



**Middlefield Canadian Income PCC (the "Company")  
and  
Middlefield Canadian Income - GBP PC (the "Fund")**

**Proposed Issue of Equity**

**7 December 2012**

Pursuant to the Company's placing programme introduced on 19 October 2012 (the "Placing Programme"), the board of directors is pleased to announce that it will look to issue up to 56,970,000 new redeemable participating preference shares of no par value in the Fund (the "Shares") on a non-pre-emptive basis, pursuant to the shareholder authorities granted at the Fund's Extraordinary General Meeting held on 5 December 2012 (the "EGM").

In addition, the Company proposes to issue 20,000,000 new Shares (the "Treasury Shares") to Canaccord Genuity Limited ("Canaccord"), the Company's broker, and immediately repurchase the Treasury Shares into treasury, pursuant to the shareholder authorities granted at the EGM.

The Board of directors will look to issue up to 56,970,000 new Shares on 11 December 2012 directly to professional, qualifying investors\* ("Placees"), free of stamp duty, and by way of a non-pre-emptive placing of Shares conducted by Canaccord (the "Placing"). Under the Placing Programme, 56,970,000 Shares is the maximum number of Shares which remain available to be issued pursuant to the Placing Programme on a non-pre-emptive basis, after the issue to Canaccord of the 20,000,000 Treasury Shares referred to above. Any of the 56,970,000 Shares not so issued to Placees pursuant to the Placing will be available for issue to investors at a later date pursuant to the Placing Programme. In addition, going forwards and in order to meet market demand for its Shares, the Company will be able to sell the Treasury Shares out of treasury, on a non-pre-emptive basis, until the earlier of the Company's next annual general meeting and 18 October 2013 as authorised pursuant to the shareholder authorities granted at the EGM.

Shares issued pursuant to the Placing will be issued to Placees at a price to be announced on 11 December 2012 provided that such price is not less than a 1 per cent. premium to the net asset value per Share as estimated by the Company's manager, Middlefield International Limited, at close of business on 10 December 2012 (the "Placing Price").

In the event of excess demand, priority will be given to early expressions of interest.

Shares issued under the Placing will rank *pari passu* with the Fund's existing Shares.

The Treasury Shares will be issued to Canaccord at the Placing Price and immediately repurchased from Canaccord, in an on-market transaction, also at the Placing Price.

### **Expected timetable for the Placing**

<b><i>Event</i></b>	<b><i>Time/Date (2012)</i></b>
Announcement of Placing Price	Morning of Tuesday, 11 December
Last time and date for receipt of indications of interest under the Placing	12.00 p.m. on Tuesday, 11 December
Announcement of results of the Placing and the Placing Price	No later than 5.00 p.m. on 11 December
Settlement and dealings commence in new Shares settled with Placees	8.00 a.m. on 14 December
CREST Stock Accounts to be credited	14 December
Certificates in respect of new Shares in certificated form despatched	Week commencing Monday, 17 December

Each of the times and dates in the above timetable is subject to change, in which event details of the new times and/or dates will be notified to the UK Listing Authority and the London Stock Exchange and, where appropriate, Shareholders. References to times are to GMT.

### **Terms and conditions of the Placing**

The Placing will be made on, and any application for Shares thereunder will be subject to, the revised terms and conditions as announced by the Company on 31 October 2012. The Placing is also conditional upon admission of the Shares to be issued pursuant to the Placing to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's main market for listed securities.

### **Application to listing and trading**

Application will be made for the Shares and Treasury Shares to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange. Dealings in the new Shares and Treasury Shares are expected to commence on 14 December 2012.

\* As defined in section 86(7) of the Financial Services and Markets Act 2000 (as amended).

**End**

## **Enquiries:**

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## **IMPORTANT INFORMATION**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN ANY PLACING. THIS DOCUMENT AND THE TERMS AND CONDITIONS REFERRED TO HEREIN ARE DIRECTED ONLY AT PERSONS SELECTED BY CANACCORD GENUITY LIMITED ("CANACCORD" OR THE "PLACING AGENT") WHO ARE "INVESTMENT PROFESSIONALS" FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "FPO") OR "HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC" FALLING WITHIN ARTICLE 49(2) OF THE FPO OR PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT AND THE TERMS AND CONDITIONS REFERRED TO HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO, AND WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS.

THE NEW SHARES THAT ARE THE SUBJECT OF THE PLACING (THE "PLACING SHARES") ARE NOT BEING OFFERED OR SOLD TO ANY PERSON IN THE EUROPEAN UNION, OTHER THAN TO "QUALIFIED INVESTORS" AS DEFINED IN ARTICLE 2.1(E) OF DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE"), WHICH INCLUDES LEGAL ENTITIES WHICH ARE REGULATED BY THE FINANCIAL SERVICES AUTHORITY (THE "FSA") OR ENTITIES WHICH ARE NOT SO REGULATED WHOSE CORPORATE PURPOSE IS SOLELY TO INVEST IN SECURITIES.

The Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States or to or for the benefit of U.S. Persons (as such term is defined in Rule 902 of Regulation S under the Securities Act ("Regulation S")) absent registration, except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. No public offering of the Placing Shares is being made in the United States or to U.S. Persons. The Placing is being made outside the United States in offshore transactions (as defined in Regulation S) meeting the requirements of Regulation S under the Securities Act to persons who are not U.S. Persons. Persons receiving this document (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or use the United States mails, directly or indirectly, in connection with the Placing.

This document does not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction including, without limitation, the United States, Canada, Australia, the Republic of South Africa, New Zealand or Japan or any other jurisdiction in which such offer or solicitation is or may be unlawful (a "Prohibited Jurisdiction"). This document and the information contained herein are not for publication or distribution, directly or indirectly, to persons in a Prohibited Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction.

The distribution of this document, the Placing and/or issue or sale of the Placing Shares in certain jurisdictions may be restricted by law and/or regulation. No action has been taken by the Company, the Fund, the Placing

Agent, or any of their respective holding companies, subsidiaries, branches or affiliates that would permit an offer of the Placing Shares or possession or distribution of this document or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this document are required to inform themselves about and to observe any such restrictions.

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Middlefield Canadian Income PCC and its cell, Middlefield Canadian Income – GBP PC and for no one else in connection with the Placing and will not be responsible to anyone other than Middlefield Canadian Income PCC and its cell, Middlefield Canadian Income – GBP PC for providing the protections afforded to clients of Canaccord Genuity Limited or for affording advice in relation to the Placing, or any other matters referred to herein.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing by making an oral offer to take up Placing Shares is deemed to have read and understood this document and the terms and conditions of the Placing referred to herein in their entirety and to be providing the representations, warranties, undertakings, agreements and acknowledgements contained therein.