

LETTER FROM THE CHAIRMAN OF THE COMPANY

Vast Resources plc

(Incorporated and registered in England and Wales with registered number 05414325)

Directors:

Brian Moritz (*Non-Executive Chairman*)
Andrew Prelea (*Chief Executive Officer*)
Roy Tucker (*Finance Director*)
Eric Diack (*Non-Executive Director*)
Craig Harvey (*Chief Operating Officer*)
Nick Hatch (*Non-Executive Director*)

Registered Office:

60 Gracechurch Street
London
EC3V 0HR

8 May 2019

To Shareholders of Vast Resources plc

Dear Shareholder,

Increase in authorities to issue warrants as security for outstanding Mercuria Tranche A finance (or any replacement thereof) – cancellable on repayment of such finance

Notice of General Meeting

2.30 p.m. Friday 24 May 2019 at 60 Gracechurch Street, London EC3V 0HR

Background

It was announced on 29 April 2019 that in accordance with the Warrant Instrument that had been issued as part of the security to Mercuria Energy Trading S.A. ("**Mercuria**") under the prepayment agreement entered into on the 21 of March 2018 with, amongst others, the Company (the "**Prepayment Agreement**"), the Company would shortly be calling a General Meeting in order to obtain authority for the Directors to increase the number of warrants to be issued to Mercuria as security for the outstanding instalment amounts now falling due to it by the Company.

Under the Warrant Instrument, and as announced on 30 January 2018, and as confirmed by the Resolutions passed at the General Meeting of 14 February 2018, 565 million warrants were issued to Mercuria as security for any amount (including principal and interest) due by the Company and or any other party to the Prepayment Agreement in relation to Tranche A granted by Mercuria under the Prepayment Agreement (the "**Outstanding Amount**"). The exercise price of the warrants is equal to the three month volume weighted average price of the Ordinary Shares of the Company for the period ended ten business days prior to the exercise of the warrants. In view of the fall in the Company's share price the 565 million warrants no longer cover the Outstanding Amount, and the Company, in order to make up the shortfall, and in accordance with the requirements of the Warrant Instrument, is now seeking authority to issue a further 1,750 million warrants under the terms of the Warrant Instrument. At the same time the Company is seeking authority that, subject to Mercuria being repaid and the warrants issued to Mercuria being released, the Directors may issue warrants as security to obtain financing from other sources where such finance replaces that of Mercuria, provided that the principal terms of any warrants so issued are substantially similar to those issued to Mercuria.

It must be emphasised that the number of warrants that could be exercised under the Warrant Instrument pursuant to the occurrence of an Event of Default as such term is defined in the Prepayment Agreement or related agreements with Mercuria (together referred to as a "Warrant Instrument Event of Default") is limited to the cash value of the Outstanding Amount calculated by reference to the three month volume weighted average price of the Ordinary Shares 10 business days prior to the date of exercise.

These warrants can only be exercised in the event of a Warrant Instrument Event of Default. They cannot be exercised in any other circumstances.

Notwithstanding the requirement to issue further warrants to Mercuria, the Company is working closely with both Mercuria and the Swiss bank who, as announced on 29 April 2019, have issued to the Company a draft term sheet containing the material indicative terms for new finance. Should the term sheet be consummated on its current terms the Company's obligation to Mercuria would be repaid in full out of the new finance obtained, and Mercuria have indicated its interest to continue the existing Offtake contract for Manaila and pre agreed Offtake contract for Baita Plai subject to certain conditions.

The Resolutions

Resolution 1, if passed, will give authority to the Directors to issue up to 1,750 million Ordinary Shares in connection with the Warrant Instrument issued to Mercuria dated 13 March 2018, and Resolution 2, if passed, will give authority to the Directors to disapply pre-emption rights in respect of the 1,750 million Ordinary Shares.

Resolution 3, if passed, will give authority to the Directors to issue up to 2,315 million Ordinary Shares in connection with a warrant instrument to be issued to a financier who provides sufficient finance to the Company to repay Mercuria in full, provided that the principal terms of any such warrant instrument are substantially similar to the Warrant Instrument issued to Mercuria and that the warrants issued to Mercuria have been cancelled, and Resolution 4, if passed, will give authority to the Directors to disapply pre-emption rights in respect of the 2,315 million Ordinary Shares.

None of these Ordinary Shares will be issued other than in the event of a Warrant Instrument Event of Default or of a default under any replacement finance agreement.

General Meeting and Action to be taken by Shareholders

Attached to this letter is a Notice convening the General Meeting to be held at the Company's registered office, 60 Gracechurch Street, London EC3V 0HR at 2.30 p.m. on Friday 24 May 2019 to consider the Resolutions.

Shareholders have been sent a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Registrar as soon as possible and in any event not later than 2.30 p.m. on 22 May 2019, being 48 hours before the time appointed for holding the General Meeting. Completion of a Form of Proxy will not preclude Shareholders from attending the meeting and voting in person if they so choose.

Recommendation

The Directors unanimously recommend Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings amounting in aggregate to 118,749,468 Ordinary Shares representing approximately 1.49 per cent. of the Company's existing Ordinary Shares.

Brian Moritz

Chairman

8 May 2019