

**Company** [Xtract Energy plc](#)  
**TIDM** XTR  
**Headline** Subscription for New Ordinary Shares for £330,000  
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**AIM: XTR**

**XTRACT ENERGY PLC**  
**("Xtract" or the "Company")**

**Subscription for New Ordinary Shares for £330,000**

**Capital Reorganisation**

**Directorate Changes**

**Notice of General Meeting**

On 27 June 2012, the Board of Xtract (the "Board") announced that trading on AIM in the Company's existing ordinary shares of 0.1 pence each had been temporarily suspended pending clarification of the Company's financial position following unexpected additional cash calls from Noreco, the operator of the Licences 01/11 and 02/05 in Denmark.

Since this announcement, the Board has undertaken various initiatives designed to improve the Company's overall position and announces as follows:

Highlights:

- Xtract has negotiated revised payment terms with Noreco and has completed a review of the running costs of the Company which will substantially reduce Xtract's annual overheads;
- A circular containing information on the proposals set out herein and incorporating a notice convening a general meeting on Monday 10 September 2012 has been posted to shareholders of the Company. The General Meeting has been convened to consider the Capital Reorganisation which will sub-divide each Ordinary Share of 0.1p each into one New Ordinary Share of 0.01p and one Deferred Share of 0.09p each;
- Tiger Resource Finance plc, members of the board of Tiger Resource and Mr Aaron D'Este, an independent investor, have agreed, subject to certain conditions, to subscribe for a total of 758,620,689 New Ordinary Shares ("Subscription Shares") at a price of 0.0435 pence per share to raise £330,000 (the "Subscriptions");
- Following the Subscriptions, Tiger Resource and the Tiger Resource Co-Investors will hold 689,655,172 New Ordinary Shares, representing approximately 29.9 per cent. of the enlarged share capital of the Company;
- Tiger Resource is an AIM quoted investment company focused on the resource sector;
- Colin Bird, a director of Tiger Resource, will join the Board as Executive Chairman of the Company with effect from completion of the Subscriptions;
- Dr. George Watkins CBE (Chairman) and Jeremy Kane (non-executive Director) will step down from the Board with effect from completion of the Tiger Resource Subscriptions; and
- Cambrian Investment Holdings Limited, the holder of approximately 22 per cent. of shares in the Company, has irrevocably undertaken to vote in favour of the Capital Reorganisation and the Subscriptions.

As a result, the suspension of trading in the Company's shares will now be lifted and trading in the Company's shares will resume today at 7.30 a.m. on Friday 24 August 2012.

This announcement sets out the background to the Suspension, the steps the Directors have taken to provide a stable platform for the future development of Xtract and the plans for the immediate future including the proposed Capital Reorganisation and the Subscriptions.

**Commenting on this transaction Peter Moir, CEO of Xtract, said:**

"We are pleased to welcome our new shareholders and new Executive Chairman and in doing so, put Xtract Energy on a more sound financial footing to progress our strategy. We are also looking forward to working with the Tiger Resource team. The recent months have been a busy

period for the Board and we believe we are recommending to existing shareholders a sensible solution to move forward. I would like to thank George and Jeremy for all of their hard work and wish them all the very best for the future."

Commenting on this transaction, Colin Bird, Xtract's new Executive Chairman, said:

"I am pleased to be joining the Board of Xtract Energy. Xtract has a strong management team and similar strategy of investing in early stage resource companies. This is the reason why I and the Tiger Resource team have chosen to invest at this stage. We look forward to progressing the current assets while continuing to search for other investment opportunities."

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## Background

On 27th June 2012, the Company was notified by Noreco, the operator of Licences 01/11 and 02/05 in Denmark, of imminent and unanticipated cash calls relating to expenditure on the Luna Well which had been drilled in early 2012. At the same time the Company also received cash calls from Noreco relating to all planned 2012 general and administrative and general exploration expenditure on the same licences. These amounts were required to be advanced earlier than anticipated, and were greater in amount than had been expected by the Company.

A potential consequence of the cash calls from Noreco was an increased possibility that the Company may become insolvent. As a direct consequence, the Company requested that trading in its shares be temporarily suspended.

Following the Suspension, the Company:

- made payment in full for the cash calls received from Noreco in June, July and August and negotiated with Noreco a reduction in the 2012 work stream as well as a more manageable payment schedule. Whilst discussions continue with Noreco to reduce the 2012 work programme further, the Company has provided for the latest anticipated position to the end of 2012;
- reduced annual running costs to the Company, including a reduction of the Directors' salaries which will continue to be in force on an ongoing basis; and
- entered into heads of terms with Global Oil Share Group Limited ("GOS") (as announced on 28 June 2012) by which GOS will have the potential to earn a controlling interest in the Julia Creek tenements by funding and undertaking a three year work program covering exploration, development and engineering activities relating to the exploitation of the Julia Creek oil shale tenements for oil production.

In addition, as announced on 26 July 2012, Xtract Energy reported that the Noble rig Byron Welliver had completed activity at the P2-10 well location. The well remains classified by Chevron as 'tight hole' and as such, no information regarding the outcome of the drilling activity has been released to the Company. Xtract confirmed from the website managed by TNO, the Geological Survey of the Netherlands, at the request of the Dutch Ministry of Economic Affairs, Agriculture and Innovation, that the P2-10 appraisal well result is listed as "gas".

As a result of the steps set out above and following the Subscriptions, of which further details are set out below, the Director's believe that the financial position of the Company will be more certain.

## Capital Reorganisation

In order to enable the Subscriptions to proceed and to enable the Company to carry out share issues in the future, the Company proposes to implement the Capital Reorganisation, in respect of which it will require shareholder approval. This will involve each Existing Ordinary Share of 0.1p (£0.001) held by a Shareholder being divided into 1 New Ordinary Share of 0.01p (£0.0001) and 1 new Deferred Share of 0.09p (£0.0009).

Resolutions to approve the Capital Reorganisation, adopt amended Articles of Association, to grant to the Directors authorities to issue the Subscription Shares and additional shares in the future without applying pre-emption rights in accordance with the Act will be proposed at the General Meeting for 11.00 a.m. on Monday 10 September 2012, at FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB.

The New Ordinary Shares will have the same rights and benefits as the Existing Ordinary Shares. Following the Capital Reorganisation, the number of New Ordinary Shares held by each Existing Shareholder will be the same as the number of Existing Ordinary Shares held by them immediately before the Capital Reorganisation, but the Capital Reorganisation will allow the Subscriptions and future fundraisings to take place, assuming that the share price of the Company does not fall below the new nominal value.

The Deferred Shares will not be admitted to trading on AIM, will have only very limited rights on a return of capital and will be effectively valueless and non-transferable. The Directors consider that the Deferred Shares will have no effect on the respective economic interests of the Shareholders. No share certificates will be issued for the Deferred Shares. It is currently intended that, in due course and as set out in the amended

Articles of Association, all the Deferred Shares will be re-purchased by the Company, at its sole discretion, for an aggregate consideration of £1 and cancelled.

#### Background to the Subscriptions

The Company has, over the last few weeks, explored various potential investment opportunities with a number of interested parties. Following this process, carried out in association with its nominated adviser, the Directors have concluded that the Tiger Resource Subscription offers the best opportunity to secure the long term future of the Company.

Tiger Resource is an investment fund focused on the Resource Sector and is admitted to trading on AIM. Xtract and Tiger Resource share the strategy of seeking active investments in early stage opportunities in the natural resource sector globally.

The directors of Tiger Resource have a track record of investing in junior natural resource sector companies both in the mining and mineral industries and in oil and gas exploration and production companies. Their direct experience in these sectors offers Xtract shareholders a new strategic investor who will proactively participate in the future of the Company.

Further details relating to Tiger can be found at the end of this announcement and on the Tiger Resource website at [www.tiger-rf.com](http://www.tiger-rf.com).

#### The Subscriptions

The Company announces today that Tiger Resource and, on an individual basis, directors of Tiger Resource (being Colin Bird, Raju Samtani, Michael Nolan and Bruce Rowan), have agreed, subject to certain conditions (including the passing of the Resolutions at the General Meeting), to subscribe for a total of 689,655,172 New Ordinary Shares at a price of 0.0435 pence per share to raise £300,000. Following these Subscriptions, Tiger Resource will hold 344,827,584 New Ordinary Shares and the members of the board of Tiger Resource will each hold 86,206,897 New Ordinary Shares (representing, in aggregate, approximately 29.9 per cent. of the Enlarged Share Capital of the Company).

In addition, Aaron D'Este, an independent investor, has agreed, subject to certain conditions, to subscribe for a total of 68,965,517 New Ordinary Shares at a price of 0.0435 pence per share to raise £30,000 (representing 2.99 per cent. of the Enlarged Ordinary Share Capital).

The Subscriptions are conditional upon shareholder approval being given at the General Meeting and Admission of the Subscription Shares to trading on AIM.

The Subscriptions, if approved, will result in the dilution of Existing Shareholders. Given the financial state of the Company, the Board concluded that a pre-emptive offer to Existing Shareholders was not feasible both in terms of cost and speed. The Directors believe that, following the Capital Reorganisation and Subscription, the financial position of the Company will be more certain.

#### Admission

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. Dealings in the Existing Ordinary Shares will cease at the close of business on the date of the General Meeting and dealings in the New Ordinary Shares are expected to commence at 8.00 a.m. on Tuesday 11 September 2012.

#### Issue of warrants

In part settlement of the outstanding fees due to Cenkos, Xtract will grant Cenkos assignable warrants over 172,957,884 New Ordinary Shares exercisable at a price of 0.0435 pence per share. Should Cenkos notify its intention to exercise such Cenkos Warrants, Tiger Resource are entitled to require the Cenkos Warrants be transferred to Tiger Resource on payment of the then current share price minus the warrant exercise price per warrant, and shall exercise such Cenkos Warrants that have been transferred.

#### Directorate Changes

Xtract also announces today that Colin Bird, Chief Executive Officer of Tiger Resource will be appointed to the Board of Xtract as Executive Chairman with effect from completion of the Subscriptions;

Colin Bird is a chartered mining engineer with multi commodity mine management experience in Africa, Spain, Latin America and the Middle East. He has been instrumental in a number of public listings in the UK, Canada and South Africa and is currently Chairman and Chief Executive Office of AIM quoted Galileo Resources Plc and Non-Executive Chairman of Jubilee Platinum Plc.

As part of the Subscriptions, Colin Bird will subscribe for 86,206,897 New Ordinary Shares, which, following admission of the Enlarged Share Capital to trading on AIM, will represent 3.7 per cent. of the Enlarged Share Capital.

The information detailed below is disclosed in accordance with Rule 17 and Schedule 2(g) of the AIM Rules for Companies. Except for the information disclosed below, there is no other information which falls to be disclosed under these rules.

The Directorships and past Directorships of Colin Bird (aged 68) are listed below:

#### Current Directorships

1 Tara Bar and Restaurant CC  
Add X Trading CC  
Braemore Resources Ltd

#### Past Directorships

Afminco (Pty) Ltd  
A.K. Motor Sport Limited  
Freegold Ventures

Dialyn Café CC  
Dullstroom Plats (Pty) Ltd  
Emanuel Mining & Exploration (Pty) Ltd  
Galileo Resources plc  
Holyrood Platinum (Pty) Ltd  
Isigidi Trading CC  
Jubilee Platinum plc  
Jubilee Smelting & Refining Pty Ltd  
Lion Mining Finance Ltd  
Lion Networks Ltd  
Maude Mining and Exploration (Pty) Ltd  
M.I.T. Ventures Corp  
Mokopane Exploration (Pty) Ltd  
NDN Properties CC  
New Plats (Tjate) (Pty) Ltd  
Pilansberg Mining Co. (Pty) Ltd  
Pioneer Coal (Pty) Ltd  
Pollux Investment Holdings (Pty) Ltd  
SacOil Holdings Ltd  
Tiger Resource Finance plc  
Tjate Platinum Corporation (Pty) Ltd  
Umhlanga Lighthouse Café CC  
Windsor Platinum Investments (Pty) Ltd

GP Precious Metals Fund  
Kiwara plc  
Lion Capital Corporation Ltd  
Pan African Resources plc

Peter Moir and Alan Hume will continue as Chief Executive Officer and Group Finance Director of the Company respectively until 31 October 2012, and thereafter their employment will be terminable on 1 months' notice. Each of them has agreed to amended contracts of employment providing for, from 1<sup>st</sup> July 2012, a salary of £5,000 each per month.

Dr. George Watkins CBE and Jeremy Kane have agreed to step down as non-executive Chairman and Director respectively with effect on the completion of the Capital Reorganisation and Subscriptions.

Raju Samtani, the Finance Director of TRF, will join the Company as an executive officer (non-Board) with effect from completion of the Subscriptions.

#### General Meeting

A General Meeting of the Company is to be held at FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB at 11.00 a.m. on 10 September 2012. At the General Meeting, Resolutions will be proposed to approve the Capital Reorganisation, adopt amended Articles of Association, grant to the Directors authorities to issue and allot the Subscription Shares and shares up to a nominal value of £46,122 in the future without applying pre-emption rights.

#### Irrevocable Undertaking

The Company has received an irrevocable undertaking to vote in favour of the Resolutions at the General Meeting from Cambrian Investment Holdings in respect of its holding of 340,256,048 Existing Ordinary Shares representing approximately 22 per cent. of the Existing Ordinary Shares.

The existing Directors have also undertaken to vote in favour of the Resolutions at the General Meeting in respect of their aggregate holdings representing 1.7 per cent. of the existing share capital.

#### Future Plans and Recommendation

Following the Subscriptions, it is the intention of the Board to undertake a review of existing assets, finalise the agreement with GOS and to seek, with the input of Tiger Resource, appropriate opportunities from which to develop the Company.

The Board considers that the proposals set out in this announcement are in the best interests of the Company and of the Shareholders as a whole. Shareholders should be aware that if all the Resolutions are not passed, the Capital Reorganisation and Subscriptions will not proceed and the Company would need to secure alternative funding in the near future which may not be forthcoming. Accordingly, the existing Directors believe that, following the Capital Reorganisation and Subscriptions, the financial position of the Company will be more certain if Shareholders vote in favour of the Resolutions. The Directors therefore recommend to Shareholders that they vote in favour of the resolutions at the General Meeting, as they have undertaken to do in respect of their own beneficial holdings, amounting to, in aggregate, 26,770,000 Existing Ordinary Shares, representing 1.7 per cent. of the Existing Ordinary Shares.

#### About Xtract Energy

Xtract identifies and invests in a portfolio of early stage oil and gas assets and business interests with significant growth potential. The Company aims to work closely with the associated management teams to achieve critical project milestones, to finance early stage asset and business

development activity, and then to finance the asset development phase, or if appropriate to crystallise value for all shareholders at a suitable exit point. Xtract aims to achieve returns for our shareholders through access to the significant upside rewards associated with our investments.

For further information on Xtract please visit [www.xtractenergy.co.uk](http://www.xtractenergy.co.uk)

A short description of the principal assets of Xtract is set out below. These assets are either held directly or through wholly owned subsidiaries of the Company.

#### Extrem Energy AS ("Extrem Energy")

Xtract holds a royalty interest over the license portfolio currently owned by Extrem Energy, onshore and offshore Turkey.

#### Elko Energy Inc. ("Elko")

Elko is a wholly owned subsidiary and its interests are in exploration and production licences in the Danish and Dutch North Sea. Elko holds a royalty interest in gas-bearing license blocks P1 and P2 in the Dutch North Sea. The operator, Chevron recently drilled an appraisal well but apart from registering the result as "gas" with the Dutch Authority has not disclosed any further information on that appraisal well. Elko's asset in the Danish North Sea is a 33% working interest in an exploration and production licence 02/05 and a 33% working interest in adjoining exploration and production license 01/11. Whilst technical work indicated the potential for significant resources on these combined licenses the recently drilled Luna well showed no hydrocarbons. The licence partners are currently determining what, if any work, should be completed on this acreage.

#### Xtract Oil Ltd ("XOL")

Xtract's wholly owned subsidiary, XOL, is focused on the development of the Company's oil shale resources in Australia and the technology for oil extraction from oil shale resources. Xtract has oil shale exploration rights over mining tenements in the Julia Creek area of Queensland. On 28 June 2012 the Company announced that it had entered heads of terms with Global Oil Shale Group Limited ("GOS"). GOS is an international energy company exclusively focused on the development of oil shale resources globally.

The transaction envisages that GOS will have the potential to earn a controlling interest in the Julia Creek tenements by funding and undertaking a three year work program covering exploration, development and engineering activities relating to the exploitation of the Julia Creek oil shale tenements for oil production. Completion of the transaction is subject to the conduct of due diligence by both parties and other conditions precedent which are considered normal for this type of transaction.

#### Xtract Energy (Oil Shale) Morocco SA ("XOSM")

XOSM is a joint venture with Alraed Limited Investment Holding Company WLL, a company controlled by His Highness, Prince Bandar Bin Mohd. Bin Abdulrahman Al-Saud of Saudi Arabia. XOSM has signed a Memorandum of Understanding with the Office National des Hydrocarbures et des Mines for the purposes of evaluation and possible development of an oil shale deposit near Tarfaya, in the south west part of Morocco. Xtract currently holds 70% of the joint venture.

#### Caspian Oil and Gas Ltd

The Company through its subsidiary Xtract International Ltd holds 140,000,000 ordinary shares in Caspian Oil and Gas Ltd, an oil producer and explorer listed on the Australian Securities Exchange (ASX:CIG).

#### About Tiger Resource Finance plc

Tiger Resource Finance plc is an AIM quoted investment company focused on the resource sector. The company's objective is to make investments in the natural resource sector. Historically, investments have been made immediately prior to initial public offerings, at the IPO stage and in the aftermarket of companies quoted on AIM, PLUS market and on other internationally recognised exchanges. Initial investments are for varying amounts but are usually in the £150,000 - £300,000 range. Investee companies are usually not generating cashflow and often have further requirements to raise additional cash to continue their exploration and development programmes. Therefore, after appropriate due diligence, the company may provide further funding and make follow up market purchases to support investments it may have made in the past.

Although the company has not historically participated in the management of investee companies, the Board has now formulated an investment policy which will enable the company to invest proactively in natural resource projects as well as continue to participate in more passive style investment where the company is not involved in management of investee companies.

Further information on Tiger Resource can be found on its website [www.tiger-rf.com](http://www.tiger-rf.com).

#### Definitions

The following definitions apply throughout this announcement unless the context requires otherwise:

"Act"	the Companies Act 2006 (as amended);
"Admission"	admission of the New Ordinary Shares and Subscription Shares to AIM;
"AIM"	the AIM market of the London Stock Exchange;
"Board" or "Directors"	the directors of the Company;

"Cambrian Investment Holdings"	Cambrian Investment Holdings Limited, a private limited company incorporated in England and Wales with registered number 05838754;
"Capital Reorganisation"	the proposed sub-division and reclassification of each Existing Ordinary Share into one New Ordinary Share and one Deferred Share;
"Cenkos"	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its London registered office at 6,7,8 Tokenhouse Yard, London EC2R 7AS, the nominated adviser of the Company;
"Cenkos Warrants"	172,957,884 broker warrants to be granted to Cenkos;
"Chevron"	Chevron Exploration and Production Netherlands B.V., a company incorporated under the laws of the Netherlands with registration number 27114238;
"Company" or "Xtract"	Xtract Energy plc;
"CREST"	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertified form which is administered by Euroclear UK & Ireland Limited;
"CREST Regulations"	the Uncertified Securities Regulations 2001 (SE 2001/3755) as amended;
"D'Este Subscription"	the subscription for 68,965,517 New Ordinary Shares by Aaron D'Este pursuant to the D'Este Subscription Agreement;
"D'Este Subscription Agreement"	the conditional subscription agreement dated 21 August 2012 between Aaron D'Este and the Company, relating to the D'Este Subscription;
"Deferred Shares"	deferred shares of 0.09 pence each in the Company arising from the Capital Reorganisation;
"Enlarged Ordinary Share Capital"	2,306,105,128 New Ordinary Shares after completion of the Capital Reorganisation and Subscriptions;
"Existing Ordinary Shares"	the 1,547,484,439 ordinary shares of 0.1 pence each in the capital of the Company in issue;
"Existing Shareholders"	the holders of Existing Ordinary Shares;
"Form of Proxy"	the accompanying form of proxy for use by the Shareholders in relation to the General Meeting;
"General Meeting"	the General Meeting of the Company to be held at 11.00 a.m. on 10 September 2012 (or any adjournment thereof);
"London Stock Exchange"	London Stock Exchange plc;
"New Ordinary Shares"	ordinary shares of 0.01 pence each in the Company arising pursuant to the Capital Reorganisation and/or issued and allotted pursuant to the Subscriptions (as applicable);
"Noreco"	Norwegian Energy ASA is a public company incorporated under the laws of Norway with registration 987989297;
"Notice"	the notice of General Meeting at the end of this document;
"Options"	existing options to subscribe for ordinary shares of the Company;
"Resolutions"	the resolutions to be proposed at the General Meeting as set out in the Notice;

"Shareholder" or "Shareholders"	holders of Existing Ordinary Shares;
"Subscriptions"	the Tiger Resource Subscriptions and the D'Este Subscriptions;
"Subscription Price"	0.0435p per Subscription Share;
"Subscription Shares"	the 758,620,689 New Ordinary Shares of the Company to be issued pursuant to the Subscriptions;
"Suspension"	suspension of dealings in the Company's shares on AIM which took place on 27 June 2012;
"Tiger Resource"	Tiger Resource Finance Plc, a company registered in England and Wales with company number 02882601;
"Tiger Resource Co -Investors"	McNolan Holdings Limited, Ronald Bruce Rowan, Raju Samtani and Colin Bird;
"Tiger Resource Subscription"	the subscription for 689,655,172 New Ordinary Shares by Tiger Resource and its Tiger Resource Co-Investors pursuant to the Tiger Resource Subscription Agreements;
"Tiger Resource Subscription Agreements"	the conditional subscription agreements dated 21 August 2012 between Tiger Resource, the Tiger Resource Co-Investors and the Company relating to the Tiger Resource Subscription;
"Xtract Group" or "Group"	the Company and its subsidiaries.

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