

31 July 2018



POLO RESOURCES LIMITED

(**"Polo"** or the **"Company"**)

WEATHERLY INTERNATIONAL PLC – INVESTMENT UPDATE

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, notes that further to an announcement made by its investee company Weatherly International Plc ("Weatherly") (AIM: WTI) on 1 June 2018, detailing the appointment of Administrators, the Administrators' Statement of Proposals has been released by Weatherly and can be found at the following website:

<https://www.fticonsulting-emea.com/cip/weatherly-international-plc>

The key conclusions of the Administrators' Statement of Proposals are set out below:

"Secured creditors

At the date of appointment, the Secured Lenders were owed approximately \$126m by the Group. WTI is a guarantor of this debt. The Secured Lenders hold security dated 7 May 2015 over the Group. As a result, the Secured Lenders have security over all of the Groups assets, which includes fixed and floating charges.

The return to the Secured Lenders is currently uncertain.

Preferential creditors

Under the Act the main classes of preferential creditor are employees in respect of certain claims in relation to arrears of wages, holiday and pensions contributions.

The Administrators have paid retained staff their wages to the date of their redundancy. Consequently, there are not anticipated to be any arrears of wages claims. However, it is anticipated that there may be claims in respect of accrued but untaken holiday pay.

We are currently awaiting confirmation from the RPS of the level of preferential claims against the Company. We currently envisage that there will be no funds available to make a distribution to preferential creditors.

Unsecured creditors

Unsecured creditors rank behind both secured and preferential creditors. Under Section 176A of the Act where after 15 September 2003 the Company has granted a creditor a floating charge, a proportion of the net property of the company achieved from floating charge asset realisations must be made available for the unsecured creditors ("the Prescribed Part").

There are unlikely to be sufficient funds to repay the Secured Creditors, therefore returns to unsecured creditors would only potentially come from the Prescribed Part, up to a maximum of £600k.

We currently have insufficient information to estimate the likely size of the Prescribed Part and the return to unsecured creditors, given that calculation is subject to the total level of floating charge realisations, the costs of realisations and the cost of paying preferential creditors, all of which remain uncertain.

However, given the information that we have to date it is unlikely that there will be a dividend to unsecured creditors.

Shareholders

As it is unlikely that there will be sufficient assets to repay the Company's creditors in full it is highly unlikely that there will be any return or distribution to shareholders.”

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About the Company

Polo Resources Limited is a multi-sector investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. For complete details on Polo, please refer to: www.poloresources.com.