

## Regulatory Announcement

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Forum Energy Plc  
("Forum Energy" or the "Company")

Posting of response to mandatory offer

The board of Forum Energy announces that it has today posted to shareholders a response (the "Circular") to the mandatory cash offer made by PPC to acquire the entire issued and to be issued ordinary shares of the Company which are not already owned or otherwise contracted to be acquired by PPC or any of its associates. A document containing the full terms and condition of the Offer was posted to Forum's shareholders on 30 July 2008.

The information contained in this announcement is derived from, and should be read in conjunction with, the full text of the Circular. Forum Energy Shareholders should read the whole of the Circular and not just rely upon the information set out below. A copy of the Circular will be available on the Company's website at [www.forumenergypc.com](http://www.forumenergypc.com). Terms defined in the Circular shall have the same meanings in this announcement.

Following consultation with the Company's financial adviser, Noble & Company Limited ("Noble"), the Board has concluded that only Alan Henderson, Chairman and acting Chief Executive Officer (the "Independent Director"), can be considered as independent for the purposes of assessing the merits of the Offer.

The Independent Director considers, having taken advice from Noble, that it is not appropriate to provide Forum Energy Shareholders and Optionholders with a definitive recommendation at this time. However, in addition to their own individual investment requirements and objectives, the following factors are important for Forum Energy Shareholders and Optionholders to consider when evaluating what action to be taken with regards to the Offer.

**Considerations for accepting the Offer**

- If the GSEC101 licence is not converted into a service contract, the Offer Price is likely to represent a significant premium to the prevailing share price of Forum Energy prior to the making of the Offer.
- The Offer represents an opportunity for Forum Energy Shareholders to realise their investment in Forum Energy for cash at a price of 48 pence per Forum Energy Share. This represents a premium of 95.9 per cent. to the Closing Price on 1 July 2008 (being the last business day prior to the Announcement).
- With 43.7 per cent. of the voting rights of Forum Energy, PPC may already be in a position to exercise *de facto* control over the Company and PPC's future plans for the Company cannot be certain.
- If the Offer becomes unconditional, PPC will hold a majority of the voting rights of Forum Energy and will also be free to increase its shareholding without making a further offer for the Company. This will give PPC significant influence over the future strategic direction of the Company and may adversely affect the liquidity and marketability of Forum Energy Shares. It may also lead to the loss of certain Code protections and the loss of the Company's AIM quotation.

**Considerations for not accepting the Offer**

- If the GSEC101 licence is converted into a service contract there could be a significant uplift in the value of Forum Energy, although there can be no guarantee that this value will accrue to Forum Energy Shareholders to whom the Offer is being made. Negotiations with the Department of Energy to convert the GSEC101 licence into a service contract have reached a critical stage. On 4 August 2008, Forum Energy was notified in writing by the Department of Energy that the service contract to be entered into under the GSEC101 licence is in its final draft and that it is planned that formal signing of the service contract will take place in the third week of August 2008.
- The Board of Forum Energy believes that the Company has sufficient funding to pursue its strategy in the short term but may have to consider ways to fund its mid-term needs.
- Acceptance of the Offer would not allow Forum Energy Shareholders to participate in any potential future rise in the share price of the Company.

In respect of his own beneficial holding of 5,000 shares, representing 0.02 per cent. of the entire issued share capital, the Independent Director does not intend to accept the Offer.

Further details regarding the opinion and advice of the Independent Director can be found in the Circular.

Copies of the Circular will be available, free of charge, at the Company's financial adviser, Noble & Company Limited, 120 Old Broad Street, London, EC2N 1AR while the Offer remains open for acceptance.

Further announcements will be made as appropriate.

For further information please contact:

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Forum Energy Plc, Chairman and acting Chief Executive Officer

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Noble & Company Ltd, Nominated Adviser & Broker

Or visit the Company's website:

[www.forumenergyplc.com](http://www.forumenergyplc.com)

#### Responsibility Statement

The Board accept responsibility for the information contained in this announcement and, to the best of the Board's knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Takeover Code (the "Code"), if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of Forum, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3:30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Forum, they will be deemed to be a single person for the purpose of Rule 8.3.

Under provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Forum by the offeror, Forum or by any of their respective "associates", must be disclosed by no later than 12:00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the prices 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 or any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

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