

Atlantic Carbon Group Plc



7 February 2019

Dear Shareholder

Proposed Acquisition of Atlantic Carbon Group Plc by Daniel Stewart Securities Plc subject to contract and shareholder approvals and Listing of Atlantic Carbon Group Plc on the London Stock Exchange Standard List.

I am writing to inform you that Daniel Stewart Securities Plc (**DSS**)* is making a conditional offer to acquire the entire issued share capital of Atlantic Carbon Group Plc (**Atlantic Carbon**) in exchange for securities in DSS (the **Conditional Offer**).

DSS has already received more than the 50.01% acceptances from shareholder required in the Offer Letter in the form of irrevocable acceptances of the Conditional Offer from its largest shareholders. Subject to the terms of the Offer Letter (as defined below) those shareholders who do not accept the Conditional Offer will remain shareholders of ACG following completion.

Assuming that all the conditions of the Conditional Offer are satisfied and becoming unconditional then on completion of the Conditional Offer:

- (1) the shareholders of Atlantic Carbon will hold 90 per cent. of the enlarged share capital of DSS and the existing shareholders of DSS will hold 10 per cent. of the enlarged share capital of DSS;
- (2) DSS will be renamed Atlantic Carbon Group PLC pursuant to a resolution passed at a general meeting of DSS immediately prior to completion of the Conditional Offer; and
- (3) DSS (now renamed Atlantic Carbon Group) will become the parent company of the group and Atlantic Carbon will be a subsidiary of DSS. The shareholders of Atlantic Carbon will be shareholders of DSS based on the ratios set out in the Offer Letter.

Following completion of the Conditional Offer the enlarged group will endeavour to have a prospectus prepared and submitted to the UK Listing Authority (**UKLA**) and following approval of such prospectus by the UKLA apply to have the enlarged group's share capital admitted to trading on the standard segment of the main market of the London Stock Exchange PLC (**Admission**).

The Directors of Atlantic Carbon believe that completion of the Conditional Offer will contribute to the enlarged group's share liquidity on Admission which is required under the Listing Rules of the UKLA.

You will find attached to this letter a formal offer letter from DSS outlining the terms and conditions of the Conditional Offer and instructions for accepting the Conditional Offer (**Offer Letter**) together with a form of acceptance and power of attorney (**Form of Acceptance**). If you choose to accept the Conditional Offer then your completed Form of Acceptance (if your shares are held in certificated form) must be received by Link Asset Services at the address specified in the Form of Acceptance no later than 1:00 p.m. (UK time) on 28 February 2019. If you hold your shares in uncertificated form, to accept the Offer you should take (or procure to be taken) the action set out in the Offer Letter (that is, send a TTE Instruction) specifying Link Asset Services (in its capacity as a CREST participant under its participant ID referred to in the Offer Letter), as soon as possible and in any event so that the TTE Instruction settles by no later than 1.00 p.m. on 28 February 2019.

Yours faithfully

Adam Wilson (Chairman)
Atlantic Carbon Group PLC

*DSS is a separate entity to Daniel Stewart and Company PLC which we have been notified went into administration on 1 February 2019.

Atlantic Carbon Group Plc, a company registered in England and Wales under Company No. 05315929
UK Business Office: 26A Old Elvet, Durham DH1 3HN
US Business Office: Stockton Mine, PO Box 39, Hazleton, PA 18201
Registered Office: 200 Strand London WC2R 1DJ
Phone: +44 (0) 191 3866392