



GLOBAL ASSET MANAGEMENT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2002/003192/06)

Share Code: GAM ISIN: ZAE000173498

("Global")

ISSUE OF SHARES FOR CASH BY AN UNLISTED SUBSIDIARY OF GLOBAL TO FINANCE THE PROPOSED PLASTIC-TO-FUEL CONVERSION PLANT AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

Shareholders are referred to the announcement released on SENS on 1 August 2014, relating to the receipt by Global of a firm letter of intent from Futuregrowth Asset Management (Pty) Ltd, acting as an agent on behalf of funds under management ("Futuregrowth") to act as an investment partner for its newly formed subsidiary Plastic Green Energy (Pty) Ltd ("PGE") which subsidiary will house the company's first commercial plastic-to-fuel conversion plant ("the Project").

The board of Global is pleased to advise that a subscription agreement providing for the subscription of shares in PGE by Futuregrowth and Earthwise Energy Holdings (Pty) Ltd ("EWEH"), a 95.25% subsidiary within the Global group of companies ("the Parties"), has been concluded ("the Transaction").

2. The Transaction

2.1 Introduction and Rationale

In line with its medium term strategy at the time of its listing on the JSE and following the successful establishment of its first rubber to waste pilot plant, Global is focusing on the launch of its renewable and clean energy businesses. Utilising the proprietary technology developed by EWEH, PGE will convert waste plastic into liquid fuel aimed at the industrial fuel oil market.

2.2 Terms of the Agreement

Futuregrowth and Global have agreed to advance equity funding to PGE and Futuregrowth will accordingly subscribe for shares in the issued share capital of PGE in two separate tranches such that immediately after the subscriptions, Futuregrowth will hold 45% and EWEH will hold 55% of the issued share capital of PGE.

2.2.1 First Tranche Subscription

Subject to the fulfillment of the conditions precedent, Global and Futuregrowth will each subscribe for shares in PGE for a subscription price of R12 000 000, totaling R24 000 000.

2.2.2 Second Tranche Subscription

Subject to the fulfillment of the second tranche conditions Global and Futuregrowth will each subscribe for shares in PGE at a subscription price of R8 250 000, totaling R16 500 000.

2.3 *Effective Dates*

The first tranche effective date shall be the third business day after the day on which all of the conditions precedent are fulfilled or waived.

The second tranche effective date shall be the third business day after the date on which the last of the second tranche conditions precedent have been fulfilled or waived.

2.4 *Conditions Precedent*

Both tranches of the subscription are subject to various conditions precedent, mainly relating to operational and intellectual property matters, but including confirmation of no material changes to the project plan. Shareholder and regulatory approval is not required for the Transaction.

2.5 *Other significant terms*

Should an independent technical expert appointed by the Parties find that certain performance criteria are not achieved by the first reactor constructed in Phase 1 for a continuous period of 30 (thirty) days, then the subscription price for Futuregrowth shall be effectively reduced by R1.5 million.

3. **Financial Information**

The Transaction will have no impact on the Statement of Comprehensive Income and the net asset value of Global. Cash and cash equivalents will increase by R20.25m and the amount attributable to minority shareholders will similarly increase by R20.25m.

4. **Categorisation**

As the issue of shares for cash is by an unlisted subsidiary of Global, the Transaction has been categorised as a category 2 disposal in accordance with paragraphs 3.35 and 9.5(a) of the JSE Listings Requirements. Shareholder approval of the Transaction is accordingly not required.

5. **Renewal of Cautionary Announcement**

Shareholders are referred to the renewal of cautionary announcement dated 15 April 2016 and are advised that negotiations for a possible strategic BEE partnership are still on-going. Shareholders are accordingly advised to continue to exercise caution in dealing in their Global shares until a further announcement in this regard is published.

Johannesburg
31 May 2016

Designated Advisor

Arbor Capital Sponsors Proprietary Limited

