



**Metals Exploration plc
("Metals Exploration" or the "Company")**

**Offer by Solomon Capital Limited, posting of the Offer Document
and
£2 million On Demand Facilities Agreement**

Following the acquisition of one Metals Exploration Share on 22 July 2010 at a price of 13 pence from Rock (Nominees) Limited, acting as nominee for Reef Securities Limited ("Reef Securities"), Solomon Capital Limited ("Solomon") announced, on 23 July 2010, the terms of a cash offer for the entire issued and to be issued ordinary share capital of Metals Exploration not already owned by Solomon (the "Offer"), to be made by Strand Hanson Limited ("Strand Hanson") on its behalf.

Further to consultations with representatives of Solomon and Metals Exploration and their respective financial advisers, the Panel Executive has determined that the aforementioned purchase of a single share constitutes an acquisition between two members of a pre-existing Concert Party, with, therefore, no increase in the Concert Party's aggregate holding of, or interests in, Metals Exploration Shares. Accordingly, the Panel Executive has determined that Solomon did not incur an obligation to make an offer pursuant to Rule 9 of the City Code, as a result of the acquisition. Solomon will therefore proceed to make an Offer on the basis of Rule 10 of the City Code, with an equivalent acceptance level condition and identical principal terms to those announced by Solomon in its firm offer announcement released on 23 July 2010.

Posting of the Offer Document

Solomon has today posted an offer document (the "Offer Document") containing further details of the Offer which includes a response to the Offer from Jonathan Beardsworth, Managing Director of Metals Exploration (the "Independent Director"). The Offer Document and this announcement will shortly be made available on the Company's website at www.metalsexploration.com and on the website of CPC Group at www.cpcgroup.gg.

£2 million On Demand Facilities Agreement

On 19 August 2010, Metals Exploration and Solomon entered into an on demand facilities agreement (the "£2 million On Demand Facilities Agreement"). Under the terms of the £2 million On Demand Facilities Agreement, Solomon agreed to make available, subject to the terms therein, a credit facility for a sum of up to £2,000,000 (the "Facility"). The £2 million On Demand Facilities Agreement shall terminate on the date falling 120 days from the date of utilisation of the Facility (the "Termination Date").

Metals Exploration may only make two utilisation requests to Solomon. The amount of the proposed utilisation must, in the case of the first utilisation, be an amount not exceeding £1,500,000 and in the case of the second utilisation must be an amount not exceeding £500,000. Solomon will only be obliged to advance the sums requested under the second utilisation if not less than 21 days has expired after the date of this announcement.

Metals Exploration shall be obliged to repay the utilisation of the Facility in full within 30 days of written demand for repayment being made by Solomon. Any sums due to Solomon and not

repaid prior to the Termination Date shall be repaid by Metals Exploration on the Termination Date. If all or part of the utilisation of the Facility is not repaid when due, Metals Exploration will pay to Solomon a fee equal to three per cent. of the sums due to be repaid and not repaid.

The rate of interest on the sums drawn down under the Facility is ten per cent. per annum. If Metals Exploration fails to pay any amount payable under the £2 million On Demand Facilities Agreement on its due date, interest shall accrue at the rate of fifteen per cent. per annum. Metals Exploration shall pay to Solomon on the first and second utilisation dates an arrangement fee of two per cent. of the utilisation made on those dates.

The Facility is currently unsecured however Metals Exploration is obliged to procure that the Metals Exploration Group provide such security as Solomon may reasonably require within 60 days of a written request from Solomon.

The £2 million On Demand Facilities Agreement contains a number of general undertakings and restrictions on Metals Exploration which are usual for a facility agreement of this nature.

The provision of the Facility constitutes a related party transaction in accordance with AIM Rule 13. Tim Dean is also a director of Solomon and is therefore not considered to be independent for the purposes of this transaction. In accordance with the requirements of AIM Rule 13, the Directors of the Company (other than Tim Dean) consider, having consulted Westhouse Securities in its role as the Company's Nominated Adviser, that the terms of the Facility are fair and reasonable insofar as the Company's shareholders are concerned.

Unless the context otherwise requires, the defined terms used in this announcement shall have the meanings given to them in the Offer Document posted to Metals Exploration Shareholders today, which will also shortly be made available on the Company's website at www.metalsexploration.com and on the website of CPC Group at www.cpcgroup.gg.

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Westhouse Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as financial adviser to Metals Exploration and no one else (including the recipients of this announcement) in connection with the arrangements that are the subject matter of this announcement and will not be responsible to anyone other than Metals Exploration for providing the protections afforded to clients of Westhouse Securities or for advising any other person in connection with the arrangements that are the subject matter of this announcement.

Westhouse Securities makes no representation, express or implied, with respect to the accuracy or completeness of any information contained in this announcement and accepts no responsibility for, nor does it authorise, the contents of, or the issue of this announcement, or any other

statement made or purported to be made by Metals Exploration, or on its behalf, in connection with Metals Exploration or any of the other arrangements that are the subject matter of this announcement and, accordingly, it disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which they might otherwise have in respect of this announcement or any other statement.

Strand Hanson, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as financial adviser to Solomon and no-one else in connection with the Offer and will not be responsible to anyone other than Solomon for providing the protections afforded to clients of Strand Hanson or for providing advice in relation to the Offer, the contents of this announcement or any other matter referred to herein.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement has been prepared in accordance with English law and the Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

DISCLOSURE REQUIREMENTS OF THE CODE

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of Metals Exploration or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Metals Exploration and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified.

Relevant persons who deal in the relevant securities of Metals Exploration or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of Metals Exploration or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of Metals Exploration or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Metals Exploration and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Metals Exploration or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by Metals Exploration and by any offeror and Dealing Disclosures must also be made by Metals Exploration, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue,

when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Please note that any address, electronic address and certain other information provided for the receipt of communications from the offeree company may be provided to an offeror during the offer period as required under Section 4 of Appendix 4 of the Code.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.