

9 April 2019

Contango Holdings Plc
(“Contango” or the “Company”)
Acquisition of the Lubu Coalfield Project, Zimbabwe

Further to the announcement of the signing of a Memorandum of Understanding relating to the possible acquisition of Consolidated Growth Holdings Limited’s (“CGH”) interest in the Lubu Coalfield project in Zimbabwe (the “**Lubu Coalfield**”), the board of the Company are pleased to announce that on 8 April 2019 the Company entered into a Share Purchase Agreement to acquire the Lubu Coalfield from CGH (the “Acquisition”). The Company will satisfy the acquisition consideration of £6,450,000 by issuing 128,849,961 ordinary shares to CGH at a price of £0.05 each (the “**Consideration Shares**”). This transaction constitutes a reverse takeover under the Listing Rules and the Company will issue a prospectus containing further details of the Acquisition in due course (the “**Prospectus**”).

The Lubu Coalfield

The Lubu Coalfield is a potential thermal and coking coal project. Following completion of the Acquisition, the Company initially intends to commence trial mining and carry out bulk samples to determine the viability of full-scale production.

The Lubu Coalfield is permitted for trial mining. Existing cash resources and new funds to be raised by way of a placing by the Company of new ordinary shares (the “**Placing Shares**”) (the “**Placing**”) will be applied to site preparation and refurbishment to facilitate modest production levels and early cashflow. The Company intends to sell the coal product generated in this phase to regional power companies in Zimbabwe and other industrial users.

Details of the Share Purchase Agreement

As noted above, the Company has entered into a conditional share purchase agreement (“**SPA**”) on 8 April 2019 with (1) Someden Investments (Private) Limited (“**Someden**”) (2) Monaf Investments (Private) Limited (“**Monaf**”) (both Someden and Monaf being subsidiaries of CGH) and (3) CGH to implement the sale and purchase of 70% of the issued share capital of Monaf (“**Sale Shares**”), the novation of certain debts owing to CGH by Monaf (“**CGH-Monaf Loans**”) and the transfer of certain mining data owned by CGH (“**Mining Data**”).

The consideration payable for the Sale Shares, CGH-Monaf Loans and Mining Data is £6,450,000. This will be satisfied by the Company issuing the Consideration Shares to CGH.

The SPA sets out a number of conditions precedent, which must be satisfied in order to effect the transaction, such conditions being typical in a transaction of this nature. The SPA also contains commercial warranties, which are to be given by Someden and CGH, and a tax covenant, which is to be met by Someden.

Conditions to be satisfied

The principal conditions which require satisfaction are as follows:

- a) the Takeover Panel having agreed that, subject to the passing of a resolution of the shareholders of the Company, the allotment of Consideration Shares to CGH will not give rise to an obligation to make an offer for all the Ordinary Shares of the Company pursuant to Rule 9 of the Takeover Code;
- b) obtaining all necessary and applicable Zimbabwean regulatory approvals/clearances;
- c) the Company undertaking the Placing;
- d) the passing of resolutions by shareholders of the Company to:
 - i. waive any requirement that might otherwise arise under Rule 9 of the Takeover Code for CGH to make a general offer for all the Ordinary Shares of the Company;
 - ii. dis-apply statutory pre-emption rights in respect of the allotment of the Consideration Shares and the Placing Shares; and
 - iii. authorise the re-admission of the Company's existing share capital and the admission of the Consideration Shares and the Placing Shares to trading on the standard segment of the Main Market of the London Stock Exchange.

Timetable to re-admission of the Company to trading on the Main Market

The Company is working with its professional advisory team to complete all the outstanding work required and preparing a new prospectus to comply with re-admission of the Company on the standard segment of the Main Market of the London Stock Exchange which is anticipated to occur by the end of Q2 2019. The Company will continue to update shareholders in due course.

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For further information, please visit www.contango-holdings-plc.co.uk or contact:

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