

22 December 2017

Contango Holdings plc ('Contango', the 'Company')

**MEMORANDUM OF UNDERSTANDING SIGNED FOR
ACQUISITION OF MINING PROJECT IN ZIMBABWE
SUSPENSION OF LISTING IN THE COMPANY'S SHARES**

The Directors of the Company are pleased to announce they have signed a Memorandum of Understanding and entered into an exclusivity period with regards to the possible acquisition of Consolidated Growth Holdings Limited's interest in a near-term producing mining asset in Zimbabwe ('Proposed Acquisition'). The Proposed Acquisition is conditional on the completion of legal due diligence and re-admission of the enlarged entity on the Main Market.

The headline terms of the MOU propose for a transaction to take place at 5 pence per share, representing a 33% premium to the mid-market share price of Contango at time of suspension.

The Proposed Acquisition, if completed, would constitute a reverse takeover under the Listing Rules. As the Company is currently unable to provide a full disclosure under Listing Rule 5.6.15, it has requested a suspension of listing in its shares with immediate effect.

Both companies have now engaged advisors to rapidly progress the requisite due diligence and documentation to complete a reverse takeover transaction. It is anticipated that the newly enlarged entity will be admitted to trading on the Main Market around the end of Q1 2018, subject to UK Listing Authority approval.

Whilst the board is resolute in its efforts to execute the Proposed Acquisition, no binding agreement has yet been reached and accordingly, the Board cannot at this stage guarantee its completion. Further announcements will be made in due course.

Brian McMaster, Chairman of Contango Holdings, commented: "We are delighted to have entered into our first MOU within two months of listing in London. In that time, we have reviewed numerous projects and believe the Proposed Acquisition meets our stated objective of identifying a low CAPEX and OPEX project with near term production. Zimbabwe is an area which the Board is familiar with and believe successful completion of the targeted transaction should position Contango well for subsequent expansion in country, particularly in light of the increasingly favourable political climate."

*** ENDS ***

For further information, please visit www.contango-holdings-plc.co.uk or contact:

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