

RAB Special Situations Company announces Intention to Float on AIM

RAB Special Situations Company plc (“RAB SSC“ or “the Company“), an investment company established to provide exposure to the investment strategy pursued by the existing RAB Special Situations strategy, announces its intention to seek admission to trading on AIM, the Alternative Investment Market of the London Stock Exchange.

The Company intends to raise approximately £100 million, before expenses, through a placing of shares and warrants. The Placing price will be 100p per share. Dealing is expected to commence on 20 May 2005.

Collins Stewart is acting as Nominated adviser and broker to the Company.

Key points

- RAB SSC will be a listed, closed-end investment company, which will provide an exposure to the highly successful RAB Special Situations strategy. The investment objective is to achieve maximum total returns primarily through the capital appreciation of its investments.
- RAB SSC will be managed by Philip Richards, Chief Executive of RAB Capital plc and the fund manager of the RAB Special Situations strategy. This strategy has grown by 49% during 2004 and over 2500% since 1 January 2003 built on a proven ability to identify growth opportunities.
- A New Master Fund has been incorporated into which the investments of the existing RAB Special Situations Fund will be transferred. This New Master Fund will continue to pursue the same strategy and approach as the existing RAB Special Situations fund and RAB SSC will initially invest up to 100% of its assets in the New Master Fund to provide exposure to the unrecognised potential value of the warrants and private equity investments it holds.
- RAB SSC will provide to investors, via the AIM listing, better liquidity through a secondary market.

- RAB SSC will also provide additional liquidity to the RAB Special Situations strategy, allowing participation in more opportunities and the acquisition of significant stakes in projects.
- RAB Special Situations pursues an opportunistic strategy, which allows investment in a wide range of securities and other instruments, with no specific asset or geographic exposure. Since January 2003 the focus has been on the natural resources sector. Philip Richards believes potential returns from natural resources-related investments will continue to be influenced by strong levels of demand for natural resources combined with the effect of a decline in exploration activities over the last decade.
- As the investment objective is to achieve returns primarily through the capital appreciation of its investments, an investment in the Company will only be suitable for investors willing to assume the risks involved.
- The minimum investment per subscriber will be £25,000, which is equivalent to the \$50,000 minimum investment level of the existing RAB Special Situations Fund. Following admission to trading on AIM, the Company will monitor changes in the share register and contact new shareholders to emphasise the risks involved in holding shares in the Company.

Commenting on today's announcement, Michael Alen-Buckley, Executive Chairman of RAB Capital plc, the investment manager of RAB Special Situations Company, said:

"The formation of the RAB Special Situations Company fits well with RAB Capital's stated objective of securing innovative distribution of our products. As a listed entity it will provide investors with the opportunity to gain exposure to a successful investment strategy without the requirement for a long lock-up of their capital."

For further information:

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Notes for Editors - RAB Capital plc

RAB Capital is a London based multi-strategy investment management company focusing on absolute returns. The Company was founded in 1999, and floated on AIM in March 2004. As at 31st December 2004 had \$1.75 billion of assets under management. RAB Capital currently manages eight hedge fund strategies and two fund of funds: Europe, Special Situations, High Yield, UK, North American, Japan, Energy; Emerging Europe and Fairseat (internal) and Strancally (external) funds of funds. RAB Capital also provides advisory and distribution services within the hedge fund industry.

RAB Capital's philosophy is to find highly talented investment managers and provide them with an environment where they can successfully dedicate themselves to running focused investment strategies. Core strategies focus on capital preservation and consistent absolute returns. RAB Capital has 67 employees, 29 of whom are investment professionals.

RAB Capital plc is authorised and regulated by the Financial Services Authority.