

Certain information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR") as applied in the United Kingdom. Upon publication of this Announcement, this information is now considered to be in the public domain.

Bens Creek Group plc
(Bens Creek" or the "Company")

Statement re: acquisition of 29.9 per cent. holding in the Company by Avani Resources Pte Ltd

Introduction

Bens Creek (AIM:BEN), the owner of a metallurgical coal mine in North America supplying the steel industry, has been notified on 11 May 2023 by MBU Capital Group Limited ("**MBU**"), the Company's largest shareholder, that, further to the announcement released by the Company on 14 April 2023, it has sold 119,218,394 existing Ordinary Shares in the Company to Avani Resources Pte Ltd ("**Avani**"). As a result Avani now owns 29.86 per cent. of the existing Ordinary Shares in the Company (the "**Ordinary Shares**"). The transaction was undertaken on 10 May 2023 at a price of 18p per share (the "**Transaction**"). The Transaction was conducted off-market and will settle on 12 May 2023.

The Board of the Company welcomes the investment by Avani. Avani is a private limited company incorporated in Singapore and is a trader of commodities to be used in energy and infrastructure industries as well as making investments in related assets. Avani mainly deals with physical trading of raw material for steel and power production, namely coal, steel, ferro alloys, metals and ores. Avani is a supplier of metallurgical coal to India and China and buys from a large range of coking coal exporting regions including Australia, Africa, the United States, Canada, China and Indonesia. Avani caters for customers across the iron and steel industries, from standalone pellet producers, special and alloy steel producers to very large integrated steel mills. More information on Avani can be found at <https://avani.sg/>.

Following the Transaction Avani will hold 119,218,394 Ordinary Shares, representing approximately 29.86 per cent. of the current issued share capital of the Company. MBU will continue to hold 94,944,813 Ordinary Shares, representing 23.78 per cent. of the current issued share capital of the Company. In addition, Mohammed Iqbal, MBU's ultimate beneficial owner, holds 3,333,336 Ordinary Shares in the Company, representing 0.83 per cent. of the current issued share capital of the Company.

Relationship agreements

The Company and Allenby Capital Limited ("**Allenby Capital**"), the Company's nominated adviser, have on 5 May 2023 entered into a relationship agreement with Avani (the "**Avani Relationship Agreement**"), pursuant to which Avani has undertaken to the Company and Allenby Capital that, for so long as it is interested in Ordinary Shares carrying 20 per cent. or more of the Company's voting share capital and the Company's shares are admitted to trading on AIM, it agrees to various undertakings aimed at ensuring the Company is managed for the benefit of shareholders as a whole and independently of Avani, In addition Avani has undertaken in the Avani Relationship Agreement

that transactions between the Company and Avani shall be in the best interests of the Company and at arm's length and on normal commercial terms.

The Avani Relationship Agreement also provides that, for so long as Avani is interested in Ordinary Shares carrying a minimum of 20 per cent. of the Company's voting share capital, it shall be entitled to appoint one director to the board of the Company and it has been agreed that this right will continue during the two years following the Avani Relationship Agreement is entered into where Avani is interested in at least 17.5 per cent. of the Company's voting share capital. Any proposed director appointment will be subject to the appropriate due diligence to be carried out by the Company's nominated adviser.

Avani also have a right, pursuant to the Avani Relationship Agreement, to participate on a pro rata basis in any fundraising by the Company which involves the issue of any right to subscribe for, or convert securities into, shares in the capital of the Company (including any issuance of debt convertible into shares in the Company or options over shares in the Company but excluding any shares options issued under any management or employee incentive scheme).

On 13 October 2021, MBU, Adam Wilson and Raju Haldankar entered into a relationship agreement with the Company and Allenby Capital (the "**MBU Relationship Agreement**"). The MBU Relationship Agreement continues for so long as: (i) the Ordinary Shares are admitted to trading on the AIM; and (ii) MBU (and its connected persons and group companies) are interested in voting rights representing, in aggregate, 20 per cent. or more of total voting rights attaching to the Ordinary Shares. For as long as MBU, individually or together with Adam Wilson and Raju Haldankar, is interested in voting rights representing: (a) rights to vote more than 50 per cent. of the rights to vote at a general meeting of the Company attaching to Ordinary Shares, it shall be entitled to nominate two directors to the board of the Company; or (b) representing more than 20 per cent. of the rights to vote at a general meeting of the Company attaching to Ordinary Shares, it shall be entitled to nominate one director to the board of the Company. As announced on 27 February 2023, Mark Cooper was appointed to the board of Bens Creek as a Non-Executive Director and was nominated to the board upon recommendation by MBU.

MBU concert party

Following the Transaction, MBU will hold 94,944,81 Ordinary Shares in the Company, representing 23.78 per cent. of the ordinary issued share capital of the Company. MBU, together with persons acting in concert with MBU (the "**MBU Concert Party Group**"), will hold 37.21 per cent. of the ordinary issued share capital of the Company (reduced from 67.07 per cent. immediately prior to this announcement).

Adam Wilson, the Company's Chief Executive Officer, and Raju Haldankar, the Company's former Chief Financial Officer, are members of the MBU Concert Party Group. Mr Wilson and Mr Haldankar hold options over 10,500,000 Ordinary Shares and 1,750,000 Ordinary Shares of the Company respectively (the "**Options**"). If Mr Wilson and Mr Haldankar were to exercise the Options in full then, provided the MBU Concert Party Group continues to hold its 37.21 per cent. interest in the Company and based on the issued share capital of the Company as at the date of this announcement, the MBU Concert Party Group would increase its interest in the Company to 39.08 per cent.

In circumstances where the MBU Concert Party Group is interested in 30 per cent. of the ordinary issued share capital of the Company (but is not interested in more than 50 per cent.) and either Mr Wilson and/or Mr Haldankar exercise the Options (whether in full or in part) this would, on the face of it, trigger a mandatory offer under Rule 9 of the Takeover Code (the "**Code**"). However, since the Options were issued to Mr Wilson and Mr Haldankar at a time when the MBU Concert Party Group was interested in excess of 50 per cent. of the ordinary issued share capital of the Company, the directors of Bens Creek who are independent of the MBU Concert Party Group (the "**Independent Directors**") have consented (with the agreement of The Takeover Panel to them so consenting) to Mr Wilson and/or Mr Haldankar exercising the Options (whether in full or in part) at such time in the future as is at their discretion (but subject always to the conditions attaching to the Options) without causing the MBU Concert Party Group to be required to make a mandatory offer under Rule 9 of the Code. The Independent Directors further confirmed that Mr Wilson and Mr Haldankar may hold, and deal with, any Ordinary Shares arising from the exercise of the Options as they see fit and are not required to dispose of those Ordinary Shares upon exercise of the Options.

Further details on the MBU Concert Party are set out in the Company's admission document dated 13 October 2021.

Adam Wilson, Chief Executive Officer of Bens Creek, commented:

"We are delighted to welcome Avani as a shareholder. The arrival of a global commodity trading group, which is the largest importer of metallurgical coal into India, on our share register is further confirmation of the appeal of the Bens Creek coal brand and testament to the underlying quality of our product. We are very much looking forward to working with our new shareholder, and we are sure that this is the start of what will be a burgeoning relationship. The skills and expertise that they bring with them are sure to be invaluable as we build the business."

For further information please contact:

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