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Minmet plc (“Minmet” or the “Company”)
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MINMET PLC TO ACQUIRE BARNETT SHALE OPTION THROUGH ACQUISITION OF OVERSEAS OIL & GAS RESOURCES LIMITED

Highlights:

- ❑ Minmet to acquire a 100% interest in Overseas Oil & Gas Resources Limited (“OGR”) for a consideration of 275 million new ordinary shares
- ❑ OGR has an option to acquire the concession rights over 3,703 acres of Gas Leases in the Barnett Shale Geological Formation in north-east Texas and will hold £1.5m in cash at completion
- ❑ Minmet’s strategy continues to evolve and will focus as an incubator for resource based projects, including oil & gas and gold and platinum projects
- ❑ Mike Neville has been appointed Chairman
- ❑ Currently in discussions in relation to the acquisition of other oil & gas and gold and platinum projects
- ❑ Placing to raise up to £480,000 in additional working capital
- ❑ Intention to seek AIM admission in Q3 2005

Acquisition of Overseas Oil & Gas Resources Limited (“OGR”) and Placing

The Board of Directors of Minmet (“Board”) announces that it has entered into a conditional agreement to purchase a 100% interest in OGR, for a total consideration of 275 million new ordinary shares (the “Acquisition”). When calculated based on a closing mid market price of 1.68p, as quoted on the London Stock Exchange on Friday 3 June 2005, this consideration is valued at £4.6m. The consideration shares will not be subject to any lock-up arrangements and will be admitted to trading on completion of the Acquisition.

OGR, a British Virgin Island registered company, holds an option (the “Option”) to acquire 3,703 acres of Gas Leases within the Barnett Shale Geological Formation in north-east Texas, USA upon the payment of US\$1.8 million. It is currently intended that the Option is to be exercised by OGR or its nominee within 30 days of completion of the Acquisition. In addition, at completion OGR will be required to hold £1.5m in cash as a condition of this Acquisition. In order to raise this money Dormant Properties AB, a company controlled by the retiring Chairman, Rolf L Nordstrom, has lent 160m ordinary shares in the Company to the vendors of OGR, who have in turn procured commitments for this amount.

The vendor of OGR is Charms Investment Limited.

The Acquisition is part of Minmet’s evolution as a consolidator and incubator of resource opportunities. The £1.5m of cash at completion in OGR will be used to exercise the Option, part finance the Company’s new strategy and to provide for working capital and other corporate requirements (including the AIM Admission). The acquisition is conditional *inter alia* on satisfactory financial, legal and commercial due diligence on the principal assets of OGR being

the expected cash resources and the Option. It is expected that these conditions will be satisfied by end of June 2005.

In addition to the Acquisition, Minmet is arranging a placing of up to 48m new ordinary shares at 1p each (the "Placing") with London and Dublin based broking houses to raise up to £480,000 for working capital purposes.

Following the Acquisition and the Placing the issued ordinary shares in the Company will increase to 1,249m ordinary shares of par value €0.0125cents each.

The Barnett Shale Formation

The Barnett Shale Formation is currently one of the largest natural gas plays in the United States. Historically the Barnett Shale Formation has proved to be very difficult to exploit and was marginal in economic terms, however recent innovations in drilling methods are such that the Barnett Shale Formation is now a mature gas play which is both profitable and commercially viable and numerous operators are successfully exploiting its reserves. The key innovation in its recent development has been the use of horizontal drilling and evolved fracturing techniques which have given other operators consistent results in both core and non-core areas of the Barnett Shale Formation. These operators also report that the use of 3-D seismic identifies prime drilling potential.

Following drilling analysis in the 1990s the Barnett Shale Formation has been proved to contain significantly larger reserves of natural gas than previously estimated. Additionally the size of the Barnett Shale Formation has been proved to extend further south from the original core area known as the Fort Worth Basin and it is believed that the productive area could be as large as 4,200 square miles.

In 1992 there were 99 producing gas wells in the Barnett Shale Formation, however by the end of 2002 there were some 1,870 wells producing 600 million cubic feet per day ("cf/d"). Production levels are now reaching over 1 billion cf/d being generated from some 3,630 wells, with analysts predicting that this trend in well and production growth is set to continue.

Upon exercise of the Option, it is the Company's intent to develop its interests in the Barnett Shale gas play so as to exploit rising gas prices that are part of the background to the success of the Barnett Shale Formation. In particular the Company will look to participate in the early drilling of exploration wells on the Gas Leases being acquired in the Acquisition. At this stage discussions are taking place with industry contractors and financiers to negotiate financing and operating structures that will allow drilling to proceed as soon as possible with the Company seeking to maximise the value of the Gas Leases being acquired in the Acquisition through seeking farm-in and operatorship arrangements with these third parties. If necessary the Company will seek to raise further funding to enable the early exploration of the Gas Leases, including drilling.

Appointment of New Chairman

Mike Neville has agreed to join the Board as Chairman with effect from the completion of the Acquisition. He replaces Rolf L Nordstrom who has retired in order to devote more time to his other public company interests in both property and biotechnology. The Board would like to record its appreciation to Rolf for his efforts and wishes him well in the future.

Michael Nolan will act as Interim Chairman until completion of the Acquisition.

Mike Neville is currently Non-Executive Chairman of Felix Group plc and World Television Group plc, both of which are AIM listed companies. Mike has and continues to hold directorships on numerous boards, where he advises on corporate finance, mergers and acquisitions and corporate strategy.

Mike Neville's holds the following directorships: Felix Group plc, World Television plc, Telephonetics plc, Atlas Group Holdings Limited (Bermuda) and One World Interactive Limited.

He has also held the following directorships within the past five years: Medius Networks Limited; Eckoh Technologies plc; Intellipus Group plc; Swoosh Limited; OnCue Limited; Ozemail Interline Limited (Australia); The Holistic Corporation Limited; One Map Limited; Chashcade Limited; Freecom.net Limited; Teltran International Inc.; and Dappanet Limited.

He also held a directorship in OnCue Telecommunications Limited, which went into liquidation, subsequent to his resignation as a director, in August 2001. There were no adverse findings made against Mr. Neville.

There are no other details specified by schedule 2 paragraph (f) of the IEX Rules to be disclosed in relation to Mr. Neville. Mr. Neville has no interest in any shareholding (including interests of connected parties) in the share capital of Minmet.

Mr. Neville will receive a fee as Chairman totalling £50,000 per annum and participate in one of the Company's share option schemes.

Transaction with former Chairman

Following his resignation as Chairman, Rolf Nordstrom has agreed to purchase a 100% interest in Minmet's wholly owned subsidiary, Svenska Skifferolje AB ("Svenska"), for a consideration of US\$70,000. In addition, Svenska will pay a deferred consideration amounting to 5% of net profits generated from Svenska's mineral licenses (other than oil and gas) to be exploited from identified properties forming part of the Alum Shale Complex in Central Sweden.

New Strategy & Forthcoming Developments

In adopting and implementing its new strategy as a consolidator and incubator of resource opportunities, Minmet will focus initially on developing and enhancing the newly acquired interests in the Barnett Shale Formation.

In tandem with the Barnett Shale project, the Company is also evaluating a number of other interesting opportunities which are predominantly focussed on oil & gas and gold and platinum projects. Discussions are currently underway (subject to negotiation, due diligence and contract) on several such projects which Minmet hopes to conclude in the coming months. It is intended that these transactions and developments will be further advanced prior to AIM Admission.

Additionally, the Company maintains interests in Sweden, Central and Latin America. These include the Björkdal gold mine, the operation of which is currently being re evaluated, and the Barsele/Norra joint venture with North American Gold Inc. which is progressing well. In addition GoldQuest Mining Corp, which was listed on the TSX market by Minmet last year, has made strong

progress and has recently made a number of new gold discoveries in the Dominican Republic (see announcement dated 26th May 2005).

Application will be made to the Irish Stock Exchange for 275,000,000 ordinary shares to be admitted to trading on the Irish Enterprise Exchange of the Irish Stock Exchange. Dealing in these shares will commence on the completion of the Acquisition. These new ordinary shares have been allotted and will rank *pari passu* in all respects with the existing issued ordinary shares on admission to trading.

Minmet CEO Michael Nolan said: “This acquisition represents an exciting step in the evolution of Minmet. The Barnett Shales are currently recognised as the largest natural gas play in Texas and the Board believes that they will add value to the Minmet portfolio. I am pleased that Mike Neville is joining the Board as he will bring invaluable experience and help us implement our more defined strategy of being an incubator and developer of resource projects. We anticipate a number of corporate deals in the coming months that, we believe, will continue to enhance the value of the Company. With this in mind the Board believe that the move to AIM is essential as it will increase our profile and facilitate greater origination and execution of further transactions”.

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