

**RAB Capital PLC**  
**(“RAB” or “The Company”)**  
**Strategic Investor**

14 December 2006

RAB Capital PLC, the absolute return investment manager, today announces a strengthening of its relationship with the Mittal family trusts.

Karrick Limited (“Karrick”), a significant shareholder in the Company, has raised its holding in RAB from 3.5% to 5.4% via the issue of 10 million new shares, and has taken an option to purchase a further 10 million shares (currently representing a further 1.9%). Following previous purchases in the market, Letterkenny Holdings Limited (“Letterkenny”) holds 4 million RAB shares. This takes the current overall holding controlled by Karrick and Letterkenny to 6.2% before exercise of the option. Both Karrick and Letterkenny are investment vehicles of various Mittal family trusts.

RAB has today allotted 10 million new ordinary shares at 90p each to Karrick, and has also issued an option to purchase a further 10 million new shares at 100 pence each, exercisable at any time until 30 April 2007. Both issue prices were set with reference to the volume weighted average price (VWAP) of 88.8 pence for the month to 13 December 2006. Application is being made for the additional 10 million new ordinary shares to be admitted to listing on AIM, and it is expected that dealings will commence on 21 December 2006. The shares will rank pari passu in all respects with the existing Ordinary issued share capital of the Company.

Karrick’s shareholding in RAB has now risen to 5.4% of the share capital, as enlarged by the allotment, of 519,849,465 ordinary shares outstanding. If the option is exercised, the holding will rise to 7.2% of the potential capital (529,849,465 ordinary shares). On this basis, when added to the Letterkenny holding, the total Karrick and Letterkenny holding will be 7.9%.

The £9m proceeds from the shares issued to Karrick, and an additional £10 million conditional on the exercise of the option will provide cash resources additional to the £62.9 million of cash and £27 million of investments disclosed at the interim balance sheet date of 30 June 2006. These resources further strengthen RAB's ability to develop new opportunities.

In a separate development, Karrick has also committed \$200 million to be invested in the RAB Special Situations investment strategy. This is in addition to its existing undisclosed investments in RAB's absolute return funds. The investment will be made on standard fee terms for investors in RAB Special Situations. However, Karrick has agreed not to redeem the investment for three years and has accepted a notice period of one year for the two subsequent years, after which it will enjoy the standard redemption terms for RAB Special Situations.

Commenting on today's announcement, Michael Alen-Buckley, Executive Chairman of RAB, said:

"Our long term relationship with the Mittal family investment interests continues to develop, to the benefit of shareholders in RAB Capital, and we are grateful for their continued support. RAB's balance sheet will now permit more substantive backing for exciting new absolute return opportunities."

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### **Notes for Editors - RAB Capital PLC**

RAB Capital is a London-based absolute return investment management company. The Company was founded in 1999, and floated on AIM in March 2004. As at 1 September 2006 the RAB Capital group had approximately \$4.7 billion of assets under management. RAB Capital currently manages nineteen single strategy absolute return funds including development funds, five fund-of-funds and the AIM-listed RAB Special Situations Company.

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.

RAB Capital PLC is authorised and regulated by the Financial Services Authority. The Company is a constituent of the FTSE AIM UK 50 Index. The website can be found at [www.rabcap.com](http://www.rabcap.com)

### **Notes for Editors – RAB Special Situations**

The RAB Special Situations investment strategy has an unrestricted investment mandate, although currently it has the majority of its investments in natural resources and energy companies. The strategy is managed by the Chief Executive of RAB Capital, Philip Richards, supported by a team of lawyers and analysts.

RAB Special Situations Fund Limited is registered as a regulated mutual fund with the Cayman Islands Monetary Authority under Section 4(3) of the Mutual Funds Law (2003 Revision) of the Cayman Islands. The fund is organised as a feeder fund and substantially all of the fund's assets are invested in the ordinary shares of the Master fund, an exempted company incorporated with limited liability in the Cayman Islands. A second feeder fund, RAB Special Situations LP, incorporated in Delaware, and a third feeder fund, RAB Special Situations Company Limited, incorporated in Guernsey and listed on AIM, also invest their assets in the ordinary shares of the Master fund.