



PRESS RELEASE

AIM arrival follows successful £11 million placing – production start next year

Embargoed for release not before 00:01 August 2, 2005: Forum Energy plc, the UK energy group with a diverse portfolio of gas, oil and coal assets in the Philippines, arrives on London's AIM market today.

The company is due to start generating gas and coal production revenues during the first half of next year, and operates in a country where energy development is a government priority.

Its arrival on AIM follows the recent completion of a second-round fund raising which saw key institutions invest £11 million for 36% of the company at 112p per share. An earlier placing in May raised approximately £3.4 million at 100p per share.

Forum Energy's assets include the highly promising Sampaguita gas discovery on the Reed Bank offshore licence area, the SC 40 (Cebu) licence with known onshore and offshore gas and oil discoveries, and two coal operating contracts on Cebu Island with proven and probable reserves of 4.9 million tonnes.

Sterling Energy plc, also quoted on AIM, holds approximately 15% of Forum, while Sterling Chief Executive Harry Wilson and Finance Director Graeme Thomson sit on the Forum board as non-executives.

Forum Energy Chief Executive David Robinson said: "We are delighted to be arriving on AIM with such strong institutional backing and with a management team that has extensive experience of operating in the Philippines."

The company has an executive office in London and runs its operations from Manila.

Approximately 27.2 million shares will be admitted to AIM, at 112p per share, valuing the company at £30 million.

Noble & Company Ltd is the company's broker and nominated adviser.

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