

Representations of Jean-Pierre Conrad, Director of Ambrian plc, with respect to the proposed shareholder resolution to remove him as a director of the Company

Dear Shareholder,

As a significant shareholder, lender and director of the Company, and in the context of the proposed shareholder resolution described in this document and my groundless and illegal dismissal as Chief Executive, I believe it is useful that you are provided with some factual background information to assess the challenges currently facing the Company.

I have been provided with no reason for the proposed shareholder resolution and, whilst you must make up your own mind as to whether it deserves support, the timing of the requisition to remove me as a Director of the Company is unfortunately timed.

It concerns me that the Board of Directors has not taken the opportunity to set out a plan for the future as, putting our personal differences to one side, the Company needs clear and effective leadership at this time. The Board of Directors has yet to articulate how they intend to improve the leadership of the Company given the lack of strategic direction over the past 12 months. It is only recently that the Board reached a consensus on strategy dictated by the urgency to act decisively in light of the Company's dwindling resources.

Strategic options

Faced with prolonged difficult trading conditions, since the middle of last year, management led by me, has on a number of occasions presented the Board of Directors with strategic alternatives for the Company. These have included the possible disposal of all of Ambrian's activities and returning cash to its shareholders. It was not until 31 July 2017, when it became apparent that resources generated by the closure of the metals business were below expectations, did the Board of Directors finally appoint an advisor to assess strategic options. Notwithstanding the improvements management put in place that I describe further below, I believe this decision to review our options should have been made much earlier.

Performance of Cimentos da Beira

As previously announced, the Mozambique cement market in 2016 was beset by aggressive marketing tactics from many of our competitors. Inevitably this impacted our sales volumes and prices but, in my opinion, the decision of management not to be drawn into this price competition was correct as the effect would have been to increase our losses and contribute to further price weakness.

This year we implemented a marketing strategy targeting customers and geographical areas that were not prime targets of our competitors' actions. The benefits of our strategy are now becoming apparent with record sales in August. This year we have steadily increased volumes and improved average realized retail prices, conveying to the market and our customers that we are a responsible and dependable supplier. I anticipate that as the results of our actions continues to develop, it is quite possible that we will achieve our stated target of a 30% market share. To reach this target despite a significant drop in cement consumption in Mozambique represents a significant achievement. I am disappointed that the Board has not recognised this success. I do not believe the various "specialists" the Board of Directors have talked to or mandated to repeatedly review our operations could have bettered our achievements as a "one cement mill" company and a new entrant in a challenging environment.

Notwithstanding our achievements and our understanding of the markets in which we operate, there has been pressure from some Board members to market our cement in the North of Mozambique and consider making the Edgebold JLT group in North Mozambique a "strategic partner" for our cement operations. Whilst it is true that this is an area of potential demand from customers, we have spent considerable time reviewing transport solutions and our conclusion is that, owing to the high transport costs, it is not feasible at present. We would effectively be subsidising transport costs through heavily discounted prices for our products in North Mozambique, a market in which our largest competitor with a national footprint has a quasi monopoly. Regardless of demand we may have received there from customers, this could have compromised our markets elsewhere, thereby affecting our business as a whole and impeding the strategy that we have successfully delivered this year.

Working capital and leverage of Cimentos da Beia

Facilities arranged locally in Mozambique make up the majority of the working capital utilized by Cimentos da Beira, carry a cost of approximately 30% p.a. and are utilized to a large extent. The executive management team has also arranged additional financing for raw material purchases with payment terms under the letters of credit above 180 days at what we believe are attractive conditions. Without this financing, Cimentos da Beira would not have been in a position to operate as it has.

There is presently little visibility that cement demand in Central Mozambique will improve significantly in the near term driving up prices. Without an improvement in our cash margins, increasing our letters of credit in line with our rising sales volumes and simultaneously reducing onerous working capital facilities is difficult. Therefore our prospective sales could be curtailed by financing restrictions. Management has continuously engaged with our lenders and suppliers to find solutions and, whilst the outcome of these negotiations remains uncertain, it is clear to me that the uncertainties created by the sudden decisions of a majority of the Board of Directors could undermine the confidence that our counterparties have in us and will therefore add further uncertainty. Considering Ambrian's limited financial resources and that we are currently technically in default under our term loan agreements, I believe this added uncertainty is not helpful in seeking solutions to reduce our reliance on working capital facilities and reducing our leverage.

Dealings with contractors

The settlement of amounts due to contractors including the EPCM contractor (Logo Engineering srl of which the principal is a shareholder of the Company and is supporting my removal) have resulted in disagreements between management and the Directors representing the shareholders requisitioning this meeting. Management and I have rejected suggestions by some of the Directors to compromise with contractors, primarily the EPCM contractor. Any such compromise weakens the Company's financial and legal position and is not warranted. Management has obtained opinions from reputable third parties that the movements of our clinker bay building are the result of a design mistakes by the EPCM contractor. I yet have to understand why this issue has been so controversial as costs to rehabilitate the building to its original purpose are likely to be very significant. It should also be noted that one of the plant's bag houses is now tilted at an angle and it remains to be determined the reasons why.

We have also lodged a substantial claim against the civil works contractor. There is little business rationale to settle outstanding amounts with this contractor without having an agreement on our claim, not to mention that the substation has yet to be completed. The electrical contractors have not provided the final deliverables under their scope of work, are responsible for late completion of the works and have erected the HT pylons disregarding the requirements of the power utility. These HT pylons will need to be modified at the Company's expense. We therefore will need to file a claim shortly.

I hope the above information will provide you some assistance to make an informed decision on the merits of the proposed shareholder resolution. Whatever the outcome, I would encourage all of my fellow shareholders to seek a clear statement from the Board of Directors, avoiding "boilerplate" statements, on its proposed strategy and its implementation.

Sincerely,

Jean-Pierre Conrad
Director

12 September 2017