

THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER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

27 June 2014

Clean Air Power Limited

Placing to raise up to £1 million

Clean Air Power Limited (“Clean Air Power”, the “Group” or the “Company”), the developer and provider of Dual-Fuel™ engines for heavy duty vehicles, is pleased to announce that it intends to raise up to £1 million (gross) through a placing (the “Placing”) of up to 25,000,000 new common shares of US\$0.001 each (the “Placing Shares”) at a price of 4 pence per Placing Share (the “Placing Price”). The Placing Price represents a discount of 27.3 per cent. to the closing mid-market price of the Company shares on 26 June 2014.

The net proceeds of the Placing will be used to provide additional working capital headroom. This will enable the Company to take advantage of opportunities as they arise.

Details of the Placing

The Placing Shares are to be issued by the Company pursuant to the directors' existing authority to allot common shares of US\$0.001 each (“Common Shares”) for cash on a non-pre-emptive basis.

Certain of the directors of the Company have indicated an intention to participate in the Placing.

The Placing is subject to the terms and conditions set out in the appendix to this announcement.

The Company will apply for admission of the Placing Shares to trading on AIM (“Admission”). It is expected that Admission will take place on or around 2 July 2014.

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 in respect of the Common Shares then in issue and will otherwise rank upon Admission *pari passu* in all respects with the existing Common Shares of the Company.

For further information, please contact:

Clean Air Power

John Pettitt, Chief Executive
Neill Skinner, Chief Financial Officer

Tel: +44 (0)1772 624 499

Citigate Dewe Rogerson

Malcolm Robertson
Chris Gardner

Tel: +44 (0)20 7282 2867

Panmure Gordon

Corporate Finance
Freddy Crossley / Atholl Tweedie
Corporate Broking
Tom Salvesen

Tel: +44 (0)20 7886 2500

Peat & Co.

Charlie Peat
Andy Cuthill

Tel: +44 (0)20 3540 1721

About Clean Air Power

Clean Air Power is the developer and provider of Dual-Fuel™ combustion technology for heavy duty diesel engines. Dual-Fuel™ engines substantially cut fuel costs and carbon emissions without sacrificing the original engine's characteristic efficiency or reliability. Clean Air Power is well positioned to assist corporations and governments to deliver on their environmental commitments while at the same time reducing transport operators' overheads.

Initially founded in the USA in 1991, around £50m has been invested in developing the technology with the result that 65 patents are currently held or pending. The holding company of the Group is based in Bermuda with operational subsidiaries in the UK, the USA and Australia. The Group was admitted to the AIM market of the London Stock Exchange in February 2006.

Further information on Clean Air Power is available at www.cleanairpower.com.

Important Notices

This announcement, and the terms and conditions set out herein, 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 the Company's securities is being made in any jurisdiction.

In the United Kingdom, this communication is exempt from the general restriction in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations and inducements to engage in investment activity on the grounds that it is being communicated in the United Kingdom only to (i) persons who 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, (ii) high net worth companies, unincorporated associations and other persons to whom it may lawfully be communicated in accordance with Article 49(2)(a) to (d) of the Order, (iii) and to persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as "relevant persons"). This communication is only directed at relevant persons and any investment or investment activity to which the communication relates is only available to relevant persons or will be engaged in only with relevant persons. Solicitations resulting from this communications will only be responded to if the person concerned is a relevant person. Other persons should not rely or act upon this communication or any of its contents. Any recipient of this communication who is in any doubt about the investment to which the communication relates should consult an authorised person specialising in advising on investments of the kind in question.

In Member States of the European Economic Area, this announcement is only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measure in each relevant Member State).

No action has been taken by the Company, Panmure Gordon (UK) Limited ("**Panmure Gordon**") or MC Peat & Co. LLP ("**Peat & Co.**" and, together with Panmure Gordon, the "**Brokers**", and "**Broker**" or "**Relevant Broker**" shall mean any one of them, as the context requires) 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 the Company, Panmure Gordon and Peat & Co. to inform themselves about, and to observe, any such restrictions.

This announcement has been issued by and is the sole responsibility of the Company. 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 Panmure Gordon or Peat & Co. 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.

Panmure Gordon, which is authorised and regulated by the Financial Conduct Authority ("**FCA**"), is acting for the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Panmure Gordon or for providing advice in relation to the Placing. Apart from the responsibilities and liabilities, if any, which may be imposed upon Panmure Gordon by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Panmure Gordon does not accept any responsibility whatsoever or make any representation

or warranty, express or implied, concerning the contents of this announcement, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing Shares or the Placing and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Panmure Gordon accordingly disclaims, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this announcement or any such statement.

Peat & Co., which is authorised and regulated by the FCA, is acting for the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Peat & Co. or for providing advice in relation to the Placing. Apart from the responsibilities and liabilities, if any, which may be imposed upon Peat & Co. by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Peat & Co. does not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this announcement, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing Shares or the Placing and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Peat & Co. accordingly disclaims, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to herein) which it might otherwise have in respect of this announcement or any such statement.

This announcement may contain forward-looking statements which are based on the Company'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, the Company 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 the Company, Panmure Gordon nor Peat & Co. assumes 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 Common Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Neither the content of the Company's website nor 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.

APPENDIX: TERMS AND CONDITIONS

IMPORTANT INFORMATION REGARDING THE PLACING FOR INVITED PLACEEES ONLY

THIS APPENDIX CONTAINS IMPORTANT INFORMATION FOR PLACEEES (AS DEFINED BELOW). MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THIS APPENDIX ARE FOR INFORMATION PURPOSES ONLY, AND THE TERMS SET OUT HEREIN ARE DIRECTED ONLY AT PERSONS: (A) WHO IF IN THE UNITED KINGDOM, HAVE BEEN SELECTED BY THE RELEVANT BROKER AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE "INVESTMENT PROFESSIONALS" WITHIN THE MEANING OF ARTICLE 19 (5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED) (THE "ORDER") OR ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.") OF THE ORDER; (B) WHO, IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, ARE "QUALIFIED INVESTORS" (AS DEFINED IN ARTICLE 2(1)(E) OF EU DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND THE COUNCIL OF 4 NOVEMBER 2003 (TOGETHER WITH ANY IMPLEMENTING DIRECTIVE MEASURE IN SUCH MEMBER STATES, THE "PROSPECTUS DIRECTIVE")); OR (C) ARE OTHERWISE PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO SUCH PERSONS AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS.

Terms of the Placing

If a person chooses to participate in the Placing by making or accepting an offer to acquire Placing Shares (each such person whose participation is accepted by the Relevant Broker in accordance with this appendix being hereinafter referred to as a "**Placee**" and together, as the "**Placees**") it will be deemed to represent and warrant that it has read and understood this announcement and this appendix in its entirety and to be making or accepting such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, agreements and undertakings, contained in this appendix.

The Placing Shares referred to in this announcement have not been, and will not be, registered under the US Securities Act or under the securities legislation of any state of the United States. Furthermore, the Placing Shares have not been recommended by any US federal or state securities commission or regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or confirmed the accuracy or determined the adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States. This appendix is not an offer of securities for sale in the United States, and the Placing Shares may not be offered or sold in the United States absent the registration of the Placing Shares under the US Securities Act, or an exemption therefrom, or in a transaction not subject to, the registration requirements of the US Securities Act. There will be no public offer of the Placing Shares in the United States.

The Placing Shares will not be lodged with or registered by the Australian Securities and Investments Commission and are not being offered for subscription or sale and may not be directly or indirectly offered, sold, taken up, transferred or delivered in or into Australia or to 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 circular in relation to the Placing Shares has been or will be lodged with or registered by the Ministry of Finance of Japan. The Placing Shares may not therefore be

offered, taken up, transferred or sold, directly or indirectly, in or into Japan, its territories and possessions and any areas subject to its jurisdiction or to any resident of Japan. 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, taken up, transferred or sold directly or indirectly in or into South Africa or to a resident of South Africa. The Placing Shares may not be offered, taken up, transferred or sold directly or indirectly in or into Canada or to a resident of Canada.

This announcement and appendix do not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. The distribution of this announcement and the placing and issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Brokers that would permit an offering of such securities 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 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.

The price of securities and the income from them may go down as well as up and investors may not get back the full amount on disposal of the securities.

Any indication in this announcement of the price at which Common Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The Placing Shares will not be admitted to trading on any stock exchange other than the AIM Market of the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

Persons (including, without limitation, nominees and trustee) who have a contractual or other legal obligation to forward a copy of this announcement should seek appropriate advice before taking any action.

Each Placee should consult with its own advisers as to legal, tax, business and related aspects of a purchase of Placing Shares.

1. The Brokers will arrange the Placing as agents for and on behalf of the Company. Participation will only be available to persons invited to participate by the Brokers. The Brokers will, following consultation with the Company, determine in their absolute discretion the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee.
2. The price payable per new Ordinary Share shall be the Placing Price.
3. A Placee's commitment to subscribe for a fixed number of Placing Shares will be agreed with and confirmed to it orally by the Relevant Broker and a contract note (a "**Contract Note**") will be despatched as soon as possible thereafter. The oral confirmation to the Placee by the Relevant Broker constitutes an irrevocable, legally binding contractual commitment to the Relevant Broker (as agent for the Company)

to subscribe for the number of Placing Shares allocated to it on the terms set out in this appendix.

4. Commissions will not be paid to Placees in connection with the Placing.
5. The Brokers have the right, *inter alia*, to terminate the agreement entered into between the Brokers and the Company in connection with the Placing (the "**Placing Agreement**") at any time prior to Admission if, *inter alia*, (i) there has been any material breach of the warranties, undertakings or other obligations on the part of the Company contained in the Placing Agreement; or (ii) there occurs an event of force majeure. If the Placing Agreement is terminated prior to Admission, the Placing will lapse 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 event, all monies (if any) paid by the Placees to the Relevant Broker at such time shall be returned to the Placees at their sole risk without any obligation on the part of the Company or the Relevant Broker or any of their respective affiliates to account to the Placees for any interest earned on such funds. The Placees acknowledge and agree that the Company and the Brokers may, at their sole discretion, exercise their contractual rights to waive or to extend the time and/or date for fulfilment of any of the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments.
6. The Brokers are acting exclusively for the Company and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of the Brokers or for providing advice in relation to the matters described in this announcement. The Brokers shall not have any liability to any Placee nor shall they owe any Placee fiduciary duties in respect of any claim they may have under the Placing Agreement (or to any other person whether acting on behalf of a Placee or otherwise) in respect of the exercise of their contractual rights to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement or in respect of termination of the Placing Agreement or in respect of the Placing generally.
7. Each Placee acknowledges to, and agrees with, the Brokers for themselves and as agents for the Company, that except in relation to the information in this announcement, it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing.
8. Settlement of transactions in the Placing Shares following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**"), subject to certain exceptions. The Brokers reserve the right to require settlement for and delivery of the Placing Shares to the Placees in 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 would not be consistent with the regulatory requirements in the jurisdictions of such Placees.
9. It is expected that settlement of the Placing will occur on 2 July 2014, on which 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) specify a later settlement date (or dates) 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 notified to each Placee by the Relevant Broker. The trade date of the Placing Shares is 27 June 2014. 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 appendix.

10. If Placing Shares are to be delivered to a custodian or settlement agent of a Placee, the relevant Placee should ensure that its Contract Note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are to be registered in the name of a Placee or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such Placing Shares will, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees should match the CREST details as soon as possible or if using a settlement agent they should instruct their agent to do so. Failure to do so could result in a CREST Settlement fine.

Representations and Warranties by Placees

By participating in the Placing, each Placee (and any persons acting on its behalf):

1. represents and warrants that it has read this announcement in its entirety and acknowledges that its participation in the Placing will be governed by the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings of this announcement (including this appendix);
2. acknowledges that no offering document or prospectus has been or will be prepared in connection with the Placing and that it has not received a prospectus or other offering document in connection therewith;
3. represents, warrants and undertakes that it will subscribe for the Placing Shares allocated to it in the Placing and pay for the same in accordance with the terms of this appendix failing which the relevant Placing Shares may be placed with other subscribers or sold as the Brokers determine and without liability to such Placee;
4. confirms the Relevant Broker's absolute discretion with regard to the Placing Agreement and agrees that the Relevant Broker owes it no fiduciary duties in respect of any claim it may have relating to the Placing;
5. undertakes and acknowledges that its obligations under the Placing are legally binding and irrevocable;
6. represents and warrants that it is entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed and complied with such laws and obtained all such governmental and other guarantees and other consents which may be required thereunder and complied with all necessary formalities;
7. acknowledges that it is not entitled to rely on any information (including, without limitation, any information contained in any management presentation given in relation to the Placing) other than that contained in this announcement (including this appendix and represents and warrants that it has not relied on any representations relating to the Placing, the Placing Shares or the Company other than the information contained in this announcement);
8. acknowledges that neither the Brokers nor the Company nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company other than this announcement; nor has it requested the Brokers, the Company, any of their affiliates

- or any person acting on behalf of any of them to provide it with any such material;
9. represents and warrants that the issue to the Placee, or the person specified by such Placee for registration as holder of Placing Shares, will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
 10. represents and warrants that it is aware of and has complied with its obligations in connection with money laundering under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 (the "**Regulations**") and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it and that the applicable procedures have been carried out to verify the identity of the third party as required by the Regulations;
 11. if in the United Kingdom, represents and warrants that it is a person falling within Article 19(5) or Article 49(2)(a) to (d) of the Order 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;
 12. 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 Financial Services and Markets Act 2000 (as amended) ("**FSMA**")) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
 13. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
 14. if in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the relevant Placee represents and warrants that:
 - (a) it is a legal entity which is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, its corporate purpose is solely to invest in securities; or
 - (b) it is a legal entity which has two or more of:
 - (i) an average of at least 250 employees during the last financial year;
 - (ii) a total balance sheet of more than €43,000,000; and
 - (iii) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
 - (c) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (a) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors (as defined in the Prospectus Directive) or in circumstances in which the prior consent of the Brokers has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; or
 - (d) such securities are sold in any other circumstance which does not require the publication of a prospectus by the Company pursuant to Article 3 of the Prospectus Directive; or

- (e) it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion, and that, unless otherwise agreed with the Company, it (and any such account) is subscribing for the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the US Securities Act).
- 15. represents and warrants that its obligations under the Placing are valid, binding and enforceable and that it has all necessary capacity and authority, and has obtained all necessary consents and authorities to enable it to commit to participation in the Placing and to perform its obligations in relation thereto and will honour its obligations (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this announcement);
- 16. acknowledges that the Relevant Broker is acting solely for the Company and that participation in the Placing is on the basis that it is not and will not be a client or customer of the Relevant Broker or any of its affiliates and that the Relevant Broker and its affiliates have no duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of the Relevant Broker's rights and obligations thereunder, including any right to waive or vary conditions or exercise any termination right;
- 17. undertakes and agrees that (i) the person whom it specifies for registration as holder of the Placing Shares will be (a) the Placee or (b) a nominee of the Placee, (ii) neither the Brokers nor the Company or any of their respective affiliates will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement and (iii) the Placee and any person acting on its behalf agrees to subscribe on the basis that the Placing Shares will be allotted to the CREST stock account of the Relevant Broker which will act as settlement agent in order to facilitate the settlement process;
- 18. acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England 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;
- 19. represents and warrants that, if it is in the United States or a US Person (having the meaning given in Regulation S under the US Securities Act), it meets the requirements of qualified institutional buyers, as defined in Rule 144A under the US Securities Act;
- 20. represents and warrants that it understands that the Placing and sale to it of the Placing Shares has not been and will not be registered under the US Securities Act or the laws of any state of the United States; therefore, it agrees that it will not offer, sell or pledge any Placing Shares in the United States unless and until the Placing Shares are registered under the US Securities Act (which it acknowledges the Company has no obligation to do) or unless the Placing Shares are offered, sold or pledged in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the laws of any state of the United States; acknowledges that it has not acquired the Placing Shares as a result of any general solicitation or general advertising (as these terms are used in Regulation D under the US Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, Internet or television, or any seminar or meeting whose

- attendees have been invited by general solicitation or general advertising;
21. understands that if it is in the United States or a US Person and it decides to offer, sell or otherwise transfer any of the Placing Shares, such securities may be offered, sold or otherwise transferred only (i) to the Company, (ii) pursuant to an effective registration statement that covers resales of the securities, (iii) outside the United States in accordance with Rule 904 of Regulation S under the US Securities Act, or (iv) within the United States in a transaction that does not require registration under the US Securities Act (including, without limitation, pursuant to Rule 144 or Rule 144A) and in any case in accordance with any applicable securities laws of any state of the United States, and, with respect to clauses (iii) and (iv), the Placee has, prior to such offer, sale or transfer, furnished to the Company an opinion of counsel or other evidence of exemption, in either case reasonably satisfactory to the Company;
 22. understands that if it is in the United States or a US Person, the Placing Shares shall only be eligible for settlement through CREST if approved by the Company, and, if requested by the Company, the Placee provides a signed letter addressed to the Company, containing certain representations regarding compliance with US securities laws;
 23. if it is in the United States or a U.S. Person and holds the Placing Shares in certificated form, the Placee understands and acknowledges that upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of the US Securities Act or applicable state securities laws, certificates representing, documents or notation constituting the Placing Shares and all certificates or documents issued in exchange therefor or in substitution thereof, shall bear a legend substantially in the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT THAT COVERS REALES OF SECURITIES, (C) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE US SECURITIES ACT (INCLUDING WITHOUT LIMITATION RULE 144 OR 144A THEREUNDER) OR ANY APPLICABLE STATE SECURITIES LAWS, AND, WITH RESPECT TO CLAUSES (C) AND (D), THE HOLDER HAS, PRIOR TO SUCH OFFER, SALE OR TRANSFER, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY.”

If Placing Shares are being sold under Rule 904 of Regulation S under the US Securities Act, and provided that the Company is a “foreign issuer” within the meaning of Regulation S at the time of sale, the legend may be removed by providing a declaration to Capita Registrars, the Company’s registrar (including any successor transfer agent, the “**Registrar**”), as the Company may prescribe from time to time and, if required by Registrar, subject to applicable law, the Company will use its reasonable endeavours to obtain an opinion or memorandum of U.S. counsel (as required by the Registrar), addressed to the Registrar permitting removal of resale restrictions for resales of Placing Shares by investors in the United States through the facilities of the London Stock Exchange in reliance upon Rule 904 of Regulation S under the US Securities Act;

24. the Placee consents to the Company making a notation on its records or giving instructions to any registrar and transfer agent of the Shares in order to implement the restrictions on transfer set forth and described above;

25. if required by applicable securities laws or as otherwise reasonably requested by the Company, the Placee will execute, deliver and file and otherwise assist the Company in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Placing Shares;
26. the Placee has such knowledge and experience in financial, business and tax matters as to be capable of evaluating the merits and risks of its investment in the Placing Shares and it is able to bear the economic risks and complete loss of such investment in the Placing Shares;
27. the Placee understands and agrees that there may be material tax consequences to the Placee of an acquisition or disposition of any of the Placing Shares. Neither the Company nor any of the Brokers gives any opinion or makes any representation with respect to the tax consequences to the Placee under United States, state, local or foreign tax law of the Placee's acquisition or disposition of such securities. In particular, no determination has been made whether the Company will be a "passive foreign investment company" ("PFIC") within the meaning of Section 1291 of the United States Internal Revenue Code;
28. represents and warrants that it is purchasing the Placing Shares for its account or for the account of one or more persons for investment purposes only and not with the purpose of, or with a view to, the resale, transfer or distribution or granting, issuing or transferring of interests in, or options over, the Placing Shares and, in particular, neither the Placee nor any other person for whose account it is purchasing the Placing Shares has any intention to distribute either directly or indirectly any of the Placing Shares in the United States;
29. represents and warrants that it has such knowledge and experience in financial and business matters and expertise in assessing credit and all other relevant risks that it is capable of evaluating independently, and has evaluated independently and conducted an in-depth detailed analysis on, the merits and risks of a purchase of the Placing Shares for itself and each other person, if any, for whose account it is acquiring any Placing Shares, and it has determined that the Placing Shares are a suitable investment for itself and each other person, if any, for whose account it is acquiring any Placing Shares, both in the nature and the number of the Placing Shares being acquired;
30. represents and warrants that it has been independently advised as to any resale restrictions under applicable securities laws in its own jurisdiction;
31. acknowledges and agrees that the relevant clearances have not been and will not be obtained from the securities commission of any province of Canada and that the Placing Shares have not been and will not be registered under the relevant securities laws of any of Australia, Japan, Jersey 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;
32. acknowledges that it and, if different, the beneficial owner of the Placing Shares is not, and at the time the Placing Shares are acquired will not be residents of Australia, Canada, Japan, Jersey or South Africa;
33. save where it has provided evidence to the satisfaction of the Relevant Broker that it meets the requirements of qualified institutional buyers, as defined in Rule 144A under the US Securities Act, it represents, warrants and acknowledges to the Relevant Broker that 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 under the US Securities Act;
34. acknowledges that it will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes

- (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares; and
35. acknowledges that any monies of any Placee or any person acting on behalf of the Placee held or received by the Relevant Broker will not be subject to the protections conferred by the FCA's Client Money Rules. As a consequence, these monies will not be segregated from the monies of the Relevant Broker and may be used by the Relevant Broker in the course of its business, and the relevant Placee or any person acting on its behalf will therefore rank as a general creditor of the Relevant Broker.

The acknowledgements, undertakings, representations and warranties referred to above are given to each of the Company and the Relevant Broker (for their own benefit and, where relevant, the benefit of their respective affiliates) and are irrevocable. The Company and the Relevant Broker will rely upon the truth and accuracy of the foregoing acknowledgements, undertakings, representations and warranties.