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10th November 2008

**LUDGATE ENVIRONMENTAL FUND LIMITED
("Ludgate Environmental" or the "Company")**

Unaudited net asset value

Proposed placing of New Participating Shares to raise c. £18 million

Unaudited net asset value

The unaudited net asset value per participating share of the Company as at the close of business on 31st October 2008 was 108.71p per share.

Placing

Ludgate Environmental today announces that it has received conditional commitments from investors to subscribe to 16,557,809 new no par value participating shares ("**New Participating Shares**") to raise £17.64 million (net of expenses) (the "**Placing**"). The New Participating Shares will be issued at 108.71 pence per share, a price equal to the unaudited net asset value per share as at the close of business on 31st October 2008.

The Placing is conditional on a) the allotment of the New Participating Shares and b) admission being granted by the London Stock Exchange.

Commenting on the Placing, John Shakeshaft, Chairman said:

"Ludgate Environmental has had a successful 14 month period since launch, as evidenced by its ability to report an increased net asset value despite the deterioration in market conditions.

The Fund continues to see strong investment activity in the Environmental/Cleantech sector and the additional capital provided by the Placing will enable the Fund to increase both the size and scope of its investments at a time of lower asset values, which the Board believes will offer the potential for high shareholder returns."

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This summary should be read in conjunction with, and is subject to, the full text of the attached announcement.

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Proposed Placing of New Participating Shares

1. Introduction and summary

The Board announces that it raised £17.64 million (net of expenses) by way of a placing of 16,557,809 New Participating Shares at a price equal to the unaudited net asset value as on 31st October 2008. The net proceeds of the Placing will be invested in accordance with the investment policy of the Company. The Placing is conditional on a) allotment of the New Participating Shares and b) their admission being granted by the London Stock Exchange.

2. Information on Ludgate Environmental

Ludgate Environmental is an AIM listed closed ended investment fund, formed to enable experienced and sophisticated investors to participate in a diverse portfolio of investments in the Environmental/Cleantech sector.

Further information on Ludgate Environmental can be found in the Company's results for the period from launch on 7th June 2007 to 30th June 2008, which are published on the Company's website (www.ludgateenvironmental.com).

3. Background to and reasons for the Placing

The Board of Ludgate Environmental considered the investment policies and performance of the Company and confirmed that the original purpose of creating medium to long term value for shareholders was being fulfilled and that the present placing would further this objective. The larger capital base would be expected to increase liquidity in the trading of the Company's shares, to reduce concentration risk in the portfolio and to allow more substantial and influential participations in the share capital of investee companies. The Board also noted that, although the payment of fees associated with the placing of new shares would initially dilute the interests of existing shareholders by less than 0.8 per cent., the issuance of the New Participating Shares will reduce the dilutive effect of the outstanding warrants and enhance the potential returns to shareholders.

4. The Proposed Placing

The Company raised £17.64 million (net of expenses) through an issue of 16,557,809 New Participating Shares at a price equal to the unaudited net asset value as on 31st October 2008. The New Participating Shares will represent 36.02 per cent. of the Company's issued participating share capital immediately following Admission.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Participating Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 am on 18 November 2008.

The New Participating Shares will, when issued, rank *pari passu* in all respects with the existing Participating Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that CREST accounts will be credited on the day of Admission and that share certificates (where applicable) will be dispatched by first class post by 23 November 2008.

5. Current trading and prospects

Details of the Company's current trading and prospects were set out in the Company's "Newsletter 3: Covering Q2 and Q3 2008", released on 30th October 2008.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and dealings in the New Participating Shares expected to commence on AIM	8.00 a.m. on 18 November 2008
Expected date for CREST stock accounts to be credited for New Participating Shares in	18 November 2008

uncertificated form	
Expected date for posting of share certificates for New Participating Shares	by 23 November 2008

Placing Price and unaudited net asset value per Participating Share on 31 st October 2008	108.71 p
Number of Participating Shares in issue as at the date of this announcement	29,408,610
Number of New Participating Shares being placed on behalf of the Company	16,557,809
Estimated proceeds receivable by the Company, net of expenses	£17.64 million
Number of Participating Shares in issue following Admission	45,966,419
Number of New Participating Shares as a percentage of the enlarged issued ordinary share capital of the Company following the Placing	36.02 per cent.

This information is provided by RNS
The company news service from the London Stock Exchange

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