

Dear Bondholder

## **Bondholder Dividend**

Further to our email of 11 November 2019, we write to provide an update regarding the proposed 5% dividend, payable to Bondholders of London Capital & Finance plc ('LCF').

1. As Bondholders will be aware, earlier this year the Joint Administrators launched a claim against Global Security Trustees Limited ('GST') for it to be removed as the Bondholders' security trustee. The Joint Administrators' application was heard in Court on Tuesday 19 November 2019, however, the Court's Judgement has not yet been handed down. Until such time that the judgement in respect of this application is received by the Joint Administrators, we are unable to confirm any further details with regard to the proposed 5% dividend payment. For further details regarding the Joint Administrators' claim against GST, please see our communication to Bondholders dated 05.06.2019, which can be found at: [www.smithandwilliamson.com/london-capital](http://www.smithandwilliamson.com/london-capital).
2. Further legal proceedings have been issued with regard to LOG and the LOG administrators are assessing what effect, if any, these proceedings will have on the proposed 5% dividend payment.

We will provide a further update by Friday 6 December 2019 in respect of the proposed 5% dividend payment.

## **Independent Oil & Gas plc**

Some Bondholders have asked about the value of London Oil & Gas Limited's ('LOG') interest in Independent Oil & Gas plc ('IOG'). As previously explained, the Joint Administrators of LOG will continue to take expert, independent professional advice on a strategy designed to achieve the best outcome for its lender LCF, and hence for the LCF Bondholders, in a reasonable timeframe and in line with the orderly market restrictions. At present, our advice is that the share price is currently at a significant discount to IOG's estimated net asset value. By way of illustration, if LOG were to realise its entire interest in IOG at a share price of 30p, the estimated total recoveries for LOG would be approximately £83m, before costs, while at a share price of 40p the estimated total recoveries would be approximately £106m, before costs. Bondholders should be aware, however, that there can be no certainty as to the return, if any, that will ultimately be achieved.

Kind regards  
The Joint Administrators of LCF

The affairs, business and property of the Company are being managed by the administrators Finbarr O'Connell, Adam Stephens, Colin Hardman and Henry Shinnars who act as agents of the Company and without personal liability. Finbarr O'Connell, Adam Stephens, Colin Hardman and Henry Shinnars are licensed as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales. Further information regarding the administration can be found at the joint administrators' webpage: [www.smithandwilliamson.com/london-capital](http://www.smithandwilliamson.com/london-capital) London Capital & Finance Plc is incorporated in England and Wales under the Companies Act 2006 with registered number 08140312. The Company is authorised and regulated by the Financial Conduct Authority with FRN 722603.

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