

DJ Lotus Resources Plc New Investment Strategy and Capital Reorganisation

TIDMLOTP

3rd December 2010

LOTUS RESOURCES PLC

("Lotus" or the "Company")

Proposed new Investment Strategy,

Name Change and Capital Reorganisation

Further to the Company's announcement on 17th November 2010, the Directors of Lotus are pleased to announce the final element of the Company's Strategic Review.

Following the completion of the sale of its Mongolian mining subsidiary, Lotus Minerals Mongolia Limited ('LMM'), to Mongolian Minerals Pte Ltd, the Board has now decided to seek the approval of its Shareholders at a forthcoming General Meeting for, inter alia, a change in Investment Strategy. The Company intends to change its Investment Strategy to one which focuses on debt portfolio and other discounted asset purchasing. The Board considers that such a refocusing of the Company, which is explained in more detail below, will enable Lotus to deliver meaningful shareholder value in the near future.

In addition to this proposed change in the Company's Investment Strategy, the Board is also seeking Shareholder approval at the proposed General Meeting to change the Company's name, to renew the Directors' authority to allot shares, to disapply pre-emption rights and to amend the Company's Articles.

A circular convening a General Meeting to seek authority to implement these proposals, has been posted to Shareholders.

Summary of the Proposals

* Proposed Investment Strategy

The Directors consider that in the current economic climate, the acquisition of debt portfolios, along with other discounted asset purchasing, represents a particularly attractive source of income. By purchasing debt portfolios and other assets from credit originators in large volumes, the Directors consider that the Company should be able to purchase the debt at a large discount to its face value.

The Directors believe that they have corporate management and acquisition experience and intend to utilise their skills and experience in making acquisitions and applying management techniques to improve the performance of any acquisitions. In particular, Gobind Sahney, who joined the Board last month, has over 10 years of experience in the analysis, purchasing, and collections of discounted assets such as debt portfolios. He served as a Director of Argus Global Holdings Limited., based in London, where he was instrumental in establishing a global recovery network, making investments into international debt portfolios and managing recoveries in over 20 countries.

The Company will seek investments which would generally have some or all of the following characteristics, namely:

- * investments which provide a strategic fit as to opportunistic situations and cashflow generation; and
- * where any investment can potentially generate capital uplift for its shareholders.

Such investments could include companies in which the Directors are shareholders and in which they may also exercise control, collectively or individually.

On an exceptional basis the Directors will also consider loss-making targets where, in their opinion, there is a clear opportunity to develop a profitable business.

* Name change

To reflect the change in Investment Strategy, the Company intends to change its name from Lotus Resources Plc to Alpha Universal Management Plc and a resolution will be put to shareholders at the forthcoming General Meeting to this effect.

* Authority to issue shares and disapply of pre-emption rights

Given the new direction of the Company, and its focus on developing a growth-orientated, active business model, the Board believe that it is imperative that the Company retains the flexibility to finance business opportunities quickly and efficiently and, where appropriate, opportunistically.

Section 561 of the 2006 Companies Act contains pre-emption rights that require all equity shares which it is proposed to allot for cash to be offered to existing shareholders in proportion to existing shareholdings, unless a special resolution is passed to disapply such rights. For the reasons outlined above, the Directors believe that these requirements are too restrictive and Resolution 5 at the forthcoming General Meeting seeks authority for the Board to allot New Ordinary Shares up to an aggregate nominal amount of GBP1,000,000 otherwise than on a pre-emptive basis.

* Capital Reorganisation

To further enhance the strategic flexibility of the refocused Company, it is additionally proposed to reorganise the share capital of the Company.

The Company currently has 77,024,400 shares in issue. Resolution 3, to be proposed at the General Meeting, proposes that every 50 Existing Ordinary Shares of 1p each in the issued share capital of the Company be consolidated into one New Ordinary Share of 10p and one Deferred Share of 40p.

The New Ordinary Shares will replace the Existing Ordinary Shares under the amended Company's Articles of Association proposed to be adopted pursuant to Resolution 4 at the General Meeting. The Deferred Shares arising under the Capital Reorganisation will carry no rights to vote or to participate in dividends, will carry limited rights on a return of capital (whether on liquidation or otherwise), and will not be admitted to trading on PLUS or any other investment exchange. The Deferred Shares will in effect be valueless.

Following this proposed capital reorganization, the Company will have 1,540,488 New Ordinary Shares of 10p each in issue.

* Amendments to the Articles

In order to affect the Capital Reorganisation, the Company needs to create a new class of share, the Deferred Shares. Resolution 4 proposes an amendment to

the Articles to create the Deferred Shares, details of which are outlined above.

The amended Articles are available for inspection at 31 Harley Street, London, W1G 9QS.

General Meeting

A circular giving further details of these proposals and convening a General Meeting, has been posted to Shareholders.

The General Meeting is to be held at 31 Harley Street, London W1G 9QS, at 10 am on 20th December 2010.

Recommendation

The Non-Executive Director, Jonathan Bradley-Hoare, believes that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Director recommends that you vote in favour of the Resolutions, as he himself proposes to do in respect of his holding of 5,322,182 shares, representing 6.9% of the issued share capital of the Company.

Settlement and issuance of shares

In accordance with the terms of his resignation, the Board of the Company has issued an aggregate of 3,000,002 new ordinary shares of 1p (credited as fully paid) to Mr James Benson, a former Director of the Company.

The Directors of the issuer accept responsibility for this announcement.

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(END) Dow Jones Newswires

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