**16 September 2016**

**Reconstruction Capital II Limited (the "Company")**

**Exercise of Convertible Loan Notes and Issue of Equity**

The Company announces that on 15 September 2016 it received applications from Mr Ion Florescu, a director of the investment adviser, for the conversion of EUR 1,250,000 convertible loan notes, each of which confers the right to receive 7.41 ordinary shares of EUR 0.01 each in the capital of the Company (“Ordinary Shares”) for every EUR 1.00 face value of the convertible loan note.

Accordingly, the Company announces that it will be issuing and allotting 9,262,500 Ordinary Shares, subject to admission to trading on AIM. Application will be made for the new Ordinary Shares to be admitted to trading on AIM and it is expected that dealings in the new Ordinary Shares will commence at 8.00am on 3 October 2016 ("Admission").

Following Admission, Mr Ion Florescu will be the beneficial owner, either directly or indirectly, in 54,996,891 Ordinary Shares, representing 51.03 per cent of the total issued share capital of the Company with voting rights.

**Total Voting Rights**

Following Admission the Company will have 107,777,647 Ordinary Shares in issue with voting rights. This figure of 107,777,647 represents the total voting rights in the Company and may be used by shareholders as the denominator for the calculation by which they can determine whether they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority’s Disclosure Guidance and Transparency Rules.

The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014, and is disclosed in accordance with the Company’s obligations under Article 17 of those Regulations.

For further information, please contact:

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