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If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your Ordinary Shares, you should contact your stockbroker, banker or other agent through whom the sale or transfer was effected. However those documents should not be forwarded to or sent into the United States, Canada, Australia, South Africa or Japan. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the UK should seek appropriate advice before taking any action.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

Cluff Natural Resources Plc

(incorporated as a company in England and Wales with company number 07958581)

Notice of General Meeting and Placing and Subscription

Shore Capital and Corporate Limited ("SCC"), which is authorised and regulated in the United Kingdom by the FCA, is the Company's nominated adviser for the purposes of the AIM Rules in connection with the Placing and Subscription and, as such, its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person or entity in respect of his reliance on any part of this document. Shore Capital Stockbrokers Limited ("SCS"), which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company's broker for the purposes of the AIM Rules in connection with the Placing and Subscription. SCC and SCS are acting for the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of SCC and SCS nor for providing advice in relation to the contents of this document or any matter referred to herein. No representation or warranty, express or implied, is made by SCC or SCS for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

This document should be read in conjunction with the Form of Proxy and the Notice of General Meeting set out at the end of this document. Your attention is drawn to the letter from the Chairman of Cluff Natural Resources Plc set out on pages 6 to 9 of this document which recommends you to vote in favour of the Resolution to be proposed at the General Meeting. Notice of the General Meeting to be held at 11:00 a.m. on 28 November 2013 is set out on pages 10 and 11 of this document. The accompanying Form of Proxy for use at the General Meeting should be completed in accordance with the instructions printed thereon and returned as soon as possible to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, by not later than 11:00 a.m. on 26 November 2013. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, SCC or SCS. Without prejudice to the Company's obligations under the AIM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this document or that the information contained in this document is correct as of any time subsequent to the date of this document. Neither SCC nor SCS has authorised the contents of this document and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by SCC or SCS as to the contents of this document and no responsibility or liability whatsoever is accepted by SCC or SCS for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company and the Directors are solely responsible.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore. This document does not constitute an offer to the public of transferable securities and so is not subject to the requirements or any legislation that implements the EU Prospectus Directive.

Certain statements contained in this document are or may constitute "forward looking statements". Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, among others, changes in the credit markets, changes in interest rates, legislative and regulatory changes, changes in taxation regimes, and general economic and business conditions, particularly in the United Kingdom.

Copies of this document will be available, free of charge, for a period of one month from the date of this document at the Company's registered office, Third Floor, 5-8 The Sanctuary, London SW1P 3JS, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted).

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STATISTICS

Issue Price	3p
Number of Placing Shares	64,000,001
Number of Subscription Shares	2,666,666
Gross Proceeds of the Placing and Subscription	£2.0 million
Number of Ordinary Shares in issue on the date of this document	88,333,333
Number of Ordinary Shares in issue at Admission	155,000,000
New Ordinary Shares expressed as a percentage of the enlarged issued share capital of the Company at Admission	43%

EXPECTED TIMETABLE

Publication of this document	12 November 2013
Latest time and date for receipt of Forms of Proxy	11:00 a.m. on 26 November 2013
General Meeting	11:00 a.m. on 28 November 2013
Admission of the New Ordinary Shares	29 November 2013
Expected date for CREST accounts to be credited	29 November 2013
Despatch of definitive share certificates (where applicable) on or around	3 December 2013

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"Admission"	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies, published by the London Stock Exchange from time to time
"Board"	the board of directors of the Company
"Company"	Cluff Natural Resources plc
"Deep UCG"	Deep Underground Coal Gasification
"Directors"	the directors of the Company, whose names are set out on page 6 of this document
"Enlarged Issued Share Capital"	all of the Ordinary Shares in issue on Admission
"FCA"	the Financial Conduct Authority
"Form of Proxy"	the form of proxy for use by Shareholders in connection with the General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"General Meeting" or "GM"	the general meeting of the Company convened for 11:00 a.m. on 28 November 2013 (or any adjournment or postponement thereof)
"Issue Price"	3p per Ordinary Share
"London Stock Exchange"	the London Stock Exchange plc
"New Ordinary Shares"	the Placing Shares and the Subscription Shares
"Notice of General Meeting"	the notice of General Meeting, set out at the end of this document
"Official List"	the official list of the UK Listing Authority
"Ordinary Shares"	ordinary shares of 0.5p each in the capital of the Company
"Placing"	the conditional placing of the Placing Shares pursuant to the Placing Agreement at the Issue Price
"Placing Agreement"	the conditional agreement dated 12 November 2013 between the (1) Company, (2) SCC and (3) SCS relating to the Placing
"Placing Shares"	the 64,000,001 new Ordinary Shares which are to be placed in accordance with the terms of the Placing Agreement
"Resolution"	the resolution set out in the Notice of General Meeting
"Shareholders"	holders of Ordinary Shares
"SCC"	Shore Capital and Corporate Limited
"SCS"	Shore Capital Stockbrokers Limited

"Subscription"	the conditional subscription by investors for the Subscription Shares
"Subscription Shares"	the 2,666,666 new Ordinary Shares conditionally subscribed for by investors, at the Issue Price, pursuant to subscription agreements between the Company and such investors
"UK Listing Authority"	the FCA acting in its capacity as the competent authority for the purposes of FSMA

LETTER FROM THE CHAIRMAN

Cluff Natural Resources Plc

(Incorporated as a company in England and Wales with company number 07958581)

Directors:

John Gordon Cluff (*Chairman and Chief Executive Officer*)
Graham Cameron Swindells (*Finance Director*)
Nicholas William Berry (*Non-Executive Deputy Chairman*)
Peter Nigel Cowley (*Non-Executive Director*)
Dr Robert Victor Danchin (*Non-Executive Director*)
The Earl De La Warr DL. (*Non-Executive Director*)
Brian Anthony FitzGerald (*Non-Executive Director*)
Christopher Matchette-Downes (*Non-Executive Director*)

Registered Office:

Third Floor
5-8 The Sanctuary
London
SW1P 3JS

12 November 2013

Dear Shareholder

Proposed Placing, Subscription and Notice of General Meeting

Introduction

The Company announced on 12 November 2013 that it had conditionally placed, in aggregate, 64,000,001 Placing Shares at 3.0p per Placing Share and conditionally agreed to issue 2,666,666 Subscription Shares at 3.0p per Subscription Share. The Issue Price represents a discount of approximately 22.6 per cent. to the closing mid-market price of 3.875 pence per Ordinary Share on 11 November 2013 (being the last practical date prior to the announcement of the Placing and Subscription).

Once completed, the proceeds from the Placing and Subscription will be approximately £2,000,000 (before commissions and expenses). The primary purpose of the Placing and Subscription is to fund the development of the Company's Deep UCG licences in the UK in line with its aim to unlock energy by converting untapped coal into gas.

The allotment of the New Ordinary Shares is conditional, *inter alia*, upon the Company obtaining approval of Shareholders at the General Meeting to grant the Directors the authority to allot the New Ordinary Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment of the New Ordinary Shares.

The purpose of this document is to explain the background to and reasons for the Placing and Subscription, to explain why the Board considers the Placing and Subscription to be in the best interests of the Company and its Shareholders, and why the Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of their beneficial interests amounting, in aggregate, to 14,756,026 Ordinary Shares representing 16.7 per cent. of the existing issued ordinary share capital of the Company at the date of this document.

Development of the business to date

The Company was admitted to trading on AIM in May 2012 as an investing company with a strategy to acquire and make strategic investments globally in oil and gas and mining projects, and the Board has subsequently assessed a number of opportunities in the oil and gas and mining sectors.

Since January 2013 the Company has been awarded five Deep UCG licences in the UK, totalling 30,881 hectares, by The Department for Energy and Climate Change and by The Coal Authority. The licence areas include Kincardine and Largo Bay in the Firth of Forth in Scotland; the Loughor Estuary in Carmarthenshire in Wales; the Dee Estuary in Merseyside and North Wales; and Whitehaven in North Cumbria. Deep UCG is a proven process which enables coal, in situ, to be converted into syngas, by partial oxidation, and has been utilised onshore in a number of countries such as Australia, South Africa, China, Canada and the United States of America. The Directors believe that Deep UCG offshore could

lead to the gasification of much of the billions of tonnes of untapped coal surrounding the UK's coastline which is unable to be exploited economically by conventional coal mining.

Current business strategy

The Company intends to advance its portfolio of Deep UCG licences and unlock the energy in the United Kingdom by converting vast untapped coal resources into gas.

In addition to the development of the Deep UCG licences it has acquired to date, the Company proposes to continue to evaluate other potential oil and gas projects in line with its investing policy, as we aim to build a portfolio of resource assets and create value for shareholders.

The Placing and Subscription

The Company is proposing to raise, in aggregate, £2,000,000.01 (before commissions and expenses) by means of the Placing and Subscription. The New Ordinary Shares will rank in full for all dividends and otherwise *pari passu* with the existing Ordinary Shares from the date of their admission to trading on AIM.

It is expected that the New Ordinary Shares will be admitted to trading on AIM on 29 November 2013. The issue of the New Ordinary Shares is conditional, *inter alia*, upon:

- the passing of the Resolution at the General Meeting;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission.

Use of Proceeds of the Placing and Subscription

The Company expects to use the funds raised to further its investing policy, including to help develop its five 100% owned Deep UCG licences in the UK. Planned work programmes include: feasibility studies, assessing geological and seismic data, 3-D geological modelling, securing land options for test drilling, conducting Environmental Impact Assessments and increasing levels of stakeholder engagement. The Company will also seek to appoint a Senior Project Manager or Chief Operating Officer to manage the development of its Deep UCG portfolio. Funds will also be utilised to strengthen the balance sheet, to support further licence and planning applications, the assessment of additional natural resources opportunities and on-going working capital.

In order to put the Company in as strong a financial position as possible going forward, the Directors have identified a number of measures it proposes to implement to preserve the Company's cash resources and enable a greater share of future expenditure to be put towards the development its five Deep UCG licences and the pursuit of a transformational acquisition of an oil and gas project.

These measures include a commitment to reduce board and staff costs, together with a number of other measures identified by the Directors which are anticipated to significantly reduce the Company's projected cash expenditure in the calendar year 2014.

Directors' Subscription

Certain Directors of the Company have subscribed for the following New Ordinary Shares:

Director	New Ordinary Shares subscribed for	Resulting holding of Ordinary Shares	% of Enlarged Share Capital
Algy Cluff	500,000	11,567,914	7.46%
William de la Warr	666,666	2,466,666	1.59%
Nicholas Berry	500,000	900,000	0.58%

Related Party Transaction

The Mercantile Investment Trust plc has subscribed for 6,666,666 Placing Shares in the Placing. The participation in the Placing by The Mercantile Investment Trust plc is a related party transaction under the AIM Rules as The Mercantile Investment Trust plc has been a substantial shareholder of the Company within the last twelve months. The Company's directors consider, having consulted with the Company's nominated adviser, Shore Capital & Corporate Limited, that the terms of the participation by The Mercantile Investment Trust plc in the Placing are fair and reasonable insofar as the Company's shareholders are concerned.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, SCS, as agent for the Company, has conditionally agreed to use its reasonable endeavours to place the Placing Shares on a non-underwritten basis at the Issue Price.

The Placing Agreement contains certain warranties from the Company in favour of SCS and SCC in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company has agreed to indemnify SCS and SCC in relation to certain liabilities it may incur in respect of the Placing. SCS and SCC have the right to terminate the Placing Agreement in certain circumstances prior to Admission, including without limitation for an event of *force majeure* or in the event of a material breach of the warranties set out in the Placing Agreement. Under the terms of the Placing Agreement the Company has agreed to pay SCS and SCC commissions based on the number of Placing Shares which are the subject of the Placing.

Admission and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on 29 November 2013.

Employment Claim

The Company has received an employment tribunal claim from a former senior employee. Although the proceedings are still at any early stage, the Company is confident of its prospects in relation to the claim.

General Meeting

A notice convening the General Meeting to be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF, at 11:00 a.m. on 28 November 2013 is set out at the end of this document.

At the General Meeting, the Resolution will be proposed to grant the Directors the authority to allot the New Ordinary Shares (which is equivalent to approximately 43 per cent. of the Enlarged Issued Share Capital) without first offering them to existing Shareholders on a pre-emptive basis.

The Directors appreciate that it would be normal when a company issues a material number of new shares for cash for that issue to be fully pre-emptive (i.e. to incorporate an offer to all Shareholders). However, the Directors believe it would not be in Shareholders' best interests to incur the significant additional expense that would be required for such an offer to Shareholders to be implemented. The Directors have therefore concluded that seeking general authority from Shareholders to issue the New Ordinary Shares other than on a pre-emptive basis is the most flexible, simple and cost effective method available to the Company.

Directors' Intention

The Directors intend to vote in favour of the Resolution in respect of their aggregate beneficial interest in respect of 14,756,026 Ordinary Shares representing approximately 16.7 per cent. of the existing issued share capital of the Company at the date of this document.

Action to be taken

Shareholders have been sent a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy and to return it to the Company's Registrars, Share Registrars Limited, 9 Lion and Lamb Yard, Farnham, GU9 7LL, so as to arrive not later than 11:00 a.m. on 26 November 2013. 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 General Meeting and voting in person if you so wish.

Recommendation

The Directors consider the Resolution to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting as they intend to do themselves in respect of their beneficial interests amounting, in aggregate, to 14,756,026 Ordinary Shares representing approximately 16.7 per cent. of the existing issued share capital of the Company at the date of this document.

Yours faithfully

J G Cluff

Chairman and Chief Executive Officer

Cluff Natural Resources Plc

(incorporated as a company in England and Wales with company number 07958581)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Cluff Natural Resources Plc (the "**Company**") will be held at 11:00 a.m. on 28 November 2013 at the offices of K&L Gates LLP, One New Change, London EC4M 9AF, for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTION

1. THAT:

- (a) the directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £333,333.34 pursuant to the circular to shareholders dated 12 November 2013 (the "**Circular**") provided that this authority shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted after such expiry and the directors may allot shares in pursuance of any such offers or agreements as if the authority conferred hereby had not expired and such authority is without prejudice to any unexercised authorities previously granted to the directors of the Company to allot shares; and
- (b) the directors be and are hereby empowered in accordance with section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to the allotment of shares in the Company up to an aggregate nominal amount of £333,333.34 as described in the Circular, provided that this authority shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offers or agreements as if the power conferred hereby had not expired and such authority is without prejudice to any unexercised authorities previously granted to the directors of the Company to grant shares.

By order of the Board

J G Cluff

Chairman and Chief Executive Officer

Date of Notice : 12 November 2013

Company Number: 07958581

Registered Office: Third Floor
5-8 The Sanctuary
London
SW1P 3JS

NOTES:

1. In order to be entitled to attend and/or vote at the General Meeting, a Shareholder must be entered on the register of members of the Company as being a holder of Ordinary Shares at 11:00 a.m. (UK time) on 26 November 2013.
2. Shareholders entitled to attend and vote may appoint a proxy or proxies to attend and vote on their behalf. A proxy need not be a member of the Company.
3. A Form of Proxy is enclosed for the General Meeting. All Shareholders who do not intend attending the General Meeting are asked to complete and return a Form of Proxy. To be valid, the Form of Proxy (and the power of attorney or other authority, if any, under which it is signed or a duly certified copy of such authority) must be deposited at the Company's Registrars, Share Registrars Limited, 9 Lion and Lamb Yard, Farnham, GU9 7LL not later than 11:00 a.m. (UK time) on 26 November 2013. Completion and return of a Form of Proxy does not prevent a member from attending and voting in person at the meeting.
4. In the case of an individual, the Form of Proxy must be signed by the appointer or by his or her attorney duly authorised in writing.
5. In the case of a body corporate, the Form of Proxy must either be executed under its seal or under the hand of a duly authorised officer or attorney.
6. In the case of joint holders, such persons shall elect one of their number to represent them and to vote whether in person or by proxy. In default of such election the person whose name stands first in the register of members shall alone be entitled to vote.
7. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
8. The Chairman may reject/accept any Form of Proxy which is completed and/or received other than in compliance with these notes.
9. A proxy for a Shareholder will exercise his discretion as to how he votes or whether he abstains from voting:
 - i. on the resolution set out in the notice of General Meeting if no instruction or contradictory instruction is given in the Form of a Proxy in respect of the resolution; and
 - ii. on any business or resolution considered at the meeting (or at any postponement or adjournment thereof) other than the resolution set out in the notice of General Meeting