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Obtala Limited
15 March 2017

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Obtala Limited
("Obtala", the "Group" or the "Company")
(AIM: OBT)

Subsidiary Preference Share Subscription Update

Obtala Limited (AIM: OBT), the African focused agricultural and forestry company, is pleased to announce that it has raised an additional $3 million from a further subscription for preference shares in Argento Limited (Obtala's 75% owned forestry subsidiary) in accordance with the terms announced on 1st December 2016.

Negotiations continue with a major Asian financial institutional investor but with their internal processes dragging on the Board decided it was in the best interests of the Company to fulfill excess demand remaining from the 1st December transaction. Dialogue continues with the institutional investor which could lead to future partnership however since the Argento Preference share is almost fully subscribed an investment is not expected in the near-term.

8,573 additional Argento Preference shares are to be issued at a price of US$350 per share, bringing the total in issue to 69,000 out of the maximum 75,000 available Preference Shares leaving a further 6,000 available. There were 6 investors which were a mix of HNWs and a Commodities Trading House.

Proceeds from the committed US$3.0m are to be received during the following settlement periods:

On or before:	
31st March 2017	US$550,000
30th June 2017	US$150,000
30th September 2017	US$2,300,000

Miles Pelham, Chairman of Obtala, commented "Near completion of this funding represents a significant step for the company as we move forward with the monetization of latent assets.

"Management and operational teams have been strengthened and significant planning has been completed during the rainy season. Project teams are working through land purchase, lease negotiation and site surveys in preparation for construction of the new Sawmill and Packhouse facilities that will change the basis of our production capabilities by the end of 2017".

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This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Further Information

Terms of the Argento Preference share

Issue Date	1st December 2016
Tenor	Perpetual
Denomination	$350
Preferred Dividend	5%
Ordinary Dividend	Yes
Takeover ratchet	Yes, 150% upon change of control
Drag along rights	Yes
Tag along rights	Yes
Convertible period	30th August 2017 and perpetually onwards
Conversion property	Either of the following, at the choice of Preference share holder: a. Into Argento Limited ordinary shares on 1-for-1 basis b. Into Obtala Limited ordinary shares on a 1-for-1435 basis
Obtala Conversion price	20p (using deal FX rate of 1.22)
Dilution protection	Yes

Full conversion of the 8,573 Preference shares now agreed to be issued into new Obtala ordinary shares would result in the issue of a further 12,302,255 new Obtala ordinary shares, representing approximately 4.43 per cent. of Obtala's existing issued ordinary share capital.

This information is provided by RNS
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