2 December 2016

DOLPHIN CAPITAL INVESTORS LIMITED
("DCI" or "Dolphin" or the "Company",
together with its subsidiaries, the "Group")

Continuation Vote, Proposed New Asset Strategy and Proposed Amendments to Investment Management Agreement

Posting of Circular to Shareholders and notice of Extraordinary General Meeting ("EGM")

1 INTRODUCTION

The Company was admitted to trading on AIM on 8 December 2005 as a newly incorporated, BVI registered, closed-ended investing company. At the time of Admission, the directors of the Company undertook in the Admission Document that, shortly before the tenth anniversary of the initial admission of the Company's share capital to trading on AIM (8 December 2015), the Board would convene a Shareholders' meeting at which a resolution (requiring more than 50 per cent. of Common Shares voting at an extraordinary general meeting of the Company) would be proposed to determine the future of the Company.

On 5 June 2015 the Shareholders of the Company passed a written resolution adopting a revised strategy (the "**June 2015 Strategy**") for the Company which envisaged that the Company would continue in existence for at least a further five years, and relieved the Board of the obligation to convene such a Shareholders meeting by 8 December 2015.

Notwithstanding the above, the Board indicated in the circular to Shareholders issued on 3 June 2015 that it was appropriate for Shareholders to have an opportunity to review the life of the Company and, although the Company would have no fixed life, the Board committed to convene and hold a Shareholders' meeting prior to 31 December 2016 at which an ordinary resolution for the continuation of the Company would be proposed.

Accordingly, the Board is pleased to convene an EGM Notice of the Company to be held at 8:00 a.m. (UK Time) on 19 December 2016 at the offices of Grant Thornton at 30 Finsbury Square, London EC2P 2YU at which the Continuation Resolution is being proposed in accordance with this commitment.

The purpose of this announcement is to explain in detail the Proposals and inform the Company's Shareholders about the EGM at which the Resolutions necessary to implement the Proposals will be proposed.

The circular, containing details of the Proposals and the respective Resolutions (the **"Circular"**), is today being posted to Shareholders. The Form of Proxy and Form of Instruction for use at the EGM accompany the Circular which is available on the Company's website: www.dolphinci.com.

Defined terms used in this announcement shall have the same meanings as in the Circular.

2 THE JUNE 2015 STRATEGY

The June 2015 Strategy involved a package of measures aiming to give a clear direction in terms of the achievement of a refocused strategy to deliver faster returns to Shareholders and reduce the discount to Net Asset Value per Share at which the Common Shares trade.

The conclusion of the strategic review that resulted in the June 2015 Strategy was that the investments of the Company should be categorised either as Core Projects or Non-Core Assets. The Core Projects were the Company's existing developments known as Amanzoe, Kilada Hills and the Kea Resort (in Greece), Playa Grande Club & Reserve (Dominican Republic) and Pearl Island (Panama) being the most mature and advanced developments of the Company. The remainder of the Company's investments were categorised as Non-Core Assets.

In respect of the Core Projects, the Board and DCP had concluded that it would be in the best interests of Shareholders to continue to develop these assets and complete the main infrastructure and leisure facilities of the first phases (where not already complete) in accordance with the then new strategy, in order to become completed large scale leisure integrated residential resorts with a view to generating significant returns for Shareholders.

With regard to the Non-Core Assets represented by real estate assets, the Board and DCP had concluded that, given their respective stages of development, it would be in the best interests of Shareholders to seek the sale thereof as part of an orderly sales process. In the meantime, the Company would continue to advance their development potential and maximise realisable proceeds by continuing investment in zoning, branding, designing and permitting activities.

3 THE CONTINUATION RESOLUTION

The Continuation Resolution is being proposed as an ordinary resolution at the EGM.

The Board does not believe that continuation of the Company as presently constituted (being the implementation of the June 2015 Strategy and no fixed life) is in Shareholders' best interests and is recommending that Shareholders vote **AGAINST** the continuation of the Company as presently constituted and **FOR** the New Asset Strategy.

In the event that the Continuation Resolution is passed, the Company will continue as presently constituted and the Company will continue to be managed in accordance with the existing investing policy set out in the Admission Document and in line with the June 2015 Strategy. If the Continuation Resolution is passed, the New Asset Strategy Resolution (details of which are set out below) will not be put to Shareholders at the EGM.

The Board recommends Shareholders vote **AGAINST** the Continuation Resolution and **FOR** the New Asset Strategy Resolution which is set out below.

4 THE NEW ASSET STRATEGY RESOLUTION

In the event that the Continuation Resolution is not passed, and conditional on the approval of the New Asset Strategy Resolution at the EGM, the Board proposes to pursue the New Asset Strategy which comprises changes to the Company's investing policy, distribution policy and the remuneration structure for the Investment Manager.

Change of Investing Policy
In March 2016, the newly constituted Board, working together with Houlihan Lokey, continued with a review of the Company's strategic options to maximise value for Shareholders over the medium term. The conclusion was that such value creation could best be achieved through an orderly sale of both the Core Projects and the Non-Core Assets rather than the continued application of the June 2015 Strategy. Consistent with this investing policy, a Core Project and a Non-Core Asset were divested as previously notified to Shareholders. Subject to Shareholder consent at the EGM, it is proposed that the Company will adopt the New Asset Strategy whereby:

- the distinction between Core Projects and Non-Core Assets is no longer considered relevant other than for the purposes of calculating the existing performance fee under the Existing IMA. All the Company's remaining assets will be marketed by the Company in a controlled, orderly and timely manner in order to realise their value;

- the Board and DCP, working with the Company's advisers, will explore the best manner in which this can be achieved on an asset by asset basis, in the light of prevailing market conditions and circumstances, in order to maximise returns to Shareholders;

- the Board's objective is to dispose of all of the Company's assets by 31 December 2019 (the "**Divestment Period**"); and

- the allocation of any additional capital investment into any of the Company's projects will be substantially sourced from joint venture agreements with third party capital providers and project level debt and with the sole objective of enhancing the respective asset's realisation potential and value within the Divestment Period.

The Board is encouraged by the recent disposals of a Core Project and a Non-Core Asset and anticipates that the implementation of the Company's proposed New Asset Strategy on the above basis will enable the Company to dispose of its investment portfolio within the Divestment Period and generate cash distributions for Shareholders.

Shareholders will be provided with the opportunity to assess the New Asset Strategy and consider the future of the Company at the end of the Divestment Period. Accordingly, providing that there are any assets remaining in the Company's portfolio, shortly before the end of the Divestment Period, the Board will convene a Shareholders' meeting at which appropriate resolutions will be proposed.

Distribution Policy
The Board expects to return the proceeds from asset sales to Shareholders as the orderly realisation of the Company's investment portfolio progresses. Although the exact quantum and timing of returns of capital to Shareholders will be at the discretion of the Board following receipt by the Company of the net proceeds from realisations of asset sales, the Board intends to distribute to Shareholders at least 50 per cent. of the net proceeds approximately three months after the completion of each disposal, subject to consideration of the Company's outstanding liabilities (including any borrowings) and general working capital requirements. The Board will not build up substantial cash reserves other than to meet such liabilities and working capital requirements and may make additional distributions depending on the Company's circumstances.

Remuneration structure for the Manager
The Existing IMA was put in place in June 2015 to match the previous strategy which involved the development of the Core Projects. Given the proposed change of strategy involving the removal of the distinction between Core Projects and Non-Core assets and the orderly sale of all assets within the Divestment Period, the Board believe that the current arrangement stands as a disincentive to sell assets.

In order to further align the interests of Shareholders and DCP in terms of the achievement of the New Asset Strategy, the Company and the Manager have, conditionally upon the approval of the New Asset Strategy Resolution at the EGM, entered into the Amended IMA which amends the fees payable to the Manager.

Subject to the New Asset Strategy Resolution below becoming effective, with retroactive effect from 1 July 2016, the Amended AMF will comprise two components as follows:

i. Fixed Management Fee
The AMF for the second half of 2016 will be retrospectively reduced from €8.5 million to €6.5 million per annum and will then be set to a fixed declining annual amount equal to €6 million for 2017, €5 million for 2018 and €4 million for 2019.

Additionally, the term of the IMA will be reduced and will expire at the earlier of the end of the Divestment Period rather than August 2020 as under the current terms of the Existing IMA. There will be no fixed management fee due for 2020.

ii. Variable Management Fee
In order to incentivise the Manager to sell assets in a timely manner and at the highest value to maximize proceeds to the Company, a variable management fee will be introduced which will become payable solely upon the execution of each asset divestment by the Company. The variable management fee would be equal to a percentage of the enterprise value (i.e. the equity value of the asset plus any loans or other liabilities assumed by its purchaser) of any asset disposed by the Company during the Divestment Period at a valuation at or in excess of 50 per cent. of its latest reported NAV.

The variable management fee percentage will be equal to 3 per cent. for divestments executed within H2 2016 and will reduce to 2.5 per cent., 2.0 per cent. and 1.3 per cent. for those concluded in 2017, 2018 and 2019 respectively for disposals completed at 50 per cent. of latest reported NAV. The variable management fee will increase in respect of transactions executed at sales prices exceeding 50 per cent. of their NAV.

The variable management fee will become payable to the Manager three months from the completion of the respective disposal. Specifically in relation to the Playa Grande disposal, €1 million of the variable management fee will be paid upon the completion of the disposal and the balance will become payable at the earlier of the date when the Company makes a distribution of proceeds from asset sales to Shareholders or nine months from the completion of the Playa Grande disposal.

DCP is entitled to a performance fee payable under the terms of the current IMA. There will be no change to this entitlement. However, any performance fees earned under this arrangement will be fully deducted from any future AMF and variable management fee payable over the term of the IMA.

Pursuant to the Amended IMA, DCP will fully waive any rights under the DCP Awards that it is entitled to under the terms of the Existing IMA and the Company's share incentive plan.

The proposed amendments are expected to result in a reduction in the fixed compensation payable to the Manager over the remaining term of the Amended IMA ranging from 18 per cent. to 25 per cent as compared to the Existing IMA. The disposals-related variable management fee depends on the pricing and timing of each divestment.

The Manager has estimated that over the Divestment Period, the Company may be capable of realizing gross cash proceeds ranging between approximately €190 million to €310 million based on asset sales prices ranging between 50 per cent. to 100 per cent. of NAV as at 30 June 2016. After deduction of estimated annual management fees (of which variable management fee ranging from €11 million to €28 million depending on sale prices), operating and financing expenses, this would equate to approximately €135 million to €235 million being available for distribution to Shareholders.

The aggregate of the variable management fee and the AMF payable to the Investment Manager may exceed the amount that could be payable under the terms of the Existing IMA. The Board believes that the revised terms of the Amended IMA are appropriate to provide a suitable level of incentivisation to the Investment Manager to expedite the pace of disposals and maximise sales prices.

These figures are illustrative estimates only. Due to various risks and uncertainties, actual events or results or the actual performance of the Company or any investment, these figures may differ materially from those reflected in such illustrative estimates. Any projections, market outlooks or illustrative estimates are forward-looking statements and are based upon certain assumptions. Other events which were not taken into account may occur and may significantly affect the performance of the Company or any investment. Any outlooks and assumptions should not be construed to be indicative of the actual events which will occur.

The Directors, other than Miltos Kambourides by virtue of his role with DCP, having consulted with the Nominated Adviser, believe the entry into the Amended IMA is fair and reasonable insofar as the Shareholders are concerned.

5 RECOMMENDATION

The Board considers that voting against the Continuation Resolution is in the best interests of the Company and its Shareholders as a whole. Therefore, the Board recommends all Shareholders to vote **AGAINST** the Continuation Resolution which is being proposed at the EGM.

If the Continuation Resolution is passed, the New Asset Strategy Resolution will not be put to Shareholders at the EGM.

In the event that the Continuation Resolution fails, the Board considers the New Asset Strategy Resolution to be proposed at the EGM to be in the best interests of Shareholders as a whole. Accordingly, if the Continuation Resolution is not passed, the Board recommends all Shareholders to vote **FOR** the New Asset Strategy Resolution to be proposed at the EGM.

In the event that the Continuation Resolution and the New Asset Strategy Resolution both fail, the Board will formulate new proposals to be put to Shareholders as soon as reasonably practicable and, in any event, within six months of the date of the EGM.

The Company has received undertakings from Directors and indications of support from Shareholders controlling in excess of 50% of the common shares in aggregate to vote **AGAINST** the Continuation Resolution and **FOR** the New Asset Strategy Resolution.

For further information, please contact:

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