

# Forum Energy plc

## Press Release

### **Forum raising £3.4m ahead of AIM float and Sterling Energy acquisition**

**April 25, 2005:** Forum Energy plc, an energy group with oil, gas and coal assets in the Philippines, is raising £3.375 million from institutional investors ahead of a planned float on London's Alternative Investment Market.

The company is being established by consolidating the Philippines assets of Sterling Energy in the UK and Forum Energy Corporation (FEC), itself quoted on the NASD OTCBB in New York.

Forum will as a result acquire Sterling's highly promising Reed Bank offshore gas discoveries west of the Philippines as well as FEC's established Philippines oil, gas and coal assets. Following FEC shareholder approval, Sterling will hold a 23% stake in Forum, with Sterling Chief Executive Harry Wilson and Finance Director Graeme Thomson joining the Forum board as non-executive directors.

Forum Chief Executive David Robinson said: "The level of solid institutional interest during our placing is a tremendous vote of confidence ahead of our arrival on the London market. We look forward to working closely with the directors from Sterling and to the rapid further development of our assets in the Philippines, a country that imports over 90% of its oil needs."

Forum has received conditional pre-IPO commitments for the £3.375 million, following an institutional placing at 100p per share. It will give the investors around a 20% holding in the company, and value the company at over £17 million at the pre-IPO stage.

A second financing round is planned by July, in conjunction with admission to the AIM market. The money raised will be used to carry out evaluation and development work on projects in the Philippines including the offshore Reed Bank area.

The pre-IPO funding is subject to the formal approval of FEC shareholders at an EGM called for May 18, 2005. Over 80% of the shares to be voted have already undertaken to vote in favour. Noble & Company Ltd is broker to the placing and IPO.

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