**23 September 2016**

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

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

Reconstruction Capital II Limited ("the Company") announces that on 22 September 2016, it has received applications from holders of EUR 5,429,000 of 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 1.0 face value of the convertible loan note) including, as follows:

(i) from Mr Dirk Van den Broeck, Chairman of the Company, a total of EUR 202,000 of convertible loan notes;

(ii) from Mr Ion Florescu, director of the investment adviser to the Company, a total of EUR 2,500,000 of convertible loan notes; and

(iii) from Reconstruction Management Limited, a Company in which Mr Florescu has an indirect beneficial interest, a total of EUR 1,062,000 of convertible loan notes.

Accordingly, the Company announces that it will be issuing and allotting 40,228,890 Ordinary Shares, subject to admission to trading. Application will be made for the new Ordinary Shares to be admitted to trading on AIM. It is expected that dealings in the new Ordinary Shares will commence at 8.00 a.m. on 11 October 2016 ("Admission").

Following Admission, Mr Ion Florescu is a beneficial owner either directly or indirectly of 81,391,311 Ordinary Shares, representing 54.99 per cent of the total issued share capital of the Company with voting rights.

Total Voting Rights

Following Admission the Company will have 148,006,537 Ordinary Shares in issue with voting rights. This figure of 148,006,537 represents the total voting rights in the Company and may be used by shareholders as the denominator for the calculations by which they can determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure 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.

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