

This announcement contains inside information

Nature Group plc

("Nature Group" or the "Group")

Trading Update

Nature Group PLC (AIM:NGR), the provider of port reception facilities and waste treatment solutions for the oil, marine and process industries, provides an update on current operations and trading in the year ended 31 December 2017 ("**FY2017**") and the Group's current financial position.

Maritime

As previously announced, trading during the first six months of FY2017 was challenging, and those difficult conditions continued through the second half of the year. However, the Board's decision to increase the Group's focus on the Maritime division, a result of the business-wide strategic review initiated by the Board last year in response to the continued, disappointing performance of the Group's activities, has now begun to yield positive results.

The financial performance of the Group's operations in Rotterdam showed particular signs of improvement towards the end of FY2017, with margins being enhanced as a result of various operational measures implemented through the period, and the Board is pleased to note that this trend has continued into the first two months of 2018.

In the US, the Company announced the sale of a 50 per cent. interest in its US subsidiary, Nature Environmental & Marine Services LLP ("**NEMS**"), to Ramky Enviro North America, LLC, a member of the Ramky Group ("**Ramky**") for an initial consideration of US\$1.6 million, immediately improving the cash position of the Company. Ramky is the market leader in India for hazardous waste management services, with more than 500 project locations across 23 States, and is also active globally, with activities in U.S.A, Singapore, Saudi Arabia, UAE, Vietnam, China, West Africa, and Peru.

Following the strategic investment in the Group's US subsidiary by Ramky Enviro North America, LLC, a member of the Ramky Group ("**Ramky**"), in November 2017, improvement plans are now being jointly developed and are focused on improving both the financial performance of the business and its capital structure and future financing requirements, owing to the termination of existing local banking facilities.

Oil & Gas

The Group's Oil & Gas division, which has four units currently deployed with eight operators, continues to experience difficult trading conditions, notwithstanding a modest recovery in the oil price during the period. Whilst the Group was actively engaged in discussions and trials with a number of operators in the second half of FY2017, these have yet to be converted into firm contracts. Maintaining a presence in the sector, and exposure to the potential upside any recovery in drilling activity may bring, continues to put pressure on the Company's overall cash flow and its limited financial resources.

Recognising this, the Board has been actively engaged in a process to dispose of Nature Oil & Gas Holding, its wholly-owned subsidiary, and is now in advanced discussions with a preferred bidder having reached agreement on indicative terms and pricing (the "**Proposed Sale**"). The Proposed Sale

is consistent with the Board's strategy to increase the Group's focus on the Maritime division and its commitment to continually evaluate the Group's cost-base to ensure that it is appropriate for its current operations, activities and financial resources.

Completion of the Proposed Sale is subject to, among other things, continued negotiation, a due diligence period and the entry of the parties into definitive, binding agreements. Accordingly, whilst these discussions are at an advanced stage, shareholders are advised that there can be no certainty that the Proposed Sale will be concluded on the terms indicated or at all. Furthermore, owing to the outstanding conditionality, neither the proposed counter party nor the indicative sale price are being disclosed at this time.

Group Financial Position

Despite the improvement in the trading of the Maritime division and the significant progress made in restructuring and reducing Group and divisional overheads, the overall financial position of the Group remains uncertain. In order to address the Group's immediate cash flow issues, and to allow it to progress discussions relating to the Proposed Sale, the Board has secured a verbal waiver from its lender, DNB, deferring the repayment of lease and debt financing facilities totalling £1 million provided to Nature Oil & Gas Holding until the end of April 2018, such waiver being conditional on the Proposed Sale.

In the event that the Proposed Sale is not concluded before late April 2018, and no further waiver is provided by DNB, the Board advises that Nature Group is likely to face serious liquidity constraints and that additional funding would need to be secured to ensure the continuity of the Group.

As part of its review of possible funding options should the Proposed Sale not proceed, the Board is exploring the feasibility of utilising as collateral, or securing the early release from escrow, of all or part the deferred consideration of £700,000 due to the Group in connection with the sale of its operations in Gibraltar, which amount is scheduled to be released at the beginning of 2019.

Further updates will be issued in due course.

Berend van Straten, Chairman of Nature Group, commented:

"2017 was another difficult year for Nature Group and we continue to face significant headwinds, particularly in our Oil & Gas division.

However, we are encouraged that steps taken by the Board during the period to identify the operational and structural issues problems and to define and begin to implement a new strategy are beginning to yield positive results.

There is much more work to do to ensure Nature Group has a viable future, and the proposed sale of the Oil & Gas division is a vital step in achieving that and to addressing the Group's urgent, short-term cash requirements."

For further information:

Nature Group PLC

Andreas Drenthen, CEO

Tel: + 31 653261484

Berend van Straten, Chairman

Tel: + 31 626805605

Cenkos Securities plc

Neil McDonald

Beth McKiernan

Pete Lynch

Tel: +44 (0)131 220 9771 / +44 (0)207 397 1953

Tel: +44 (0)131 220 9778 / +44 (0)207 397 1950

Tel: +44 (0)131 220 9772