

27 September 2011

Dear Shareholder

Further to the announcement made by Charles Street Capital Plc (“the Company”) on 16 June 2011, the Directors and management have been actively working towards completing the proposed acquisition of Bulgarian Mineral Resources Ltd (“BMR”), which holds the 68.7 sq km Lehovo Precious and Base Metal Project (“Lehovo”) in Bulgaria.

A critical element of this transaction and a condition precedent to completion was the requirement for approval by the Bulgarian Ministry of Economy, Energy and Tourism (“MEET”) to amend the existing exploration work programme at Lehovo from an expenditure commitment of €1.8 million by March 2012, to a reduced commitment of circa €190,000.

Whilst the board and its technical advisers believe that the project is highly prospective and has significant potential, it would have been wholly inappropriate to commit the Company to an expenditure programme of this scale, given that only six months remained for it to be completed.

The Company’s technical advisers, along with BMR’s local geologists and independent local experts, submitted a revised expenditure plan to the MEET in July 2011. Indications from the Company’s advisers in Bulgaria, as well as informal discussions with MEET, indicated that approval would be forthcoming and as a result we continued to proceed with the other aspects of the acquisition.

Unfortunately, we have just been advised that MEET has now rejected the proposed alteration to BMR’s work programme. Consequently, the Board has decided that it is not in the Company’s best interest to proceed with the acquisition.

The Directors of Charles Street Capital Plc remain strongly committed to the Company and are currently reviewing several opportunities which they believe are suitable for investment and that will provide significant value for shareholders, with the ultimate intention being to relist on AIM. All non-essential expenditure has been deferred to preserve the Company’s working capital.



We appreciate that this is frustrating for shareholders and acknowledge the patience that has been afforded to the Company and the Board, and again reiterate our commitment to identify and acquire a project that will see the Company re-admitted to trading on AIM as soon as possible.

The Company will announce further updates regarding its review and progress of investment opportunities via its website at www.charlesstreetplc.com

Yours faithfully,

The Board of Directors
Charles Street Capital Plc

For further information on the Company visit www.charlesstreetplc.com or contact:

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