

Press Release 24/9 2015: The Board of Directors of Taurus Energy proposes that the annual general meeting approve a preferential rights issue and a private placement with Lantmännen, and accept a guarantee commitment from them

The Board's proposal for a preferential rights issue

Over the most recent 30 stock exchange trading days, around 1400 trades have taken place in Taurus Energy shares, involving approximately 7.2 million shares, just over 10% of the ordinary shares. The value of these shares is about SEK 13.3 million.

The mean price per share over the most recent 30 days has been SEK 1.83, with a standard deviation of SEK 0.10. In the light of this information, the Board will propose to the Annual General Meeting on 20 November 2015 that a preferential rights issue involving 7,545,346 shares (1 new B share for 10 old A or B shares) at a price of SEK 1.35 per share be implemented. In the event that the issue is fully subscribed, the preferential rights issue should raise around SEK 10.2 million for the Company.

The Board's proposal for a private placement

Given that Taurus Energy has not had a stable principal shareholder since Forskarpatent Syd took a strategic decision to sell its shares to, among others, research scientists who had contributed patents to Taurus Energy's patent portfolio, the Board proposes to implement a private placement.

The Board will propose to the Annual General Meeting that the Company place an issue of 3,086,419 A shares, carrying 10 votes per share, with Lantmännen ekonomisk förening (Lantmännen), at a price of SEK 1.62 per share. This private placement should raise SEK 5,000,000 of new capital for the Company.

Guarantee commitment

The Board of Directors, on condition that the Annual General Meeting approves the private placement by a 90% majority, accepts Lantmännen's offer to guarantee, without guarantee compensation, the subscription of shares in the preferential rights issue up to an amount of SEK 5,000,000.

Bengt Olof Johansson (CEO of Lantmännen Agroetanol) did not attend the Board meeting at which the decision was taken on the preferential rights issue and the guarantee.

Terms and conditions governing Lantmännen's participation in the proposed issues

1. Only Lantmännen will subscribe for A shares
2. The guarantee applies to an amount of a maximum of SEK 5,000,000
3. Regardless of the reason, Lantmännen shall limit its share subscription so that the total number of votes to which it is entitled does not exceed 30 % of all the votes in the Company
4. Lantmännen has the right, in an appropriate manner, to audit and evaluate the Company in the same way as existing shareholders may do, before Lantmännen finally undertakes to participate in the issue.

Comments by Taurus Energy's CEO, Fredrik Weschke

"As CEO, I would be delighted if the general meeting agrees with the Board and myself that the Company needs an industrial principal shareholder for its ongoing operation of developing the technology for environmentally-friendly ethanol production from cellulose materials, as well as further developing the market for this technology. I am also highly appreciative of Lantmännen's very generous guarantee

commitment”.

Comments by Carl von Schantz (Chairman of Lantmännen Agroetanol AB)

“Taurus Energy operates in the same area as we do, and has been very successful. When we were asked to consider developing a closer owner relationship, we were interested, and found that it would provide considerable mutual benefit”.

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