

Ludgate Environmental Fund increases assets by 55% to £50m

Environmental/cleantech investment company raises a further £18m

Ludgate Environmental Fund Limited ("LEF" or "the Fund"), an AIM-listed investment company focused on companies within the environmental/cleantech sector, has announced that it has raised £18 million of new capital increasing its assets to £50 million.

Nick Pople, Director of Ludgate Investments Limited, LEF's Investment Adviser said: "This third successful fundraising underlines the confidence LEF's investors have in the Fund's performance to date, its continuing objectives and in the investment team. Since launch the Adviser has developed a strong pipeline of investment opportunities and the Fund has completed investments into six companies. The companies currently in LEF's portfolio, in which the Manager has invested following our recommendation, are all revenue generating, and have continued to grow since LEF's investment."

He added: "We have continued to see strong investor interest in the sector through the economic downturn. We are also seeing more attractive company valuations in current markets than earlier this year. We expect this to continue in 2009 and for funds with sufficient liquidity and diversity, such as LEF, this offers significant investment potential both in terms of value and growth."

LEF launched in August 2007 raising £26.7 million at listing. It raised a further £3 million in February 2008. LEF is invested in the following companies: Hydrodec Group - specialist oils recycling; Emergya Wind Technologies - wind turbine manufacturing; STX Services - environmental product broking and trading; Rapid Action Packaging - food packaging solutions; Phoslock Water Solutions - water treatment technology; and Azure Dynamics - hybrid electric drive technology.

Shares have been allotted at a Net Asset Value per share as at 30 October 2008 which was 108.71p (compared to 97.3p at AIM Admission on 2 August 2007).

About Ludgate Environmental Fund Limited:

Ludgate Environmental Fund Limited ("LEF" of "the Fund") is a Jersey domiciled closed-ended investment company, listed on AIM under the symbols **LEF.L** for the shares and **LEFW.L** for the warrants.

The environmental/cleantech sector is characterised by products and services which optimise the use of natural resources while reducing environmental impact in ways that enhance economic value. Opportunities include: energy efficiency and alternative energy sources including renewable energy; water treatment and management; waste management and resource recovery; industrial process advances and emission reduction technologies.

LEF was launched to enable experienced and sophisticated investors to participate in a diverse portfolio of investment holdings in environmental/cleantech companies. LEF believes that there are a number of key drivers of growth, both in terms of business and investment activities, within this sector including:

- increasing demand for, and decreasing supply and security of, natural resources;

- rising concern over the economic costs of waste accumulation and pollution;
- growing awareness of environmental issues amongst the public; and
- environmental technology advances in recent years.

The Fund's Investment Adviser, Ludgate Investments Limited ("LIL"), has significant experience and a successful track record of investing in environmental/cleantech companies. LIL takes an activist approach to building its portfolio companies and working with them to achieve growth.

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