

22 February 2013

ASX Limited Level 8, Exchange Plaza 2 The Esplanade PERTH WA 6000

## **LETTER TO CDI HOLDERS**

Lochard Energy Group Plc ("Lochard" or the "Company") (AIM: LHD, ASX: LHD) advises that the attached letter has been despatched today to all CDI holders regarding the delisting process on ASX.

# For further information, call:

# finnCap Limited

Matthew Robinson / Christopher Raggett +44 20 7220 0500

### **Merchant Securities Limited**

Lindsay Mair / Catherine Miles +44 20 7628 2200

# **FTI Consulting**

Edward Westropp / Alex Beagley +44 20 7269 7207

## **United Kingdom**

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#### Australia

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T +61 1300 660 448
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22 February 2013

<Shareholder Name>
<Street Address>
<Suburb>

Dear Lochard Energy CDI holder,

## This is an important letter concerning your CDI Holding in Lochard Energy Group Plc.

On the 14 January 2013 Lochard Energy Group Plc "Lochard" ASX:LHD announced it had applied to the Australian Securities Exchange Ltd ("ASX") under Listing Rule 17.11 for the Company to be removed from the ASX official list on 15 April 2013, the application has since been approved.

The Company is currently listed on two stock exchanges – the ASX, and the Alternative Investment Market of the London Stock Exchange ("AIM").

Following due consideration and in an effort to streamline listing and compliance costs, the Board believes it is in the best interests of the Company and all of its Shareholders for Lochard to be removed from the ASX official list for the following reasons:-

- The relatively low level of liquidity in trading in the Company's shares on the ASX compared to AIM (of all of the shares traded from 4 December 2011 to 3 December 2012, only 1.5% were traded through the ASX, hence creating disproportionately high costs); and
- The Australian register accounts for less than 6.5% of the share capital of the Company.

Following delisting on 15 April 2013, Australian CDI Holders will have their electronic holdings on the ASX register converted to certificated holdings. **This process will occur automatically and no action will be required**. Australian CDI Holders will then be issued with a share certificate representing their holding.

To assist Australian Shareholders with their future transactions of Lochard shares on AIM, following Lochard's removal from the ASX official list, Lochard has entered into an agreement with Cunningham Petersen Sharbanee Securities Pty Ltd ("CPS Securities"), which has agreed to facilitate the electronic transfer and thereafter trading in Lochard on AIM and lodging Certificated Holdings in the future.

Under the terms of the facility, CPS Securities will assist Australian CDI Holders in transferring their holdings to AIM electronically prior to delisting on 15 April 2013 where liquidity is higher. Alternatively, post de-listing, CDI Holders can contact CPS Securities to facilitate lodging Share Certificates with CREST to enable trading on AIM.



# Below is an indicative timetable for the De-Listing process.

Timeframe	Action
14 January – 12 April 2013	<ul> <li>CDI Holders can continue to trade LHD on the ASX.</li> <li>CDI Holders can contact CPS Securities to initiate transfer of shares to AIM</li> <li>CDI Holders take no action and hold LHD on the Australian register.</li> </ul>
12 April 2013	Last day of trading on ASX for LHD and De-Listing
15 April 2013	<ul> <li>Australian CDI Holders are converted to shares on an unlisted Australian branch share register.</li> <li>Share certificates will be sent to these holders accompanied by an explanatory letter detailing the sale facility.</li> </ul>
15 April – 15 July 2013	CPS Securities will establish a sale facility to allow LHD unlisted shareholders to remove their unlisted shareholding from the Australian Register and to be placed into CREST in the name of CPS Securities counterparty in the UK who will complete the sale on AIM.

For further information and assistance regarding the ASX De-Listing process CDI Holders should contact Mr Keith Della-Vedova at CPS Securities on + 61 8 9223 2205 or <a href="Meith@cpssecurities.com.au">Keith@cpssecurities.com.au</a>.

Yours Sincerely,

Nerida Schmidt
Company Secretary