

24 May 2017

St Peter Port Capital Limited

(the "Company")

Publication of Circular and Notice of EGM

The Company announces that a circular ("Circular") containing a notice convening an extraordinary general meeting (the "EGM") and a copy of the published annual accounts for the year ended 31 March 2017 and notice of annual general meeting (the "AGM") is being posted to shareholders today.

The AGM and the EGM will be held at 2:00 p.m. and 2:15 p.m. respectively at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB on 21 June 2017.

The purpose of the EGM is to approve the recommended proposal to continue the life of the Company for at least one more year. Extracts from the Circular, which sets out the reasons for the resolution, are set out below and a copy of the Circular dated 24 May 2017 will shortly be available on the Company's website <http://www.stpeterportcapital.gg>. Capitalised terms used but not otherwise defined in this announcement have the same meaning as set out in the Circular.

For further information:

St Peter Port Capital Limited

Lynn Bruce, Director

+44 (0) 1481 724 222

Grant Thornton UK LLP (Nominated Adviser) +44 (0) 20 7383 5100

Philip Secrett

Jamie Barklem

Carolyn Sansom

Shore Capital

Patrick Castle

+44 (0) 20 7408 4090

EXPECTED TIMETABLE OF EVENTS

Dispatch of the Circular

24 May 2017

Latest time and date for receipt of Forms of Proxy **2.15** p.m. on **19** June 2017

Date and time of Extraordinary General Meeting **2.15** p.m. on **21** June 2017

LETTER FROM THE BOARD OF ST PETER PORT CAPITAL LIMITED

Recommended proposal to extend the life of the Company for a further year

Introduction and background to the proposal of the Ordinary Resolution

The Company was admitted to trading on AIM approximately ten years ago on 16 April 2007 as a newly incorporated, Guernsey registered, closed-ended investment company. It had the aim of generating value for Shareholders by investing in growth companies, predominantly immediately prior to an anticipated initial public offering.

At the time of Admission, the directors of the Company undertook in the Admission Document that, every five years, Ordinary Shareholders should be afforded the opportunity, by the passing of an ordinary resolution of the Company requiring 50 per cent. of Ordinary Shares voting at an extraordinary general meeting of the Company, to elect whether the Company should continue as an investment company admitted to trading on AIM or should instead be wound up by the Directors and the Investment Manager. Accordingly, on 18 June 2012 a resolution to continue the life of the Company for five years was so put and was passed at the general meeting of Ordinary Shareholders.

As a further five years have passed, I am writing to shareholders now to enable you to consider the continuation of the Company. An Ordinary Resolution is being proposed at the EGM as required by the Articles and in accordance with what is set out in the Admission Document. The Articles require that an EGM is convened by the Directors no later than 30 Business Days after the fifth anniversary of the extraordinary general meeting convened in June 2012 to propose the Ordinary Resolution.

If the Ordinary Shareholders vote against continuation of the Company, which will be deemed to be the case if the Ordinary Resolution is not passed, a two-stage winding-up process would follow as provided by the Articles and the Admission Document. The Directors and the Investment Manager would be required to commence a process of orderly realisation by the Company of its investments, to be completed by the Directors and the Investment Manager within a period of no more than one year. Under the Articles, the Directors would then be required, no later than 12 months from the date on which Ordinary Shareholders vote for the Company to be wound up, to convene a further extraordinary general meeting of the Company at which a further resolution would have to be tabled to wind up the Company by the appointment of a liquidator. **The effect of this would be to require the Company and its Investment Manager to seek to dispose of all the Company's investments within a year of the Ordinary Resolution not being passed.**

Accordingly, the purpose of this letter is to provide Ordinary Shareholders with details of the Ordinary Resolution to continue the life of the Company.

The Company's Articles require a resolution for the winding up of the Company to then be proposed to be voted on by Ordinary Shareholders at five-yearly intervals. Notwithstanding that being the case, if the Ordinary Resolution is passed, it is the Directors' intention to give Ordinary Shareholders the ability each year to consider whether to continue for a further year or initiate the liquidation of all the Company's holdings including those which are highly illiquid. Resolutions will be proposed at successive Annual General Meetings of the Company.

Ordinary Shareholders should be aware that should the Ordinary Resolution not be passed, the Directors and the Investment Manager would, in accordance with the Articles, be required to proceed to wind up the Company, through a process of orderly realisation by the Company of its investments within a year of the EGM. Ordinary Shareholders should note that, as is set out in the Notice of EGM, a vote in favour of the Ordinary Resolution shall also be deemed to be a vote against a resolution to wind up the Company under the Articles and vice versa.

For the reasons set out below, the Directors consider that the Ordinary Resolution is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Ordinary Shareholders VOTE IN FAVOUR OF THE RESOLUTION to be proposed at the EGM as they intend to do in respect of their beneficial shareholdings, which in aggregate amount to 75,000 Ordinary Shares, representing approximately 0.12 per cent. of the issued Ordinary Share capital of the Company.

ORDINARY RESOLUTION

THAT:

- a. the life of the Company be continued;
- b. the Company not be wound up by the Directors and the Investment Manager through a process of orderly realisation by the Company of its investments and cessation of further investment and that the Directors shall not proceed to wind up the Company in accordance with the Articles; and
- c. Ordinary Shareholders, by voting in favour of this Ordinary Resolution shall be deemed to be voting against an ordinary resolution to wind up the Company in the form set out in Article 45.4 of the Articles ("Article 45.4") and Ordinary Shareholders, by voting against this Ordinary Resolution, shall be deemed to be voting for an ordinary resolution to wind up the Company in the form set out in Article 45.4.

Reasons why the Directors believe Ordinary Shareholders should vote IN FAVOUR OF the Ordinary Resolution

The Company's portfolio of investments include some investments which the Directors believe offer potential for capital gain from the values at which they are currently being held. However, these investments remain illiquid. If the Company was to be wound up within a year of the continuation vote presented in the Circular, it would be difficult to secure good value for these promising but illiquid investments as their sale would be premature.

The Company's Board and Investment Manager have striven to sell individual investments and over the last six months initiated a strategic review. This placed the Company into a formal offer period under the City Code on Takeovers and Mergers and therefore effectively invited bids for the Company as a whole. Whilst some initial interest has been expressed, this has typically been at a very large discount to the current carrying values for the holdings, which the Board believes are held at prudent values. It is clear that the interest has been on the basis that the Shareholders of the Company would have to accept terms appropriate to a "distressed sale".

The Board does not believe that it is either necessary or desirable for Shareholders to accept such terms. However, the Board is also conscious from feedback it has received that Shareholders would like liquidity if appropriate terms could be achieved. For this reason, the Board does not recommend a continuation for five years without further resolutions being presented to Shareholders, but instead to present resolutions to continue on an annual basis at the Company's Annual General Meeting.

Moreover, in a few cases, as discussed in the accompanying Financial Results there are possibilities for investee companies to secure substantial gains if particular foreseeable events occur. The complexities of these investments make it unlikely that good realisation could be readily achieved by their sale to a third party not fully familiar with their historical background.

The past five years of the Company's life have seen strong recovery in some sectors of unquoted investment but a turbulent period for resources companies, which represent a considerable part of the Company's remaining portfolio. There are now some signs that the climate for such companies is improving. In relation to the two remaining investments in technology and bio-technology, they require further time and significant further investment to show their potential.

Continuation of the Company will therefore permit the Investment Manager to seek to endeavour to secure for Shareholders the potential gains within the Company's portfolio without the undue pressure of a forced liquidation which should greatly enhance the attractiveness of the Company's Ordinary Shares.

The extension of the life of the Company will necessarily incur some extra expenditure on running the Company which would not arise if it was wound up more quickly. Clearly this expenditure will be justified if by the extension of the Company's life the Shareholders receive a materially higher

eventual return of capital, taking into account the time value of money arising from a delay. The Board is committed to an exercise of seeking to reduce such expenditure and will aim to achieve significant savings. It is noteworthy that with the reductions over the last two years in net asset value, the fees paid to the Company's investment manager have more than halved.

Extraordinary General Meeting

The EGM will be held at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB on 21 June 2017 at 2:15 p.m.. If the Resolution at the EGM is passed, then it will be binding on all Ordinary Shareholders, whether or not they voted in favour of the Resolution.

At the EGM, the Ordinary Resolution will be proposed as to whether the life of the Company should be extended or not. Ordinary Shareholders should note that, as is set out in the Notice of EGM, a vote in favour of the Ordinary Resolution shall also be deemed to be a vote against a resolution to wind up the Company under the Articles and vice versa.

Whether or not you intend to be present at the EGM, you are requested to complete and sign the relevant Form of Proxy and return it to **Capita Asset Services**, as soon as possible and, in any event, so as to arrive not later than 2:15 p.m. on 19 June 2017. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the EGM and voting in person if you so wish. Those Ordinary Shareholders on the register of members of the Company as at close of business on 19 June 2017 will be eligible to attend (in person or by proxy) and vote at the EGM.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

*This announcement is distributed by Nasdaq Corporate Solutions on behalf of Nasdaq Corporate Solutions clients. The issuer of this announcement warrants that they are solely responsible for the content, accuracy and originality of the information contained therein.
Source: St Peter Port Capital Limited via Globenews wire*