, definitive share certificates or, where appropriate, delivery of Placing Shares to it in uncertificated form, may be retained or delayed at the Relevant Broker’s absolute discretion. The Relevant Broker may terminate its Placing commitment if satisfactory evidence of identity and address is not received within a reasonable period of time after request. In which case the monies, if paid, will be returned without interest to the account of the drawee bank from which they were originally debited.

The Relevant Broker will deal with all data which a Placee submits to it in connection with its application for shares in accordance with the provisions of the Data Protection Act 1998. Each Placee agrees that the Relevant Broker may share such data with all parties concerned with the Placing as may be necessary in connection with this application.

By accepting its participation in the Placing, each Placee is deemed to agree that any “Specified Person” (being the Relevant Broker and any subsidiary or holding company of, or any subsidiary of a holding company of, the Relevant Broker and the employees, directors and agents of such persons and

of the Relevant Broker, as the case may be, and “subsidiary” and “holding company” having the meanings ascribed thereto by sections 736 and 736A of the Act) shall not be liable to each Placee for any matter arising out of its role in the case of the Relevant Broker as Placing agent or otherwise in connection with the Placing (to the extent permitted by the Rules of the Financial Services Authority (“FSA”) and that where any such liability nevertheless arises as a matter of law the relevant Placee will immediately to the maximum extent permissible waive any claim against any Specified Person which it may have in respect thereof.

These terms and conditions and all documents and agreements into which these terms and conditions are incorporated by reference or otherwise validly form a part will be governed by and construed in accordance with English law. For the exclusive benefit of the Brokers and the Company each Placee irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against the Placee in another jurisdiction.

Settlement

Settlement will take place on 28 December 2007 as set out in the contract note. On that date each Placee must settle the full amount owed by it in respect of the Placing Shares allocated to it. The Relevant Broker may (after consultation with the Company and the other Broker) specify a later settlement date at its absolute discretion. Payment must be made in cleared funds. The payment instructions for settlement in CREST and settlement outside of CREST will be set out in the contract note. The trade date of the Placing Shares will be 30 November 2007 as set out in the contract note. Interest is chargeable daily on payments to the extent that value is received after the due date at the rate per annum of 2 percentage points above the Barclays Bank plc base rate. If a Placee does not comply with these obligations, the Relevant Broker may sell the Placing Shares allocated to such Placee (as agent for such Placee) and retain from the proceeds, for its own account, an amount equal to the Placing Price plus any interest due. The relevant Placee will, however, remain liable, inter alia, for any shortfall below the Placing Price and it 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 its Placing Shares on its behalf. Time shall be of the essence as regards the obligations of Placees to settle payment for the Placing Shares and to comply with their other obligations under this announcement.

Settlement of the transactions in the Placing Shares following Admission will, where permissible, take place within the CREST system against Panmure Gordon's CREST account 83801 or Tristone Capital's CREST account 601 (as applicable). The usual rules of secondary settlement and trading will apply. The Brokers reserve the right to require settlement for and delivery of the Placing Shares to the Placees by such other means that it deems necessary if delivery or settlement is not possible within CREST within the timetable set out in this announcement or the Circular or would not be consistent with the regulatory requirements in the jurisdictions of such Placees.

The Relevant Broker will endeavour to meet the demands of those Placees indicating that they wish to hold their Placing Shares in certificated form.

Representations, Warranties and Undertakings

By participating in the Placing, each Placee irrevocably represents, warrants and undertakes to the Relevant Broker (for itself and as agent of the Company) that:

- (a) it and/or each person on whose behalf it is participating (in whole or in part) in the Placing or to whom it allocates its Placing Shares in whole or in part:
 - (i) has the capacity and authority and is entitled to enter into and perform its obligations as a subscriber of Placing Shares and will honour such obligations; and
 - (ii) has fully observed all laws of relevant jurisdictions and obtained all necessary governmental or other consents and authorities in either case which may be required in relation to the subscription by it of Placing Shares;
- (b) the Placing Shares have not been and will not be registered under the Securities Act or under the relevant securities laws of any state of the United States, any of Canada, Australia, New

Zealand, Japan, the Republic of Ireland or South Africa or any state or territory within any such country and, subject to certain limited exceptions, may not be directly or indirectly offered, sold, renounced, transferred, taken-up or delivered in, into or within those jurisdictions;

- (c) (i) it is not resident within the United States, Canada, Australia, New Zealand, Japan, the Republic of Ireland or South Africa or in any other jurisdiction where participation by residents or other persons in the Placing may be a breach of the relevant law of such jurisdiction (a “**Restricted Jurisdiction**”) and it is not a citizen of a Restricted Jurisdiction, (ii) it has not offered, sold or delivered and will not offer, sell or deliver any of the Placing Shares directly or indirectly, into a Restricted Jurisdiction or any other jurisdiction where the distribution of this announcement may be restricted by law, (iii) neither it, its affiliates, nor any persons acting on its behalf, have engaged or will engage in any directed selling efforts with respect to the Placing Shares, (iv) except pursuant to any exemption under relevant local law, it is not taking up the Placing Shares for resale in or into a Restricted Jurisdiction or any other jurisdiction where the distribution of the announcement may be restricted by law, and (v) it will not distribute this announcement or any offering material, directly or indirectly, in or into a Restricted Jurisdiction or any other jurisdiction where the distribution of the announcement may be restricted by law or to any persons resident in such countries;
- (d) it is outside the United States and will only offer and sell the Placing Shares outside the United States in offshore transactions in accordance with Regulation S of the Securities Act;
- (e) neither it nor its affiliates (as defined in Rule 501(b) of the Securities Act) nor any person acting on its or their behalf have engaged in or will engage in any ‘general solicitation or general advertising’ (within the meaning of Regulation D under the Securities Act) or ‘directed selling efforts’ (as defined in Regulation S under the Securities Act) in connection with any offer or sale of the Placing Shares;
- (f) its obligations under the Placing are irrevocable and are not capable of termination or rescission by it in any circumstances;
- (g) it is a Relevant Person;
- (h) in agreeing to subscribe for Placing Shares it has received and read this announcement including this appendix and is not relying on any information, representation or warranty relating to the Placing, Placing Shares or the Company other than as contained in this announcement and it has not relied on and is not relying on any representation or warranty or agreement by the Relevant Broker or the Company or any of their respective directors, employees or agents or any other person except as set out in the express terms herein and otherwise has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing;
- (i) save where the Relevant Broker has been given prior written notice to the contrary, in participating in the Placing it is acting as principal and for no other person and that its acceptance of that participation will not give any other person a contractual right to require the issue by the Company of any of the Placing Shares;
- (j) it has not offered or sold and will not offer or sell any Placing Shares in the United Kingdom prior to Admission except in circumstances which have not resulted and will not result in an obligation to publish an approved prospectus arising under section 85(1) of the FSMA or a breach of such section, under the Prospectus Rules or otherwise;
- (k) it has complied with all relevant laws of all territories; that it has not taken any action or omitted to take any action which will or may result in the Brokers, or the Company or any of their directors, officers, agents, employees or advisors acting in breach of the legal and regulatory requirements of any territory in connection with the Placing or its application; and that it will pay any issue or other taxes due under any relevant laws;

- (l) save where the Brokers have been given prior written notice to the contrary, it is not a person falling within subsections (6), (7) or (8) of sections 67 or 70 or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986 (or an agent or nominee of such person);
- (m) save where the Brokers have been given prior written notice to the contrary, the issue of Placing Shares to it (whether as principal, agent or nominee) will not be subject to stamp duty or stamp duty reserve tax at the increased rates referred to in sections 67 or 93 (Depository Receipts) or sections 70 or 96 (Clearance Services) of the Finance Act 1986;
- (n) in the case of a person who confirms to the Brokers on behalf of a Placee an agreement to subscribe for Placing Shares and/or who authorises the Brokers to notify the Placee's name to the Company's registrar, that person represents and warrants that he has authority to do all such acts on behalf of the Placee;
- (o) to the extent that a Placee is subscribing for Placing Shares on behalf of a third party and prior written notice of such matter has been given to the Brokers as contemplated by paragraph (i) of this appendix;
 - (i) such Placee has carried out applicable procedures to verify the identity of such third party for the purposes of the Money Laundering Regulations 2003 (the "**Regulations**");
 - (ii) such Placee has complied fully with its obligations pursuant to the Regulations; and
 - (iii) such Placee will provide the Brokers on demand with any information it might require for the purposes of verification under the Regulations;
- (s) it is aware of, has complied with and will comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- (t) commissions will not be paid to Placees in connection with the Placing;
- (u) it acknowledges that the issue of the Placing Shares to it will be issued subject to the terms and conditions set out herein;
- (v) the exercise by the Brokers of any right of termination or any right of waiver or extension exercisable by the Brokers contained in the Placing Agreement or the exercise of any discretion under this announcement is within the absolute discretion of the Brokers and, save where otherwise expressly provided in law, the Brokers will not have any liability to any Placee whatsoever in connection with any decision to exercise or not exercise any such rights;
- (w) times and dates in this announcement and the contract note may be subject to amendment and the Relevant Broker shall notify the Placees of any such amendments;
- (x) it will (or will procure that its nominee will), if applicable, make notification to the Company of the interest in its Ordinary Shares in accordance with Chapter 5 of the DTR;
- (y) the Company, the Brokers, their respective members, directors, employees, agents and advisers will rely upon the truth and accuracy of the confirmations, acknowledgements, representations and warranties contained in this announcement;
- (z) all notices, remittances and documents or title (as relevant) are sent to each Placee by the Relevant Broker, at the Placee's own risk;
- (aa) it will be bound by the terms of the constitution of the Company in force immediately following Admission;

- (bb) it has no rights against the Brokers and any of their respective past, present or future directors and employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999; and
- (cc) the provisions of the announcement which are intended to benefit Specified Persons who are not parties to it are intended to be for the benefit of such Specified Persons and they shall be entitled to enforce their rights under such provisions under the Contracts (Rights of Third Parties) Act 1999.

In the event that a Placee is not able to give the warranties in (l) and (m) above, stamp duty or stamp duty reserve tax may be chargeable or may be chargeable at a higher rate: neither the Brokers nor the Company will be responsible for any resulting liability to stamp duty or stamp duty reserve tax, which shall be for the account of the Placee and in respect of which the Placee agrees to indemnify, and keep indemnified, the Brokers and the Company.

Each Placee irrevocably appoints any director of the Relevant Broker as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares offered to it.