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This document comprises a prospectus relating to RockRose Energy plc (the “**Company**”) prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the “**FCA**”) made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the FCA for all of the ordinary shares in the Company (issued and to be issued in connection with the Placing) (the “**Ordinary Shares**”) to be admitted to the Official List of the UK Listing Authority (the “**Official List**”) by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority under section 73A of FSMA as amended from time to time (the “**Listing Rules**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (together “**Admission**”). It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence, at 8.00 a.m. on 13 January 2016.

The whole of the text of this document should be read by prospective investors. Your attention is specifically drawn to the discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares, as set out in the section entitled ‘Risk Factors’ beginning on page 12 of this document.

The Directors, whose names appear on page 27, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

RockRose Energy plc

(Incorporated in England and Wales with registered no. 09665181)

Placing of 8,800,000 New Ordinary Shares of 20p each at 50p per New Ordinary Share

Admission to the Official List of 10,000,000 Ordinary Shares of 20p each (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s main market for listed securities

Sole Broker and Co-ordinator

Macquarie Capital (Europe) Limited

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the UK Listing Authority will not have authority to (and will not) monitor the Company’s compliance with any of the Listing Rules and/or any provision of the Model Code which the Company has indicated in this document that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed comment upon or endorsed the merits of the Placing or adequacy of this document. Any representations to the contrary is a criminal offence in the United States.

Macquarie Capital (Europe) Limited (“**Macquarie**”), which is authorised and regulated by the FCA, is acting solely for the Company and no-one else in connection with the Placing and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matter referred to herein. Macquarie has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Macquarie nor does it make any representation or warranty, express or implied, for the accuracy or completeness of any information or opinion contained in this document or for the omission of any information. Nothing in this document shall be relied upon as a promise or representation in this respect, whether as to the past or the future (without limiting the statutory rights of any person to whom this document is issued). Macquarie expressly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

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PART I
SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Section A – Introduction and warnings		
A.1	Warning to investors	<p>This summary should be read as an introduction to this document.</p> <p>Any decision to invest in the Ordinary Shares should be based on consideration of this document as a whole by the investor.</p> <p>Where a claim relating to the information contained in this document is brought before a court the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable; there will be no resale or final placement of securities by financial intermediaries.
Section B – the Issuer		
B.1	Legal and commercial name	The legal and commercial name of the issuer is RockRose Energy plc.
B.2	Domicile and legal form	The Company was incorporated in England and Wales on 1 July 2015 as a public company with limited liability under the Companies Act with an indefinite life.
B.3	Current operations/ Principal activities and markets	<p><i>Introduction</i></p> <p>The Company has been formed to make acquisitions of companies or businesses in the upstream oil and gas and power sector. Although a number of potential acquisition opportunities have been identified, the Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business in this sector until after Admission.</p>

	<p>Following completion of any Acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with a view to generating value for its shareholders through operational improvements as well as potentially through additional complementary acquisitions following an initial Acquisition. Any Acquisition by the Company will be deemed a “reverse takeover” and at that point the Company’s standard listing will be cancelled. Any subsequent acquisition may also be deemed a “reverse takeover” and the Company’s current listing may need to be cancelled. The Company would then intend to seek re-admission of the enlarged group to listing on the Official List and trading on the London Stock Exchange’s main market for listed securities but may, in certain circumstances seek admission to trading on AIM or admission to another stock exchange dependent on the nature of the specific Acquisition which may be considered by the Directors to be suited to a Premium or Standard Listing or if a smaller earlier-stage growth business, more suited to a listing on AIM. Furthermore, it may be appropriate, dependent on the geography of any target business’ manufacturing locations or target markets, for the Company’s shares to be additionally listed on a non-UK stock exchange.</p> <p>The Company’s efforts in identifying a prospective target company or business in the upstream oil and gas and power sector will not be limited to a particular geographic region however the initial focus will be the UK and Western Europe. It is possible that an Acquisition with compelling potential may be found in Continental Europe, Ireland or the Scandinavian region.</p> <p>The Company has not engaged or retained any agent or other representative to identify or locate any suitable Acquisition candidate, to conduct any research or take any measures, directly or indirectly, to locate or contact a target company or business in the upstream oil and gas and power sector. To date, the Company’s efforts have been limited to organisational activities as well as activities related to the Placing. The Company may subsequently seek to raise further capital following any Acquisition to allow the expedited development of licence interests acquired pursuant to that Acquisition if there are commercially compelling reasons to do so.</p> <p>Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to the Acquisition. A resolution for ABI standard pre-emption rights will be tabled at the first AGM following admission.</p> <p>Acquisitions will be subject to approval by Directors constituting 75 per cent. of the Board. The determination of the Company’s post-Acquisition strategy and whether any of the Directors will remain with the combined company and on what terms, will be made at or prior to the time of any Acquisition.</p> <p><i>Failure to make the Acquisition</i></p> <p>If no Acquisition has been announced within two years of Admission, the Board will put proposals to shareholders to either wind up the Company or to extend the period for identification of a suitable Acquisition by a period of a further 12 months.</p>
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		<p><i>Business strategy and execution</i></p> <p>The Directors will draw on their experience, in conjunction with their contacts and advisers, to target a suitable Acquisition candidate in the upstream oil, gas and power sector.</p>																																		
B.4a	Significant trends	Not applicable; the Company has not yet commenced business. There are no known trends affecting the Company and the industries in which it will operate.																																		
B.5	Group structure	Not applicable; the Company is not part of a group.																																		
B.6	Major shareholders	At the date of incorporation, the Company issued 1,200,000 ordinary shares of £0.05 to Andrew Austin, the founding shareholder of the Company. Following the consolidation of those ordinary shares and the issue of a further 900,000 Ordinary Shares to Mr Austin he holds 1,200,000 Ordinary Shares at the date of this document for which he has paid a total of £600,000.																																		
B.7	Key financial information	<p>The Company was incorporated on 1 July 2015. The financial information contained in “Part X – Financial Information on the Company” was prepared on incorporation.</p> <p>On incorporation of the Company, Andrew Austin subscribed for 1,200,000 ordinary shares of 5p in the Company at a price of 12.5p each. (equivalent to 300,000 shares at a price of 50p each on a consolidated basis)</p> <p style="text-align: right;"><i>£'000</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">ASSETS</td> </tr> <tr> <td colspan="2"><i>Current Assets</i></td> </tr> <tr> <td>Cash at bank</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Accounts receivable</td> <td style="text-align: right;">150</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">150</td> </tr> <tr> <td colspan="2">EQUITY AND LIABILITIES</td> </tr> <tr> <td colspan="2"><i>Equity</i></td> </tr> <tr> <td>Called up capital:</td> <td style="text-align: right;">150</td> </tr> <tr> <td>(a) Ordinary shares</td> <td style="text-align: right;">60</td> </tr> <tr> <td>(b) Share premium</td> <td style="text-align: right;">90</td> </tr> <tr> <td>Retained earnings</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">150</td> </tr> <tr> <td colspan="2"><i>Current liabilities</i></td> </tr> <tr> <td>Amounts due to related parties</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Trade and other payables</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Total equity and liabilities</td> <td style="text-align: right;">150</td> </tr> </table> <p>No income statement, statement of cash flows or statement of changes in equity is presented as the Company has not entered into any transactions apart from the issue of the ordinary shares.</p> <p>Subsequent to the balance sheet date the following significant changes to the Company’s financial condition and operating results have occurred: payment for the 1,200,000 ordinary shares was not made on incorporation, but was made on 18 December 2015; On</p>	ASSETS		<i>Current Assets</i>		Cash at bank	—	Accounts receivable	150	Total assets	150	EQUITY AND LIABILITIES		<i>Equity</i>		Called up capital:	150	(a) Ordinary shares	60	(b) Share premium	90	Retained earnings	—	Total equity	150	<i>Current liabilities</i>		Amounts due to related parties	—	Trade and other payables	—	Total liabilities	—	Total equity and liabilities	150
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		5 August 2015 a special resolution was passed to consolidate every four ordinary shares of 5p each into one ordinary share of 20p; on 18 December 2015 Andrew Austin subscribed for 900,000 ordinary shares of 20p each in the capital of the Company at a price of 50p each; on 22 December 2015 the Company entered into a loan agreement with Appleby Trust (Jersey) Limited to the value of £600,000; on 8 January 2016 the Company agreed to issue 8,800,000 New Ordinary Shares at 50p per share, amounting to gross proceeds of £4.4 million and the Company has accrued liabilities of £832,770 in connection with Admission and Placing. The Company also has a receivable from the EBT of £600,000.
B.8	Selected key pro forma financial information	Not applicable; pro forma financial information has not been presented by the Company.
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate has been made for the Company.
B.10	Qualified audit report	Not applicable; there are no applicable qualifications.
B.11	Insufficient working capital	Not applicable; the Company is of the opinion that, taking into account the net proceeds receivable pursuant to the Placing the working capital available to it is sufficient for its present requirements, that is for at least the 12 months from the date of this document.

Section C – Securities

C.1	Description of the type and the class of the securities being offered	The Ordinary Shares being offered in the Placing are ordinary shares with a nominal value of twenty pence each in the capital of the Company. Application will be made for the Ordinary Shares to be admitted to the Official List of the UK Listing Authority with a standard Listing and to be admitted to trading on the London Stock Exchange's Main Market for listed securities. The Ordinary Shares will be registered with ISIN number GB00BYNFCH09 and SEDOL number BYNFCH0.
C.2	Currency of the securities issue	The currency of the securities issue is UK Pounds Sterling.
C.3	Issued share capital	1,200,000 Ordinary Shares have been issued at the date of this document, all of which have been fully paid up.
C.4	Rights attached to the securities	<p>Shareholders will have the right to receive notice of and to attend and vote at any meetings of Shareholders. Each Shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such Shareholder present in person or by proxy will have one vote for each Ordinary Share held by him.</p> <p>In the case of joint holders of an Ordinary Share, if two or more persons hold an Ordinary Share jointly either of them may be present in person or by proxy at a meeting of Shareholders and may speak on behalf of all joint owners as a Shareholder, and if two or more joint holders are present at a meeting of Shareholders, in person or by proxy, they must vote as one.</p>

		<p>Pre-emption rights have been disapplied (in respect of future share issues whether for cash or otherwise) in favour of existing shareholders. Pre-emption rights have been disapplied under the Articles and the Companies Act until the earlier of (i) the conclusion of the first annual general meeting of the Company (which is expected to be on or around 30 May 2017); or (ii) the completion of the Acquisition or acquisitions with an announced value in excess of £100,000,000.</p> <p>Subject to the Companies Act, on a winding-up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, first to the holders of Ordinary Shares in an amount up to £0.20 per share in respect of each fully paid up Ordinary Share. If, following these distributions to holders of Ordinary Shares there are any assets of the Company still available, they shall be distributed to the holders of Ordinary Shares <i>pro rata</i> to the number of such fully paid up Ordinary Shares held (by each holder as the case may be) relative to the total number of issued and fully paid up Ordinary Shares.</p>
C.5	Restrictions on transferability	<p>The Company's Ordinary Shares, currently consisting of both the existing issued Ordinary Shares and the New Ordinary Shares, are freely transferable and tradable and there are no restrictions on transfer.</p> <p>Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a 'relevant system' (i.e. the CREST System) in such manner provided for, and subject as provided in, the CREST Regulations.</p>
C.6	Application for admission to trading on a regulated market	<p>Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8.00 a.m. on 13 January 2016.</p>
C.7	Dividend policy	<p>The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends before the making of an Acquisition. The Company intends to pay dividends on the Ordinary Shares following the Acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate. The Company will only pay dividends to the extent that to do so is in accordance with the Companies Act and all other applicable laws.</p>

Section D – Risks		
D.1	Key information on the key risks that are specific to the issuer or its industry	<ul style="list-style-type: none"> The Company is a newly-formed entity with no operating history and although a number of potential acquisition opportunities have been identified, the Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business in this sector until after Admission.

		<ul style="list-style-type: none"> • There may be significant competition in some or all of the acquisition opportunities that the Company may explore, which may cause the Company to be unsuccessful in executing an Acquisition or may result in a successful Acquisition being made at a significantly higher price than would otherwise have been the case. • The Company may be unable to complete an Acquisition in a timely manner or at all or to fund the operations of the target business if it does not obtain additional funding following completion of the Acquisition. • The Company may be subject to risks particular to one or more countries in which it ultimately operates (following an Acquisition), including regulatory compliance risks and foreign investment and exchange risks. • The Company is dependent on the Directors to identify potential acquisition opportunities and to execute the Acquisition and the loss of the services of the Directors could materially adversely affect it. • The Directors may allocate a portion of their time to other businesses leading to the potential for conflicts of interest in their determination as to how much time to devote to the Company’s affairs. • A substantial or extended decline in oil, natural gas and power prices or consumption may adversely affect the Company’s prospects, business, financial condition and results of operations. • The expense of meeting environmental regulations could cause a significantly negative effect on the Company’s long term profitability, as could the failure to obtain certain necessary environmental permits. • If the Company is not granted the requisite licences, it could have a material adverse effect on its reserves, business, operations and prospects. • The Company will be a small operator compared to many other companies in its industry and may not have the resources (both financial and technical) that larger, more established operators may have.
D.3	Key information on the key risks that are specific to the securities	<p><i>The Ordinary Shares</i></p> <ul style="list-style-type: none"> • The proposed Standard Listing of the Ordinary Shares will not afford Shareholders the opportunity to vote to approve any Acquisition. • A suspension or cancellation of the Company’s Ordinary Shares, as a result of the FCA determining that there is insufficient information in the market about an Acquisition or a target, would materially reduce liquidity in such shares, which may affect an investor’s ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. In the event of such suspension or cancellation, the value of the investors’ shareholdings may be materially reduced.

	<ul style="list-style-type: none"> It will be necessary for the Company to apply for re-admission of the Company's Ordinary Shares following completion of an Acquisition constituting a reverse takeover. A cancellation of the listing of the Company's Ordinary Shares by the FCA would prevent the Company from raising equity finance on the public market, or carrying out a further acquisition using share consideration, restricting its business activities and resulting in incurring unnecessary costs.
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Section E – Offer		
E.1	Total net proceeds/expenses	<p>The Company will raise gross proceeds of up to £4.4 million pursuant to the Placing. The formation and initial expenses of the Company are those that are necessary for the incorporation of the Company, Admission and the Placing. The costs and expenses of the Placing will be borne by the Company in full. These expenses (including commission and expenses payable under the Placing Agreement, registration, listing and admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £833,000 representing approximately 17 per cent. of the aggregate of the Founder Subscription Funds and the gross proceeds of the Placing, given that £4.4 million will be raised pursuant to the Placing and the Founder Subscription Funds amount to £0.6 million. The aggregate of the Founder Subscription Funds and the gross proceeds of the Placing is £5.0 million. Conditional upon Admission, Macquarie will be paid a fee of £500,000. The total Net Placing Proceeds on this basis are £3.6 million.</p>
E.2a	Reasons for the offer and use of proceeds	<p>The Company has been formed to undertake an acquisition of a target company or business in the upstream oil and gas and power sector.</p> <p>There is no specific expected target value and the Company expects that any funds not used in connection with an Acquisition will be used for future acquisitions, internal or external growth and expansion, and working capital in relation to the acquired company or business.</p> <p>Following completion of an Acquisition, the objective of the Company is to operate the acquired business and implement an operating strategy with a view to generating value for its shareholders through operational improvements as well as potentially through additional complementary acquisitions following an initial Acquisition. The Company may subsequently seek to raise further capital following any Acquisition to allow the expedited development of the licence interests acquired pursuant to that acquisition if there are commercially compelling reasons to do so.</p> <p>Prior to completing an Acquisition, the Net Placing Proceeds (£3.6 million), together with the Founder Subscription Funds (£600,000), will be held in an interest-bearing deposit account or invested in short term money market fund instruments (as approved by the Directors) and will be used for general corporate purposes, including paying the expenses of Admission and the Placing, and the Company's ongoing costs and expenses, including directors' fees and salaries, due diligence costs and other costs of sourcing,</p>

		<p>reviewing and pursuing the Acquisition. The Company does not anticipate the costs and expenses of investigating any particular acquisition opportunity to exceed £125,000.</p> <p>The Company's primary intention is to use the Founder Subscription Funds and the Net Placing Proceeds to enable it to evaluate potential Acquisition targets and to pay professional fees (i.e. due diligence, legal fees, accountants fees) in relation to an Acquisition, which may include additional complementary acquisitions following the Acquisition. Following the Acquisition, the Company intends to seek re-admission of the enlarged group to listing on the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities or admission to trading on AIM or admission to another stock exchange. Following any subsequent Acquisition, the Company may be required to seek re-admission to listing on the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities or admission to trading on AIM or admission to another stock exchange.</p>
E.3	Terms and conditions of the Placing	<p>The Company will issue up to 8,800,000 New Ordinary Shares through the Placing at the Placing Price of 50p per New Ordinary Share. The Placing is not being underwritten.</p> <p>The Net Placing Proceeds after deduction of expenses, will be £3.6 million on the basis that the gross proceeds of the Placing will be £4.4 million.</p> <p>The Placing is conditional upon, <i>inter alia</i>:</p> <p>(A) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and</p> <p>(B) admission occurring by 8.00am on 13 January 2016 (or such later date, not being later than 29 January 2016, as the Company and Macquarie may agree).</p> <p>The New Ordinary Shares will, upon issue, rank <i>pari passu</i> with the existing Ordinary Shares.</p>
E.4	Material interests	Not applicable; there is no interest that is material to the issue/offer.
E.5	Selling Shareholders /Lock-up agreements	<p>Not applicable; no person or entity is offering to sell relevant securities.</p> <p>Mr Austin has entered into a lock-in and orderly market agreement with the Company pursuant to which he has agreed that he will not offer, sell, contract to sell, pledge or otherwise dispose of any Ordinary Shares which he holds directly or indirectly in the Company, for a period of one year following completion of an Acquisition.</p> <p>The restrictions on the ability of Mr Austin to transfer his Ordinary Shares are subject to certain usual and customary exceptions including: transfers pursuant to the acceptance of, or provision of an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms, transfers pursuant to an offer by or an agreement with the Company to purchase ordinary shares made on identical terms to all Shareholders or transfers as required by an</p>

		order made by a court with competent jurisdiction or competent judicial body. Mr Austin has also agreed that, during the period commencing at Admission and ending on the second anniversary of Admission, he will not sell, pledge or otherwise dispose of any Ordinary Shares except through Macquarie and in such orderly manner as Macquarie may determine so as to ensure an orderly market for the issued share capital of the Company.
E.6	Dilution	Not applicable; this is an initial offering. Not applicable; there is no offer to existing equity holders.
E.7	Expenses charged to investors	Not applicable; no expenses will be charged to the investors.

PART II

RISK FACTORS

Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed 'Summary' are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed 'Summary' but also, *inter alia*, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

Risks Relating to the Company's Business Strategy

The Company is a newly formed entity with no operating history and currently has no plans, arrangements or understandings with any prospective target company or business regarding an Acquisition

The Company is a newly formed entity with no operating results and it will not commence operations prior to obtaining the Net Placing Proceeds. The Company lacks an operating history, and therefore, investors have no basis on which to evaluate the Company's ability to achieve its objective of identifying, acquiring and operating a company or business. Although a number of potential acquisition opportunities have been identified, currently, there are no plans, arrangements or understandings with any prospective target company or business regarding an Acquisition. The Company will not generate any revenues from operations unless it completes the Acquisition.

Although the Company will seek to evaluate the risks inherent in a particular target business in the upstream oil and gas and power sector (including the geographic region(s) in which it operates), it cannot offer any assurance that it will make a proper discovery or assessment of all of the significant risks. Furthermore, no assurance may be made that an investment in Ordinary Shares will ultimately prove to be more favourable to investors than a direct investment, if such opportunity were available, in any target company or business. Because (unless required by law or other regulatory process) Shareholder approval will not be required in connection with an Acquisition, investors will be relying on the Company's and the Directors' ability to identify potential targets, evaluate their merits, conduct or monitor due diligence and conduct negotiations.

There is no assurance that the Company will identify suitable acquisition opportunities in a timely manner or at all which could result in a loss on your investment

The success of the Company's business strategy is dependent on its ability to identify sufficient suitable acquisition opportunities. The Company cannot estimate how long it will take to identify suitable acquisition opportunities or whether it will be able to identify any suitable acquisition opportunities at all within two years after the date of Admission. If the Company fails to complete a proposed acquisition (for example, because it has been outbid by a competitor) it may be left with substantial unrecovered

transaction costs, potentially including fees, legal costs, accounting costs, due diligence or other expenses. Furthermore, even if an agreement is reached relating to a proposed acquisition, the Company may fail to complete such acquisition for reasons beyond its control. Any such event will result in a loss to the Company of the related costs incurred, which could materially adversely affect subsequent attempts to identify and acquire another target business in the upstream oil and gas and power sector.

It is the intention of the Directors that, in the event that no Acquisition has been announced within two years of Admission, the Board will put proposals to Shareholders to either wind up the Company or to extend the period for identification of a suitable Acquisition by a period of a further 12 months. In the event that it is resolved that the Company be liquidated, there can be no assurance as to the particular amount or value of the remaining assets at the time of any such distribution either as a result of costs from an unsuccessful Acquisition or from other factors, including disputes or legal claims which the Company is required to pay out, the cost of the liquidation and the dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation, such costs and expenses will result in investors receiving less than the initial Placing Price of £0.50 per Ordinary Share and investors who acquired Ordinary Shares after Admission potentially receiving less than they invested.

Prior to the completion of an Acquisition, the Net Placing Proceeds (£3.6 million), together with the Founder Subscription Funds (£0.6 million), will be held in an interest bearing deposit account or invested in short term money market instruments (as approved by the Directors). Interest on the Net Placing Proceeds so deposited may be significantly lower than the potential returns on the Net Placing Proceeds had the Company completed an Acquisition sooner or deposited or held the money in other ways.

Even if the Company completes an Acquisition, there is no assurance that any operating improvements will be successful or that they will be effective in increasing the valuation of any business acquired

Following an Acquisition, there can be no assurance that the Company will be able to propose and implement effective operational improvements for any company or business which the Company acquires. In addition, even if the Company completes an Acquisition, general economic and market conditions or other factors outside the Company's control could make the Company's operating strategies difficult or impossible to implement. Any failure to implement these operational improvements successfully and/or the failure of these operational improvements to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition.

The Company may face significant competition for acquisition opportunities

There may be significant competition in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, other special purpose acquisition companies and public and private investment funds many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. The Company cannot assure investors that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing an Acquisition or may result in a successful Acquisition being made at a significantly higher price than would otherwise have been the case.

Any due diligence by the Company in connection with an Acquisition may not reveal all relevant considerations or liabilities of the target business, which could have a material adverse effect on the Company's financial condition or results of operations

The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to any potential Acquisition. The objective of the due diligence process will be to identify material issues which might affect the decision to proceed with any one particular Acquisition target or the consideration payable for an Acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning for, and its valuation of, any target company or business. Whilst conducting due diligence and assessing a potential Acquisition, the Company will rely on publicly available information, if any, information provided by the relevant target company to the extent such company is willing or able to provide such information and, in some circumstances, third party investigations.

There can be no assurance that the due diligence undertaken with respect to a potential Acquisition will reveal all relevant facts that may be necessary to evaluate such Acquisition including the determination of the price the Company may pay for an acquisition target, or to formulate a business strategy. Furthermore, the information provided during due diligence may be incomplete, inadequate or inaccurate. As part of the due diligence process, the Company will also make subjective judgments regarding the results of operations, financial condition and prospects of a potential opportunity. If the due diligence investigation fails to correctly identify material issues and liabilities that may be present in a target company or business, or if the Company considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with an acquisition, the Company may subsequently incur substantial impairment charges or other losses. In addition, following an Acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could contribute to poor operational performance, undermine any attempt to restructure the acquired company or business in line with the Company's business plan and have a material adverse effect on the Company's financial condition and results of operations.

If the Company acquires less than either the whole voting control of, or less than the entire equity interest in, a target company or business, its decision-making authority to implement its plans may be limited and third party minority shareholders may dispute the Company's strategy

The Company intends to acquire a controlling interest in a single target company or business. Although the Company may acquire the whole voting control of a target company or business, it may consider acquiring a controlling interest constituting less than the whole voting control or less than the entire equity interest of that target company or business if such opportunity is attractive or where the Company would acquire sufficient influence to implement its strategy. If the Company acquires either less than the whole voting control of, or less than the entire equity interest in, a target company or business, the remaining ownership interest will be held by third parties. Accordingly, the Company's decision-making authority may be limited. Such acquisition may also involve the risk that such third parties may become insolvent or unable or unwilling to fund additional investments in the target. Such third parties may also have interests which are inconsistent or conflict with the Company's interests, or they may obstruct the Company's strategy for the target or propose an alternative strategy. Any third party's interests may be contrary to the Company's interests. In addition, disputes among the Company and any such third parties could result in litigation or arbitration. Any of these events could impair the Company's objectives and strategy, which could have a material adverse effect on the continued development or growth of the acquired company or business.

The Company may be unable to complete an Acquisition or to fund the operations of the target business if it does not obtain additional funding

Although a number of potential acquisition opportunities have been identified, currently, there are no plans, arrangements or understandings with any prospective target company or business regarding the Acquisition and the Company cannot currently predict the amount of additional capital that may be required, once an Acquisition has been made if the target is not sufficiently cash generative meaning further funds may need to be raised.

If, following an Acquisition, the Company's cash reserves are insufficient, the Company will likely be required to seek additional equity or debt financing. The Company may not receive sufficient support from its existing Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favourable to the Company, or at all. Lenders may be unwilling to extend debt financing to the Company on attractive terms, or at all. To the extent that additional equity or debt financing is necessary to complete an Acquisition and remains unavailable or only available on terms that are unacceptable to the Company, the Company may be compelled either to restructure or abandon an Acquisition, or proceed with an Acquisition on less favourable terms, which may reduce the Company's return on the investment.

Even if additional financing is unnecessary to complete an Acquisition, the Company may subsequently require equity or debt financing to implement operational improvements in an acquired business. The failure to secure additional financing or to secure such additional financing on terms acceptable to the Company could have a material adverse effect on the continued development or growth of the acquired business.

No pre-emption rights and indebtedness related liquidity

Although the Company will receive the Net Placing Proceeds, the Directors anticipate that the Company may issue a substantial number of additional Ordinary Shares, or incur substantial indebtedness to complete one or more acquisitions.

Shareholders do not initially have the benefit of pre-emption rights in respect of the issues of future shares, which may be issued to facilitate any acquisitions and for other purposes. In addition, the Company may issue shares or convertible debt securities or incur substantial indebtedness to complete an Acquisition, which may dilute the interests of Shareholders.

Any issue of Ordinary Shares, preferred shares or convertible debt securities may:

- significantly dilute the value of the Ordinary Shares held by existing Shareholders;
- cause a Change of Control if a substantial number of Ordinary Shares are issued, which may, *inter alia*, result in the resignation or removal of one or more of the Directors;
- in certain circumstances, have the effect of delaying or preventing a Change of Control;
- subordinate the rights of holders of Ordinary Shares if preferred shares are issued with rights senior to those of Ordinary Shares; or
- adversely affect the market prices of the Company's Ordinary Shares.

If Ordinary Shares, preferred shares or convertible debt securities are issued as consideration for an Acquisition, existing Shareholders will have no pre-emptive rights with regard to the securities that are issued. The issue of such Ordinary Shares, preferred shares or convertible debt securities is likely to materially dilute the value of the Ordinary Shares held by existing Shareholders. Where a target company has an existing large shareholder, an issue of Ordinary Shares, preferred shares or convertible debt securities as consideration may result in such shareholder subsequently holding a significant or majority stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding) and could lead to a Change of Control.

If the Company were to incur substantial indebtedness in relation to an Acquisition, this could result in:

- default and foreclosure on the Company's assets, if its cash flow from operations were insufficient to pay its debt obligations as they become due;
- acceleration of its obligation to repay indebtedness, even if it has made all payments when due, if it breaches, without a waiver, covenants that require the maintenance of financial ratios or reserves or impose operating restrictions;
- a demand for immediate payment of all principal and accrued interest, if any, if the indebtedness is payable on demand; or
- an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

The occurrence of any or a combination of these factors could decrease an investor's ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.

An Acquisition may result in adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their status and residence

Although a number of potential acquisition opportunities have been identified, currently, there are no plans, arrangements or understandings with any prospective target company or business regarding the Acquisition, and as such it is possible that any acquisition structure determined necessary by the Company to complete an Acquisition may have adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their individual status and residence.

The Company is dependent upon the Directors to identify potential acquisition opportunities and to execute an Acquisition and the loss of the services of any of the Directors could materially adversely affect it

The Company is dependent upon the Directors to identify potential acquisition opportunities and to execute an Acquisition. The unexpected loss of the services of the Directors (or any of them) could have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute on Acquisition.

The Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete an Acquisition

None of the Directors (save for Mr Austin who has agreed to spend such hours engaged in the Company's affairs or may be necessary for the proper performance of his duties) are required to commit their full time or any specified amount of time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Company does not intend to have any executive officers or full time employees prior to the completion of an Acquisition. The Directors are engaged in other business endeavours and are not obligated to devote any specific number of hours to the Company's affairs. If the Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to consummate an Acquisition.

The Company may be unable to hire or retain personnel required to support the Company after an Acquisition

Following completion of an Acquisition, the Company will evaluate the personnel of the acquired business and may determine that it requires increased support to operate and manage the acquired business in accordance with the Company's overall business strategy. There can be no assurance that existing personnel of the acquired business will be adequate or qualified to carry out the Company's strategy, or that the Company will be able to hire or retain experienced, qualified employees to carry out the Company's strategy.

If an Acquisition is completed, the Company's principal source of operating cash will be income received from the business it has acquired

If an Acquisition is completed, the Company will be dependent on the income generated by the acquired business to meet the Company's expenses and operating cash requirements. The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such subsidiary's results of operations and financial condition, limits on dividends under applicable law, its constitutional documents, documents governing any indebtedness of the Company, and other factors which may be outside the control of the Company. If the acquired business is unable to generate sufficient cash flow, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

The Company expects to acquire a controlling interest in a single company or business which will increase the risk of loss associated with underperforming assets

The Company expects that if an Acquisition is completed, its business risk will be concentrated in a single company or business unless or until any additional acquisitions are made. A consequence of this is that returns for Shareholders may be adversely affected if growth in the value of the acquired business is not achieved or if the value of the acquired business or any of its material assets subsequently are written down. Accordingly, investors should be aware that the risk of investing in the Company could be greater than investing in an entity which owns or operates a range of businesses and businesses in a range of sectors. The Company's future performance and ability to achieve positive returns for Shareholders will therefore be solely dependent on the subsequent performance of the acquired business. There can be no assurance that the Company will be able to propose effective operational and restructuring strategies for any company or business which the Company acquires and, to the extent that such strategies are proposed, there can be no assurance they will be implemented effectively.

The Company may be subject to foreign investment and exchange risks

The Company's functional and presentational currency is UK Sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in UK Sterling. Any business the Company acquires may denominate its financial information in a currency other than UK Sterling, conduct operations or make sales in currencies other than UK Sterling. When consolidating a business that has functional currencies other than UK Sterling, the Company will be required to translate, *inter alia*, the balance sheet and operational results of such business into UK Sterling. Due to the foregoing, changes in exchange rates between UK Sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

The Company has not identified any particular geographic regions in which it will seek to acquire a target company or business and may be subject to risks particular to one or more countries in which it ultimately operates, which could negatively impact its operations

The Company's efforts in identifying a prospective target company or business in the upstream oil and gas and power sector are not limited to a particular geographic region. The Company may therefore acquire a target company or business in, or with substantial operations in, a number of jurisdictions, any of which may expose it to considerations or risks associated with companies operating in such jurisdictions, including but not limited to: regulatory and political uncertainty; tariffs, trade barriers and regulations related to customs and import/export matters; international tax issues, such as lax law changes and variations in tax laws; cultural and language differences; rules and regulations on currency conversion or corporate withholding taxes on individuals; currency fluctuations and exchange controls; employment regulations; crime, strikes, riots, civil disturbances, terrorist attacks and wars; and deterioration of relevant political relations. Any exposure to such risks due to the countries in which the Company operates following an Acquisition could negatively impact the Company's operations.

The Company may be subject to regulatory compliance risk

Following an Acquisition, the Company will be subject to the rules applicable to the target company or business which it acquires. Non-compliance with such regulations could lead to fines, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

Any future regulatory changes may potentially restrict the operations of the Company following an acquisition in such industry, impose increased compliance and regulatory capital costs, reduce investment returns or increase associated fees, increase corporate governance/ supervision costs, reduce the competitiveness of any business of the Company, reduce the ability of the Company to hire and retain key personnel or impose restrictions on whether individuals may be appointed or retained as directors of the Company and impose other restrictions and obligations which could adversely affect the Company's profitability.

A substantial or extended decline in oil, natural gas and power prices or consumption may adversely affect the Company's prospects, business, financial condition and results of operations.

Historically, hydrocarbon and energy prices have been subject to large fluctuations in response to a variety of factors beyond the control of individual companies, including operation issues, natural disasters, weather, political instability or conflicts, economic conditions or actions by major oil-exporting countries. Price fluctuations can affect business assumptions, investment decisions and financial position of the companies in the upstream oil gas and power sector and therefore prospectively the Company. In particular, a substantial or extended decline in the price or consumption of oil and gas could have a short or long term effect on the Company's strategy and ultimately its business financial condition. Lower hydrocarbon prices or reduced demand for oil and gas or power could reduce the economic viability of the Company's strategy and ultimately its business, result in a reduction in revenues or net income,

adversely affect the Company's ability to maintain working capital requirements, impair its ability to make planned expenditures and could materially adversely affect its prospects, financial condition and results of operations.

Oil and natural gas exploration and development are highly speculative activities.

Oil and natural gas exploration is a highly speculative activity and there are a number of risks which may impact on the overall investment. There is no certainty that following an Acquisition, the expenditures the Company makes towards the search and evaluation of oil and gas deposits will result in discoveries of commercial quantities. The Company's longer-term profitability is directly related to the success of the project development and exploration activities. In the event that an exploration project is unsuccessful, the value of the Company's business and any associated exploration licences may be diminished.

The Company's longer-term success is dependent on accessing oil and natural gas resources.

The results of appraisal of discoveries are uncertain and may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but uneconomic to develop. Appraisal and development activities may be subject to delays in obtaining governmental approvals or consents, shut-ins of connected wells, insufficient storage or transportation capacity or other geological and mechanical conditions all of which may variously increase the Company's costs of operations. Producing natural gas reservoirs are typically characterised by declining production rates that vary depending upon reservoir characteristics and other factors. In addition, the Company may not be able to economically develop, find, or acquire future reserves at acceptable costs.

The Company's actual future exploration and generation costs may differ materially from its estimates, which may materially and adversely affect its viability in the long term.

Exploration and generation expenditure estimates are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from estimates and assumptions. Additionally, unconventional methods of exploration are required which can be more expensive than conventional exploration methods. This could materially and adversely affect the Company's viability and long term prospects.

The expense of meeting environmental regulations could cause a significantly negative effect on the Company's long term profitability, as could failure to obtain certain necessary environmental permits.

Following an Acquisition, there can be no guarantee that planning permission might ever be obtained. Opposition to future projects could lead to the involvement in appeals or public enquiries where costs to the Company could be potentially large and the ultimate outcome uncertain including failure to obtain the permissions necessary to pursue development and/or production or, if granted, to enable development and/or production to be pursued economically. This may mean that the cash flow of the Company could be adversely affected which could in turn reduce the amount of distributions paid to the Company.

If the Company is not granted the requisite licences, it could have a material adverse effect on its reserves, business, operations and prospects.

Following an Acquisition, the Company may be unable or unwilling to comply with the terms or requirements of a licence in circumstances that entitle the relevant authority to refrain from granting, suspend or withdraw the terms of such licence. Moreover, exploration and production licences may expire before the end of what might be the productive life of the licensed fields. There can be no assurance that extensions will be granted and any failure to receive such extensions or any premature termination, suspension or withdrawal of licences may have a material adverse effect on the Company's reserves, business, results of operations and prospects if the terminated licence relates to material assets of the Company.

The Company may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage.

Following an Acquisition, the Company may be subject to substantial liability claims due to the inherently hazardous nature of the business of the target company or for acts and omissions of subcontractors, operators or joint venture partners. Any contractual indemnities it may receive from such parties may be difficult to enforce if such sub-contractors, operators or joint venture partners lack adequate resources. There can be no assurance that the proceeds of insurance applicable to covered risks will be adequate to

cover related losses or liabilities. In addition, the Company may also suffer material losses from uninsurable or uninsured risks. The occurrence of any of these risks could adversely affect the Company's financial performance.

Estimation of resources, reserves and production profiles are based on judgements and assumptions.

In general, there is inherent risk in estimates of oil reserves, gas reserves and power generation, and their anticipated production profiles, because it involves subjective judgements and determinations based on available geological, technical, contractual and economic information. They are not exact determinations and the actual resources, reserves and production may be greater or less than those calculated. In addition, these judgements may change based on new information from production or drilling activities or changes in economic factors, as well as from developments such as acquisitions and disposals, new discoveries and extensions of existing fields and the application of improved recovery techniques. If any estimates of hydrocarbon resources, reserves or production profiles (including any competent persons reports ("CPR") upon which the Company relies upon in making any operational decision) prove to be substantially incorrect, the Company may be unable to recover and produce the estimated levels or quality of hydrocarbons set out in such estimates and the business, prospects, financial condition or results of operations of the Company could be materially adversely affected.

The Company will be a small operator compared to many other companies in its industry and may not have the resources (both financial and technical) that larger, more established operators may have.

Following an Acquisition, the Company will operate within a challenging business environment where there is intense competition for access to exploration acreage, gas markets, oil services and rigs, technology and processes, and human resources. The Company's competitors include companies with, in many cases, greater financial resources, the benefit of economies of scale, local contacts, staff and facilities. Competition for exploration and production licences as well as other regional investment or acquisition opportunities may increase in the future. This may lead to increased costs in the carrying on of the Company's long term activities and reduced available growth opportunities. Therefore, any failure on the Company's part to compete effectively could adversely affect its long term operating results and financial condition.

Risks Relating to the Ordinary Shares

The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing

Application will be made for the Ordinary Shares to be admitted to the Standard Listing segment of the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules.

While the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Placing and Admission;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that the Acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for the Acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a 'related party transaction' as defined in Chapter 11 of the Listing Rules without the specific prior approval of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. Until the Acquisition the Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company may be unable to seek admission to a Premium Listing or other appropriate listing venue following an Acquisition

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Upon completion of an Acquisition, the company's standard listing will be cancelled and it will be treated as a new applicant. The Directors may then seek admission either as a Premium Listing or other appropriate listing, based on, *inter alia*, the track record of the Company or business it acquires, and to fulfilling the relevant eligibility criteria at the time. There can be no guarantee that the Company will meet such eligibility criteria or that the Company will qualify for a Premium Listing or other appropriate listing (e.g. AIM). For example, such eligibility criteria may not be met, if the Company acquires less than a controlling interest in the target. In addition there may be a delay, which could be significant, between the completion of the Acquisition and the date upon which the Company is able to seek or achieve a Premium Listing or a listing on another stock exchange.

If the Company does not achieve, or is not capable of achieving, a Premium Listing or the Directors decide, subject to eligibility, upon a Standard Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would mean that the Company could be operating a substantial business but would not need to comply with such higher standards as a Premium Listing provides. Alternatively, in addition to, or in lieu of seeking a Premium Listing, the Company may determine to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

If the Company proposes making an acquisition and the FCA determines that there is insufficient information in the market about an Acquisition or the target, the Company's Ordinary Shares may be suspended from listing or cancelled and may not be readmitted to listing thereafter, which will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them

An Acquisition, if it occurs, will be treated as a reverse takeover (within the meaning given to that term in the Listing Rules).

Generally, when a reverse takeover is announced or leaked, there will be insufficient publicly available information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately. In this case, the FCA will often consider that suspension of the listing of the listed company's securities will be appropriate. The London Stock Exchange will suspend the trading in the listed company's securities if the listing of such securities has been suspended. However, if the FCA is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the listed company that a suspension is not required. The FCA will generally be satisfied that a suspension is not required in the following circumstances: (i) the target company is admitted to listing on a regulated market or another exchange where the disclosure requirements in relation to financial information and inside information are not materially different than the disclosure requirements under the Disclosure and Transparency Rules; or (ii) the issuer is able to fill any information gap at the time of announcing the terms of the transaction, including the disclosure of relevant financial information in relation to the target and a description of the target.

If information regarding a significant proposed transaction were to leak to the market, or the Board considered that there were good reasons for announcing the transaction at a time when it was unable to provide the market with sufficient information regarding the impact of the Acquisition on its financial position, the Ordinary Shares may be suspended. Any such suspension would be likely to continue until sufficient financial information on the transaction was made public. Depending on the nature of the transaction (or proposed transaction) and the stage at which it is leaked or announced, it may take a substantial period of time to compile the relevant information, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide under the Disclosure and Transparency Rules and the Listing Rules (for example, where the target business is not itself already subject to a public disclosure regime), and the period during which the Ordinary Shares would be suspended may therefore be significant.

Furthermore, the Listing Rules provide that the FCA will generally seek to cancel the listing of a listed company's securities when it completes a reverse takeover. In such circumstances, the Company will be required to seek admission to listing as a new applicant either simultaneously with completion of any such acquisition or as soon thereafter as is possible but there is no guarantee that such re-admission would be granted.

A suspension or cancellation of the listing of the Company's Ordinary Shares would materially reduce liquidity in such shares which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation.

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior market history when making their decision to invest. The price of the Ordinary Shares after the Placing also can vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, it cannot assure investors that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Ordinary Shares to be issued pursuant to the Placing, may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price.

Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends prior to an Acquisition

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends following (but not before) an Acquisition, at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law, but expects to be principally reliant upon dividends received on shares held by it in any operating subsidiaries in order to do so. Payments of such dividends will be dependent on the availability of any dividends or other distributions from such subsidiaries. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

Risks Relating to Taxation

Taxation of returns from assets located outside of the UK may reduce any net return to investors

To the extent that the assets, company or business which the Company acquires is or are established outside the UK, it is possible that any return the Company receives from it may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding in the Company.

Changes in tax law and practice may reduce any net returns for investors

The tax treatment of Shareholders of the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in England and Wales or any other relevant jurisdiction. Any change may reduce any net return derived by investors from a shareholding in the Company.

Investors should not rely on the general guide to taxation set out in this document and should seek their own specialist advice. The tax rates referred to in this document are those currently applicable and they are subject to change.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the group, including any company or business acquired in an Acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not correct, taxes may be imposed with respect to the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions (either on a liquidation and dissolution or otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

PART III

IMPORTANT INFORMATION

The distribution of this document and the Placing may be restricted by law in certain jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

General

No action has been or will be taken in any other jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this document or any other offering material in any other country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA, and of the Prospectus Directive. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this document may be prohibited in countries other than those in relation to which notices are given below.

For the attention of all investors

In making an investment decision, prospective investors must rely on their own examination of the Company, this document and the terms of the Placing, including the merits and risks involved. The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matter.

Prospective investors must rely upon their own representatives, including their own legal and financial advisers and accountants, as to legal, tax, financial, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

For the attention of European Economic Area investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member

States an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State subject to obtaining prior consent of the Company for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an ‘offer to the public’ in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and any amendments, thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the EEA, this Prospectus may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the EEA in which such offer or invitation would be unlawful.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.

For the attention of U.K. investors

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

This document is being distributed only to and is directed at persons who (if they are in the EEA) will fall within one of the categories of persons set out above in the ‘Notices to Investors’. In addition, this document is being distributed only to and is directed at persons in the United Kingdom who are: (i) persons having professional experience in matters relating to investments falling within the definition of ‘investment professionals’ in Article 19(5) of the Financial Promotions Order; or (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a)-(d) of the Financial Promotions Order; or (iii) persons to whom it may otherwise be lawful to distribute (all such persons together being referred to as “**relevant persons**”).

Forward looking statements

This document includes statements that are, or may be deemed to be, ‘forward-looking statements’. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms ‘targets’, ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘should’ or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board of Directors concerning, *inter alia*: (i) the Company’s objective, acquisition and financing strategies, results of operations, financial condition,

capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the 'Risk Factors' set out in Part II of this document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing appearing under the heading "Forward looking statements" constitutes a qualification of the working capital statement set out in paragraph 7 of Part XIII of this document.

Forward looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

PART IV

EXPECTED TIMETABLE

Publication of this document	8 January 2016
Admission and commencement of dealings in Ordinary Shares	8.00 a.m. on 13 January 2016
CREST members' accounts credited in respect of Ordinary Shares	8.00 a.m. on 13 January 2016
Share certificates despatched	by 16 January 2016

All references to time in this document are to London time, unless otherwise stated.

Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.

ADMISSION STATISTICS

Total number of New Ordinary Shares in the Placing	8,800,000
Placing Price per New Ordinary Share	50p
Gross Placing Proceeds receivable by the Company	£4.4 million
Total number of Ordinary Shares in issue following the Placing and Admission*	10,000,000
Market capitalisation at the Placing Price*	£5.0 million
Estimated Net Placing Proceeds receivable by the Company	£3.6 million
New Ordinary Shares as a percentage of total enlarged share capital*	88%

* The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Placing Price.

DEALING CODES

The dealing codes for the Ordinary Shares will be as follows

ISIN	GB00BYNFCH09
SEDOL	BYNFCH0
TIDM	RRE

PART V

DIRECTORS, AGENTS AND ADVISERS

Directors	Andrew Philip Austin (<i>Chairman and director responsible for Acquisition strategy implementation</i>) Richard Alan Benmore (<i>Non-Executive</i>) John Andrew Corran Morrow (<i>Non-Executive</i>)
Company Secretary	Cooley Services Ltd Dashwood 69 Old Broad Street London EC2M 1QS
Registered Office	c/o Cooley Services Ltd Dashwood 69 Old Broad Street London EC2M 1QS
Sole Broker and Co-ordinator	Macquarie Capital (Europe) Limited Ropemaker Place 28 Ropemaker Street London EC2Y 9HP
Auditors and Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6DX
Solicitors to the Company	Cooley (UK) LLP Dashwood 69 Old Broad Street London EC2M 1QS
Solicitors to the Sole Broker and Co-ordinator	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 5TU

PART VI

THE COMPANY'S STRATEGY

Introduction

The Company was incorporated on 1 July 2015 as a public company with limited liability under the Companies Act.

On Admission, the Company will be authorised to issue one class of shares (the “**Ordinary Shares**”). It is intended that the Ordinary Shares will be admitted by the FCA to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities.

Overview of the target sectors

UK offshore oil and gas

The UK's interest in offshore oil and gas started with the gas discoveries in the Netherlands in 1959 and led to the UK Continental Shelf Act in 1964, essentially making petroleum rights the same both onshore and offshore. Since the first licences were issued for the extraction of oil and gas from the North Sea in 1964, about 42 billion barrels of oil have been produced. It is estimated there could be up to 24 billion more in untapped reserves.

The industry employs 450,000 people across the UK and in 2012-13 the industry paid £6.5 billion in taxes to the UK Government. North Sea oil supplied 67 per cent. of the UK's oil demand in 2012 and 53 per cent. of the country's gas requirements and is a major boost to the country's economy. UK production is set to increase from present levels until 2017, after which it is expected to steadily decline.

The UK Continental Shelf (UKCS) is widely but loosely described as a mature petroleum province. This is generally interpreted to mean that production has passed its peak, the average size of new discoveries is on a falling long-term trend, and exploration interest is less than in earlier years of the life of the province with the result that additions to reserves are not replacing those being depleted. Production peaked at 4.6 million barrels of oil equivalent per day (mmboe/d) in 1999 and fell to 3.8 mmboe/d in 2004. The average size of discovery is now just over 30 million barrels of oil equivalent (mmboe) compared to 500-600 mmboe in the late 1960's and the first half of the 1970's.

A greater focus on health and safety following the Gulf of Mexico disaster in 2010 has also had an impact, as has a reduction in the rate of Supplementary Charge Tax from 32 per cent. to 20 per cent., as announced in the December 2014 Autumn Statement and March 2015 Budget and a reduction in the rate of Petroleum Revenue Tax from 50 per cent. to 35 per cent., for fields which received development approval before 1993. In 2013 the UK government commissioned Sir Ian Wood to carry out a review of the industry. His final report, released on 24 February 2014 (the “**Wood Report**”), makes a series of recommendations, including the setting up of a new independent regulator.

Additions to new reserves have been less than depletion since the mid-1990's. Despite these trends the UKCS still has the potential for a long productive life. The conclusion of the Wood Report was that, to ensure the potential is realised, much effort and imagination is required by the main stakeholders, particularly investors and the UK Government in its capacity as landlord, regulator, and tax authority. The Wood Report found that maturity has brought with it a well-developed infrastructure of pipelines, terminals, and platforms which may be used to facilitate the development of new fields at substantially lower cost compared to stand-alone methods, but much of this infrastructure was installed some considerable time ago, and if it is to support the development of projects extending to 2020 and beyond, substantial reinforcement will be required. On present trends the Wood Report found that over the next 10-15 years the fields for which much of the present infrastructure was built will be economically depleted. If the life of this infrastructure is to be extended, further business is required to sustain it. The

Wood Report concluded that this highlighted a need for more new field developments and incremental recovery projects. Given their generally small average size, large numbers of developments would be required to compensate in part for the depletion of the current generation of producing fields.

The Wood Report further concluded that the UK model for the industry must evolve to address several critical issues, including, *inter alia*, the need for operators to focus on maximising recovery for the UK; the need for significantly improved asset stewardship; the need for greater constructive collaboration between operators and licence holders; and a need for better implementation of industry strategies.

The UK onshore oil and gas industry

The onshore exploration of home-grown sources of oil and gas in the UK can be traced back to 1850. Despite some recent commentary, the onshore oil and gas industry, and the techniques used by it, are not new.

Before the First World War, the UK's total petroleum requirements, at less than 50,000 barrels per day, were supplied almost exclusively via imports. The only home-grown supply came from the production of oil from shale, which started in 1851 in the Midland Valley of Scotland and at its peak in 1913 reached an average of 6,000 barrels of oil per day – and continued until 1962.

The earliest reports of hydrocarbons in southern England come from the Sussex area, with gas detected in water wells in 1836 and 1875. Wells drilled subsequently in 1895 and 1896 at Heathfield in Sussex, to provide water for a hotel and railway station, also encountered gas. The railway station well reached Kimmeridgian strata, with a strong gas odour noted. On ignition, it produced a 5 metre high flare. The well became Britain's first natural gas well, with production of 1,000 cubic feet per day, used to provide gaslight for the station.

With the onset of the First World War a secure supply of oil became strategically more important, with oil requirements doubling in 1916 and 1917. As a result, the Government introduced the Petroleum (Production) Act 1918, which prohibited exploration and production other than by the Crown or under licence from the Crown.

The first oil in England was discovered in 1919 at Hardstoft, in Derbyshire. Despite the 1918 legislation, only 11 wells were drilled between 1918 and 1922 with only one discovery proving to be commercial. In 1934, the Government produced the second major piece of legislation, The Petroleum (Production) Act 1934, which effectively gave the ownership of petroleum to the Crown and limited surface owner rights. In 1935, the first licences were introduced and given to four companies. Exploration started in 1936 and the first commercial discoveries came in 1937.

During the Second World War, drilling was carried out in Nottinghamshire to support the war effort, and is celebrated by the "Oil Patch Warrior" memorial at Dukes Wood. In 1947, the US performed the first hydraulic fracture in the Houghton Gas field, Kansas, with the first hydraulic fracture in the UK believed to have been performed in the mid to late sixties. Up to 1964 in the UK, there were 25 discoveries of which 7 were gas fields. Production rose to around 3,000 barrels per day. In the 10 years to 1964, imports on average increased by an annual 8.5 per cent. and were putting a considerable strain on the balance of payments.

Onshore oil production was dominated by the discovery of the Wytch Farm Oilfield in Eastern Dorset in 1973. This oilfield, the largest onshore UK by several orders of magnitude, was discovered after a phase of seismic reflection surveying in 1970 and early 1971.

Onshore activity once again started to accelerate after the 1979 increases in oil price. The first onshore licensing round was announced formally in June 1985, and included changes made in the Petroleum (Production) (Landward Areas) Regulations 1984, which among other things included the requirement for the first time to have local planning permission.

Under the Petroleum Act 1998, the Secretary of State for Energy and Climate Change may grant licences for a defined geographical area (ordnance survey “blocks”) and for a specified period of time. These licences confer exclusive rights on the licensee to “search and bore for and get” petroleum but do not, in their own right, confer on the licensee any consent, permission or authorisation to carry out development activity.

The Petroleum Act of 1998 vests all rights and ownership to hydrocarbons resources to the Crown. On 28th May 2008, the Department of Business Enterprise and Regulatory Reform (BERR) announced that it was offering 93 new licences, to 54 companies, under the 13th Onshore Licensing Round. In addition to conventional oil and gas, applications were received for coal bed methane, coal mine methane and shale gas. On the 28th July 2014, DECC opened the 14th round for companies seeking licences to explore for onshore oil and gas, with the round closing on the 28th October 2014. In total, DECC received 95 licence applications covering 295 blocks in England, Scotland and Wales. Following reviews of geotechnical analysis, scrutiny of the operator competency, financial viability, capacity and environmental awareness and following the decision not to award licences in Scotland and Wales, this was reduced to 159 blocks for further consideration. On 18th August 2015 the first stage of 14th round licence awards were announced and additional awards were announced on 17 December 2015. In 2013, the British Geological Survey estimated the gas in place within the Bowland Shale of central Britain to be within the range of 822 trillion cubic feet (TCF) to 2,281 TCF, with a central estimate of 1,329 TCF. Recent UK onshore transactions have included acquisitions by INEOS, Total, Centrica and GDF Suez.

In August 2015, largely in reaction to a number of high profile planning applications on which decisions had been delayed or referred by local authorities, the UK Government issued new planning guidance under which councils are strongly encouraged to meet the existing deadline of 16 weeks to approve or reject fracking applications. Under the new guidelines the Secretary of State for Communities will now systematically be able to ‘call in’ applications and decide himself.

The oil and gas licensing system is administered by the Oil & Gas Authority (OGA), an executive agency of the Department of Energy and Climate Change (DECC), on behalf of the Secretary of State for Energy and Climate Change. Oil and gas licensing administration transferred from DECC to the OGA on 1st April 2015.

The UK market for flexible standby generation capacity and standby response

National Grid has a licence obligation to control frequency within the limits specified in the ‘Electricity Supply Regulations’, i.e. ± 1 per cent. of nominal system frequency (50.00Hz) save in abnormal or exceptional circumstances. System frequency is a continuously changing variable that is determined and controlled by the second-by-second (real time) balance between system demand and total generation. If demand is greater than generation, the frequency falls while if generation is greater than demand, the frequency rises. National Grid must therefore ensure that sufficient generation and/or demand is held in automatic readiness to manage all credible circumstances that might result in frequency variations.

There are two types of Frequency Response Dynamic and Non Dynamic Response. Dynamic Frequency Response is a continuously provided service used to manage the normal second by second changes on the system. While Non Dynamic Frequency Response is usually a discrete service triggered at a defined frequency deviation.

The UK’s increasing reliance on intermittent energy generation methods has created demand for flexible standby generation capacity. Power Response generates revenue from a combination of supplying electricity at peak times, fees from operating under National Grid’s Short Term Operating Reserve (STOR) programme and Demand Side Balancing Reserve (DSBR) programmes and winter premium payments.

Power Response sites are typically connected to mains gas but can also use gas produced direct from local wells, including gas produced at the well head from shale gas and coal bed methane projects.

Company objective

The Directors believe that an opportunity exists to create a new main board listed entity focused initially on onshore and offshore oil and gas production and power generation projects. The strategy of the Company is to differentiate itself from many of the AIM listed oil and gas exploration and production companies by pursuing a different approach to asset stewardship. The strategy addresses, and is reactive to, many of the issues raised in the Wood Report.

As part of that strategy the Directors will target both offshore production acquisitions which have the potential to be cash generative (thereby minimising investment capital requirements) and to pursue accretive UK and Western Europe onshore opportunities where potential exists to farm-out to major industry players.

The Directors accept the findings of the Wood Report and believe that many exploration and production companies are yet to substantially respond to the issues raised. The Directors believe there may be many reasons for delays in change implementation, often resulting from fundamental structural problems in those businesses.

The Directors will aim, from the outset, to structure the acquisition strategy to create, in the medium term, an operating company with a diverse portfolio of licence area interests with the objective of hedging against the clear risk that defining and identifying commercially viable prospects and resources is only possible with significant initial exploration cost.

In assessing Acquisition opportunities the Directors will look for entities owning licence interests, licence assets or generation capacity that have the potential for rapid development but have not been the subject of meaningful investment to date. Such opportunities exist in a number of circumstances including, in the onshore oil and gas sector; licence interests may have been acquired for alternative development; interests which may have been acquired due to geographical or geological productivity to licences already held; or the existing owner may be prioritising other portfolio assets, making those assets non-core to current activities. In the offshore sector the Directors believe that there are opportunities to acquire and build diversified operations made up of cash generative, non-operating interests in circumstances where existing owners are seeking to rationalise portfolios of wider interests particularly in circumstances where the global oil price decline has forced many companies to review and rationalise the sale and scope of their wider operations. The Directors also consider that they have the expertise to develop licence interests which may have been de-prioritised in the past due to planning and access complexities. The Directors may target corporate entities where they believe that the potential value of the licence interests and/or potential reserves are not reflected in the value attributed to that entity by public markets. The Directors intend to assess such opportunities using their own combined expertise and knowledge of the sector in conjunction with all available geological data and the services of expert resource engineers and consultants as part of conducting diligence on Acquisition opportunities.

The Company has initially identified (by way of diligencing the proposed strategy and the opportunity) up to ten potential target transactions which the Directors believe could be completed with equity consideration. Of these potential transactions, the Directors believe that several may be capable of rapid execution with minimal initial cash outlays (on the basis of being able to offer the Company's shares as full or partial consideration), thereby allowing the Company's cash resources to be employed in the rapid development of its operation as assets. The Directors have made these assessments on the basis of information in the public domain only and accordingly there can be no guarantee or expectation that any owners of any particular asset(s) would be receptive to an approach from the Company nor that any such persons would be willing to accept shares in the Company as consideration. The strategy and the opportunity accordingly remains speculative and untested at the current time.

Upon securing an initial Acquisition, the Directors intend to prioritise the rapid drilling of well sites with dual primary objectives of de-risking asset values and accelerating self-financing cash-flow, thereby creating value for shareholders.

A further strategic objective of the Directors is to consolidate licence working interests and operatorship to a size that is capable of attracting participation from the traditional large-scale players in the sector. The Directors have a track record of executing such transactions.

The Directors believe that they see increasing appetite in the power industry for domestic gas production opportunities and power response projects. This is against a background where traditional junior exploration and production companies are finding little private capital support for smaller scale stand-alone projects. The Directors have noted with some interest recent merger activity in the power generation sector and the emergence of opportunistic corporate consolidation as a means to develop incremental generation capacity and efficiencies.

Following completion of any Acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with a view to generating value for its Shareholders through operational improvements as well as potentially through additional complementary acquisitions following any Acquisition. Following any initial Acquisition and in the event that any subsequent acquisition is deemed a “reverse takeover”, the Company intends to seek re-admission of the enlarged group to listing on the Official List and trading on the London Stock Exchange or admission to another stock exchange dependent upon the nature of the target of the Acquisition and its stage of its business.

The Company’s efforts in identifying a prospective target company or business in the upstream oil, gas and power sector will not be limited to a particular geographic region and, whilst the focus will initially be on the UK and Western Europe onshore assets and the Continental Shelf, it is possible that an Acquisition with compelling potential may be found in Continental Europe, Ireland or the Scandinavian region.

The Company has not engaged or retained any agent or other representative to identify or locate any suitable Acquisition candidate, to conduct any research or take any measures, directly or indirectly, to locate or contact a target company or business. To date, the Company’s efforts have been limited to organisational activities as well as activities related to the Placing. The Company may subsequently seek to raise further capital following any Acquisition to allow the expedited development of the licence interests acquired pursuant to that Acquisition if there are commercially compelling reasons to do so.

Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to any Acquisition.

Capital and returns management

The Company will raise Net Placing Proceeds of £3.6 million with £4.4 million being raised in the Placing. The Directors believe that, following any Acquisition, further equity capital raisings may be required by the Company to accelerate the development of the assets acquired in any Acquisition (but not to achieve the objective of identifying and completing such an Acquisition). The amount of any such additional equity to be raised, which could be substantial, will depend on the nature of the acquisition opportunities which arise and the form of consideration the Company uses to make any Acquisition and cannot be determined at this time.

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company’s dividend policy set out below in this Part VI.

If no Acquisition has been announced within two years of Admission, Shareholders will be given the opportunity to vote to extend the period in which to identify a relevant Acquisition for 12 months or to wind up the Company and return unused cash assets to Shareholders. In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. A special resolution of Shareholders, requiring not less than three quarters of the votes cast, will be required to voluntarily wind-up the Company or to extend the period in which the Company may seek an Acquisition opportunity.

Dividend policy

The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends before the making of an Acquisition. The Company intends to pay dividends on the Ordinary Shares following any Acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

Corporate governance

In order to implement its business strategy, the Company has adopted a corporate governance structure more fully outlined in 'Part VII – The Company, the Board and the Acquisition Structure'. The key features of its structure are:

- a three member board, with two independent non-executive Directors (Richard Benmore and John Morrow (save as to their shareholdings in the Company)) together with Andrew Austin, who will chair the board and is the director charged with implementation of the Acquisition strategy. Mr Austin has agreed to spend such hours engaged in the Company's affairs as may be necessary for the proper performance of his duties (he will be a part-time employee of the Company). The Board is knowledgeable and experienced and has extensive experience of making acquisitions of the type envisaged by the acquisition strategy;
- consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process, Shareholder approval is not required in order for the Company to complete an Acquisition. The Company will, however, be required to obtain the approval of the Board of Directors by not less than a 75 per cent. majority before it may complete an Acquisition. Until the Company completes an Acquisition the Chairman will not have any casting vote in the event of Board deadlock.
- the Board intends to comply, so far as it is practicable for a 'special purpose acquisition vehicle', with certain Main Principles of the UK Corporate Governance Code (as set out in more detail in 'Part VII – The Company, the Board and the Acquisition Structure') and will voluntarily adopt the Model Code. Compliance with the provisions of the Model Code is being undertaken on a voluntary basis, and the FCA will not have the authority to monitor the Company's voluntary compliance with the Model Code or to impose sanctions in respect of any breaches; and
- following an Acquisition, the Company's standard listing will be cancelled and the Company will be treated as a new applicant. At that point, the Company may seek to apply for a Standard Listing or a Premium Listing or may seek a listing on another appropriate listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. If the Company is successful in obtaining a Premium Listing, further rules will apply to the Company under the Listing Rules and the Company will be obliged to comply with the Model Code and to comply or explain any derogation from the UK Corporate Governance Code. In addition to, or in lieu of, a Premium Listing, the Company may determine to seek a listing on another stock exchange (e.g. AIM) or seek re-admission to a Standard Listing. As discussed in 'Part VI – The Company's Strategy' above, the upstream oil, gas and power sector has a mixture of 'new economy' and 'old economy' participants and as such, there are potentially large and relatively stable target businesses in the sector which might be suited to a Premium or Standard Listing, as well as smaller earlier-stage growth businesses which might be more suited to a listing on AIM. Furthermore, it may be appropriate, dependent on the geography of any target business' manufacturing locations or target markets, for the Company's shares to be listed on a non-UK stock exchange. The Directors have large cap, small cap, UK and overseas experience and contacts and wish to review target businesses covering a broad range.

PART VII

THE COMPANY, THE BOARD AND THE ACQUISITION STRUCTURE

The Company

The Company was incorporated on 1 July 2015 as a public company with limited liability under the Companies Act.

The Company's issued share capital will, on Admission, consist of Ordinary Shares. It is intended that the Ordinary Shares will be admitted by the FCA to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities.

The Directors

The Board, collectively, has significant experience in the UK oil and gas sector. Since 2011 the Directors have consummated at least six significant acquisitions and planned and executed three major UK onshore farm-out transactions with energy majors counterparties.

The Directors are very familiar with the key issues facing both onshore and offshore exploration and development activity. The Board has in aggregate more than 60 years of experience in sub-surface engineering and geology and have been responsible for running complex and challenging fields and drilling operations, both onshore and offshore.

In addition the Board has significant expertise and experience of dealing with the political and social issues facing the industry at both the local and national governmental levels, having been actively involved in the governmental consultation program surrounding shale gas exploration and in the challenges of local planning issues in connection with exploration activity and asset development.

Details of the Directors are listed below.

Andrew Philip Austin (age 50)

Andrew Austin is one of the founders and the former chief executive officer of Igas Energy plc ("**Igas**"). He previously specialised in energy projects in the gas, electricity and renewables sector. Mr Austin was an executive director of Igas from 2004 to 2015 and CEO from 2007 to 2015 with full time responsibility for day to day operations and business development. During this period he was responsible for the transformation of Igas Energy from a non-operated partner to the leading onshore hydrocarbon producer in the United Kingdom operating on behalf of major companies including Total, GDF and Ineos. Prior to joining Igas, Mr Austin was involved in ventures as principal and has also raised substantial funds from private and public equity for clients during the course of his career to date. Mr Austin spent 17 years working in investment banking in the City of London with Merrill Lynch, Nomura, Citibank and Barclays Capital. Latterly he was General Manager of Creditanstalt Investment Bank in London. He also has six years of management and consultancy experience with clean tech companies including Generics Group and Whitfield Solar.

Richard Alan Benmore (age 57)

Richard Benmore, B.Sc, M. Sc, Ph.D, has over 30 years of experience in the Oil and Gas industry with Conoco, Oryx Energy, Nimir Petroleum, Nexen Petroleum and is currently at Igas Energy. Richard has held a variety of roles starting his career as a petroleum geologist before moving into various commercial, business development and E&P managerial positions. He recently managed Nexen's unconventional projects in the U.K. and Poland and was a board member of Nexen Exploration U.K.

John Andrew Corran Morrow (age 61)

John Morrow is a Chartered Engineer and has over 30 years of experience in the Oil and Gas Industry and he is currently Head of Exploration and Production at Glencore, which he joined in 2011. John was previously the Chief Operating Officer and on the Board of Bowleven plc, having joined the company in 2005. Prior to that he spent 10 years at BG Group, where he was Managing Director of the Joint Venture

which operated the giant Karachaganak field in Kazakhstan. Following that he was responsible for BG's technical effect in the Mediterranean Basin and its African assets and thereafter was Project Director (Middle East) where he was responsible for the development of new LNG projects. Before joining BG, John spent the first 15 years of his career at Royal Dutch Shell where he held a variety of operational and commercial roles in the UK, Malaysia and the Netherlands.

Strategic decisions

Members and responsibility

The Directors are responsible for carrying out the Company's objectives, implementing its business strategy and conducting its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board. Mr Austin will, in addition to acting as Chairman, be the Director charged with day-to-day responsibility for the implementation of the Company's Acquisition strategy.

The Board will provide leadership within a framework of prudent and effective controls. The Board will establish the corporate governance values of the Company and will have overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company. Prior to an Acquisition, the Company will not have any traditional executive officers or full-time employees.

No Shareholder approval will be sought by the Company in relation to the making of an Acquisition. Any Acquisition will be subject to Board approval by 75 per cent. majority. Until the Company completes an Acquisition the Chairman will not have any casting vote in the event of Board deadlock. It is anticipated, following the making of an Acquisition, that Mr Austin may assume the role of chief executive officer and, in which case, an independent non-executive chairman will be appointed.

Frequency of meetings

The Board will schedule quarterly meetings and will hold additional meetings as and when required. The expectation is that this will not result in more than four meetings of the Board each year.

Corporate governance

The Company will observe the requirements of the UK Corporate Governance Code (so far as it is practicable for a 'special purpose acquisition vehicle'). As at the date of this document, the Company is, and at the date of Admission will be, in compliance with the UK Corporate Governance Code, save as set out below:

- Given the composition of the Board, certain provisions of the UK Corporate Governance Code (in particular the provisions relating to the division of responsibilities between the Chairman and chief executive and executive compensation), are considered by the Board to be inapplicable to the Company. In addition, the Company does not comply with the requirements of the UK Corporate Governance Code in relation to the requirement to have a senior independent director.
- The UK Corporate Governance Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first annual general meeting of the Company following an Acquisition.
- Until an Acquisition is made, the Company will not have nomination, remuneration, audit or risk committees. The Board as a whole will instead review its size, structure and composition, the scale and structure of the Directors' fees (taking into account the interests of Shareholders and the performance of the Company) take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance. Following an Acquisition, the Board intends to put in place nomination, remuneration, audit and risk committees.

As at the date of this document, the Board has voluntarily adopted the Model Code for Directors' dealings contained in the Listing Rules of the UK Listing Authority. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors. The FCA will not have the authority to (and will not) monitor the Company's voluntary compliance with the Model Code, nor to impose sanctions in respect of any failure by the Company to so comply.

Following an Acquisition, the Company's standard listing will be cancelled and the Company will be treated as a new applicant. At that point, and subject to eligibility, the Directors may seek to apply for a Standard Listing or a Premium Listing or may seek a listing on other appropriate listing venue, based on the track record of the company or business it acquires, and subject to fulfilling the relevant eligibility criteria at the time. However, in addition to or in lieu of a Premium Listing, the Company may determine to seek a listing on AIM or another stock exchange. As discussed in 'Part VI – The Company's Strategy' above, the upstream oil, gas and power sector has a mixture of 'new economy' and 'old economy' participants and as such, there are potentially large and relatively stable target businesses in the sector which might be suited to a Premium or Standard Listing, as well as smaller earlier-stage growth businesses which might be more suited to a listing on AIM. Furthermore, it may be appropriate, dependent on the geography of any target business' manufacturing locations or target markets, for the Company's shares to be listed on a non-UK stock exchange. The Directors have large cap, small cap, UK and overseas experience and contacts and wish to review target businesses covering a broad range. There can be no guarantee however that the Company would satisfy the eligibility criteria for admission to any public market at that time.

Acquisition structure

An Acquisition may be made by the Company or a wholly-owned subsidiary of the Company, established as a special purpose vehicle to make an Acquisition. The details of the structure of any Acquisition will be determined once a target for the relevant Acquisition has been identified.

Other Agreements

The Company has also entered into an agreement for the provision of the services of the Registrar, as more fully described in 'Part XIII – Additional Information'.

PART VIII

THE PLACING

Details of the Placing

Macquarie has (subject to the terms of the Placing Agreement) agreed to use its reasonable endeavours to place up to 8,800,000 New Ordinary Shares at 50 pence per Placing Share with institutional and other investors. 8,800,000 New Ordinary Shares have been placed to raise Net Placing Proceeds of £3.6 million.

Macquarie will receive, conditional upon Admission, a fee of £500,000 (calculated by aggregating a commission fee equal to 3 per cent. of the gross placing proceeds (including, for the avoidance of doubt any Ordinary Shares and New Ordinary Shares taken by Macquarie or the Directors) (the “**Commission**”) and a corporate finance fee equal to the difference between the aggregate Commission and £500,000.

Macquarie has agreed to subscribe for 1,000,000 New Ordinary Shares at the Placing Price.

The Placing is conditional upon, *inter alia*, the Placing Agreement having become unconditional in all respects. In the event that the Placing does not complete, Admission will not take place.

The New Ordinary Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares.

Further details of the Placing Agreement can be found in section 11.2 of Part XIII.

The net proceeds to the Company amount to £3.6 million, after deduction of fees and expenses payable by the Company related to the Placing and Admission. The Placing is conditional on, *inter alia*, Admission. If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to the applicants. In accordance with Listing Rule 14.2.2, at Admission at least 25 per cent. of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

Admission, Dealings and CREST

Completion of the Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission occurring on or before 13 January 2016 or such later date as may be agreed by Macquarie and the Company.

Admission is expected to take place and dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 13 January 2016.

Where applicable, definitive share certificates in respect of the New Ordinary Shares to be issued pursuant to the Placing are expected to be despatched, by post at the risk of the recipients, to the relevant holders, not later than 16 January 2016. The New Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any New Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

Use of Proceeds

The gross proceeds of the Placing (£4.4 million) (together with the Founder Subscription Funds of £600,000) will be used to pay the expenses of the Placing and Admission and to further the Company’s objective of making an Acquisition.

The total expenses incurred (or to be incurred) by the Company in connection with Admission, the Placing and the incorporation (and initial capitalisation) of the Company are £832,770 which will be paid out of the proceeds of the Placing (such that the Net Placing Proceeds will be £3.6 million).

The Company’s intention is to use the Net Placing Proceeds to fund the due diligence and other transaction costs in respect of whatever is necessary for an Acquisition. This due diligence will include a legal, financial, technical and operational evaluation of an Acquisition. The Company would not anticipate the costs and expenses of investigating any particular acquisition opportunity exceeding £125,000. As it is

anticipated that the consideration for the Acquisition will be primarily constitute the issue of further Ordinary Shares, the Board considers that the Net Placing Proceeds are sufficient to cover both the expenses and any amounts payable for consideration in cash.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and shareholders who wish to receive and retain certificates for their New Ordinary Shares will be able to do so. Shareholders may elect to receive New Ordinary Shares in uncertificated form if such shareholders is a system-member (as defined in the CREST Regulations) in relation to CREST.

Selling Restrictions

The Ordinary Shares will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in the US.

Certain restrictions that apply to the distribution of this document and the New Ordinary Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed 'Notices to Investors' at the start of this document.

Transferability

The Company's Ordinary Shares, consisting of the existing issued Ordinary Shares and, following completion of the Placing, the New Ordinary Shares, are freely transferable and tradable and there are no restrictions on transfer.

PART IX

SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES

Share capital

The Company was incorporated on 1 July 2015 as a public company with limited liability under the Companies Act.

Details of the current issued share capital of the Company are set out in paragraph 3 of ‘Part XII – Additional Information’. As at Admission, there is expected to be £2,000,000 in nominal value of Ordinary Shares, divided into 10,000,000 issued Ordinary Shares of £0.20 each, all of which will be fully paid up.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN number of the Ordinary Shares is GB00BYNFC09. The SEDOL number of the Ordinary Shares is BYNFC0.

Financial position

The Company has not yet commenced operations. The financial information in respect of the Company upon which PricewaterhouseCoopers LLP has provided the accountant’s report in Section A of “Part X – Financial Information on the Company” as at 1 July 2015 is set out in “Part X – Financial Information on the Company”.

If the Placing and Admission had taken place on 8 January 2016:

- the net assets of the Company would have been increased by £3.6 million (due to the receipt of the Net Placing Proceeds) from £1,200,000 (represented by the Founder Subscription Funds); and
- the Company’s earnings would have decreased as a result of fees and expenses incurred in connection with the Placing and Admission.

Liquidity and capital resources

Sources of cash and liquidity

The Company’s initial source of cash (in addition to the Founder Subscription Funds of £0.6 million) will be the Net Placing Proceeds, which will be £3.6 million. It will use such cash to fund the expenses of the Placing, ongoing costs and expenses (primarily the UKLA application, listing and vetting fee of £7,370, the London Stock Exchange listing fee of £7,900, Directors’ fees and salaries of £215,000 in aggregate per year, the Registrars’ basic fees of £2,500 per year, the UKLA’s fee of £4,120 per year and the London Stock Exchange’s fee of £5,200 per year), the broker’s fee of £75,000 per year payable in advance and an estimated annual audit fee of £40,000, all exclusive of VAT, and the costs and expenses to be incurred in connection with seeking to identify and effect an Acquisition. The costs and expenses of any Acquisition will likely comprise legal, financial and tax due diligence in relation to the target company; however, the Company would only reach this stage after the Directors have carried out an initial commercial review of the target and the Company has entered into a non-disclosure agreement and/or heads of terms. In addition to any share consideration used by the Company in relation to any Acquisition, the Company may raise additional capital in connection with the consummation of that Acquisition (dependent upon the size of the Acquisition and the ability of the Company to satisfy the consideration in shares). Such capital may be raised through share issues (such as rights issues, open offers or private placings) or borrowings.

The Company may also make an Acquisition or fund part of any Acquisition through share-for-share exchanges.

Although the Company envisages that any capital raised will be from new equity, the Company may also choose to finance all or a portion of an Acquisition with debt financing. Any debt financing used by the Company is expected to take the form of bank financing, although no financing arrangements will be in

place at Admission. The Company envisages that debt financing may be necessary if, for example, a target company has been identified but would require a certain amount of cash consideration in addition to, or instead of, share consideration.

Any associated debt financing (if any) for an Acquisition will be assessed with reference to the projected cash flow of the target company or business and may be incurred at the Company level or by any subsidiary of the Company. Any costs associated with the debt financing will be paid with the proceeds of such financing.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

Substantially all of the cash raised (including cash from any subsequent share offers) is expected to be used for working capital. Following an Acquisition, the Company's future liquidity will depend in the medium to longer term primarily on: (i) the profitability of the company or business it acquires; (ii) the Company's management of available cash; (iii) cash distributions on sale of existing assets; (iv) the use of borrowings, if any, to fund short-term liquidity needs; and (v) dividends or distributions from subsidiary companies,

Cash uses

The Company's principal use of cash (including the Founder Subscription Funds and the Net Placing Proceeds) will be as working capital. The Company's current intention is to retain earnings for use in its business operations and it does not anticipate declaring any dividends prior to any Acquisition. Following the Acquisition and in accordance with the Company's business strategy and applicable laws, it expects to make distributions to Shareholders in accordance with the Company's dividend policy. However, the Company will incur day-to-day expenses that will need to be funded. Initially, the Company expects these expenses will be funded through the Founder Subscription Funds and the Net Placing Proceeds (and income earned on such funds). Such expenses include:

- all costs relating to the Placing, including fees and expenses incurred in connection with the Placing such as those incurred in the establishment of the Company, the Placing and Admission fees, legal, accounting, registration, printing, advertising and distribution costs and any other applicable expenses;
- transaction costs and expenses – the Company will bear all due diligence costs and legal and accounting costs; and
- Directors' fees and salaries.

Deposit of Net Placing Proceeds pending any Acquisition

Prior to the completion of any Acquisition, the Net Placing Proceeds will be held in an interest bearing deposit account or invested in short term money market instruments (as approved by the Directors) and will be used for general corporate purposes, including paying the expenses of Admission and the Company's ongoing costs and expenses, including Directors' fees and salaries, due diligence costs and other costs of sourcing, reviewing and pursuing any Acquisition.

Interest rate risks

The Company may incur indebtedness to finance and leverage an Acquisition and to fund its liquidity needs following any such Acquisition. Such indebtedness may expose the Company to risks associated with movements in prevailing interest rates. Changes in the level of interest rates can affect, *inter alia*: (i) the cost and availability of debt financing and hence the Company's ability to achieve attractive rates of return on its assets; (ii) the Company's ability to make an Acquisition when competing with other potential buyers who may be able to bid for an asset at a higher price due to a lower overall cost of capital; (iii) the debt financing capability of the companies and businesses in which the Company is invested; and (iv) the rate of return on the Company's uninvested cash balances. This exposure may be reduced by introducing a combination of a fixed and floating interest rates or through the use of hedging transactions

(such as derivative transactions, including swaps or caps). Interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management, and will not be carried out for speculative purposes. See 'Hedging arrangements and risk management' below.

Hedging arrangements and risk management

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described. It is expected that the extent of risk management activities by the Company will vary based on the level of exposure and consideration of risk across the business.

The success of any hedging or other derivative transaction generally will depend on the Company's ability to correctly predict market changes. As a result, while the Company may enter into such a transaction to reduce exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek, or be successful in establishing, an exact correlation between the instruments used in a hedging or other derivative transactions and the position being hedged and could create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the values of its assets, because the values of its assets are likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

PART X

FINANCIAL INFORMATION ON THE COMPANY

(A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

The Directors
RockRose Energy plc
C/O Cooley Services Limited
Dashwood
69 Old Broad Street
London
EC2M 1QS

8 January 2016

Dear Sirs

RockRose Energy plc

Introduction

We report on the historical financial information on RockRose Energy plc (the “**Company**”) set out in Section B of Part X of the prospectus of the Company (the “**Historical Financial Information**”). The Historical Financial Information has been prepared for inclusion in the Prospectus dated 8 January 2016 (the “**Prospectus**”) of the Company on the basis of the accounting policies set out in note 1 to the Historical Financial Information. This report is required by item 20.1 of Annex I to the PD Regulation and is given for the purposes of complying with that item and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Prospectus dated 8 January 2016, a true and fair view of the state of affairs of the Company as at the date stated.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

(B) HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Balance sheet as at 1 July 2015

	<i>Note</i>	<i>£'000</i>
ASSETS		
<i>Current Assets</i>		
Cash at bank		—
Accounts receivable		150
Total assets		<u>150</u>
EQUITY AND LIABILITIES		
<i>Equity</i>		
Called up capital:	2	150
(a) Ordinary shares		60
(b) Share premium		90
Retained earnings		—
Total equity		<u>150</u>
<i>Current liabilities</i>		
Amounts due to related parties		—
Trade and other payables		—
Total liabilities		<u>—</u>
Total Equity and liabilities		<u><u>150</u></u>

No income statement, statement of cash flows or statement of changes in equity is presented as the Company has not entered into any transactions apart from the issue of the ordinary shares.

Notes to the Historical Financial Information

1. Accounting policies and basis of preparation

The Company was incorporated on 1 July 2015. The company is a public limited company incorporated and domiciled in UK. The address of its registered office is at c/o Cooley Services Limited, Dashwood, 69 Old Broad Street, London EC2M 1QS. The Company has not yet commenced business, no audited financial statements have been prepared and no dividends have been declared or paid since the date of incorporation.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union.

The Historical Financial Information is presented in British pounds sterling, which is the Company's functional and presentation currency, and has been prepared under the historical cost convention.

2. Share capital

On incorporation of the Company, Andrew Austin subscribed for 1,200,000 ordinary shares of 5p each in the capital of the Company at a price of 12.5p each.

The following table shows the issued shares of the Company as at incorporation of the Company:

<i>Class of Share</i>	<i>Number</i>	<i>Amount paid</i>
Ordinary	1,200,000	£150,000

3. Post balance sheet events

Payment for the 1,200,000 ordinary shares was not made on incorporation, but was made on 18 December 2015 and is recorded as a debt to the Company at incorporation.

On 5 August 2015 a special resolution was passed to consolidate every four ordinary shares of 5p each into one ordinary share of 20p.

On 18 December 2015 Andrew Austin's subscribed for 900,000 ordinary shares of 20p each in the capital of the Company at a price of 50p each.

On 22 December 2015 the Company entered into a loan agreement with Appleby Trust (Jersey) Limited pursuant to which the Company agreed to lend £600,000 to the EBT for the purpose of subscribing for 1,200,000 Placing Shares.

The following table shows the issued and fully paid shares of the Company at the date of this document:

<i>Class of Share</i>	<i>Number</i>	<i>Amount paid</i>
Ordinary	1,200,000	£600,000

On 13 January 2016 the Company issued 8,800,000 New Ordinary Shares at 50p per share, amounting to gross proceeds of £4.4 million.

The Company has accrued liabilities of £832,770 in connection with Admission and the Placing. The Company also has a receivable from the EBT of £600,000.

PART XI

TAXATION

General

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring holding or disposing of the Ordinary Shares. They are based on current UK tax legislation and what is understood to be the current published practice of HMRC as at the date of this Prospectus, both of which may change at any time, possibly with retroactive effect. They apply only to Shareholders who are resident and, in the case of individuals domiciled, for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than in an individual savings account or a Self Invested Personal Pension) and who are the absolute legal and beneficial owner of both the Ordinary Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Ordinary Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

The statements summarise the current position and are intended as a general guide only. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

Taxation of Dividends

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

UK resident individual Shareholders

An individual Shareholder who is resident for tax purposes in the UK and who receives a cash dividend from the Company will generally be entitled to a tax credit equal to one-ninth of the amount of the cash dividend received, which is equivalent to 10 per cent. (2015/16) of the aggregate of the cash dividend received and the tax credit (the “gross dividend”), and will be subject to income tax on the gross dividend. An individual UK resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of ten per cent., so that the tax credit will satisfy the income tax liability of such a Shareholder in full. Where the tax credit exceeds the Shareholder’s tax liability the Shareholder cannot claim repayment of the tax credit from HMRC.

An individual UK resident Shareholder who is subject to income tax at the higher rate or the additional rate will be liable to income tax on the gross dividend at the rate of 32.5 per cent. (2015/16) or 37.5 per cent. (2015/16) respectively to the extent that such sum, when treated as the top slice of that Shareholder’s income, falls above the threshold for higher rate or additional rate income tax. After taking into account the 10 per cent. tax credit, a higher rate taxpayer will therefore be liable to additional income tax of 22.5 per cent. Of the gross dividend, equal to 25 per cent. of the cash dividend, and an additional rate taxpayer will be liable to additional income tax of 27.5 per cent. of the gross dividend, equal to approximately 30.6 per cent. of the cash dividend.

An individual UK Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty (“Treaty non-resident”) and who receives or becomes entitled to dividends from the Company during that period of temporary non-residence may, if the Company is treated as a close company for UK tax purposes and certain other conditions are met, be liable for income tax on those dividends on his or her return to the UK if the temporary non-residence rules are met.

In the Summer Budget the Government announced reforms to the taxation of dividends to take effect from 6 April 2016 (for persons subject to income tax) so that the notional 10 per cent. tax credit on dividends will be abolished and a £5,000 tax free dividend allowance will be introduced. Dividends above this level will be taxed at 7.5 per cent. (basic rate), 32.5 per cent. (higher rate), and 38.1 per cent. (additional rate).

These changes are expected to be given effect by the Finance Act 2016 in due course, but draft legislation is not yet available. The above statements are based on the information that has been made publically available to date in relation to the announced changes.

UK resident corporate Shareholders

It is likely that most dividends paid on the Ordinary Shares to UK resident corporate shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company. Corporation tax is charged on dividends at the rate applicable to that company.

UK resident exempt Shareholders

UK resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit.

Non-UK resident Shareholders

Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment of any part of the tax credit attaching to dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Shareholder is resident. A Shareholder resident outside the UK may also be subject to non-UK taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

Taxation of Disposals

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals and indexation for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

For a Shareholder within the charge to UK capital gains tax, capital gains tax is charged on gains on the disposal of Ordinary Shares. The rate is 18 per cent. (2015/16) for individuals who are subject to income tax at the basic rate; and 28 per cent. (2015/16) for all trustees and personal representatives, and individuals who are subject to income tax at the higher or additional rates. For a corporate Shareholder within the charge to UK corporation tax, corporation tax is charged on chargeable gains at the rate applicable to that company.

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Ordinary Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty ("Treaty non-resident") and who disposes of all or part of their Shares during that period may be liable to capital gains tax on their return to the UK if the temporary non-residence rules are met, subject to any available exemptions or reliefs.

Stamp duty and Stamp Duty Reserve Tax ("SDRT")

The Placing

The issue of Ordinary Shares direct to persons acquiring Ordinary Shares pursuant to the Placing will not generally give rise to stamp duty or SDRT.

Subsequent Transfers

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. As noted above, an exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. A charge to SDRT will also arise on an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, or the instrument is otherwise exempt, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee.

Ordinary Shares transferred through paperless means including CREST

Paperless transfers of Ordinary Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system. The charge is generally borne by the purchaser. Under the CREST system, no stamp duty or SDRT will arise on a transfer of Ordinary Shares into the system unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise.

Ordinary Shares held through Clearance Systems or Depositary Receipt Arrangements

Special rules apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent. Following litigation HMRC has confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. HMRC's view is that the 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depositary receipt arrangement unless they are an integral part of an issue of share capital. This view is currently being challenged in further litigation.

Accordingly, specific professional advice should be sought before incurring a 1.5 per cent. stamp duty or stamp duty reserve tax charge in any circumstances.

The statements in this section apply to any holders of Ordinary Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

Inheritance Tax

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Ordinary Shares through trust arrangements.

PART XII

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. Listing Principles 1 and 2 as set out in Listing Rule 7.2.1 of the Listing Rules also apply to the Company, and the Company must comply with such Listing Principles. Premium Listing Principles 1 to 6 as set out in Listing Rule 7.2.1AR of the Listing Rules do not apply to the Company.

However, while the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Placing and Admission;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that the Acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for the Acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a ‘related party transaction’ as defined in Chapter 11 of the Listing Rules without the specific prior approval of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. Until the Acquisition the Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Following the Acquisition, the Company’s standard listing will be cancelled and the Company will be treated as a new applicant. At that point the Directors may seek admission as a Standard Listing or as a Premium Listing or another appropriate listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. Alternatively, it may determine to seek re-admission to a Standard Listing, subject to eligibility criteria. If admission with a Premium Listing is possible (and there can be no guarantee that it will be) and the Company decides to seek a Premium Listing, the various Listing Rules highlighted above as rules with which the Company is not required to comply will become mandatory and the Company will comply with the continuing obligations contained within the Listing Rules (and the Disclosure and Transparency Rules) in the same manner as any other company with a Premium Listing. There can be no guarantee that once an Acquisition is completed and the Company loses its standard listing that it will be eligible for admission to any public market.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company’s compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

PART XIII

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear on page 27, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. The Company

- 2.1 The Company was incorporated on 1 July 2015 as a public company with limited liability under the Companies Act.
- 2.2 The Company is not regulated by the FCA or any financial services or other regulator. With effect from Admission, the Company will be subject to the Listing Rules and the Disclosure and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.
- 2.3 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Companies Act.
- 2.4 The Company's registered office is at c/o Cooley Services Limited, Dashwood, 69 Old Broad Street, London EC2M 1QS. The Company's telephone number is +44 (0) 20 7556 4261.
- 2.5 On incorporation of the Company, Andrew Austin subscribed for 1,200,000 ordinary shares of 5p in the Company at a price of 12.5p each (equivalent to 300,000 shares at a price of 50p each on a consolidated basis).
- 2.6 On 5 August 2015 a special resolution was passed to consolidate every four ordinary shares of 5p each into an ordinary share of 20p.
- 2.7 On 18 December 2015 Andrew Austin subscribed for 900,000 ordinary shares of 20p in the Company at a price of 50p each.
- 2.8 By a special resolution of the Founder Shareholder passed by a written resolution of the sole shareholder of the Company on 5 November 2015, the Articles were adopted with effect from Admission in substitution for and to the exclusion of the Company's then existing articles of association.
- 2.9 As at 7 January 2016, being the latest practicable date prior to publication of this document, the Company did not have any subsidiaries.

3. Share Capital

The following table shows the issued and fully paid shares of the Company at the date of this document:

<i>Class of Share</i>	<i>Number</i>	<i>Amount paid</i>
Ordinary	1,200,000	£600,000

- 3.1 On completion of the Placing, the issued and fully paid shares of the Company immediately following Admission is expected to be as shown in the following table:

<i>Class of Share</i>	<i>Number</i>	<i>Amount paid</i>
Ordinary	10,000,000	£5,000,000

3.2 Pursuant to a special resolution of the Founder Shareholder passed at a general meeting of the Company (held on short notice) on 5 November 2015:

- (a) the Directors were authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 29,000,000 Ordinary Shares, provided that such authority, unless renewed, varied or revoked by the Company, shall expire on 31 December 2015, but so that the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted and the Directors may allot shares in pursuance of such offer of agreement notwithstanding that the authority conferred by this resolution has expired;
- (b) the Directors were authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £100,000,000 pursuant to any acquisition carried out by the Company within two (2) years of Admission, provided that such authority shall, unless renewed, varied or revoked by the Company, expire on the date falling two (2) years after Admission, but so that the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted and the Directors may allot shares in pursuance of such offer of agreement notwithstanding that the authority conferred by this resolution has expired;
- (c) the Directors were empowered in accordance with section 570 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) of the Company for cash pursuant to the general authorities conferred on them by this resolution as if section 561(1) of the Companies Act did not apply to any such allotment, provided that such power is limited to the allotment of Ordinary Shares (subject to Admission):
 - (i) for the purposes of, or in connection with, the Placing;
 - (ii) for the purposes of, or in connection with, or resulting from any Acquisition or in connection with the restructuring of any debt or other financial obligation relating to any Acquisition (whether assumed or entered into by the Company or owed or guaranteed by any company or entity acquired);
 - (iii) generally for such purposes as the Directors may think fit, an aggregate amount not exceeding 200 per cent., of the aggregate value of Ordinary Shares in issue (as at the close of the first Business Day following Admission), and
 - (iv) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary Shares, in proportion (as nearly as may be) to their existing holdings of Ordinary Shares up to an amount equal to the aggregate value of the Ordinary Shares in issue as at the close of the first Business Day following Admission but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient:
 - (A) to deal with equity securities representing fractional entitlements; and
 - (B) to deal with legal or practical problems in the laws of any territory, or the requirements of any regulatory body;

on the basis that the powers in paragraphs (c)(ii), (iii) and (iv) above shall expire on the earlier of (i) the conclusion of the next annual general meeting of the Company after the passing of the resolution; or (ii) the date upon which the Company has concluded an Acquisition or acquisitions with an announced value in excess of £100,000,000, save that the Company shall be entitled to make an offer or agreement which would or might require equity securities to be issued pursuant to paragraphs (c)(ii), (iii) and (iv) above (inclusive) before the expiry of their power to do so, and the Directors shall be entitled to issue or sell

from treasury the equity securities pursuant to any such offer or agreement after that expiry date and provided further that the Directors may sell, as they think fit, any equity securities from treasury.

3.3 Pursuant to an ordinary resolution of the Founder Shareholder passed at a general meeting of the Company (held on short notice) on 6 January 2016:

- (a) the Directors were authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 29,000,000 Ordinary Shares, provided that such authority, unless renewed, varied or revoked by the Company, shall expire on 28 February 2016, but so that the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted and the Directors may allot shares in pursuance of such offer of agreement notwithstanding that the authority conferred by this resolution has expired;

3.4 Save as disclosed in this document:

- (a) no share or loan capital of the Company has been issued or is proposed to be issued;
- (b) no person has any preferential subscription rights for any shares of the Company;
- (c) no share or loan capital of the Company is unconditionally to be put under option; or
- (d) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

3.5 All Ordinary Shares in the capital of the Company are in registered form.

3.6 The Ordinary Shares will be listed on the standard listing segment of the Official List and will be traded on the London Stock Exchange's main market for listed securities. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

4. Articles of Association of the Company

4.1 The Articles of the Company were adopted (with effect from Admission) by a special resolution of the Founder Shareholder passed at a general meeting of the Company (held on short notice) on 5 November 2015. A summary of the terms of the Articles is set out below. The summary below is not a complete copy of the terms of the Articles.

4.2 The Articles contain no specific restrictions on the Company's objects and therefore, by virtue of section 31(1) of the Companies Act, the Company's objects are unrestricted.

4.3 The Articles contain, *inter alia*, provisions to the following effect:

- (a) ***Share Capital***

The Company's share capital currently consists of Ordinary Shares. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.

- (b) ***Voting***

The Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him.

- (c) ***Variation of rights***

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or

with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class and may be so varied and abrogated whilst the Company is a going concern or during or in contemplation of a winding up.

(d) ***Dividends***

The Company may, subject to the provisions of the Companies Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Directors. Subject to the provisions of the Companies Act in so far as, in the Directors' opinions, the Company's profits justify such payments, the Directors may pay interim dividends on any class of shares.

Any dividend unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the Directors resolve, be forfeited and shall revert to the Company. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

(e) ***Transfer of Ordinary Shares***

Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a 'relevant system' (i.e. the CREST System) in such manner provided for, and subject as provided in, the CREST Regulations.

The Board may, in its absolute discretion, refuse to register a transfer of certificated shares unless:

- (i) it is for a share which is fully paid up;
- (ii) it is for a share upon which the Company has no lien;
- (iii) it is only for one class of share;
- (iv) it is in favour of a single transferee or no more than four joint transferees;
- (v) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; and
- (vi) it is delivered for registration to the registered office of the Company (or such other place as the Board may determine), accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

The Directors may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the CREST Regulations and the CREST System.

(f) ***Allotment of shares and pre-emption rights***

Subject to the Companies Act and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as the Directors may determine (including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares).

In accordance with section 551 of the Companies Act, the Directors may be generally and unconditionally authorised to exercise all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant ordinary resolution authorising such allotment. The authorities referred to in paragraph 3.3(a) and 3.3(b) above were included in the special resolution passed on 5 November 2015 and remain in force at the date of this document).

The provisions of section 561 of the Companies Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) apply to the Company except to the extent disapplied by special resolution of the Company. Such pre-emption rights have been disapplied to the extent referred to in paragraph 3.3I above pursuant to the special resolution passed on 5 November 2015.

(g) ***Alteration of share capital***

The Company may by ordinary resolution consolidate or divide all of its share capital into shares of larger nominal value than its existing shares, or cancel any shares which, at the date of the ordinary resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal amount of shares so cancelled or subdivide its shares, or any of them, into shares of smaller nominal value.

The Company may, in accordance with the Companies Act, reduce or cancel its share capital or any capital redemption reserve or share premium account in any manner and with and subject to any conditions, authorities and consents required by law.

(h) ***Directors***

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall not be less than two, but there shall be no maximum number of Directors.

Subject to the Articles and the Companies Act, the Company may by ordinary resolution appoint a person who is willing to act as a Director and the Board shall have power at any time to appoint any person who is willing to act as a Director, in both cases either to fill a vacancy or as an addition to the existing Board.

At the first annual general meeting following the Acquisition all Directors shall retire from office and may offer themselves for reappointment by the Shareholders by ordinary resolution.

At every subsequent annual general meeting any director who:

- (i) has been appointed by the Directors since the last annual general meeting; or
- (ii) was not appointed or re-appointed at one of the preceding two annual general meetings;

must retire from office and may offer themselves for reappointment by the Shareholders by ordinary resolution.

Subject to the provisions of the Articles, the Board may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors.

The quorum for a Directors' meeting shall be fixed from time to time by a decision of the Directors, but it must never be less than two and unless otherwise fixed, it is two.

Questions and matters requiring resolution arising at a meeting shall be decided by a majority of votes of the participating Directors, with each director having one vote. In the case of an equality of votes, the chairman will only have a casting vote or second vote when an Acquisition has been completed. The entering into any Acquisition requires the consent of 75 per cent. of the Directors present and entitled to vote.

The Directors shall be entitled to receive such remuneration as the Directors shall determine for their services to the Company as directors and for any other service which they undertake for the Company provided that the aggregate fees payable to the Directors must not exceed £200,000 per annum. The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of Shareholders or class meetings, board or committee meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

The Board may, in accordance with the requirements in the Articles, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under the Companies Act to avoid conflicts of interests.

A Director seeking authorisation in respect of such conflict shall declare to the Board the nature and extent of his interest in a conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.

Any authorisation by the Board will be effective only if:

- (i) to the extent permitted by the Companies Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of the Articles;
- (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted Director and any other conflicted Director; and
- (iii) the matter is agreed to without the conflicted Director voting or would be agreed to if the conflicted Director's and any other interested Director's vote is not counted.

Subject to the provisions of the Companies Act, every Director, secretary or other officer of the Company (other than an auditor) is entitled to be indemnified against all costs, charges, losses, damages and liabilities incurred by him in the actual purported exercise or discharge of his duties or exercise of his powers or otherwise in relation to them.

(i) ***General Meetings***

The Company must convene and hold annual general meetings in accordance with the Companies Act.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the articles, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

(j) ***Borrowing Powers***

Subject to the Articles and the Companies Act, the Board may exercise all of the powers of the Company to:

- (i) borrow money;
- (ii) indemnify and guarantee;
- (iii) mortgage or charge;
- (iv) create and issue debentures and other securities; and
- (v) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(k) ***Capitalisation of profits***

The Directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The Directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

(l) ***Uncertificated Shares***

Subject to the Companies Act, the Directors may permit title to shares of any class to be issued or held otherwise than by a certificate and to be transferred by means of a 'relevant system' (i.e. the CREST System) without a certificate.

The Directors may take such steps as it sees fit in relation to the evidencing of and transfer of title to uncertificated shares, any records relating to the holding of uncertificated shares and the conversion of uncertificated shares to certificated shares, or vice-versa.

The Company may by notice to the holder of an uncertificated share, require that share to be converted into certificated form.

The Board may take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

5. Other Relevant Laws and Regulations

5.1 *Mandatory bid*

(a) The Takeover Code applies to the Company. Under the Takeover Code, where:

- (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested, and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or
- (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested;

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the Takeover Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

- (b) An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid for any interest in the shares by the person required to make an offer or any person acting in concert with him during the 12 months prior to the announcement of the offer.
- (c) Under the Takeover Code, a 'concert party' arises where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) actively co-operate, through the acquisition by them of an interest in shares in a company, to obtain or consolidate control of the company. 'Control' means holding, or aggregate holdings, of an interest in shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

5.2 *Squeeze-out*

- (a) Under sections 979 to 982 of the Companies Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares, provided that no such notice may be served after the end of: (a) the period of three months beginning with the day after the last day on which the offer can be accepted; or (b) if earlier, and the offer is not one to which section 943(1) of the Companies Act applies, the period of six months beginning with the date of the offer.

- (b) Six weeks following service of the notice, the offeror must send a copy of it to the Company together with the consideration for the Ordinary Shares to which the notice relates, and an instrument of transfer executed on behalf of the outstanding Shareholder(s) by a person appointed by the offeror.
- (c) The Company will hold the consideration on trust for the outstanding Shareholders.

5.3 *Sell-out*

- (a) Sections 983 to 985 of the Companies Act also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relating to all the Ordinary Shares is made at any time before the end of the period within which the offer could be accepted and the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period, or, if longer a period of three months from the date of the notice.
- (b) If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

5.4 *Shareholder notification and disclosure requirements*

- (a) Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3 per cent. of the nominal value of the Company's share capital or any 1 per cent. threshold above that.
- (b) The DTRs can be accessed and downloaded from the FCA's website at <http://fshandbook.info/FS/html/FCA/DTR>. Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in disenfranchisement.

6. **Directors' and Other Interests**

- 6.1 Save as disclosed below, no Director nor any member of their immediate families has or will have on or immediately following Admission any interests (beneficial or non-beneficial) in the shares of the Company:

<i>Name</i>	<i>No. of Ordinary Shares</i>
Andrew Austin	2,342,002
John Morrow	160,000
Richard Benmore ¹	150,000

- 6.2 In addition to their directorships of the Company, the Directors are, or have been, members of the administrative, management or supervisory bodies ("**directorships**") or partners of the following companies or partnerships, at any time in the five years prior to the date of this document.

¹ Richard Benmore's wife Judith Helen Benmore will hold the shares in the Company.

Andrew Philip Austin

Current Directorships

None

Previous Directorships

Igas Energy Plc
Island Gas Limited
Star Energy Group Limited
Star Energy Limited
Star Energy (East Midlands) Limited
Star Energy Weald Basin Limited
Star Energy Oil & Gas Limited
Star Energy Oil UK Limited
Island Gas (Singleton) Limited
Igas Energy (Caithness) Limited
Igas Exploration UK Limited
Island Gas Operations Limited
Dart Energy (Europe) Ltd
Dart Energy (Carbon Storage) Limited
Dart Energy (East England) Limited
Dart Energy (Forth Valley) Limited
Dart Energy (Lothian) Limited
Dart Energy (West England) Limited
GP Energy Limited
Greenpark Energy Transportation Limited
Dart Energy Limited
Dart Energy SPV No1 Pty Ltd
Dart Energy SPV No 2 Pty Ltd
Dart Energy (Bruxner) Pty Ltd
Dart Energy (Overseas) Pty Ltd
Dart Energy (China) Pty Ltd
Apollo Gas Limited
Dart Energy (Apollo) Pty Ltd
Dart Energy Global CBM Pty Ltd
Dart Energy (India) Pty Ltd
Dart Energy International Ltd
Dart Energy Europe Pte Ltd
Dart Energy (Vietnam) Holdings Pte. Ltd
Dart Energy (Hanoi Basin CBM) Pte. Ltd
Dart Energy (China) Holdings Pte. Ltd
Dart Energy (Dajing) Pte. Ltd
Dart Energy Asia Holdings Pte Ltd
Dart Energy (India) Holdings Pte. Ltd
Dart Energy (AS) Pte. Ltd
Dart Energy (ST) Pte. Ltd
Dart Energy India (CMM) Pte. Ltd
Dart Energy (CIL) Pte. Ltd
Dart Energy (MG) Pte. Ltd
Dart Energy (India) Pte. Ltd
Dart Energy (Indonesia) Holdings Pte. Ltd
Dart Energy (Tanjung Enim) Pte. Ltd
Dart Energy (Muralim) Pte. Ltd
Dart Energy (Bontang Bengalon) Pte. Ltd
Dart Energy (Sangatta West) Pte. Ltd
Dart Energy (CBM Power Indonesia) Pte. Ltd.
PT Dart Energy Indonesia
PT Coal Bed Methane Power Indonesia
Austin and Austin Limited
UK Onshore Oil and Gas

Richard Alan Benmore

Current Directorships

None

Previous Directorships

Igas Exploration UK Limited
(previously called Nexen Exploration UK Limited)

John Andrew Corran Morrow

Current Directorships

JACM Consultants Limited

Previous Directorships

Bowleven plc
Bowleven Resources Limited
FirstAfrica Oil Limited
Sand Geophysics Limited

6.3 At the date of this document none of the Directors:

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) as been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company for at least the previous five years; or
- (c) has been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years,

6.4 None of the Directors has any potential conflicts of interest between their duties to the Company and their private interests or other duties they may also have.

6.5 Save as set out below, the Directors are not aware of any person who, directly or indirectly, had an interest in 3 per cent. or more of the voting rights of the Company as at the date of publication of this document and immediately following completion of the Placing and Admission (on the basis that 8,800,000 New Ordinary Shares will be issued pursuant to the Placing):

<i>Shareholder</i>	<i>Interests immediately following Admission</i>			
	<i>No. of Ordinary Shares prior to Placing</i>	<i>Percentage of issued ordinary share capital prior to Placing</i>	<i>No. of ordinary shares following Placing/on Admission</i>	<i>Percentage of issued ordinary share capital following Placing/on Admission</i>
Andrew Austin	1,200,000	100%	2,342,002	23.40
Macquarie Capital (Europe) Limited	—	—	999,998	9.99
Appleby Trust (Jersey) Limited (an trustee of the employee benefit trust) ⁽¹⁾	—	—	1,200,000	12.00
FCFM Group Limited	—	—	498,000	4.98
Sustain Energy Ventures Limited			380,000	3.80
Miles Newman			300,000	3.00
City Financial Inv Company Ltd			1,500,000	15.00
Legal & General Group Plc			1,000,000	10.00

- (1) Appleby Trust (Jersey) Limited is the EBT Trustee. The Ordinary Shares held by it are treated as treasury shares in the Company's balance sheet and are, in certain places in this document, excluded from the calculations of the Company's issued share capital.

- 6.6 As at 7 January 2016 (being the latest practicable date prior to the publication of this document), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 6.7 Those interested, directly or indirectly, in 3 per cent. or more of the issued Ordinary Shares of the Company (as set out in paragraph 6.5 above) do not now, and, following the Placing and Admission, will not, have different voting rights from other holders of Ordinary Shares.

7. Working Capital

The Company is of the opinion that, taking into account the net proceeds receivable pursuant to the Placing the working capital available to it is sufficient for its present requirements, that is for at least the 12 months from the date of this document.

8. Capitalisation and Indebtedness

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of 1,200,000 Ordinary Shares with no legal reserve or other reserves.

Total Current debt: £0

- Guaranteed: £0
- Secured: £0
- Unguaranteed/Unsecured: £0

Total Non-Current debt (excluding current portion of long-term debt): 0

- Guaranteed: £0
- Secured: £0
- Unguaranteed/Unsecured: £0

Shareholder's equity:

- a. Share capital: 1,200,000 Ordinary Shares
- b. Legal Reserve: 0
- c. Other Reserves: 0

Total: 1,200,000 Ordinary Shares

- A. Cash: £0
- B. Cash equivalent (Detail): £0
- C. Trading securities: £0
- D. Liquidity (A) + (B) + (C): £0
- E. Current Financial Receivable: £600,000**
- F. Current Bank debt: £0
- G. Current portion of non-current debt: £0
- H. Other current financial debt: £0
- I. Current Financial Debt (F) + (G) + (H): £0**
- J. Net Current Financial Indebtedness (I) – (E) – (D): £0**
- K. Non current Bank loans: £0
- L. Bonds Issued: £0
- M. Other non current loans: £0
- N. Non current Financial Indebtedness (K) + (L) + (M): £0**
- O. Net Financial Indebtedness (J) + (N): £0**

9. Significant Change

Save for the changes to the share capital as set out in paragraph 3 of this Part XIII, the contingent liabilities assumed by the Company in respect of the fees payable under the Placing Agreement as set out in paragraph 11.2 of this Part XIII, the initial fees and annual fees payable pursuant to the Registrar Agreement as set out in paragraph 11.5 of this Part XIII, the loan of £600,000 from the Company to the EBT, the Company's obligations to pay the Directors' remuneration pursuant to the terms of the Directors' letters of appointment as set out in paragraph 12.1 of this Part XIII, and the expenses of the Company referred to in paragraph 14.4 of this Part XIII, in connection with Admission, the Placing and incorporation of the Company (all of which have caused a significant change in the financial position and trading position of the Company due to the Company being a newly established company which has not commenced trading), there has been no significant change in the trading or financial position of the Company since 1 July 2015, being the date as at which the financial information contained in "Part X – Financial Information on the Company" has been prepared.

10. Litigation

There have been no governmental, legal or arbitration proceedings and the Company is not aware of any governmental legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

11. Material contracts

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company since the Company's incorporation which; (i) are, or may be, material to the Company; or (ii) contain obligations or entitlements which are, or may be, material to the Company as at the date of this document.

11.1 Broker Agreement

A broker agreement dated 7 January 2016 between the Company (1) and Macquarie (2) pursuant to which the Company appointed Macquarie as the Company's broker as from Admission and for an initial period of 12 months and continuing thereafter until terminated by either party giving the other 3 months' notice. Pursuant to the broker agreement, the Company has agreed to pay to Macquarie an annual retainer fee of £75,000 (together with any applicable VAT) payable annually in advance, the first payment being due on the day of Admission.

11.2 Placing Agreement

A Placing Agreement dated 7 January 2016 between (1) the Company; (2) Macquarie and (3) the Directors pursuant to the terms of which Macquarie has agreed to use its reasonable endeavours to procure placees for the New Ordinary Shares at the Placing Price, as the Company's agents.

The Placing Agreement contains certain warranties and indemnities from the Company in favour of Macquarie and is conditional, *inter alia*, on:

- (a) the allotment of the New Ordinary Shares;
- (b) there being no breach of warranty under the Placing Agreement; and
- (c) Admission occurring by not later than 8.00 a.m. on 13 January 2016 (or such other time and/or date as Macquarie and the Company may agree being not later than 29 January 2016).

Macquarie may terminate the agreement in certain circumstances prior to Admission including, *inter alia*, if there shall have been a material adverse change or if any of the Directors or the Company fail to comply in any material respect with any of their respective obligations under the Placing Agreement.

The Placing Agreement provides for Macquarie to receive, conditional upon Admission a fee of £500,000 (calculated by aggregating a commission fee equal to 3 per cent. of the gross placing proceeds (including, for the avoidance of doubt any Ordinary Shares and New Ordinary Shares taken by Macquarie or the Directors) (the “**Commission**”) and a corporate finance fee equal to the difference between the aggregate Commission and £500,000).

Macquarie shall participate in the Placing by applying for and being allotted 1,000,000 New Ordinary Shares at the Placing Price, the total subscription price (£500,000) being of equal value to the fee receivable by Macquarie.

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, which will be satisfied prior to Admission, and the Placing Agreement not having been terminated. In the event that the Placing does not complete, Admission will not take place.

11.3 *Warrant Instrument*

A warrant instrument dated 8 January 2016 and made between Macquarie and the Company pursuant to which the Company grants Macquarie a warrant to acquire a number of Ordinary Shares equal to 1 per cent. of the issued share capital of the Company during the period commencing upon Admission and ending on the third anniversary of Admission. The warrant exercise price is the Placing Price in respect of the number of Ordinary Shares available under the warrant at Admission and, in respect of any Ordinary Shares issued after Admission, the mid market closing price on the date upon which the Company announces any corporate action or event resulting in such further Ordinary Shares becoming the subject of the warrant. Macquarie may exercise the warrant at any time by paying the cash exercise price or by electing for nominal exercise. The warrant expires, to the extent not then previously exercised or terminated, on the third anniversary of Admission.

11.4 *Lock-in and orderly market agreement*

Mr Austin has entered into a lock-in agreement dated 8 January 2016 with the Company pursuant to which he has agreed that he will not transfer or dispose of, or grant option, or other rights (including any grant or right of security) directly or indirectly over any interest in any Ordinary Shares or interests derived from such Ordinary Shares which he holds in the Company, for a period commencing at Admission and ending on the first anniversary of the completion of any Acquisition.

The restrictions on the ability of Mr Austin to transfer his Ordinary Shares, are subject to certain usual and customary exceptions including for: transfers pursuant to the acceptance of, or provision of an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms, transfers pursuant to an offer by or an agreement with the Company to purchase ordinary shares made on identical terms to all Shareholders or transfers made pursuant to any court order or if required by law.

Mr Austin has also agreed that, during the period commencing at Admission and ending on the second anniversary of Admission, he will not transfer or dispose of, or grant option, or other rights (including any grant or right of security) directly or indirectly over any interest in any Ordinary Shares or interest derived from such Ordinary Share, except through Macquarie and in such orderly manner as Macquarie may, acting reasonably, determine so as to ensure an orderly market for the issued share capital of the Company.

11.5 *Registrar agreement*

The Company and the Registrar have entered into the Registrar Agreement dated 8 January 2016 pursuant to which the Registrar has agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs.

The Registrar is entitled to receive the annual fee for creation and maintenance of the share register will be £1.25 per holder of ordinary shares appearing on the register during the fee year, with a minimum charge per annum of £2,500 for the provision of its services under the Registrar Agreement.

In addition to the annual fee, the Registrar is entitled to reimbursement for all out-of-pocket expenses incurred by it in the performance of its services.

The Registrar Agreement shall continue for an initial period of three years and thereafter will automatically renew for successive periods of twelve months unless and until terminated upon written notice by either party, by giving not less than six months' written notice. In addition, the agreement may be terminated as soon as reasonably practicable if either party (i) commits a material breach of the agreement which has not been remedied within 45 days of a notice requesting the same; (ii) goes into liquidation (except voluntary) or becomes bankrupt or insolvent.

11.6 *Services agreement*

On 1 December 2015 the Company entered into a services agreement with Senergy (GB) Limited, a company in the Lloyd's Register Group of companies, which provides exploration, production and energy consultancy services. Under the terms of the agreement, in lieu of applicable members of the Lloyd's Register Group agreeing to provide services that the Company may require:

- (i) free of charge up to a value of £500,000 (at cost) or the expiry of a period of two (2) years from the effective date of the agreement (being 1 December 2015), whichever is reached sooner (the "**Initial Period**"); and
- (ii) at cost plus a margin of 20 per cent. up to a value of £5,000,000 (at cost plus a margin of 20 per cent.) or the expiry of a period of ten (10) years from the end of the Initial Period, whichever is reached sooner (the "**Second Period**"),

the Company has agreed to grant the Lloyd's Register Group a right of first refusal over relevant services that the Company may require in the Initial Period and the Second Period (both as defined above). The technical expertise and services which Senergy and its affiliates can offer will complement the Company's internal technical expertise as it undertakes to complete its objectives through potential future acquisitions and subsequent re-listing.

12. **Related party transactions**

12.1 *Non-Executive Directors' letters of appointment*

Each of Richard Benmore and John Morrow have entered into a Director's non-executive letter of appointment dated 22 December 2015 with the Company in respect of his appointment as a Director of the Company. Each letter is conditional upon Admission and, should Admission not take place, the parties shall be released from their respective rights and obligations under such appointment letters.

Under the terms of the appointment letters, Richard Benmore is entitled to a fee of £35,000 per annum and John Morrow is entitled to a fee of £35,000 per annum. Fees will accrue on a daily basis and will be payable in equal monthly instalments in arrears on the last business day of each month (or as otherwise agreed).

Each of the Directors appointments as a non-executive director of the Company, shall (subject to limited exceptions) be subject to termination by either party on 3 months' written notice.

12.2 *Service Agreement*

Andrew Austin has entered into a service agreement with the Company dated 22 December 2015 with respect to his appointment as chairman of the Company and director responsible for implementation of the Acquisition strategy. Mr Austin's service agreement commits him to spend such hours engaged in the Company's affairs as may be necessary for the proper performance of his duties. Mr Austin's service agreement is initially capable of termination by either party giving 3 months' notice in writing, which period automatically extends to 12 months on completion of an Acquisition. Mr Austin is entitled to a salary of £145,000 per annum.

12.3 *Unapproved Share Option Plan*

The Company believes that the incentive arrangements for the Directors should be focused on significant long-term value creation through the delivery of shareholder returns in order to closely align the interests of Directors with those of shareholders. Under the terms of the non-tax advantaged share option plan (the “**Share Option Plan**”), the Board may issue options over shares up to 15 per cent. of the issued share capital of the Company from time to time.

To recognise the changing requirements of the business over time and to support growth objectives over the medium to long term, a long-term incentive structure has been put in place for Directors in the form of a non-tax advantaged share option plan. The structure of the Share Option Plan is designed such that participants will only benefit if significant value is delivered to shareholders. Its implementation serves to ensure that:

- Directors, who are critical to executing the business strategy and driving value for shareholders, are appropriately attracted, retained and motivated;
- The reward structure supports a growth strategy and is heavily weighted towards shareholder value creation over the longer term;
- The interests of Directors are closely aligned with those of shareholders; and
- Directors are provided with an appropriate opportunity to earn levels of reward provided significant returns are delivered to shareholders.

On 22 December 2015, Andrew Austin was granted an option under the Share Option Plan to acquire such number of Ordinary Shares as equals 10 per cent. of the issued share capital of the Company from time to time. On Admission that represents an option to acquire 1,000,000 Ordinary Shares (the “**Initial Option Shares**”). The number of Ordinary Shares under option may increase to include 10 per cent. of Ordinary Shares issued after Admission up to the earlier of: (i) the third anniversary of Admission; and (ii) the date the market capitalisation of the Company first becomes or exceeds £100m. In calculating the issued share capital, no account will be taken of Ordinary Shares issued to satisfy the exercise of options granted under the Share Option Plan. The exercise price of the Initial Option Shares is 50p per Ordinary Share and for any additional Ordinary Shares under option following an increase in the issued share capital of the Company, the exercise price will be the mid-market closing price on the day on which the Company announces the transaction which leads to the increase. The option will vest (and potentially become exercisable) as to 33 per cent. of the number of Ordinary Shares under option on the third anniversary of grant, as to a further 33 per cent. on the fourth anniversary of grant and as to a further and final 34 per cent. on the fifth anniversary of grant. The option granted to Andrew Austin will lapse to the extent unexercised on the sixth anniversary of Admission.

No payment has been made for the grant of the option.

The main features of the Share Option Plan are summarised below.

Eligibility

All executive directors and employees of the Company and any of its subsidiaries are eligible to participate in the Share Option Plan. The remuneration committee selects the individuals to whom options are to be granted from time to time.

Grant of options

Options may be granted at such time or times as the remuneration committee (or the Board, excluding any interested director, until a remuneration committee is formally established) determines.

Exercise price and adjustments to options

While the Ordinary Shares are admitted to trading on the Official List, the exercise price per Ordinary Share may not be less than the average of the middle market quotations for an Ordinary Share for the five dealing days immediately prior to the date of grant SAVE THAT up to the third anniversary of Admission and in respect of the option granted to Andrew Austin only, the exercise

price of Ordinary Shares placed under option may be determined by the remuneration committee by reference to the mid-market closing price on the date of announcement of a transaction which increases the issued share capital of the Company. While the Ordinary Shares are not admitted to trading on the Official List, the exercise price will be the amount specified by the remuneration committee. If the Ordinary Shares are newly issued the exercise price may not, in any event, be less than the nominal value of an Ordinary Share.

In the event of any variation in the share capital of the Company the exercise price and/or the number of Ordinary Shares comprised in each option may be adjusted as the remuneration committee determines. No adjustment may be made which will reduce the exercise price below the nominal value of an Ordinary Share and no adjustment may be made in response to a transaction which increases the number of Ordinary Shares under the option held by Andrew Austin.

Rights and restrictions

An option granted under the Share Option Plan is not transferable. The option certificate will specify when the option will lapse and such date may not be later than the tenth anniversary of its date of grant. Except in the circumstances referred to below, an option will only be exercisable on or after the date which is three years after the date of grant.

If the participant ceases to be employed by the Company by reason of injury, disability, ill-health or redundancy; or because the business or company that employs him is transferred out of the ultimate ownership of the Company, his option may be exercised within 6 months after such cessation or transfer. In the event of the death of a participant, the personal representatives of a participant may exercise his option within 6 months after the date of death. The extent to which an option may be exercised in these circumstances will be determined by reference to any exercise conditions and time vesting provisions set out in the option certificate unless the remuneration committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure.

On cessation of employment for any other reason (or when a participant serves or has been served with, notice of termination of such employment), the option will lapse unless the remuneration committee exercises its discretion to allow the exercise of the option for a period not exceeding 6 months from the date of such cessation or notice. In such circumstances and where exercise is permitted, the extent to which an option may be exercised will be determined by reference to any exercise conditions and time vesting provisions set out in the option certificate unless the remuneration committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure.

Corporate events

Options, to the extent not already exercisable, will become exercisable immediately prior to a change in control of the Company, in the event of a takeover of the Company, in the event that an offeror becomes entitled or bound to acquire Ordinary Shares or in the event that the court sanctions a compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company. In such event, all options may be exercised for a limited period and will lapse to the extent not exercised.

Options, to the extent not already exercisable, will become exercisable in the event that the Company is proposed to be voluntarily wound up and all options may be exercised within a limited period in connection with the winding up, failing which they will lapse.

In such circumstances and where exercise is permitted, the extent to which an option may be exercised will be determined by reference to any exercise conditions set out in the option certificate unless the remuneration committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure. The option granted to Andrew Austin is exercisable as to 100 per cent. in these circumstances.

Performance conditions

The exercise of options may be subject to the satisfaction of such performance conditions, if any, as may be specified and subsequently varied and/or waived by the remuneration committee.

In respect of the option granted to Andrew Austin (details of which are set out above) the following performance conditions must also be satisfied before his option may be exercised:

- (A) the Company must have completed at least one Acquisition resulting in the market capitalisation of the Company increasing by at least 500 per cent. from Admission based on a starting price of 50p per Ordinary Share;
- (B) the option may not be exercised at a time when, in the opinion of the remuneration committee there has been public criticism by any appropriate regulatory authority of the Company's operations or those of any of its subsidiaries which results in a material negative impact on the business of the Company; and
- (C) the option may not be exercised at any time if, by virtue of such exercise, the number of Ordinary Shares held by Andrew Austin, when added to the number of Ordinary Shares held by any person deemed to be acting in concert with him for the purposes of the City code would exceed 29.9 per cent. of the Company's issued share capital.

These performance conditions may only be varied or waived with the sanction of an ordinary resolution of shareholders.

Issuance of Ordinary Shares

The Ordinary Shares issued upon the exercise of options granted under the Share Option Plan will rank *pari passu* with the Company's issued Ordinary Shares on the date of exercise, save as regards any rights arising by reference to a record date prior to the date of such exercise.

Plan limit

Options may not be granted under the Share Option Plan if such grant would result in the total number of "Dilutive Shares" exceeding 15 per cent. of the issued share capital of the Company from time to time. "Dilutive Shares" means, on any date, all shares of the Company which (a) have been issued, or transferred out of treasury, on the exercise of options granted, or in satisfaction of any other awards made, under any share incentive scheme (including the Share Option Plan) in the shorter of the five years ending on (and including) that date and the period since Admission; and (b) remain capable of issue, or transfer out of treasury, under any subsisting options granted by the Company.

Alternative settlement on exercise

Instead of delivering the number of Ordinary Shares specified in the exercise notice, the remuneration committee may make a cash payment with the option holder's consent or deliver Ordinary Shares equal to the value of the Ordinary Shares over which the option is exercised less the relevant exercise price, or may deliver a combination of the two.

Alteration

The remuneration committee may alter the Share Option Plan except that (apart from minor amendments to benefit the administration of the Share Option Plan, to correct typographical or other errors, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company) no alteration to the advantage of participants or to the Plan limit described above can be made without the prior approval of Shareholders in general meeting.

No amendment may have a materially adverse effect on options granted before the amendment without the relevant optionholder's consent.

Termination and Plan period

The remuneration committee may terminate or suspend the operation of the Share Option Plan at any time, whereupon no further options shall be granted but in all other respects the provisions of the Share Option Plan shall remain in force. In any event, no options may be granted after the date which is five years after the date the Share Option Plan is adopted.

Employee Benefit Trust

- 12.4 Appleby Trust (Jersey) Limited (the “**EBT Trustee**”) has subscribed for 1,200,000 Ordinary Shares on behalf of the EBT. At Admission, these shares comprise 12 per cent. of the issued share capital of the Company.

The EBT Trustee funded its subscription by way of a loan from the Company. The Company has no recourse under the loan to the assets of the EBT Trustee other than the proceeds of the sales of the shares. The proceeds of sale may not be sufficient for the EBT Trustee to repay the loan in full. If the proceeds of the sale of its beneficial interest are greater than the amount the EBT Trustee is required to repay under the loan, the EBT Trustee may apply any surplus for future employee incentivisation arrangements.

The EBT Trustee will not normally exercise the voting rights of unvested Ordinary Shares held under the EBT but may exercise such rights on vested Ordinary Shares at the request of the relevant participants. Similarly, Ordinary Shares held under the EBT will not receive any dividends paid.

Related party transactions

- 12.5 Save as set out in paragraphs 12.1 to 12.2 above, from 1 July 2015 (being the Company’s date of incorporation) up to and including the date of this document, the Company has not entered into any related party transactions.

13. Accounts

The Company’s annual report and accounts will be made up to 31 December in each year, with the first annual report and accounts covering the period from incorporation to 31 December 2016. It is expected that the Company will make public its annual report and accounts within four months of each financial year end (or earlier if possible) and that copies of the annual report and accounts will be sent to Shareholders within six months of each financial year end (or earlier if possible). The Company will prepare its first unaudited interim report for the period from incorporation to 30 June 2016. It is expected that the Company will prepare its unaudited interim report for each six month period ending 30 June thereafter. The Company will also produce and publish a half-yearly financial report to cover the first six months of its financial year from the date of its incorporation. It is expected that the Company will make public its unaudited interim reports within two months of the end of each interim period.

14. General

- 14.1 By a resolution of the Directors passed on 18 December 2015, PricewaterhouseCoopers LLP whose address is 1 Embankment Place, London WC2N 6RH, were appointed as the first auditor of the Company. PricewaterhouseCoopers LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and the Financial Reporting Council.
- 14.2 PricewaterhouseCoopers LLP has given and has not withdrawn its consent to the inclusion in this document of its accountant’s report in section A of “Part X – Financial Information on the Company” in the form and context in which it is included and has authorised the contents of that report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.
- 14.3 The Company has not had any employees since its incorporation and does not own any premises.
- 14.4 The total expenses incurred (or to be incurred) by the Company in connection with Admission, the Placing and the incorporation (and initial capitalisation) of the Company are £832,770. The estimated Net Placing Proceeds (given that £4.4 million will be raised by way of the Placing), after deducting fees and expenses in connection with Admission and the Placing, are £3.6 million.

- 14.5 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 14.6 In accordance with the Prospectus Rules, the Company will file with the FCA, and make available for inspection by the public, details of the number of Ordinary Shares issued under this Prospectus. The Company will also notify the issue of the Ordinary Shares through a Regulatory Information Service.

15. Availability of Documents

- 15.1 Copies of the following documents may be inspected at the registered office of the Company at Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until Admission and completion of the Placing:
- (a) the memorandum and articles of association of the Company; and
 - (b) this document.
- 15.2 In addition, this document will be published in electronic form and be available on the Company's website at www.rockroseenergy.com subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

Date: 8 January 2016

PART XIV
DEFINITIONS

The following definitions apply throughout this document (unless the context requires otherwise):

“Acquisition”	Any initial acquisition by the Company or by any subsidiary thereof (which may be in the form of a merger, capital stock exchange, asset acquisition, stock purchase, scheme of arrangement, reorganisation or similar business combination) of an interest in an operating company or business in the upstream oil, gas and power sector as described in ‘Part VI – The Company’s Strategy’ (and, in the context of the Acquisition, references to a company without reference to a business and references to a business without reference to a company shall in both cases be construed to mean both a company or a business);
“Admission”	admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange;
“Affiliate” or “Affiliates”	an affiliate of, or person affiliated with, a person; a person that, directly or indirectly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified;
“AIM”	AIM, the market of that name operated by the London Stock Exchange;
“Articles” or “Articles of Association”	the articles of association of the Company in force from time to time;
“certificated” or “in certificated form”	in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST);
“Change of Control”	following any Acquisition, the acquisition of Control of the Company by any person or party (or by any group of persons or parties who are acting in concert);
“Companies Act”	the Companies Act 2006, as amended or re-enacted from time to time;
“Company”	RockRose Energy plc, a company incorporated in England and Wales with registered number 09665181;
“Control”	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, more than 50 per cent., of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the Directors or other equivalent officers of the Company are obliged to comply; and/or (ii) the holding beneficially of more than 50 per cent., of the issued shares of the Company (excluding any issued shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital), but excluding

	in the case of each of (i) and (ii) above any such power or holding that arises as a result of the issue of Ordinary Shares by the Company in connection with the Acquisition;
“CREST” or “CREST System”	the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (<i>SI 2001 No. 3755</i>), as amended;
“Directors”, “Board” or “Board of Directors”	the directors of the Company, whose names appear in ‘Part VII – The Company, the Board and the Acquisition Structure’, or the board of directors from time to time of the Company, as the context requires, and “Director” is to be construed accordingly;
“Disclosure and Transparency Rules” or “DTRs”	the disclosure and transparency rules of the UK Listing Authority made in accordance with section 73A of FSMA as amended from time to time;
“DP Act”	The Data Protection Act 1998, as amended;
“EBT”	means the Company’s employee benefit trust, more fully described in paragraph 12.4 of Part XIII (Additional Information);
“EEA”	the European Economic Area;
“EEA States”	the member states of the European Union and the European Economic Area, each an “EEA State”;
“EU”	the Member States of the European Union;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excluded Territory”	the United States, Canada, Japan, Australia and the Republic of South Africa;
“FCA”	the UK Financial Conduct Authority;
“Founder Shareholder”	Mr Andrew Austin;
“Founder Subscription Funds”	the initial proceeds of the subscriptions on 1 July 2015 for 1,200,000 ordinary shares of £0.05 at £0.125 per share (now 300,000 ordinary shares, post consolidation) by the Founder Shareholder and on 18 December 2015 Mr Austin subscribed for 900,000 Ordinary Shares of £0.20 each at a price of £0.50 each;
“FSMA”	the Financial Services and Markets Act 2000 of the UK, as amended;
“general meeting”	a meeting of the Shareholders of the Company or a class of Shareholders of the Company (as the context requires);
“IFRS”	International Financial Reporting Standards as adopted by the European Union;
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA as amended from time to time;
“London Stock Exchange”	London Stock Exchange plc;
“Macquarie”	Macquarie Capital (Europe) Limited;

“Memorandum”	the memorandum of association of the Company in force from time to time;
“Model Code”	the Model Code on directors’ dealings in securities set out in Annex I R of Chapter 9 of the Listing Rules;
“Net Placing Proceeds”	the funds received on closing of the Placing less any expenses paid or payable in connection with Admission, the Placing and the incorporation (and initial capitalisation) of the Company;
“New Ordinary Shares”	the new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing;
“Official List”	the official list maintained by the UK Listing Authority;
“Ordinary Shares”	the ordinary shares of £0.20 each in the capital of the Company including, if the context requires, the New Ordinary Shares;
“Placees”	those persons who have signed Placing Letters;
“Placing”	The conditional placing of up to 8,800,000 New Ordinary Shares by Macquarie at the Placing Price and on the terms and subject to the conditions of the Placing Agreement;
“Placing Agreement”	means the placing agreement dated 8 January 2016 between the Company, the Directors, and Macquarie, details of which are set out in “Part XIII – Additional Information”;
“Placing Price”	£0.50 per New Ordinary Share;
“Premium Listing”	a premium listing under Chapter 6 of the Listing Rules;
“Prospectus Directive”	Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state), and includes any relevant implementing measures in each EEA State that has implemented Directive 2003/71/EC;
“Prospectus Rules”	the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA, as amended from time to time;
“Registrar”	Capita Asset Services or any other registrar appointed by the Company from time to time;
“Registrar Agreement”	The registrar agreement dated 8 January 2016 between the Company and the Registrar details of which are set out in “Part XIII – Additional Information”;
“Regulation S”	Regulation S promulgated under the U.S. Securities Act;
“Securities Act”	the U.S. Securities Act of 1933, as amended;
“Shareholder”	a holder of Ordinary Shares and/or New Ordinary Shares, as the context requires;
“Standard Listing”	a standard listing under Chapter 14 of the Listing Rules;
“Takeover Code”	the City Code on Takeovers and Mergers;
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time;
“UK Listing Authority”	the FCA in its capacity as the competent authority for listing in the U.K. pursuant to Part VI of FSMA;

“ uncertificated ” or “ uncertificated form ”	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
“ United Kingdom ” or “ UK ”	the United Kingdom of Great Britain and Northern Ireland;
“ United States ” or “ U.S. ”	the United States of America;
“ U.S. Person ”	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act;
“ VAT ”	(i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition.

References to a “**company**” in this document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

PART XV

TERMS AND CONDITIONS OF THE PLACING

1. Introduction

- 1.1. Each Placee which confirms its agreement (whether orally or in writing) to Macquarie to acquire New Ordinary Shares pursuant to the Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2. Macquarie may require any Placee procured by it to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as Macquarie (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter.

2. Agreement to acquire shares

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 13 January 2016 (or such later time and/or date, being no later than 29 January 2016, as the Company and Macquarie may agree); (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 13 January 2016 (or such later time and/or date being no later than 29 January 2016, as Macquarie and the Company may agree); and (iii) Macquarie confirming to Placees their allocation of New Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those New Ordinary Shares allocated to it by Macquarie at the Placing Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. Payment for shares

- 3.1. Each Placee must pay the Placing Price for the New Ordinary Shares issued to the Placee in the manner and by such time as directed by Macquarie. If any Placee fails to pay as so directed and/or by the time required by Macquarie, the relevant Placee's application for the New Ordinary Shares may, at the discretion of Macquarie, either be rejected or accepted and in the latter case paragraph 3.2 of these terms and conditions shall apply.
- 3.2. Each Placee is deemed to agree that if it does not comply with its obligation to pay the Placing Price for the New Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and Macquarie elects to accept that Placee's application, Macquarie may sell all or any of the New Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Macquarie's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such New Ordinary Shares on such Placee's behalf.

4. Representations and warranties

By agreeing to subscribe for New Ordinary Shares, each Placee which enters into a commitment with Macquarie to subscribe for New Ordinary Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to Macquarie, the Registrar, the Company and their respective officers, agents and employees that:

- 4.1. it is not a U.S. Person, is not located within the United States and is not acquiring the New Ordinary Shares for the account or benefit of a U.S. Person;
- 4.2. it is acquiring the New Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;

- 4.3. it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the New Ordinary Shares into or within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.4. it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Placing. It agrees that none of the Company, Macquarie nor the Registrar nor any of their respective officers, agents or employees will have any liability for any other information, representation or statement made or purported to be made by them or on its or their behalf in connection with the Company or the Placing and irrevocably and unconditionally waives any rights it may have in respect of any other information, representation or statement;
- 4.5. if the laws of any territory or jurisdiction outside England and Wales are applicable to its agreement to subscribe for New Ordinary Shares under the Placing, it has complied with all such laws, obtained all governmental and other consents, licences and authorisations which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the breach, whether by itself, the Company, Macquarie, the Registrar or any of their respective directors, officers, agents or employees, of the regulatory or legal requirements, directly or indirectly, of any such territory or jurisdiction in connection with the Placing;
- 4.6. it has carefully read and understands this document in its entirety and acknowledges that it is acquiring New Ordinary Shares on the terms and subject to the conditions set out in this Part XV and the Articles as in force at the date of Admission and agrees that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the New Ordinary Shares;
- 4.7. it has not relied on Macquarie or any person affiliated with Macquarie;
- 4.8. the content of this document is exclusively the responsibility of the Company, and the Directors and neither Macquarie nor any person acting on its behalf nor any of its Affiliates is responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this document or otherwise;
- 4.9. it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Macquarie or the Company;
- 4.10. it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.11. it acknowledges that the New Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and in compliance with all applicable state securities laws and under circumstances that would not require the Company to register under the US Investment Company Act of 1940 (as amended);
- 4.12. it accepts that none of the New Ordinary Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the New Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;

- 4.13. it acknowledges that the Company has not registered under the US Investment Company Act of 1940 (as amended) and that the Company has put in place restrictions for transactions not involving any public offering in the United States, to ensure that the Company is not and will not be required to register under the US Investment Company Act 1940 (as amended);
- 4.14. it is acquiring the New Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Ordinary Shares in any manner that would violate the U.S. Securities Act of 1933 (as amended), the US Investment Company Act 1940 (as amended) or any other applicable securities laws;
- 4.15. if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the New Ordinary Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the New Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.16. if it is a resident in the European Economic Area (other than the United Kingdom), it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive (as amended);
- 4.17. in the case of any New Ordinary Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive: (i) the New Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive (as amended), or in circumstances in which the prior consent of Macquarie has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those New Ordinary Shares to it is not treated under the Prospectus Directive (as amended) as having been made to such persons;
- 4.18. if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and New Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other legal or regulatory requirements;
- 4.19. it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.20. if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for New Ordinary Shares under the Placing and will not be any such person on the date any such Placing is accepted;
- 4.21. it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Placing or the New Ordinary Shares to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.22. it is acknowledged that neither Macquarie nor any of its Affiliates (which, for the avoidance of doubt, in this document includes any person acting on its behalf) is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing, and that participation in the Placing is on the basis that it is not and will not be a client of Macquarie or its Affiliates who do not have any duties or responsibilities to a Placee for providing protections afforded to its clients or for

providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities required to be given in connection with its application under the Placing;

- 4.23. it acknowledges that where it is subscribing for New Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing by each such account: (i) to subscribe for the New Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by Macquarie. It agrees that the provisions of this paragraph shall survive any resale of the New Ordinary Shares by or on behalf of any such account;
- 4.24. it irrevocably appoints any director of the Company and any director of Macquarie to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the New Ordinary Shares for which it has given a commitment under the Placing, in the event of the failure of it to do so;
- 4.25. it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the New Ordinary Shares for which valid applications are received and accepted are not admitted to the Official List or to trading on the London Stock Exchange for any reason whatsoever then neither Macquarie nor the Company nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives shall have any liability whatsoever to it or any other person;
- 4.26. in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the UK Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (Council Directive No. 91/308/EEC) (the "**Money Laundering Directive**"); together with any regulations and guidance issued pursuant thereto or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.27. it acknowledges that due to Money Laundering Legislation, Macquarie, the Company and/or their agents may require proof of identity and verification of the source of the payment before an application to participate in the Placing can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Macquarie, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Macquarie, the Company and/or their agents against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- 4.28. it acknowledges and agrees that information provided by it to the Company or the Registrar will be stored on their respective computer systems and manually. It acknowledges and agrees that for the purposes of the DP Act and other relevant data protection legislation which may be applicable, the Company and the Registrar are required to specify the purposes for which it/they will hold personal data. The Company and or the Registrar will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
 - (a) process its personal data (including sensitive personal data) as required by or in connection with its holding of New Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;

- (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of New Ordinary Shares;
 - (c) provide personal data to such third parties as the Company or the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of New Ordinary Shares or as the DP Act may require, including to third parties outside the EEA;
 - (d) process its personal data for the Registrar's internal administration;
- 4.29. in providing the Company and the Registrar with information, it hereby represents and warrants to the Company and the Registrar that it has obtained the consent of any data subject to the Company and the Registrar and their respective associates holding and using their personal data for the document (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph 4.29 above). For the purposes of this document, “**data subject**”, “**personal data**” and “**sensitive personal data**” shall have the meanings attributed to them in the DP Act;
- 4.30. Macquarie and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- 4.31. the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Macquarie, and the Company and their respective Affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or agreements made or deemed to have been made by its subscription of the New Ordinary Shares are no longer accurate, it shall promptly notify Macquarie and the Company;
- 4.32. where it or any person acting on behalf of it is dealing with Macquarie any money held in an account with Macquarie on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Macquarie to segregate such money, as that money will be held by Macquarie under a banking relationship and not as trustee;
- 4.33. any of its clients, whether or not identified to Macquarie, will remain its sole responsibility and will not become clients of Macquarie or, for the purposes of the rules of the FCA or for the purposes of any statutory or regulatory provision;
- 4.34. it accepts that the allocation of New Ordinary Shares shall be determined by Macquarie in its absolute discretion (after consultation with the Company) and that such persons may scale back any Placing commitments (under the Placing) for this purpose on such basis as they may determine;
- 4.35. it authorises Macquarie to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Company) payable on the number of New Ordinary Shares allocated to it under the Placing; and
- 4.36. time shall be of the essence as regard its obligations to settle payment for the New Ordinary Shares and to comply with their other obligations under the Placing.

5. Supply and disclosure of information

If Macquarie, the Registrar or the Company or any of their agents request any information about a Placee's agreement to purchase New Ordinary Shares under the Placing, such Placee must promptly disclose it to them.

6. Miscellaneous

- 6.1. The rights and remedies of Macquarie, the Registrar, the Company, the Board and their respective Affiliates under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

- 6.2. On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally to Macquarie the jurisdiction in which its funds are managed or owned. All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to Macquarie.
- 6.3. Each Placee agrees to be bound by the Articles (as amended from time to time) once the New Ordinary Shares that the Placee has agreed to subscribe pursuant to the Placing have been acquired by the Placee. The contract to subscribe for New Ordinary Shares under the Placing and the appointments and authorities mentioned in this document will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Macquarie, the Registrar and the Company each Placee irrevocably submits to the exclusive jurisdiction of the courts of England and Wales waives any objection to proceedings in any such courts on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.
- 6.4. In the case of a joint agreement to purchase New Ordinary Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 6.5. Macquarie and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.
- 6.6. The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, which will be satisfied prior to Admission, and the Placing Agreement not having been terminated. In the event that the Placing does not complete, Admission will not take place. Further details of the terms of the Placing Agreement are contained in paragraph 11.2 of Part XIII of this document.

