

26 March 2009

Delisting of Bateman Engineering NV

As a group we continually review our financial structure and the health of our business. One of the main drivers is input costs and we need to ensure on an ongoing basis that we are correctly staffed, sized and financially structured to remain a viable going concern under varying market conditions. The current market has required some right-sizing of the organisation and a review of the benefits some of our financial structuring brings.

With the global financial crisis there has been a general meltdown of share prices across the many exchanges, with the AIM exchange being particularly hard hit. Many companies have withdrawn their listing from AIM over the last few months, further eroding investor confidence. We believe it will take some time for AIM to recover as a capital raising exchange, particularly from institutional investors. With the low liquidity in our share, the share price has for some time not reflected the inherent value of the organisation.

Following our board meeting in March, the board was approached by Global Minerals, the majority shareholder in the Company, with a request that the Company be delisted from AIM. The process that will be followed is a delisting of the Company that will allow investors to remain as shareholders in the Company. Any investor wishing to sell may exercise this option in the open market until the delisting date. Thereafter trading will only be possible between a willing buyer and seller at a price that is not set on an open trading platform.

As the main shareholder, Global Minerals owns more than the required 75% to carry the motion to delist and it is reasonable to assume that we will cease to be a listed organisation after the 23rd April 2009. Shareholders will vote on the delisting at an extraordinary general meeting on the 16th April.

Bateman Engineering will continue to operate as normal, only now in the form of an unlisted company. There will be no negative impact on any of our employees, customers or suppliers as a direct result of the delisting. In fact, the cost savings and increased attention management will be able to bring on running the business (as our focus will not be diluted by the needs of the investment market) should ultimately be of benefit to the organisation and its stakeholders.

There has been much speculation about the Company's financial health following the release of the half year results. Clearly the operating performance has not been good but it is largely due to three factors:

- Losses due to our inability to demobilise staff rapidly after some contracts were cancelled;
- Losses on four LSTK contracts; and
- Losses in our Mineral Recovery SBU (formerly Atoll).

Corrective action has been taken and costs provided in each of these cases.

In addition to losses, we have had to make ongoing payments for previously completed acquisitions which, together with the planned reduction in LSTK work, have affected our cash position.

The impact on our business as a result of our poor financial results is unpleasant but, with the corrective action that has been taken, we look forward to more profitable earnings in the period ahead.

Over the last twelve months we have redefined the group's strategy and structure and have made very deliberate inroads on our culture with a view to increased focus on our delivery to our clients. The core strength of our business is our People, our "Technology and Know How" and our passion to "Deliver Process plants that Work".

There are challenges going forward but I have no doubt that, together, we will succeed in building a company that fosters belonging, growth, creativity and talent and delivers on our clients' expectations.

I trust this communication helps in providing some clarity around the delisting and our current financial position and gives some guidance around the future positioning of our business.



Eddie Du Rand
Group Chief Executive Officer