CRYSTAL AMBER FUND LIMITED  
(“Crystal Amber Fund” or the “Fund”)  

Monthly Net Asset Value

Crystal Amber Fund announces that its unaudited net asset value (“NAV”) per share at 30 September 2018 was 256.60 pence (31 August 2018: 245.99 pence per share).

The proportion of the Fund’s NAV at 30 September 2018 represented by the ten largest shareholdings, other investments and cash (including accruals), was as follows:

<table>
<thead>
<tr>
<th>Ten largest shareholdings</th>
<th>Pence per share</th>
<th>Percentage of investee equity held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hurricane Energy plc</td>
<td>58.8</td>
<td>5.0%</td>
</tr>
<tr>
<td>FairFX Group plc</td>
<td>43.5</td>
<td>18.3%</td>
</tr>
<tr>
<td>Northgate plc</td>
<td>35.7</td>
<td>6.3%</td>
</tr>
<tr>
<td>STV Group plc</td>
<td>29.5</td>
<td>19.0%</td>
</tr>
<tr>
<td>De La Rue plc</td>
<td>25.5</td>
<td>5.0%</td>
</tr>
<tr>
<td>Woodford PCT plc</td>
<td>17.0</td>
<td>2.3%</td>
</tr>
<tr>
<td>Board Intelligence Ltd*</td>
<td>3.8</td>
<td>*</td>
</tr>
<tr>
<td>Boku Inc</td>
<td>3.2</td>
<td>0.8%</td>
</tr>
<tr>
<td>Cenkos plc</td>
<td>3.0</td>
<td>6.8%</td>
</tr>
<tr>
<td>GI Dynamics Inc.</td>
<td>2.9</td>
<td>39.0%</td>
</tr>
<tr>
<td>Total of ten largest shareholdings</td>
<td>222.9</td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>36.0</td>
<td></td>
</tr>
<tr>
<td>Cash and accruals</td>
<td>-2.3</td>
<td></td>
</tr>
<tr>
<td>Total NAV</td>
<td>256.6</td>
<td></td>
</tr>
</tbody>
</table>

*Board Intelligence Ltd is a private company and its shares are not listed on a stock exchange. Therefore, the percentage held is not disclosed.

Investment adviser’s commentary on the portfolio

Over the quarter to 30 September 2018, NAV per share grew by 4.9%, or 5.9% adjusting for the 2.5p dividend paid in August.

The top three positive contributors to NAV growth over the quarter to 30 September 2018 were Hurricane Energy plc (6.3%), FairFX Group plc (5.2%) and Boku Inc (1.1%). Top detractors were STV Group plc (-1.4%), De La Rue plc (-1.1%) and GI Dynamics Inc (-0.7%).

Hurricane Energy plc (“Hurricane”)
Over the period, Hurricane reported continued good progress with its Lancaster Early Production System (“Lancaster EPS”) and announced Spirit Energy’s (“Spirit”) farm-in to 50% of the Greater Warwick Area (“Warwick”).

Hurricane’s Lancaster EPS remains on time and on budget for first oil in early 2019. Well completion operations concluded in July, the mooring system was installed in August and the subsea infrastructure was completed in September. The infrastructure is now ready to connect with the Aoka Mizu, the floating production storage and offloading vessel. The vessel’s upgrade is concluding in Dubai and its arrival and commissioning is expected over the coming months.

We believe that the deal with Spirit is transformational for Hurricane. As Warwick had only been drilled once by Hurricane, in 2016, it was behind Lancaster in the appraisal and development process. Spirit’s commitment of $387m to a detailed three-year work programme aims to rectify this. It targets an initial development of 500m barrels of reserves. To achieve this goal, rig contracts have been signed to drill three horizontal wells in 2019, fully funded by Spirit. Long lead items have been ordered so that in 2020 one of those wells will be tied back to the Aoka Mizu FPSO for production appraisal. As with the Lancaster EPS, this step will enable collection of additional reservoir data ahead of full field development. It is expected to leverage Hurricane’s Lancaster EPS infrastructure, and so generate incremental revenues at little additional cost.

The Fund is pleased that Spirit’s commitments validate Hurricane’s belief that Warwick is an analogue of Lancaster, with a similarly large resource base. With this deal, the cash expected to be generated by the Lancaster EPS will now be available to further the appraisal of the Greater Lancaster Area, where Hurricane retains a 100% interest.

Hurricane’s share price rose by 23.2% over the period. During the quarter, the Fund reduced its holding in Hurricane by 23% realising profits of £9 million. These sales, into market demand, provide the Fund with the flexibility to repurchase in the event of general stock market weakness.

Northgate plc (“Northgate”)

At the AGM on 18 September, shareholders rejected the Directors’ Remuneration Report, with 58% of votes cast against. More than 10% of votes cast opposed the re-election of the Chairman and three of Northgate’s other non-executive directors. The Fund voted against the Remuneration Report and the re-election of the Chairman and the Senior Independent Director.

We believe that the board should be held accountable for this heightened shareholder discontent, and particularly the Chairman Andrew Page for his lack of strategic leadership and failure to take responsibility for the under-delivery of the company during his tenure, both operationally and for shareholders. Despite enjoying the tailwind of a growth market, Northgate’s number of UK vehicles on hire is lower in organic terms than in autumn 2015, when Mr Page was appointed Chairman. The company’s total shareholder return over this period has been -8%, whilst UK equities have delivered over 25%.

Northgate’s 18 September trading update reaffirmed the Fund’s belief that management’s guidance for the year to April 2019 has been set too conservatively.
Northgate’s substantial Spanish business continues to grow rapidly and its value remains unrecognised by the UK equity market despite repeated evidence of strong trading and financial performance. The Fund continues to press Northgate’s board to realise some of this value at a time of high investor interest in Spanish businesses and assets. During the quarter, a significant flexible rental competitor of Northgate’s completed a successful IPO on the Spanish market, at a material premium to net asset value. If Northgate were to achieve a comparable rating for its Spanish division, we believe its UK division would be implicitly valued at just one third of book value. Over the last year, the Fund has repeatedly requested that Northgate seriously assess this path as a means of releasing shareholder value.

During the quarter, Northgate reached out to Crystal Amber on several occasions. Regrettably and tellingly, this engagement was limited to the company lobbying for its remuneration report and following the shareholder vote against, how best to resurrect it. It is evidential where the board’s focus lies. The Fund has been contacted by several institutional shareholders in Northgate who independently share the Fund’s concerns regarding lack of strategic leadership and engagement, and the company’s financial performance.

Over the quarter, Northgate's share price rose by 2.2% and the shares remain tethered close to net asset value.

**GI Dynamics Inc ("GI Dynamics")**

GI Dynamics announced in August that the US FDA had approved a pivotal trial for the EndoBarrier, GI Dynamics's medical device for the treatment of type 2 diabetes and obesity. The company expects to complete the first phase enrolment during the first half of 2019, with a primary endpoint of reduced blood sugar levels one year post-implant. The Fund has committed to participate in a preliminary $5m capital raising and the company expects to raise funding for the remainder of the trial costs thereafter.

Also, during the quarter, the company announced positive clinical data arising from both the UK’s first NHS EndoBarrier Service study and the ABCD’s Worldwide EndoBarrier Registry risk-benefit study.

In early October, GI Dynamics appointed Intertek as its European notified body and expects to achieve a CE Mark for the EndoBarrier in H2 2019.

**Transactions in Own Shares**

During the quarter, the Fund issued 125,000 shares to five charities following the authority granted at its last Annual General Meeting held on 23 November 2017 and bought back 100,000 of its own ordinary shares at a price of 227p per share as part of its buyback programme.

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