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The distribution of this document and/or any accompanying documents into a jurisdiction other than the UK may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or any other jurisdiction where to do so might constitute a violation of local securities laws or regulations.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some (but not all) of your Ordinary Shares, please retain these documents and consult the stockbroker or other agent through whom the sale or transfer was effected.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

It is anticipated that Admission will become effective and that dealings in the New Ordinary Shares, will commence on AIM at 8.00 a.m. on 24 April 2019. The New Ordinary Shares will, on admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company by reference to a record date falling after Admission.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk.

Independent Oil and Gas plc

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 07434350)

Placing of 165,795,050 Placing Shares at 10 pence per Ordinary Share to raise £16.6 million

**Subscription of 3,250,000 Subscription Shares at 10 pence per Ordinary Share to raise
£0.325 million**

**Open Offer of up to 20,128,580 Open Offer Shares at 10 pence per Ordinary Share
on the basis of 3 Open Offer Shares for every 19 Existing Ordinary Shares**

Restructuring of arrangements with London Oil and Gas Limited (in administration)

and

Notice of General Meeting

**Nominated Adviser &
Joint Bookrunner**



Joint Bookrunner

PEEL HUNT

Joint Bookrunner



Notice convening a General Meeting of the Company to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT on 23 April 2019 at 11.00 a.m. is set out at the end of this document. Shareholders will also find enclosed with this document a proxy form. To be valid, the proxy form must be signed and returned in accordance with the instructions printed on it so as to be received by the Company's registrars, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol, BS99 6AH, United Kingdom as soon as possible but in any event no later than 11.00 a.m. on 18 April 2019. The completion and posting of a proxy form or the appointment of a proxy

through CREST will not preclude shareholders from attending and voting in person at the General Meeting should they wish to do so. Copies of this document will be available free of charge from the Company's registered office during normal business hours on each day (excluding Saturday, Sunday and public holidays) from the date hereof until the date of the General Meeting. Copies will also be available from the Company's website at www.independentoilandgas.com

Shareholders who hold their shares in uncertificated form may use the CREST electronic proxy appointment service. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message must be properly authenticated and contain the information required for such instructions as described in the CREST Manual. The message must be transmitted so as to be received by the Company's registrars, Computershare Investor Services PLC (ID 3RA50), by no later than 11.00 a.m. on 18 April 2019.

In connection with the Placing and Admission, finnCap, in its capacity as nominated adviser and joint bookrunner, and Peel Hunt and GMP FirstEnergy, in their capacity as joint bookrunners, are authorised and regulated in the United Kingdom by the Financial Conduct Authority, and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of finnCap, GMP FirstEnergy or Peel Hunt or for advising any other person in respect of the Placing and Admission or any transaction, matter or arrangement referred to in this document. finnCap's responsibilities as the Company's nominated adviser are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on finnCap, GMP FirstEnergy or Peel Hunt by FSMA or the regulatory regime established thereunder, none of finnCap, GMP FirstEnergy or Peel Hunt accept any responsibility whatsoever for the contents of this documents, including its accuracy, completeness or verification or for any other statement made or purported to be made by them, or on their behalf, in connection with the Company, or the Placing. finnCap, GMP FirstEnergy and Peel Hunt accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

The distribution of this document and/or the accompanying documents, and/or the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the United States, Canada, Japan, Australia, the Republic of Ireland, the Republic of South Africa, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Placing Shares, the Open Offer Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Japan, Canada, Australia, the Republic of Ireland or the Republic of South Africa. Subject to certain exceptions, the Placing Shares, the Open Offer Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan and, subject to certain exceptions, Application Forms are not being posted to and no Open Offer Entitlements or the Excess Open Offer Entitlements will be credited to a stock account of any person in the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part IV of this document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 18 April 2019. The procedure for acceptance and payment is set out in Part IV of this document and, where relevant, in the Application Form.

Qualifying non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 4 April 2019. Applications under the Open Offer may only be made by the Qualifying

Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex-entitlement" by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 4 April 2019, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Copies of this document will be available free of charge from the Company's registered office during normal business hours on each day (excluding Saturday, Sunday and public holidays) from the date hereof until the date of the General Meeting. Copies will also be available from the Company's website at www.independentoilandgas.com.

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DIRECTORS AND ADVISERS

Directors	Fiona Margaret MacAulay (<i>Non-Executive Chair</i>) Andrew Raymond Hockey (<i>Chief Executive Officer</i>) Mark Andrew Hughes (<i>Chief Operating Officer</i>) Esa Tapani Ikaheimonen (<i>Non-Executive Director</i>) The Right Honourable Charles Hendry (<i>Non-Executive Director</i>) Martin Stephen Ruscoe (<i>Non-Executive Director</i>)
Company Secretary	Robin Storey
Nominated adviser and joint bookrunner to the Placing	finnCap Ltd 60 New Broad Street London EC2M 1JJ
Joint bookrunner to the Placing	GMP FirstEnergy 85 London Wall London EC2M 7AD
Joint bookrunner to the Placing	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Legal advisers to the Company	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Legal advisers to the nominated adviser and joint bookrunners to the Placing	Bryan Cave Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6AH

PLACING, SUBSCRIPTION AND OPEN OFFER STATISTICS

Issue Price for each Placing Share and Open Offer Share	10 pence
Number of Existing Ordinary Shares in issue as at the date of this document	127,481,012
Basis of Open Offer	3 Open Offer Shares for every 19 Existing Ordinary Shares
Number of Placing Shares to be issued pursuant to the Placing (at the Issue Price)	165,795,050
Number of Subscription Shares	3,250,000
Number of Open Offer Shares to be issued pursuant to the Open Offer ¹ (at the Issue Price)	up to 20,128,580
Number of New Ordinary Shares to be issued to LOG	20,497,204
Enlarged Share Capital immediately following completion of the Proposals ¹	337,151,846
Placing Shares as a percentage of the Enlarged Share Capital	49.2 per cent.
Gross proceeds of the Placing, Subscription and Open Offer ¹	£18.9 million
Estimated net proceeds of the Placing, Subscription and Open Offer ¹	£17.9 million
Market capitalisation of the Enlarged Share Capital at the Issue Price ¹	£33.7 million

¹ Assuming full take-up under the Open Offer and that the Subscriptions are received following publication of the Company's annual report and accounts for the year ended 31 December 2018.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2019

Record Date for entitlement under the Open Offer	6.00 p.m. on 29 March
Announcement of the Proposals	1 April
Posting of this document and Forms of Proxy and to Qualifying non-CREST Shareholders only, the Application Form	3 April
Ex-entitlement Date for the Open Offer	3 April
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 4 April
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 12 April
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 15 April
Latest time and date for splitting Application Forms (to satisfy bona fide market claims)	3.00 p.m. on 16 April
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 18 April
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 18 April
General Meeting	11.00 a.m. on 23 April
Admission effective and dealings in the New Ordinary Shares	8.00 a.m. on 24 April
Expected date for crediting of Placing Shares and Open Offer Shares in uncertificated form to CREST stock accounts	8.00 a.m. on 24 April
Expected date of despatch of share certificates in respect of Placing Shares and Open Offer Shares in certificated form	by 8 May

Notes:

- (1) If you have any questions on the procedure for acceptance and payment, you should contact Computershare by telephone between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday on 0370 707 1755 from within the UK or +44 (0)370 707 1755 if calling from outside the UK. Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement.
- (2) The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this document may be adjusted by IOG in which event details of the new dates will be notified to AIM and, where appropriate, to Shareholders.
- (3) All references to time in this document are to time in London.

DEFINITIONS

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

“Act”	the Companies Act 2006;
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	the AIM Market, a market operated by the London Stock Exchange;
“AIM Rules”	the rules for companies governing admission to and the operation of AIM, published by the London Stock Exchange;
“Applicant”	a Qualifying Shareholder or a person entitled by virtue of a bona fide market claim who lodges an Application Form under the Open Offer;
“Application Form”	the application form which accompanies this document for Qualifying non-CREST Shareholders for use in connection with the Open Offer;
“Articles”	the articles of association of the Company;
“Blocks”	the thirteen blocks and part blocks in the UK North Sea in which the Group currently holds an interest and “Block” shall mean any one of them;
“Blythe”	the gas discovery in Blocks 48/22b and 48/23a;
“Blythe East Licence”	the licence to the east of the Blythe Licence awarded to IOG by DECC in the 27th Licencing Round;
“Blythe Licence”	licence P1736 covering Blocks 48/22b and 48/23a which contains the Blythe field discovery;
“Board”	the board of directors of the Company for the time being or a duly constituted committee thereof;
“Business Days”	any day on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
“CCSS”	the CREST courier and sorting service, established by Euroclear UK & Ireland to facilitate, <i>inter alia</i> , the deposit and withdrawal of certified securities;
“Closing Price”	the closing middle market price of an Existing Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
“Code”	the City Code on Takeovers and Mergers;
“Company” or “IOG”	Independent Oil and Gas Plc, a company incorporated in England and Wales with registered number 07434350;
“Core Project”	the Company’s gas project in the UK Southern North Sea which is intended to comprise the development of six discovered gas fields: Southwark, Blythe, Elgood, Goddard (2C Contingent Resources only), Nailsworth and Elland;

“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of uncertificated shares operated by Euroclear UK & Ireland Limited;
“CREST Manual”	the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time;
“CREST member”	a person who has been admitted by Euroclear UK & Ireland as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear UK & Ireland;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No 3755) (as amended);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members);
“Debt Conversion”	the conversion of £1,639,776 of the LOG Debt into New Ordinary Shares through the issue of the LOG Shares, such shares being issued at the relevant conversion price as agreed in the convertible loan agreement entered into by IOG and LOG on 29 March 2016;
“Directors”	the directors of the Company as at the date of this document whose names are set out on page 5 of this document and “Director” means any one of them;
“Enlarged Ordinary Share Capital”	the issued Ordinary Shares following the completion of the Proposals comprising the Existing Ordinary Shares, the Placing Shares, the Subscription Shares, the Open Offer Shares (assuming that the Open Offer is subscribed in full) and the LOG Shares;
“enabled for settlement”	in relation to Open Offer Entitlements or Excess Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear UK & Ireland);
“Euroclear UK & Ireland” or “Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements;

“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to that Shareholder’s stock account in CREST, pursuant to the Excess Application Facility, which is conditional on the Shareholder taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document;
“Excess Open Offer Entitlement”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to that Shareholder’s Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on the Shareholder taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document;
“Excess Shares”	Open Offer Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility;
“Excluded Territories”	the United States, Australia, Canada, Japan, the Republic of South Africa, the Republic of Ireland and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations;
“Existing Ordinary Shares”	the 127,481,012 Ordinary Shares in issue as at the date of this document;
“FCA”	the Financial Conduct Authority;
“finnCap”	finnCap Ltd, the Company’s nominated adviser and joint bookrunner to the Placing;
“Form of Proxy”	the form of proxy accompanying this document relating to the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“Fundraising”	the raising of equity by the Company through the Placing, the Subscription and the Open Offer;
“General Meeting”	the general meeting of the Company, notice of which is set out at the end of this document, and including any adjournment(s) thereof;
“GMP FirstEnergy”	FirstEnergy Capital LLP, trading as GMP FirstEnergy, the Company’s joint bookrunner to the Placing;
“Group”	the Company and its subsidiaries;
“HMRC”	HM Revenue and Customs;
“IFRS”	International Financial Reporting Standards;
“ISIN”	the International Securities Identification Number;
“Issue Price”	10 pence per New Ordinary Share;
“Joint Bookrunners”	the Company’s joint bookrunners for the purposes of the Placing, being finnCap, GMP FirstEnergy and Peel Hunt;

“LCF”	London Capital and Finance plc (in administration);
“LIBOR”	London inter-bank offered rate;
“LOG”	London Oil & Gas Limited (in administration);
“LOG Debt”	the existing indebtedness of the Company to LOG of approximately £34.62 million pursuant to various convertible and non-convertible loan agreements entered into between the parties;
“LOG Restructuring”	the restructuring of the Company’s existing arrangements with LOG through the rescheduling of certain amounts owed pursuant to the LOG Debt, the Debt Conversion and the extension of the LOG 2015 Warrants as described in further detail in Part 1 of this document;
“LOG Shares”	the 20,497,204 New Ordinary Shares to be issued to LOG pursuant to the Debt Conversion;
“LOG 2015 Warrants”	the warrants to subscribe for 7,500,000 Ordinary Shares at a strike price of 8 pence and 5,777,310 Ordinary Shares at a strike price of 11.9 pence which were granted by the Company to LOG in 2015 as part of the provision of certain loans to the Company by LOG and which comprise part of the warrants to subscribe for Ordinary Shares granted to LOG as part of the LOG Debt;
“London Stock Exchange”	London Stock Exchange plc;
“Member Account ID”	the identification code or number attached to any member account in CREST;
“Money Laundering Regulations”	the Money Laundering Regulations 2007 (as amended);
“New Ordinary Shares”	the Placing Shares, the Subscription Shares, the Open Offer Shares and the LOG Shares;
“Official List”	the official list of the FCA;
“Open Offer”	the invitation to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price on the terms of and subject to the conditions set out or referred to in Part IV of this document and, where relevant, in the Application Form;
“Open Offer Entitlement”	the pro rata basic entitlement for Qualifying Shareholders to apply to subscribe for 3 Open Offer Shares for every 19 Existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer;
“Open Offer Shares”	up to 20,128,580 Open Offer Shares for which Qualifying Shareholders are being invited to apply under the terms of the Open Offer;
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company;
“Overseas Shareholders”	Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories other than the United Kingdom;

“Peel Hunt”	Peel Hunt LLP, the Company’s joint bookrunner to the Placing;
“Phase 1”	the first phase of the development of the SNS Project;
“Phase 2”	the second phase of the development of the SNS Project;
“Placee”	means persons who have agreed to conditionally subscribe for Placing Shares pursuant to the Placing;
“Placing”	the conditional placing of the Placing Shares by finnCap, GMP FirstEnergy and Peel Hunt pursuant to the Placing Agreement described in paragraph 9 of Part I;
“Placing Agreement”	the conditional agreement dated 1 April 2019 between finnCap, GMP FirstEnergy and Peel Hunt and the Company relating to the Placing, further details of which are set out in paragraph 9 of Part I of this document;
“Placing Shares”	the 165,795,050 new Ordinary Shares to be issued by the Company pursuant to the Placing;
“Proposals”	the proposals contained in this document relating to the Placing, the Subscription, the Open Offer and the LOG Restructuring;
“Prospectus Rules”	the prospectus rules of the FCA made pursuant to section 73A of FSMA;
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date are held in uncertificated form;
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date are held in certificated form;
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the Company’s register of members at the Record Date (other than Overseas Shareholders who are located in or citizens of, or have a registered address in certain overseas jurisdictions (including without limitation, any Excluded Territory) and to whom any part of Paragraph 6 of Part IV applies so as to exclude their participation in the Open Offer;
“Record Date”	6.00 p.m. on 29 March 2019;
“Registrar”, “Receiving Agent” or “Computershare”	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol, BS99 6AH;
“Relationship Agreement”	the relationship agreement to be entered into between the Company and LOG as set out in paragraph 8 of Part 1 of this document;
“Restricted Jurisdictions”	the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or any other country outside the United Kingdom where the distribution of this document may lead to a breach of any applicable legal or regulatory requirements;

“Resolutions”	the resolutions contained in the notice of General Meeting which is set out at the end of this document;
“SEDOL”	the Stock Exchange Daily Official List Identification Number;
“Shareholder”	a holder of an Ordinary Share;
“SNS Project”	the Blythe and Vulcan satellites gas hubs project in the UK’s Southern North Sea;
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
“Subscribers”	together, Fiona MacAulay, Andrew Hockey, Mark Hughes, James Chance, Esa Ikaheimonen, Martin Ruscoe, Rupert Newall, Gavin Milne, Alex McFarlane, Jonathan Walker and an adviser to the Company;
“Subscription”	the proposed conditional subscription for new Ordinary Shares by certain Directors and key executives;
“Subscription Shares”	the 3,250,000 new Ordinary Shares to be issued by the Company pursuant to the Subscription;
“Takeover Code”	the City Code on Takeovers and Mergers;
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Persons”	a US person as defined in Regulation S promulgated under the US Securities Act; and
“US Securities Act”	the United States Securities Act of 1933 (as amended).

GLOSSARY

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

“2C”	mid-case estimate of contingent resources
“Boe” or “BOE”	barrels of oil equivalent. One barrel of oil is approximately the energy equivalent of 5,800 cf of natural gas
“BCF” or “bcf” or “Bscf”	billion (10^9) standard cubic feet; 1 Bcf is approximately equal to 172,414 Boe or 23,618 tonnes of oil equivalent, using a factor of 5.8 Bcf per MMBbls
“MMBbls”	millions (10^6) of barrels of oil
“MMcfd”	millions (10^6) of cubic feet per day
“oil”	mixture of liquid hydrocarbons of different molecular weights
“oil equivalent”	international standard for comparing the thermal energy of different fuels
“petroleum”	a generic name for hydrocarbons, including crude oil, natural gas liquids, natural gas and their products
“resources”	deposits of naturally occurring hydrocarbons which, if recoverable, include those volumes of hydrocarbons either yet to be found (prospective) or if found the development of which depends upon a number of factors (technical, legal and/or commercial) being resolved (contingent)
“seismic” or “seismic survey”	a method by which an image of the earth’s subsurface is created through the generation of shockwaves and analysis of their reflection from rock strata. Such surveys can be done in two or three dimensional form

PART I

Letter from the Chair

INDEPENDENT OIL AND GAS PLC

(Incorporated and registered in England under the Companies Act 2006 with registered number 07434350)

Directors:

Fiona Margaret MacAulay (*Non-Executive Director and Chair*)
Andrew Raymond Hockey (*Chief Executive Officer*)
Mark Andrew Hughes (*Chief Operating Officer*)
Esa Tapani Ikaheimonen (*Non-Executive Director*)
The Right Honourable Charles Hendry (*Non-Executive Director*)
Martin Stephen Ruscoe (*Non-Executive Director*)

Registered Office:

6th Floor
60 Gracechurch Street
London
EC3V 0HR

3 April 2019

Dear Shareholder,

**Placing of 165,795,050 Placing Shares at 10 pence per Ordinary Share to raise £16.6 million
Subscription of 3,250,000 Subscription Shares at 10 pence per Ordinary Share to raise
£0.325 million
Open Offer of up to 20,128,580 Open Offer Shares at 10 pence per Ordinary Share
on the basis of 3 Open Offer Shares for every 19 Existing Ordinary Shares
Restructuring of arrangements with London Oil and Gas Limited (in administration)
and
Notice of General Meeting**

1. Introduction

On 1 April 2019, the Company announced that, through a conditional Placing from new and existing institutional and other investors, it had raised approximately £16.6 million before expenses, by the issue of 165,795,050 Placing Shares at a price of 10 pence per Ordinary Share together with an intended Subscription at the Issue Price by certain Directors and key executives to raise up to £0.325 million. At the same time, the Company announced its intention to launch the Open Offer in order raise up to approximately £2 million through the issue of up to 20,128,580 Open Offer Shares at the Issue Price.

The Fundraising is being undertaken for three principal purposes:

- to fund an appraisal well at the Harvey field, the objective of which will be to prove up Low/Mid/High case management estimated Prospective Resources of 85/129/199 Billion Cubic Feet (BCF) and demonstrate commerciality of the asset, with a management estimated 63 per cent. Geological Chance of Success (GCoS);
- to fund the required work to submit a Field Development Plan (FDP) for the independently assessed 2C Contingent Resources of 108 BCF at the Goddard field; and
- to fund the Company's ongoing project costs and overheads as it progresses its farm-out process which is designed to fund its Core Project to first gas.

Alongside and inter-conditional with the Placing, the Company is proposing to restructure its existing arrangements with LOG, through the rescheduling of £7.1 million owed to LOG pursuant to the LOG Debt, the Debt Conversion and a 12 month extension of the LOG 2015 Warrants.

The Proposals are all conditional, *inter alia*, on the receipt of Shareholder approval of the necessary Resolutions at the General Meeting, notice of which is set out at the end of this document. If the requisite Resolutions are not passed, the Proposals will not proceed.

Admission of the New Ordinary Shares to trading on AIM is expected to occur at 8.00 a.m. on 24 April 2019 or such later time(s) and/or date(s) as the Joint Bookrunners and the Company may agree.

The purpose of this letter is to outline the reasons for, and to explain the terms of, the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and Shareholders as a whole and to seek your approval to the Resolutions at the forthcoming General Meeting, to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane London EC4R 3TT on 23 April 2019 at 11.00 a.m.

2. Information on IOG

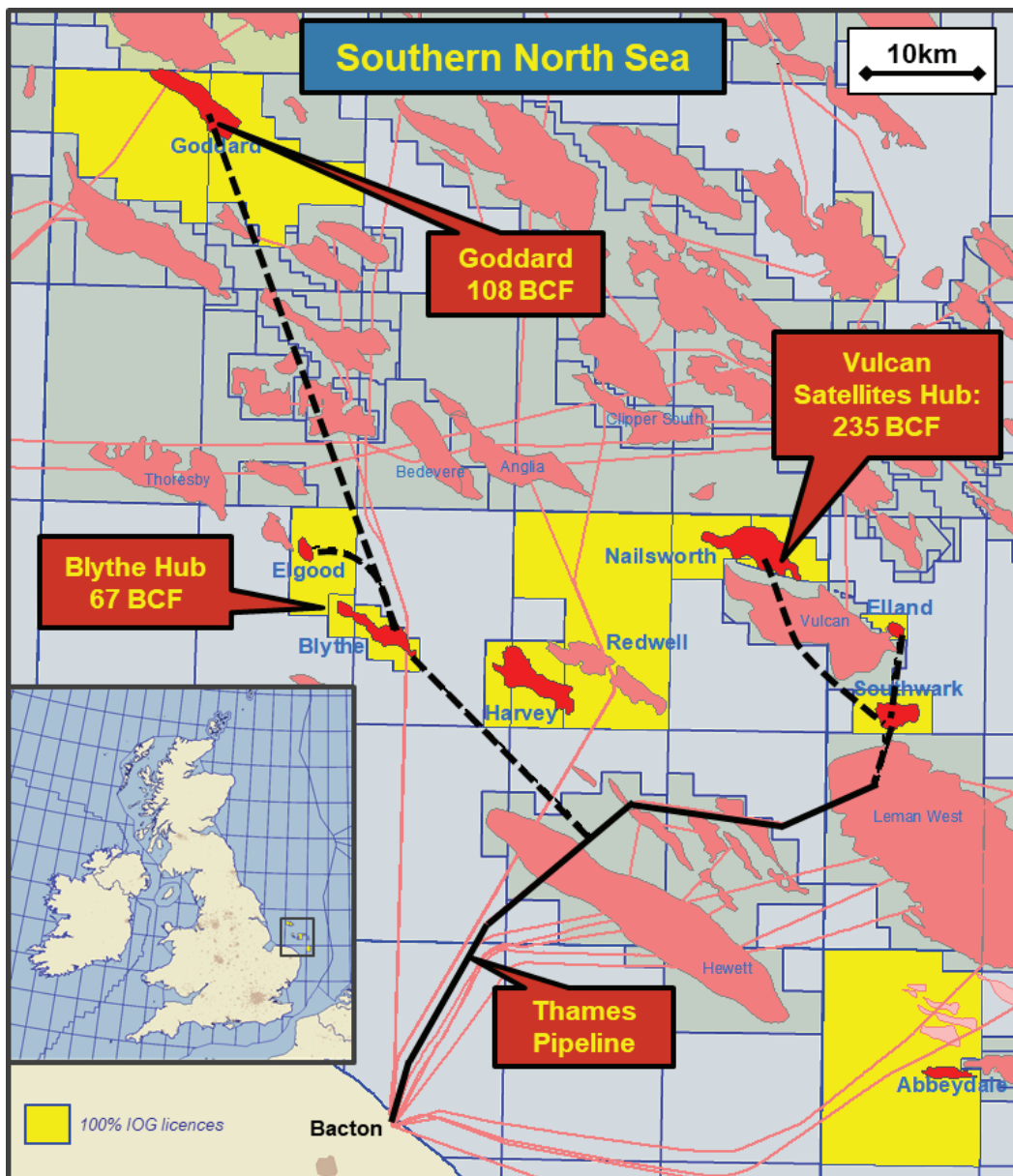
IOG is an independent development and production company focused on developing its portfolio of gas fields and delivering into the import-dependent UK market safely and at a low unit cost, generating material cash flows for the Group and excellent returns for investors. Since its incorporation in November 2010 the Company has established a valuable portfolio, consisting primarily of six 100 per cent. owned UK Southern North Sea gas discoveries, where 12 wells have been drilled to date, with certified Proved + Probable (2P) gas reserves of 302bcf justified for development (at Southwark, Blythe, Elgood, Nailsworth and Elland) and 2C Contingent Resources of 108bcf at Goddard. These six fields form the Core Project which is planned to be developed in two phases. In addition, the company has full ownership of the Harvey licence which, together with Goddard, add a further 202bcf mid-case Prospective Resources to the portfolio, making a total of 612bcf mid-case reserves and resources.

Importantly, these fields are near to the fully owned Thames gas pipeline (PL370), which is estimated to save the Company up to £100 million in capital costs and significant operational costs savings during field life. Recent engineering studies, pressure tests and offshore activities including pipeline pigging and surveys have demonstrated that the pipeline is in excellent condition and fit for purpose for the planned development of the Company's assets at the Blythe and Vulcan Satellites Hubs.

IOG has a highly experienced and motivated team which has been assembled specifically with a view to a successful Southern North Sea gas development. Several members of the team have been involved in successful projects and transactions in this area previously.

The Company has 100% ownership of all of its gas assets as well as the Thames Pipeline, giving it full control of its development activities. Integrity of the pipeline was confirmed in 2018 via a 24 hour 150-bar pressure hydrotest and tethered pig inspection run from the terminal into the line's final section. This pressure level is well above that required to deliver IOG's current gas portfolio safely to the Bacton terminal. As such, the Thames pipeline is now conclusively proven for a new economic life as a fully viable, minimal cost, zero tariff export route delivering up to 550 MMcfd directly into the UK market, versus IOG's projected full portfolio peak production of circa 230 MMcfd. Ownership of the line therefore provides substantial tariff-free ullage for IOG's existing gas portfolio and future acquisitions, plus third-party gas tariff opportunities.

The Company will deliver gas into the UK gas market. This market has strong fundamentals and relatively stable prices due to consistent demand patterns and long-term falling supply. UK National Balancing Point (NBP) gas prices have averaged 50p/therm over the past decade, while the Company's overall portfolio breakeven price is 21p/therm. The UK's net gas imports stand at 56 per cent., having previously been a net gas exporter prior to 2003. The Company's Southern North Sea gas project will help to address this domestic gas production shortfall. Its fully-owned Thames Pipeline delivers directly into UK gas market at Bacton Terminal on the north Norfolk coast.



The Blythe Hub

The Blythe hub contains two gas discoveries, Blythe and Elgood. Blythe was first discovered in the Rotliegend formation in 1966 by Burmah Oil. It was appraised in 1987 by ARCO, encountering a 141ft gas column and testing gas at 15.2mmcf/d. Since its acquisition, the Company has reprocessed existing 3D seismic data and a CPR over this asset estimates that it has proved and probable 2P reserves of 33bcf.

Elgood lies 5km northwest of Blythe and was discovered in 1991 by Enterprise Oil. Elgood has estimated proved and probable 2P gas reserves of 21.7bcf.

Goddard

The Goddard natural gas field was first discovered in 1994 by ARCO well 48/11b-12, encountering 499ft of gas bearing Lemn Sandstone. The asset lies in proximity to the Blythe and Vulcan Satellites Hubs, allowing for a potential tie-back to existing IOG infrastructure. A Competent Persons Report completed in October 2018 estimates 2C Contingent Resources at Goddard to be 108bcf and mid-case Prospective Resources to be 73bcf. IOG secured the licences over the field in the 30th Offshore Licencing Round by committing to reprocessing of 3D seismic data and drilling a firm well within a three-year term.

The Board proposes to use part of the proceeds of the Fundraising to fund the preparatory work and submission of the Field Development Plan for the Goddard field.

The Vulcan Satellites Hub

The Vulcan Satellites Hub comprises three gas discoveries: Southwark, Nailsworth and Elland. They are located approximately 35km east of the Blythe Hub and 60km offshore from the Bacton gas terminal. Combined these fields have estimated 2P proved and probable reserves of 248.6bcf of gas and 1.1mmbbls of condensate.

Harvey

Harvey is an appraisal gas asset located 11.5km southeast of Blythe. In 2016 the Company completed 3D seismic reprocessing and interpretation over Harvey, which was then augmented by further 3D seismic reprocessing across the full Harvey structure in 2018, thereby fulfilling the 30th Licensing Round commitment on licence P2441. The latter work formed the basis for an unrisks management estimate of Low/Mid/High case Prospective Resources of 85/129/199bcf with a Geological Chance of Success of 63 per cent.

In November 2017, the Company committed to drilling an appraisal well over Harvey by the end of 2019. The appraisal well will be funded from the proceeds of the Fundraising and is expected to be drilled in mid-2019.

In the event of a successful Harvey appraisal, development of Harvey would be integrated into the first phase of the project, significantly enhancing overall returns.

3. Current Funding Structure

Since late 2015, the Company's activities have principally been funded by a single investor, LOG. The Company currently has in place five loan agreements with LOG which (together with accrued interest) comprise the LOG Debt. These arrangements have provided the Company with access to funding of approximately £38.55 million (excluding interest), of which £34.62 million has been drawn to fund the Company's activities to date. The loans are secured against the Group's assets.

Further details of these loans are set out below.

2015 Loan Agreements

Two loan agreements were entered into in December 2015 in respect of an aggregate amount of £3.55 million to help fund costs of operations at the time. The loans carried interest of LIBOR +9 per cent per annum with both the principal and interest for a drawdown repayable 36 months after that drawdown and maturing at the end of 2019. As part of the terms, 5,777,310 warrants were also granted to LOG at 11.9 pence per Ordinary Share and 7.5 million warrants were granted at a price of 8 pence per Ordinary Share, in each case exercisable up to the end of the loan agreements. These loans are fully drawn.

2016 convertible loan facility

A further loan facility of up to £10 million was entered into in February 2016 to provide working capital and funding for acquisitions. The loan has a conversion price of 8p per Ordinary Share and carries a coupon of LIBOR +9 per cent per annum on the principal and accrued interest. Amounts drawn under the facility are repayable 36 months after each drawdown. The loan is fully drawn.

2018 convertible loan facility

A further loan facility of up to £10 million was put in place in February 2018 to fund IOG's work programme through to FID on the Blythe and Vulcan Satellites hub developments. The loan again carries a coupon of LIBOR + 9 per cent per annum, with accrued interest capitalised every six months. As with the previous convertible loan, principal and accrued interest is repayable 36 months after drawdown and the loan is fully drawn. The conversion price is 19 pence per Ordinary Share.

2018 non-convertible loan facility

A further loan facility of up to £15 million was put in place in September 2018 to continue to fund LOG's work programme. The loan carried a coupon of LIBOR + 9 per cent per annum up until 30 November 2018 when it went up to LIBOR + 11 per cent per annum, with accrued interest capitalised every six months. Principal and accrued interest is repayable 36 months after drawdown and the facility is currently drawn up to £11.075 million. The loan is not convertible. As part of the loan LOG was granted 20 million warrants exercisable at price of 32.18 pence per Ordinary Share up until 31 August 2023.

As part of the Proposals, LOG has agreed to restructure its arrangements with the Company so as to facilitate the implementation of the Fundraising. The LOG Restructuring will take effect on Admission and comprises the rescheduling of certain amounts due pursuant to the LOG Debt, the conversion of part of the LOG Debt into the LOG Shares, and the extension of the LOG 2015 Warrants as described in further detail in paragraph 8 below. LOG has also agreed to enter into a relationship agreement with the Company, further details of which are set out in paragraph 8 below.

4. Fundraising and use of proceeds

The Company is proposing to raise approximately £16.6 million (before expenses) pursuant to the Placing and, as announced on 1 April 2019 has conditionally placed 165,795,050 Placing Shares at the Placing Price with Placees. The Placing is being carried out by the Joint Bookrunners and is conditional on the passing of the Resolutions. The Placing will become unconditional on Admission which is expected to take place on 24 April 2019.

The Company is also proposing to raise £0.325 million pursuant to the Subscription by certain Directors, key executives and an adviser to the Company. The Company is currently in a "closed period" that restricts the Directors and key executives from acquiring the Company's Ordinary Shares prior to the release of the Company's final results for the year ended 31 December 2018. The Company has received the following indications from the certain Directors and key executives that on the expiry of the closed period they intend to subscribe for the following number of Subscription Shares:

<i>Director/Senior manager</i>	<i>Role</i>	<i>Subscription value (£)</i>	<i>Number of Subscription Shares subscribed for</i>
Fiona MacAulay	Non-Executive Chair	£20,000	200,000
Andrew Hockey	CEO	£10,000	100,000
Mark Hughes	COO	£10,000	100,000
James Chance	CFO	£10,000	100,000
Esa Ikaheimonen	Non-Executive Director	£50,000	500,000
Martin Ruscoe	Non-Executive Director	£120,000	1,200,000
Rupert Newall	Head of Corporate Finance	£30,000	300,000
Gavin Milne	Financial Controller	£10,000	100,000
Alex McFarlane	Commercial Manager	£5,000	50,000
Jonathan Walker	Engineering Manager	£10,000	100,000

The Subscription will be conditional on the passing of the Resolutions and it is intended that it will become unconditional on Admission which is expected to take place on 24 April 2019. A further announcement in relation to the Subscription is expected to be made following the release of the Company's final results for the year ended 31 December 2018 which is expected to be on or about 4 April 2019.

The Company is also providing Qualifying Shareholders the opportunity to participate in the Fundraising by way of the Open Offer. Further details of the Open Offer are set out in paragraph 10 below.

Further details of the Fundraising are set out in paragraphs 9 to 11 below.

5. Planned Development

It is currently intended that the proposed development of the SNS Project will be conducted in two Phases and comprises:

- **Phase 1** – which, subject to funding, will include the refurbishment of the Thames Pipeline reception facilities at the Bacton gas terminal, the re-commissioning of the Thames Pipeline, the drilling of five development wells (three in Southwark, one in Blythe and one in Elgood) and the installation and commissioning of the required unmanned platforms, pipelines and subsea equipment. Phase 1 will also include, in a success case, the drilling of two development wells in the Harvey field. Phase 1 is expected to reach First Gas at the start of 2021.
- **Phase 2** – which, subject to funding, will include a further seven development wells, with two development wells at the Goddard field, three at the Nailsworth field and two at the Elland field. Each of these fields will require its own unmanned platform, connector pipelines and subsea equipment. Phase 2 is expected to reach First Gas in the second half of 2022.

As part of the proceeds raised from the Placing, the Company plans to commence the Harvey appraisal well in mid-2019. If the Harvey appraisal well establishes the presence of commercial quantities of gas, development of the Harvey field would be integrated into Phase 1, alongside the Southwark, Blythe and Elgood fields. Subject to further information from the appraisal well, two development wells are planned based on the size of the structure, with first gas expected in early 2021. If the Harvey appraisal is not successful, the Phase 1 plan will remain in place, with the Southwark, Blythe and Elgood fields developed before progressing on to Phase 2.

It is currently proposed that the funding of the SNS Project will be either by way of a farm-out to an industrial partner or a further capital markets funding (both debt and equity). Focused discussions are continuing on both of these solutions. The Board expects to make a final decision on the choice of funding by the end of the first half of 2019.

6. Project Economics

The Core Project, excluding Harvey, is anticipated to deliver very attractive economics for a North Sea development project: unlevered project IRR of 36 per cent, with a peak annual production rate of 145 MMcfd (c.25,000 boe/d), capital costs of less than \$15/boe and operating costs of less than \$5/boe. The project breakeven gas price, defined as the price at which the project NPV10 would be zero, is 28 p/therm (c.\$22/boe). On a pre-tax basis, the project payback period is expected to be 36 months. The cash flows from Phase 1 are expected to fund the capital expenditure for Phase 2.

The Harvey success case is anticipated to deliver significant further improvement on the Core Project economics: unlevered project IRR of 65 per cent, with a peak annual production rate of c.230 MMcfd (c.40,000 boe/d), capital costs of less than \$10/boe, operating costs of less than \$5/boe and a breakeven gas price of 21 p/therm (c.\$17/boe). On a pre-tax basis, the project payback period is expected to be reduced to 20 months.

7. Value creation and investor return strategy

As noted above, the Company's Core Project is predicted to deliver strong production levels and excellent returns. The hub development strategy also establishes a platform for highly accretive incremental investment. Harvey and Goddard Prospective Resources would, subject to successful appraisal, represent very attractive additional developments, and any further assets nearby that IOG may acquire either through M&A activity, licence rounds or additional drilling activity could also provide excellent returns if integrated into the existing hubs. There is also the potential for third-party tariff income from use of the Thames Pipeline.

Management's focus is primarily on returns, per share valuation metrics and value accretion, rather than pure size and volume. Incremental investments will need to deliver against fully costed, fully risked IRR targets as well as strategic fit. The Company's intention is to establish a sustainable and progressive dividend policy at the appropriate stage. Management compensation is also aligned with shareholder returns.

8. Restructuring of LOG arrangements

As referred to above, the Company's activities since late 2015 have been funded principally by a series of loan facilities from LOG, totalling £38.55 million in principal, of which £34.62 million has been drawn down to date. As previously announced, LOG is in administration; as is London Capital and Finance Plc which is a lender to LOG. An administrator must carry out his functions in the interests of creditors as a whole and is subject to other statutory duties and requirements; which may have the effect that the administrators make decisions in relation to the LOG Debt (including the transfer of the LOG Debt) that are different to the decisions the lender would take if it is not in administration. The board of the Company has been in regular dialogue with the administrators of LCF and its representatives since LCF went into administration and now also the administrators of LOG and its representatives. The Company is aware that the administrators of LCF commissioned a third party evaluation of the Company and its assets. In light of this report, the administrators have confirmed to the Company that they view it as being a key asset for LCF and its underlying bondholders and have concluded that they will achieve the best return for such bondholders by supporting the Company with the LOG Restructuring. As part of the Fundraising and with effect from Admission, the Debt Conversion will result in part of the outstanding debt due to LOG, being the sum of £1,639,776 which comprises of, in part accrued interest under the convertible loan agreement entered into on 29 March 2016 being converted into Ordinary Shares (at the contractually agreed conversion price of 8 pence per Ordinary Share), resulting in 20,497,204 Ordinary Shares being issued to LOG.

In addition, subject to completion of the Placing, various maturity dates contained in the certain of the loan agreements entered into with LOG with effect from Admission will be extended by 12 months so that all these maturity dates will be extended into 2020 and none fall due for repayment in 2019.

The maturity dates of the LOG 2015 Warrants will also be extended by 12 months so that they expire on 31 December 2020, subject to completion of the Placing.

The Company will enter into a Relationship Agreement with LOG on Admission which provides, *inter alia*, for the regulation of LOG's relationship with the Company to ensure that the business of the Company is managed for the benefit of all shareholders, that all transactions with LOG are conducted on an arm's length basis and that the independence of the board of Directors is maintained. Under the agreement, LOG has also agreed not to increase its shareholding in the Company in excess of 29.99 per cent of the issued share capital of the Company from time to time (subject to certain exceptions). The Relationship Agreement contains provisions which entitle LOG to retain one director on the Board of IOG while interested in more than 15 per cent of the fully diluted share capital of IOG.

Under the Relationship Agreement LOG has also undertaken not to dispose of any Ordinary Shares owned by it for a period of 12 months from Admission and that for a further period of 12 months it will only dispose of any Ordinary Shares on an orderly market basis. This lock-in contains certain limited carve-outs which permit LOG to make disposals (including a carve-out which, following the expiry of an initial three month period, permits a disposal to LOG's funder which will be allowed to distribute Ordinary Shares to its retail bondholders). Other carve outs include acceptance of a takeover offer, disposals to members of the LOG group and, following the expiry of three months, limited disposals (not exceeding 10 per cent of the Company's issued share capital) on an orderly market basis. The Relationship Agreement will cease to have effect at such time as LOG ceases to have in interest in 15 per cent or more of the fully diluted share capital of the Company (which takes into account any rights to subscribe for shares granted to LOG).

The lock-in does not prohibit a sale of LOG's convertible debt and warrants. However in the event of such a sale, any purchaser will be required to enter into a relationship agreement on similar terms to the Relationship Agreement (save for the restriction on increasing such purchaser's shareholding above 29.99 per cent.). In addition, the LOG Debt and associated warrants may only be assigned in their entirety and any purchaser will be obliged to enter into a relationship agreement as referred to above. In the event of a sale of the LOG Debt and associated warrants, the Company has a period of 30 days in which to match any offer that is made to LOG by a third party.

All of the above arrangements are conditional on the Resolutions being passed and on Admission.

9. Further details of the Placing

The Company is proposing to raise gross proceeds of approximately £16.6 million pursuant to the Placing and has conditionally placed 165,795,050 Placing Shares at the Placing Price.

The General Meeting is being called, amongst other things, to seek Shareholders' approval to grant new authorities to enable the Company, *inter alia*, to complete the Placing, thereby raising gross proceeds of approximately £16.6 million for the Company. The Placing is conditional, *inter alia*, on the passing of the Resolutions and Admission, which is expected to take place on or about 24 April 2019.

All of the Placing Shares have been placed with institutions and other investors and they are not, therefore, being offered to existing Shareholders or members of the public. The Placing Shares will, upon issue, rank *pari passu* with each other and the Existing Ordinary Shares in issue following the Admission.

Pursuant to the terms of the Placing Agreement, the Company appointed the Joint Bookrunners as their agents to use their reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price.

The Placing is not conditional on the Open Offer.

10. Details of the Open Offer

Open Offer Structure

The Directors have given consideration as to the best way to structure the proposed Fundraising, having regard to current market conditions, the composition of the Company's shareholder register, the level of the Company's share price and the importance of pre-emption rights to Shareholders. After considering these factors, the Directors have concluded that including the Open Offer within the Fundraising is desirable to the Company and its Shareholders as a whole.

The Open Offer will provide an opportunity for Qualifying Shareholders to acquire new Ordinary Shares at the same price as the Placees by both acquiring Open Offer Shares pro rata to their current holdings of Existing Ordinary Shares and by subscribing for additional Open Offer Shares pursuant to the Excess Application Facility, subject to availability.

The Issue Price represents a 41.6 per cent. discount to the closing middle market price of 17.125 pence per Existing Ordinary Share on 29 March 2019, being the last practicable date prior to the announcement of the Proposals.

Principal terms of the Open Offer

Subject to the fulfilment of the conditions set out below and in Part IV of this document, Qualifying Shareholders are being given the opportunity to subscribe for the Open Offer Shares at a price of 10 pence per Open Offer Share, pro rata to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

3 Open Offer Shares for every 19 Existing Ordinary Shares

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility. Excess applications will be satisfied only to the extent that corresponding applications are not made by other Qualifying Shareholders or are made for less than their pro rata entitlements.

The allotment and issue of the Open Offer Shares will also be conditional on, *inter alia*, the Shareholder approval referred to above.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of £2,012,858 for the Company.

All of the Open Offer Shares will, upon issue, rank *pari passu* with each other and the Existing Ordinary Shares.

Fractions of Open Offer Shares will not be allotted and each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

Excess Application Facility

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2.10 of Part IV of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 4 April 2019. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 4 April 2019. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this document which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 4 April 2019.

Shareholders should note that the Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer. If applications are made

for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part IV of this document.

For Qualifying non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to the Receiving Agent so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 18 April 2019. For Qualifying CREST Shareholders the relevant CREST instructions must have been settled as explained in this document by no later than 11.00 a.m. on 18 April 2019.

Other information relating to the Open Offer

The Open Offer is conditional, *inter alia*, upon Admission of the New Ordinary Shares becoming effective by not later than 8.00 a.m. on 24 April 2019 (or such later time and/or date as the Company may determine, not being later than 8.00 a.m. on 8 May 2019).

Accordingly, if any of such conditions are not satisfied or, if applicable, waived, the relevant part or parts of the Open Offer will not proceed.

11. Overseas Shareholders

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part IV of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

12. General Meeting

A notice convening a General Meeting of the Company, to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT on 23 April 2019 at 11.00 a.m. is set out at the end of this document. At the General Meeting, the following resolutions will be proposed:

1. Resolution 1, which is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £3,220,550 in relation to the issue of the Placing Shares, the Subscription Shares, the Open Offer Shares, the LOG Shares and an additional number of new Ordinary Shares equal to approximately one third of the Company's Enlarged Ordinary Share Capital on the basis of full take up under the Open Offer; and
2. Resolution 2, which is a special resolution to authorise the Directors to allot New Ordinary Shares on a non-pre-emptive basis in relation to the issue of the Placing Shares, the Subscription Shares, the Open Offer Shares, the LOG Shares and an additional number of new Ordinary Shares with a nominal value of £842,880, being equal to approximately 25 per cent of the Company's Enlarged Ordinary Share Capital on the basis of full take up under the Open Offer.

13. Risk Factors

Your attention is drawn to the risk factors in Part II of this document which are important and should be read in full.

14. Action to be taken

General Meeting

Shareholders will find accompanying this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH as soon

as possible and, in any event, so as to arrive no later than 11.00 a.m. on 18 April 2019. Completion and return of the Form of Proxy will not affect your right to attend and vote in person at the General Meeting if you so wish.

In the event the Resolutions are not passed at the General Meeting neither the Fundraising nor the LOG Restructuring will be able to proceed. In those circumstances, the Company would need immediately to seek to secure alternative sources of funds to enable it to fund its corporate activities in the period immediately following the General Meeting. The Directors are unable to provide any assurance that any alternative financing or re-financing could immediately be secured or, that if it were secured, it would be on terms as favourable to the Company or would not result in a substantial dilution of Shareholders' interests. If no funds were immediately available, it is highly likely that the Company would cease to be able to trade, in which circumstances it is unlikely that there would be any value attributable to Shareholders. Even if financing were immediately available and the Company were able to continue trading, the Directors believe that the circumstances of such financing could result in a material adverse effect on the share price of the Company.

Open Offer

Qualifying non-CREST Shareholders

If you are a Qualifying non-CREST Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement or both your Open Offer Entitlement and any Excess Open Offer Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4.1.2 of Part IV of this document and on the Application Form itself.

Qualifying CREST Shareholders

If you are a Qualifying CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form accompanies this document and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer except (subject to certain exceptions) if you are an Overseas Shareholder who has a registered address in, or is a resident in or a citizen of an Excluded Territory. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements in excess of their Open Offer Entitlements should be made in accordance with the procedures set out in paragraph 4.1.4 of Part IV of this document, unless you are an Overseas Shareholder in which event, applications should be made in accordance with the procedures set out in paragraph 6 of Part IV of this document.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 18 April 2019. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part IV of this document.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

15. Recommendation

The Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. The Directors have

irrevocably undertaken to vote or procure to vote in favour of the Resolutions relating to the Proposals in respect of 326,113 Existing Ordinary Shares, in aggregate, representing approximately 0.26 per cent. of the existing issued ordinary share capital of the Company.

Yours sincerely

Fiona MacAulay

Chair

PART II

Risk Factors

Risks relating to the Group's business and the oil and gas industry

The Group's business, results of operations, value of assets, reserves, cash flows, financial condition and access to capital depend significantly upon and may be adversely affected by the level of oil and gas prices, which are highly volatile and have recently declined significantly

It is impossible to accurately predict future oil and gas price movements. Sustained lower oil and gas prices or price declines may lead to a material decrease in the Group's net production revenues. The Group may from time to time enter into agreements to receive fixed prices on future oil and gas production to offset the risk of revenue losses if commodity prices decline. However, if commodity prices increase beyond the levels set out in such agreements, the Group will not benefit from such increases and may nevertheless be obligated to pay suppliers and others in the market based on such higher prices. Furthermore, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms, and in addition, hedging itself carries certain risks, including expenses associated with terminating any hedging agreements. Further, sustained lower oil and gas prices may also cause the Group to make substantial downward adjustments to its oil and gas reserves. If this occurs, or the Group's estimates of production or economic factors change, the Group may be required to write-down the carrying value of its proved oil and gas properties to reflect these impairments. Furthermore, certain development projects could become unprofitable as a result of a decline in oil and gas prices and could result in the Group having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with negative economic impact. Additionally, if oil and gas prices remain depressed, it could reduce the Group's ability to refinance any outstanding loans at maturity.

The Group may be affected by changes in the global economy and financial markets

The Group may be materially and adversely affected by, amongst other things, the general state of the economy and business conditions, the occurrence of recession, inflation or adverse credit markets. Weak global or regional economic conditions may negatively impact the business of the Group in ways that it cannot predict. Global financial markets and economic conditions have been severely disrupted and volatile in recent years and remain subject to significant vulnerabilities, such as the rapid accumulation of public debt, continued deleveraging in the banking sector and a limited supply of credit. The Group may experience difficulties obtaining financing commitments in the future and cannot be certain that financing will be available on acceptable terms or at all. If financing is not available when needed, or is available only on unfavourable terms, the Group may be unable to meet its future obligations as they come due. The Group's failure to obtain such funds could have a material adverse effect on its business, results of operations and financial condition, as well as its ability to service its indebtedness.

The Group's business and financial condition could be adversely affected if UK tax regulations for the petroleum industry are amended

Future political conditions in the UK may result in the government adopting materially different taxation policies which could affect the petroleum industry. Furthermore, the level of taxes the Group must pay could change significantly as a result of new interpretations of tax laws and regulations or changes to such laws and regulations. In the event there are any such changes, it could lead to new investments being less attractive, prevent the Group from achieving further growth, or affect the Group's current and future tax position, net income after tax and financial condition. In addition, tax authorities could challenge the Group's filed tax returns leading to

additional taxes and tax penalties; the UK tax authorities may under certain conditions change a tax payer's tax assessment up to twenty years after the tax year.

The Group is dependent on finding, acquiring, developing and producing oil and gas reserves that are economically recoverable

Oil and gas activities are capital intensive and inherently uncertain in their outcome. Significant expenditure is required and there can be no certainty that further commercial quantities of oil and gas will be discovered or acquired. Furthermore, the Group's estimated exploration and production costs are subject to a number of assumptions that may not materialize. Producing oil and gas reservoirs, particularly in the case of mature fields, are also generally characterized by declining production rates. Any non-materialization of assumptions regarding exploration and production costs or inability on the Group's part to explore, appraise or develop petroleum resources, or recover its costs and generate profits from its exploration and production activities, could lead to material adverse effects on the Group's business, results of operations, financial condition and/or prospects.

The Group's development projects require substantial capital expenditures

The Group may be unable to obtain needed capital or financing on satisfactory terms. The Group intends to finance its future capital expenditures with cash flow from operations, borrowings and/or new equity. Cash flows from operations and access to capital are subject to a number of variables which are outside the control of the Group. If the Group's revenues decrease, it may have limited ability to obtain the capital necessary to sustain operations at current levels. If the Group's available cash is not sufficient, a curtailment of its development operations could occur, which in turn could lead to a decline in its oil and natural gas reserves. If it is not possible to cancel or stop a project, the Group may be legally obliged to carry out the project contrary to its desire or with negative economic impact. Further, the Group may fail to make required payments and thus breach licence obligations, which again could lead to adverse consequences. All of the above may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

The Group's current or future development projects may suffer delays, cost inflations, and potential penalties, and the estimated development costs and time to achieve first production may be substantially exceeded and/or delayed

Development projects require complex engineering, procurement, construction, and drilling work, as well as government permits and approval. Exploration and development of oil and gas assets are risky activities, requiring high levels of capital expenditure without a commensurate degree of certainty of a return on that investment. The complexity of offshore development projects also makes them very sensitive to delays or costs increases. Current or future projected target dates for production may be delayed and significant cost overruns may occur. The Group's estimated exploration, development and production costs are subject to a number of assumptions that may not materialize. Such factors may affect the extent to which oil and gas fields remain commercially viable, and consequently could result in breach by the Group of its obligations and/or require the Group to raise additional debt and/or equity. Any delays, cost increases or other negative impact relating to the current or future development projects of the Group, may have a material adverse effect on its business, results of operations, cash flow, financial condition and prospects.

Exploration, development and production operations involve numerous operational risks and hazards which may result in material losses or additional expenditures

The Group's offshore operations are subject to all the risks common in its industry, including *inter alia* encountering unexpected rock formations or pressures, seismic events, blowouts, pollution, explosions, fires and equipment damage or failure. The Group's facilities are also subject to the hazards inherent in marine operations, such as *inter alia* capsizing, sinking, grounding and damage from severe weather conditions. If any of these events were to occur, they could, among

other adverse effects, result in environmental damage, injury to persons, loss of life, a failure to produce oil and/or gas in commercial quantities, delays, shut-down of operations or other damage. Even if the financial impact is mitigated by appropriate insurance, these events can also put at risk some or all of the Group's licences and could result in the Group incurring significant civil liability, fines or criminal sanctions. In the Group's capacity as licensee and operator, it is subject to liability provisions under HSE regulations which may result in suspension or revocation of licences, civil liability for pollution damage and the imposition of fines and penalties which may be material.

The Group's hydrocarbon production may be restricted, delayed or terminated due to a number of internal or external factors

The Group's hydrocarbon production may be restricted, delayed or terminated due to a number of internal or external factors, including failure of hydrocarbon wells, production facility malfunctions, transport facility malfunctions, administrative delays (particularly in the approval of development projects by public authorities), shortages or delays in the availability of drilling and/or production rigs and delivery of equipment and materials, pressure or irregularities in geological formations, equipment failures or accidents or adverse weather conditions or malicious actions. These factors may have a material adverse effect on the Group's cash flow as well as on its business, prospects, financial condition or results of operations and consequently affect the Group's ability to serve its debts and fulfil its obligations under the Bonds and otherwise.

The Group's operations depend on its compliance with obligations under licences and field development plans

The Group is subject to certain obligations under its oil and gas licences. Failure to comply with these obligations may lead to fines, penalties, restrictions, revocation of licences and termination of related agreements. These could have a material adverse effect on the Group, result in the Group breaching its obligations under the Bond agreement, or require the Group to raise additional subordinated debt and/or equity.

The market in which the Group operates is highly competitive

The Group competes with a substantial number of other companies with larger technical staffs and greater resources in acquiring oil and gas licences and attempting to secure drilling rigs and other equipment or services necessary for operation or projects. As a result of this competitive environment, equipment or services that the Group requires may be unavailable or available only on terms which are commercially unacceptable. As a result, the Group's revenues may decline over time.

The oil and gas industry is characterised by rapid and significant technological advancements, and the Group may not be able to keep pace

As competitors use or develop new technologies, the Group may be placed at a competitive disadvantage over time or may be forced by competitive pressures to implement those new technologies at substantial cost. The Group may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. Further, one or more of the technologies used by the Group now or in the future may become obsolete. In addition, new technology implemented by the Group may have unanticipated or unforeseen adverse consequences, either to its business or the industry as a whole.

The Group's expected future production will come from a small number of fields concentrated in one geographical area

The Group holds a small number of oil and gas licences, all of which are located in the southern North Sea. If mechanical or technical problems, storms, shutdowns or other events affect the current or future production from fields in this area, it could have a direct and significant impact on a substantial portion of the Group's production. If the actual reserves associated with any one of

the Group's fields are less than anticipated, this may result in material adverse effects to the Group's business, results of operations, financial condition and/or prospects.

Reserve and resource information estimates may be inaccurate or incorrect

Estimates of the quantity and value of economically recoverable oil and gas reserves and the possible future net cash flows are based upon a number of variable factors and assumptions, such as ultimate reserves recovery, interpretation of geological and geophysical data, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, continuity of current fiscal policies and regulatory regimes, future oil and gas prices, operating costs, development and production costs and workover and remedial costs, all of which may vary from actual results. Deviations from the Group's estimates with respect to the quality and value of the Group's reserves and resources may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

Risk relating to transportation of hydrocarbons

All modes of transportation of hydrocarbons involve risks. Hydrocarbons are by their nature hazardous and the Group is exposed to risk arising from possible major accidents or incidents with potentially hazardous impact on the environment and people, given the high volumes involved in such transportation. The materialisation of such risk may result in material adverse effects for the Group's business, results of operations, financial condition and/or prospects.

Dependence on oil & gas field services providers and equipment, and production and supply infrastructure

The Group's oil and gas exploration, development and production projects will rely on the availability of items such as drilling equipment, drilling services and access to third-party-owned and operated infrastructure on reasonable commercial terms. Such services may be scarce and may not be readily available at the times and places required or at favourable rates. Failure to perform drilling within the expiry date of a production licence may lead to liability to the authorities, loss of the licence and adversely affect the Group's standing, which in turn may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

Risk of liability from contractors' operations

The Group carries out the majority of its activities through the use of contractors. Contractors and other service providers may cause third party liability or other losses for the Group. The Group may be subject to liability claims due to the inherently hazardous nature of its business or for acts and omissions of contractors and other service providers. The Group may also be liable to governmental authorities or other third parties for the operations of its contractors. Any indemnities the Group may receive from its contractors may be inadequate and/or difficult to enforce, which could have a material adverse effect on the Group's financial condition, business, prospects and results.

The Group will have guarantee obligations

The Group will in its ordinary course of business provide guarantees to governmental agencies and/or third party contractors for work, payment and decommissioning obligations. Such guarantees, if called upon, may have a material adverse effect on the ability to service the Bond.

Political and regulatory risks

The Group faces varying degrees of political and governmental risk including the risk of changes in government policy, regulation, and fiscal terms, the risk of changes in conditions under which exploration licences are awarded, including related work commitments, the risks of required government approvals or permits being delayed or withheld or cancelled; and risks relating to any known or future international border disputes in jurisdictions where the Group is active. If any of

the above risks were to materialise, it could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

Non-compliance with laws and health, safety and environmental risks

All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation under international conventions, EU and state (UK and other) laws and regulations. These regulations concern health, safety and environmental ("HSE") matters including, but not limited to, those relating to the health and safety of employees, discharges of hazardous substances into the environment and the handling and disposal of waste. These laws and regulations are becoming increasingly complex, stringently enforced and expensive to comply with, and this trend is likely to continue. Any legal responsibility, sanctions or other consequences resulting from breach of or non-compliance with any HSE requirements or other laws, regulations or requirements connected to the oil and gas industry may materially adversely affect the Group's business, financial condition, operating results and/or cash flow.

The Group's decommissioning liabilities may be onerous and cannot be accurately predicted

The Group has assumed certain obligations in respect of the decommissioning of its fields and related infrastructure and is expected to assume additional decommissioning liabilities in the future. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Group to make provisions for and/or underwrite the liabilities relating to such decommissioning. It is difficult to forecast the costs that the Group will incur in satisfying its decommissioning obligations particularly as (i) the costs of decommissioning are highly volatile, being linked to oil and gas capital expenditure generally and (ii) regulations determining the decommissioning standards may change. The actual costs of decommissioning are expected to be paid from the Group's cash resources and cash flow generated from both the Group's existing and future producing assets. The Group does not have a sinking fund to meet the costs of decommissioning for all of its current assets. The estimated timing of decommissioning is dependent upon a number of factors and a material reduction in production levels or commodity prices and/or an increase in operating expenditure may bring forward such timing. Given the uncertainty of both the medium and long term timing and cost of decommissioning, the associated liabilities may exceed the Group's cash resources to a point where the Group does not have the funds available to meet such costs. When its decommissioning liabilities crystallise, the Group will be jointly and severally liable for them with former and/or future partners. In the event that these partners default on their obligations, the Group will remain liable and its decommissioning liabilities could be increased significantly as a result of such default, while recovery from the defaulting partners may be inadequate and/or impossible to enforce. Any significant increase in the actual or estimated decommissioning costs that the Group incurs may adversely affect its financial condition. Decommissioning tax relief in the UK is dependent on sufficient tax having been paid to shelter such expense. The Group may not be able to deduct such expenses, partially or at all. In addition, in the UK the Group will in the future have to provide or procure security to support its future decommissioning liabilities, typically in the form of letters of credit from banks holding certain minimum credit ratings (as set under the UK Oil & Gas model decommissioning security agreement before the downgrading of many banks following the 2008 financial crisis). There is a worsening shortage of banks able and willing to provide such letters of credit, which may leave the Group having to provide cash as security or potentially being unable to meet its security obligations under the decommissioning arrangements. Decommissioning obligations for previously owned assets should be met by the owners of those assets at the time of decommissioning, but if those owners are unable to pay for that decommissioning the liability may have to be met by other former owners, including the Group.

The Group is subject to production risks

The delivery of the Group's production plans depends on the successful development of key projects. Risks typically associated with development projects include, *inter alia*, blowouts, oil

spills, explosions, fires, equipment damage or failure, natural disasters, reservoir and other geological uncertainties, unusual or unexpected rock formations, abnormal pressures, availability of technology and engineering capacity, availability of skilled resources, maintaining project schedules and managing costs, as well as technical, fiscal, regulatory, political and other conditions. Hazards can also severely damage or destroy equipment, surrounding areas or property of third parties as well as cause loss of life or serious injury to individuals. Damage or loss occurring as a result of such risks may give rise to claims against the Group, and such potential obstacles may impair the Group's continuation of existing production and delivery of key projects, all of which may have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

The Group is subject to infrastructure risks

The Group may face interruptions or delays in the availability of infrastructure, including transit pipelines, downstream processing facilities and storage tanks, on which exploration and production activities are dependent. This infrastructure is subject not only to the risk of physical damage but is also dependent upon certain minimum economic thresholds being met which are governed by a combination of commodity prices and throughput often from other producing fields in which the Group may not have an interest. If this third party infrastructure is no longer economic to operate it may lead to a cessation of production, which in turn could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

The Group is subject to risks related to the Thames Gas Pipeline

The Group's business plan depends in part on its ability to deliver its future production to on-shore processing facilities via its wholly-owned subsea transportation pipeline, the Thames Gas Pipeline. Prolonged shutdown or failure of the pipeline could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

The Group has not entered into any significant sales or offtake agreements

The Group has not yet entered into any significant agreements for the sale or offtake of hydrocarbons that it may produce in the future. There can be no guarantee that the Group will be able to execute such agreements on favourable terms, or at all, nor can there be any assurance that its counterparties under such agreements will honour the terms of the agreements.

It may be expensive and logistically burdensome to discontinue operations should economic, physical or other conditions subsequently deteriorate

Once the Group has an interest in an established oil and/or gas exploration, development and/or production operation in a particular location, it may be expensive and logistically burdensome to discontinue such an operation should economic, physical or other conditions deteriorate. Because the trading of oil and gas assets is relatively illiquid, the Group's ability to dispose of all or a partial interest in assets promptly may be limited. In the event that the Group wished to dispose of any exploration, appraisal, development or production interest in the future, no assurance can be given that the Group would be able to sell or swap any such asset either at all or on terms acceptable to the Group. It is not possible to predict the length of time required to find acquirers for assets or to conclude asset disposals particularly in times of political, economic or financial change or uncertainty.

The Group cannot completely protect itself against title disputes

Although the Group believes that it has good title to its oil and gas properties, it cannot control or completely protect itself against the risk of title disputes or challenges. The Group holds rights to explore its various oil and gas properties, but no assurance can be given that governmental authorities will not revoke, or significantly alter the conditions of, the applicable exploration and development authorisations, licences, permits, approvals and consents or that such exploration

and development authorisations, licences, permits, approvals and consents will not be challenged or impugned by third parties.

Litigation against the Group could materially impact the Group's business

The Group currently has no material outstanding litigation threatened or pending. However, there can be no guarantee that the past, current or future actions of the Group will not result in litigation. Such disputes and legal proceedings may be expensive and time-consuming, and could divert management's attention from the Group's business. In addition, damages claimed under such litigation may be material, and the outcome of such litigation may materially impact the Group's business, prospects, financial condition and results of operations. Defence and settlement costs can be significant, even in respect of claims that have no merit. Additionally, the adverse publicity surrounding such claims may have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

The Group may be subject to risks relating to its acquisitions

Part of the Group's strategy may include increasing oil and gas reserves and/or production through strategic business acquisitions. Although the Group performs a review of the companies, businesses and properties it acquires (or intends to acquire) to standards consistent with industry practices, such reviews are inherently incomplete. It is often not feasible to review in-depth every individual property involved in each acquisition. The Group will commonly focus its due diligence efforts on higher value properties and will simply review lower value interests on a sample basis. However, even where in-depth due diligence reviews are conducted, these may not reveal existing or potential problems, nor may they permit the Group to become sufficiently familiar with the properties or assets to fully assess their potential or limitations and deficiencies. In addition, in order to establish a value and offer price for an acquisition, the Group will make certain technical and economic assumptions as regards the continuing performance of the asset and its associated liabilities, particularly as regards decommissioning. In the event that those assumptions are incorrect, the Group may overpay for such acquisition which may have a material adverse effect on the business. Risks commonly associated with acquisitions of companies or businesses include the difficulty of integrating the operations and personnel of the acquired business, problems with minority shareholders in acquired companies, the potential disruption of the Group's own business, the possibility that indemnification agreements with the sellers may be unenforceable or insufficient to cover potential liabilities, as well as operational risks relating to the assets acquired. Furthermore, the value of any business the Group acquires or invests in may be less than the amount it pays and there can be no assurance that any acquisition by the Group will be successful in whole or in part.

The Group is dependent on its reputation

To protect the Group's licences to operate and its ability to secure new licences, it is important that the Group maintains good relationships with the governments of, and communities in, the countries where its business is conducted. The Group's relationships and reputation with other independent, national and major oil companies are also considered of strategic importance. The Group's business principles govern how the Group conducts its affairs. Failure, real or perceived, to follow these principles, or materialisation of any of the risk factors described in this document, could harm the Group's reputation and impact the Group's licences, financing and access to new opportunities, which in turn could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

Fiscal and other risks derived from governmental involvement in the oil and gas industry

The government of the United Kingdom exercises significant influence over its oil and gas industry. Any government action concerning the oil and gas industry, such as a change in oil or gas pricing policy (including royalties), exploration and development policy, or taxation rules or practice, or renegotiation or nullification of existing concession contracts could have a material effect on the

Group. Furthermore, there can be no assurance that applicable governments will not postpone or review projects or will not make any changes to laws, rules, regulations or policies, in each case, which could materially and adversely affect the Group's financial position, results of operations or prospects.

The Group may not develop all of its oil and gas fields

The Group has not made final investment decisions for all of its oil and gas fields, nor has it received all necessary approvals of its field development plans. Uncertainty remains as to whether these fields will reach final development sanction, and if they do, how much development will cost or whether it will meet the Group's technical and risk-reward requirements. As such, the Group may not allocate capital to all of these development projects at current ownership levels and may seek to farm-down its equity participations in these projects where appropriate. There is no guarantee that such a process will be successful, and in such circumstances the Group may choose to withdraw from part, or all, of such projects and, as a consequence, may not meet its production targets.

Risk related to attracting and retaining the executive management and other personnel

The Group is substantially dependent on the services of a few key personnel and the loss of the services of these individuals could have a material adverse effect on the business of the Group. In addition, the competition for qualified personnel in the oil and gas industry is intense. There can be no assurance that the Group will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

Risk of insufficient insurance coverage

The Group may be subject to substantial liability claims due to the inherently hazardous nature of its business or for acts and omissions of sub-contractors, operators or joint venture partners. Although the Group has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not be insurable in all circumstances or, in certain circumstances, the Group may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or for other reasons. Any indemnities the Group may receive from sub-contractors, operators, joint venture partners or other third-parties may be difficult to enforce if such parties lack adequate resources, or if they dispute liability. In addition, there can be no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover expenses relating to losses or liabilities. Accordingly, the Group may suffer material losses from uninsurable or uninsured risks or insufficient or unenforceable insurance coverage or indemnities which may have a material adverse effect on the Group's business.

The Group faces risks relating to the UK's continued membership of the European Union

A referendum was held in the UK on 23 June 2016 on whether the UK will remain a member of the European Union, the result of which was a vote to leave. The Group faces risks associated with both the potential uncertainty during the period following the referendum and also the consequences that may flow from exiting the European Union. For example, because a significant proportion of UK law and regulation is based on European Union legislation and directives, leaving the European Union could materially change the legal and regulatory framework that would be applicable to the Group's operations in the future. This could increase operating costs as well as restrict the movement of capital and mobility of personnel for the Group and have a material effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to cyber risks

The Group is at risk of financial loss, reputational damage and general disruption from a failure of its IT systems or an attack for the purposes of espionage, extortion or to cause embarrassment. Any failure of, or attack against, the Group's IT systems may be difficult to prevent or detect, and the Group's internal policies to mitigate these risks may be inadequate or ineffective. The Group may not be able to recover any losses that may arise from a failure or attack.

Labour issues

Labour unrest could prevent or hinder the Group's services from being carried out normally and, if not resolved in a timely and cost effective manner, could adversely affect its business, results of operations, cash flows and financial condition.

The Group's vulnerability to the consequences of individual risks may be increased by its strategy of pursuing 100% owned, Group-operated assets

The potential impact of the various economic, technical and other risks set out above may be increased by the Group's decision to own the project assets on a 100% working interest basis. While the rationale for this decision is to retain full project control and operatorship, and to avoid the operational, financial or strategic misalignments that can occur in joint venture projects, this means the Group relies on its own technical teams for geoscience and engineering analysis and decision making. In the absence of non-operating partners, these teams may not be subject to the same level of ongoing peer review and challenge of their work and conclusions as would be expected in a joint venture project. This asset ownership model concentrates operational risk within the Group, which is fully exposed to the adverse effects of any risk which then materialises. If the Group becomes unable to develop and operate its assets effectively due to resource constraints or licence to operate issues, it will not have a direct non-operating licence partner with knowledge and experience of the assets to contribute expertise or take over development or operational responsibilities.

Risks related to the Group's financial position and liquidity

The Group is exposed to credit risk

The Group may be exposed to financial loss if counterparties to financial instruments or oil and gas sales contracts fail to meet their obligations. If significant amounts are not paid, this could have a material adverse impact on the Group.

Risk relating to obtaining further financing

If the Group's revenues decline, or if new financing is not available, or is only available on unattractive commercial terms, the Group may not be able to undertake or complete future activities, including appraisal, development or production programs. In addition, neither the shareholders of the Company nor any other entity are under an obligation to provide additional equity or shareholder loans to the Company.

The Group may be exposed to liquidity risks

In order to be able to continue as a going concern, finance its operations and mitigate the effects of fluctuations in cash flows, the Group may need to rely on additional financing. If, for any reason or at any time, the Group cannot access this financing on commercially acceptable terms and conditions, or at all, its business, results of operations, financial condition and/or prospects of the Group may be materially adversely affected.

The Group may be exposed to interest rate risks

The Group may borrow funds at floating interest rates. Interest rates could rise significantly in the future, thereby increasing the Group's interest expenses, reducing cash flow available for capital investments.

Risk related to exchange rates

The Group's expenditures will be at least partially in a different currency from its revenues, exposing the Group to foreign exchange fluctuations. These fluctuations could materially adversely affect the Group's business, results of operations, financial condition and/or prospects.

PART III

Some Questions and Answers about the Open Offer

The questions and answers set out in this Part III of this document are intended to be in general terms only and, as such, you should read Part IV of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part III deals with general questions relating to the Open Offer and more specific questions relating principally to the Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements or apply for Excess Shares pursuant to the Excess Application Facility. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the Open Offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire an aggregate of up to 20,128,580 Open Offer Shares at a price of 10 pence per new Ordinary Share. If you hold Existing Ordinary Shares (provided that you hold 19 or more such shares) on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States or another Excluded Territory, you will be entitled to apply for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 3 Open Offer Shares for every 19 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to apply for an Open Offer Share in respect of any fraction of an Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of Open Offer Shares will be aggregated and sold by the Company for its own benefit.

The Issue Price is equal to the Placing Price and represents a 41.6 per cent. discount to the closing middle market price of 17.125 pence per Existing Ordinary Share on 29 March 2019, being the last practicable date prior to the announcement of the Proposals. Considering this discount, and while the market value of an Existing Ordinary Share exceeds the Issue Price, the right to subscribe for Open Offer Shares is potentially valuable.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back will be scaled back at the discretion of the Company.

The number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. Assuming that there is no Overseas Shareholder who has a registered address in, or is a resident in or a citizen of an Excluded Territory, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only), and neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim for the Open Offer Entitlements only. Excess CREST Open Offer Entitlements will not be subject to Euroclear's market claims process.

2. I hold my Existing Ordinary Shares in certificated form. How do I know whether I am able to acquire Open Offer Shares under the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or located in the United States or another Excluded Territory, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 3 April 2019 (the time when the Existing Ordinary Shares are expected to be marked "ex-entitlement" by the London Stock Exchange).

3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or another Excluded Territory, you have been sent an Application Form that shows:

1. how many Existing Ordinary Shares you held at on close of business on 29 March 2019 (the Record Date for the Open Offer);
2. how many Open Offer Shares are comprised in your Open Offer Entitlement; and
3. how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or one of the Excluded Territories, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four

Business Days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

4. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?

(a) *If you want to take up all of your Open Offer Entitlement*

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is sign and send the Application Form, together with your cheque or banker's draft for the amount (as indicated in Box 8 of your Application Form), payable to "CIS PLC RE: INDEPENDENT OIL AND GAS OPEN OFFER" and crossed "A/C payee only", in the reply-paid envelope provided, by post or by hand (during normal business hours only) to Computershare to arrive by no later than 11.00 a.m. on 18 April 2019. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Please detail the sort code and cheque number of the cheque you are submitting in the section at the bottom of page one of the Application Form.

Full instructions are set out in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 8 May 2019.

(b) *If you want to take up some but not all of your Open Offer Entitlement*

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 2 of your Application Form; for example, if you are entitled to take up 100 shares but you only want to take up 50 shares, then you should write '50' in Box 2.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '50') by 10 pence, which is the price in pence of each Open Offer Share (giving you an amount of 500 pence in this example). You should write this amount in Box 5, rounding down to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then sign and return your Application Form together with your cheque or banker's draft for that amount, payable to "CIS PLC RE: INDEPENDENT OIL AND GAS OPEN OFFER" and crossed "A/C payee only", in the reply-paid envelope provided, by post, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH to arrive by no later than 11.00 a.m. on 18 April 2019, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part IV of this document and will be set out in the Application Form.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 8 May 2019.

(c) *If you want to apply for more than your Open Offer Entitlement*

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. You should write the

number of Open Offer Shares you wish to take up, in Box 2 which must be the number of Open Offer Shares shown in Box 7. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 3 and then complete Box 4 by adding together the numbers you have entered in Boxes 2 and 3.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box 4 by 10 pence, which is the price in pence of each Open Offer Share. You should write this amount in Box 5, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to CIS PLC RE: INDEPENDENT OIL AND GAS OPEN OFFER and crossed "A/C payee only", in the reply-paid envelope provided by post or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH, to arrive by no later than 11.00 a.m. on 18 April 2019, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form.

Please detail the sort code and cheque number of the cheque you are submitting in the section at the bottom of page one of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back at the discretion of the Company. As such, applications under the Excess Application Facility may not be satisfied in full. In this event Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

A definitive share certificate will be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 8 May 2019.

(d) ***If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are placed, as would happen under a rights issue. Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

If you do not take up your Open Offer Entitlement then, following the issue of the Open Offer Shares, your interest in the Company will be diluted by approximately 62.19 per cent (assuming full implementation of the Proposals and full take-up of the Open Offer).

5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part IV of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to take up or apply for under their Open Offer Entitlement and their Excess CREST Open Offer Entitlement respectively, and should contact their CREST member should they not receive this information.

6. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form but hold your Existing Ordinary Shares in certificated form, this probably means that you are not able to acquire Open Offer Shares under the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to acquire Open Offer Shares under the Open Offer, namely:

1. Shareholders who bought Existing Ordinary Shares before or on 3 April 2019 and who hold such ordinary shares in certificated form but were not registered as the holders of those shares at the close of business on 29 March 2019; and
2. certain Overseas Shareholders.

7. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?

If you bought Existing Ordinary Shares after the Record Date you will be unable to participate in the Open Offer, as the Existing Ordinary Shares started trading ex-entitlement on the London Stock Exchange at 8.00 a.m. on 3 April 2019.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Existing Ordinary Shares at or after 8.00 a.m. on 3 April 2019, you will not be eligible to participate in the Open Offer in respect of those Existing Ordinary Shares.

8. What if I change my mind?

Once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

9. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

10. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box 8 of the Application Form?

If you want to spend more than the amount set out in Box 8 you should divide the amount you want to spend by 10 pence (being the price of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £500 you should divide £500 by 10 pence, which comes to 5,000. Write the total number of Open Offer Shares (in this example 5,000) in Box 4. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for by 10 pence and then fill in that amount rounded down to the nearest whole penny (in this example being £500), in Box 5 and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back at the discretion of the Company to determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of an Excluded Territory, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box 8, you should divide the amount you want to spend by 10 pence (being the price, in pence, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £100 you should divide £100 by 10 pence. You should round that down to the nearest whole number (in this example, 1,000), to give you the number of shares you want to take up. Write that number (in this example, 1,000) in Box 4. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 1,000) by 10 pence and then fill in that amount rounded down to the nearest whole penny (in this example being £100) in Box 5 and on your cheque or banker's draft accordingly.

Please detail the sort code and cheque number of the cheque you are submitting in the section at the bottom of page one of the Application Form.

11. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before or on 3 April 2019, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 3 April 2019, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

12. I hold my Existing Shares in certificated form. How do I pay?

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a UK bank or building society account in the accompanying reply-paid envelope (from within the United Kingdom). You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. It is recommended that cheques should be drawn on a personal account of the Qualifying Shareholder who is applying for the Open Offer Shares or you may be required to supply additional documentation to satisfy Money Laundering Regulations. The funds should be made payable to CIS PLC RE: INDEPENDENT OIL AND GAS OPEN OFFER. In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted.

13. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

14. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form and monies in the accompanying reply-paid envelope (from within the United Kingdom) by post or by hand to: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH. You should allow at least four Business Days for delivery if using first class post within the United Kingdom.

If you do not want to take up or apply for Open Offer Shares then you need take no further action.

15. I hold my Existing Ordinary Shares in certificated form. When do I have to decide whether I want to apply for Open Offer Shares?

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 18 April 2019. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

16. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?

It is expected that the Registrar will post all new share certificates by 8 May 2019.

17. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 6 on page 1 of the Application Form) is incorrect?

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares on or before 3 April 2019 but were not registered as the holder of those shares on the Record Date for the Open Offer (29 March 2019), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure that you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 3 April 2019.

18. Will the Open Offer affect dividends on the Existing Ordinary Shares?

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

19. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or another Excluded Territory are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part IV of this document.

20. How do I transfer my entitlements into the CREST system?

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you would complete the CREST deposit form (Box 13 on page 4 of the Application Form), and ensure they are delivered to CCSS to be received by 3.00 p.m. on 15 April 2019 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your entitlements into the CREST system, you should refer to Part IV of this document for details on how to pay for the Open Offer Shares.

21. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 5 of Part IV of this document)?

If you are a Qualifying non-CREST Shareholder, you do not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than €15,000 (or its pounds sterling equivalent) or if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution.

Qualifying non-CREST Shareholders should refer to paragraph 5.1 of Part IV of this document and Qualifying CREST Shareholders should refer to paragraph 5.2 of Part IV of this document for a fuller description of the requirements of the Money Laundering Regulations.

22. Further assistance

Should you require further assistance please call Computershare helpline by telephone between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday on 0370 707 1755 from within the UK or +44 (0)370 707 1755 if calling from outside the UK. Please note that, for legal reasons, Computershare is only able to provide information contained in this document and information relating to IOG's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, accounting, tax, investment or other professional advice.

PART IV

Terms and Conditions of the Open Offer

Open Offer of up to 20,128,580 Open Offer Shares at a price of 10 pence per Share

1. Introduction

As explained in Part I of this document, the Company is proposing to issue up to 20,128,580 Open Offer Shares pursuant to the Open Offer to raise gross proceeds of up to £2,012,858, net of expenses and assuming a full take up under the Open Offer. Upon completion of the Open Offer, assuming a full take up under the Open Offer, the Open Offer Shares will represent approximately 6.4 per cent. of the Enlarged Share Capital. Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire Open Offer Shares at the Issue Price.

The Issue Price represents a 41.6 per cent. discount to the closing middle market price of 17.125 pence per Existing Ordinary Share on 29 March 2019, being the last practicable date prior to the announcement of the Proposals.

This document and, where relevant, the accompanying Application Form contain the formal terms and conditions of the Open Offer.

2. The Open Offer

Subject to the terms and conditions set out below and, where relevant, in the Application Form, the Company hereby invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 3 Open Offer Shares for every 19 Existing Ordinary Shares held by them and registered in their names at the close of business on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

Holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Fractions of Open Offer Shares will not be allocated to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of Open Offer Shares.

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement, which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlement. Accordingly, applications in excess of the Open Offer Entitlements will only be satisfied to the extent that applications made by other Qualifying Shareholders are for less than their full Open Offer Entitlement and may therefore be scaled down *pro rata* to the number of Excess Shares applied for under the Open Offer, or otherwise at the absolute discretion of the Company. Any monies paid for applications in excess of their Open Offer Entitlements which are not so satisfied will be returned to the Applicant without interest within 14 days by way of cheque or CREST payment, as appropriate. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

Not all Shareholders will be Qualifying Shareholders. Overseas Shareholders who are located in, or who are citizens of, or have a registered address in certain overseas jurisdictions (including, without limitation, any Excluded Territory) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders or any person (including, without limitation, a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom is drawn to paragraph 6 of this Part IV.

If you have received an Application Form with this document please refer to paragraph 4.1 and paragraphs 5 to 7 of this Part IV.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.2 and paragraphs 5 to 7 of this Part IV and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 24 April 2019 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 24 April 2019. It is expected that the results of the Open Offer will be announced by 4.30 p.m. on 23 April 2019.

Shareholders should be aware that the Open Offer is not a rights issue. Entitlements to Open Offer Shares will neither be tradeable nor sold in the market for the benefit of Qualifying Shareholders who do not apply for them in the Open Offer.

Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit for the Open Offer Entitlements only. Excess CREST Open Offer Entitlements will not be subject to Euroclear's market claims process. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this document, including in particular the important information set out in the letter from the Chairperson of the Company in Part I of this document, as well as this paragraph 2 of this Part IV. Shareholders who do not participate in the Open Offer will be subject to dilution of their existing Company shareholdings. The material terms of the Open Offer are contained in paragraph 10 of Part I of this document.

3. Conditions of the Open Offer

The Open Offer is conditional, *inter alia*, upon Admission of the New Ordinary Shares becoming effective by not later than 8.00 a.m. on 24 April 2019 (or such later time and/or date as the Company may determine, being not later than 8.00 a.m. on 8 May 2019).

If the condition is not satisfied, the Open Offer will be revoked and will not proceed. Revocation cannot occur after dealings in the Open Offer Shares have begun.

4. Procedure for application and payment

Save as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, the action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your Open Offer Entitlements, including the Excess Application Facility, or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST account in respect of such entitlements.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form on the Record Date will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. Further information on deposit into CREST is set out in paragraph 4.2.6 of this Part IV.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST manual for further information on the CREST procedures referred to below.

4.1 Action to be taken if you have an Application Form in respect of your entitlement under the Open Offer

4.1.1 General

Each Qualifying non-CREST Shareholder will have received an Application Form accompanying this document. The Application Form shows the number of Existing Ordinary Shares registered in the relevant Qualifying non-CREST Shareholder's name at the close of business on the Record Date. It also shows the number of Open Offer Shares for which such relevant Qualifying non-CREST Shareholder is entitled to apply under the Open Offer, calculated on the basis set out in paragraph 2 above. Qualifying non-CREST Shareholders may also apply for less than their maximum Open Offer Entitlements.

The Excess Application Facility enables Qualifying Shareholders who have taken up their full Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications in excess of the Open Offer Entitlement will only be satisfied to the extent that applications made by other Qualifying Shareholders are less than their full Open Offer Entitlements and may therefore be scaled down.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

4.1.2 Procedure for application

Applications for Open Offer Shares (including under the Excess Application Facility) by Qualifying non-CREST Shareholders may only be made on the Application Form, which is personal to the Qualifying non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below.

Qualifying non-CREST Shareholders may also apply for Excess Shares in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes 3 and 4 of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 4.1.4 of this Part IV.

A Qualifying non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents.

The Application Form represents a right personal to the Qualifying non-CREST Shareholder to apply to subscribe for Open Offer Shares (including under the Excess Application Facility); it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange. Application Forms may be split up to 3.00 p.m. on 16 April 2019 but only to satisfy such *bona fide* market claims. Qualifying non-CREST Shareholders who have before the 'ex' date sold or transferred all or part of their shareholdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or another professional adviser authorised under the FSMA as soon as possible, since the invitation to apply for Open Offer Shares (including under the Excess Application Facility) may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

Qualifying non-CREST Shareholders who submit a valid application using the Application Form and accompanying payment will (subject to the terms and conditions set out in this Part IV, in the letter from the Chairperson of the Company in Part I and in the Application Form) be allocated the Open Offer Shares applied for in full at the Issue Price (subject to the Company's discretion to accept, reject or scale back any application for any Open Offer Shares).

Applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 18 April 2019; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 18 April 2019 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk.

If Open Offer Shares have already been allotted to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall arrange (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Qualifying non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, the Company or any other person shall be

responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders.

If you are a Qualifying non-CREST Shareholder and wish to apply for all or part of the Open Offer Shares to which you are entitled (including any application for any Excess Shares under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post or by hand (during normal business hours only) together with a pounds sterling cheque or banker's draft to the value of the Open Offer Shares applied for on the Application Form, to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH as soon as practicable and, in any event, so as to be received not later than 11.00 a.m. on 18 April 2019, after which time Application Forms will not be accepted. The cheque or banker's draft must be drawn on a United Kingdom branch of a qualifying bank or building society, as further described below. Your Application Form will not be valid unless you sign it. If you post your Application Form by first class post in the UK, or in the accompanying reply-paid envelope, you are advised to allow at least four Business Days for delivery.

The Company reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 18 April 2019 from an authorised person (as defined in the FSMA) specifying the Open Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

4.1.3 *Payments*

Cheques must be drawn on the personal account to which you have sole or joint title to the funds. Your cheque or banker's draft should be made payable to "CIS PLC RE: INDEPENDENT OIL AND GAS OPEN OFFER" and crossed "A/C Payee only". Payments must be made by cheque or banker's draft in pounds sterling drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies and must bear the appropriate sorting code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed on the back of the building society cheque or banker's draft the name of the account holder (which must be the same name as printed on the Application Form) and their title to funds by stamping and endorsing the building society cheque/banker's draft to such effect. Any application or purported application may be rejected unless these requirements are fulfilled. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest

bearing account by the Receiving Agent. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the Applicant's sole risk), without payment of interest, to Applicants as soon as practicable following the lapse of the Open Offer.

The Company shall as soon as practicable following 24 April 2019 refund any payment received with respect to an application for a number of Open Offer Shares in respect of an Open Offer Entitlement which has been rejected in whole or in part by the Company.

4.1.4 *The Excess Application Facility*

The Excess Application Facility enables Qualifying Shareholders who have taken up their Open Offer Entitlement to apply for Open Offer Shares.

Qualifying non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed the 20,128,580 Open Offer Shares being made available to Qualifying Shareholders as a result of applications made in respect of the Excess Application Facility, resulting in a scaling back of applications, each Qualifying non-CREST Shareholder who has made a valid application for Open Offer Shares under the Excess Application Facility and from whom payment in full for such Open Offer Shares has been received in cleared funds will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for under the Excess Application Facility but not allocated to the relevant Qualifying non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

4.1.5 *Effect of application*

By completing and delivering an Application Form you (as the Applicant(s)):

- (i) agree that your application, the acceptance of your application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (ii) confirm that in making the application you are not relying on any information or representation other than those contained in this document and the Application Form and you, accordingly, agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that having had the opportunity to read this document you will be deemed to have notice of all the information concerning the Group contained within this document;
- (iii) represent and warrant that you are not citizen(s) or resident(s) of an Excluded Territory or any other jurisdiction in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to the re-offer, re-sale or delivery of Open Offer Shares directly or indirectly in, into or within an Excluded Territory or to a resident of an Excluded Territory or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;

- (iv) represent and warrant that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis; and
- (v) will also be asked whether or not you can represent and warrant as follows:
 - (i) you have not received the Application Form or any other document relating to the Open Offer in an Excluded Territory, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into an Excluded Territory; (ii) you are not and were not located in an Excluded Territory at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside an Excluded Territory at the time he or she instructed you to submit the Application Form.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.

You should note that applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid. If you do not wish to apply for Open Offer Shares under the Open Offer you should not complete or return the Application Form.

All enquiries in connection with the Application Form should be addressed to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AH. If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Computershare between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday on 0370 707 1755 from within the UK or +44 (0)370 707 1755 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

4.2 Action to be taken if you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

4.2.1 General

Save as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares to which he is entitled under the Open Offer. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility. Further details of Excess Offer Entitlements can be found in paragraph 4.2.10 of this Part IV.

The CREST stock account to be credited will be an account under the Participant ID and Member ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. or such later time as the Company may decide, on 4 April 2019, an Application Form will

be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

Qualifying CREST Shareholders who wish to apply for some or all of their entitlements to Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to the procedure for acceptance, please telephone Computershare between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday on 0370 707 1755 from within the UK or +44 (0)370 707 1755 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

4.2.2 *Procedure for application and payment*

The Open Offer Entitlements and Excess Open Offer Entitlements will have a separate ISIN and constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. Euroclear’s Claims Processing Unit will not generate market claims for the Excess CREST Open Offer Entitlements and any Qualifying Shareholder who requires Excess CREST Open Offer Entitlements to be credited to their CREST account should contact Computershare on 0370 707 1755.

4.2.3 *USE instructions*

Qualifying CREST Shareholders who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and Excess Open Offer Entitlements in CREST must send (or if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“**USE**”) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the Participant ID and Member Account ID specified below, with the number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for (subject to paragraph 4.2.10 of this Part IV); and
- (ii) the creation of a CREST payment in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares or Excess Shares referred to in sub-paragraph (i) above.

4.2.4 *Content of USE instructions in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlements, which is GB00BJVK3Z74;
- (iii) the Participant ID of the accepting CREST member;
- (iv) the Member Account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the Participant ID of Computershare, in its capacity as a CREST receiving agent, which is 8RA28;
- (vi) the Member Account ID of Computershare in its capacity as a CREST receiving agent, which is INDEOPEN in respect of the Open Offer Entitlement;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction, which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date, which must be on or before 11.00 a.m. on 18 April 2019; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 18 April 2019.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 18 April 2019 in order to be valid is 11.00 a.m. on that day.

4.2.5 *Contents of USE instructions in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement, which is GB00BJXFHR0G;

- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the Participant ID of Computershare, in its capacity as a CREST receiving agent, which is 8RA28;
- (vi) the Member Account ID of Computershare in its capacity as a CREST receiving agent, which is INDEOPEN;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date, which must be before 11.00 a.m. on 18 April 2019; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 18 April 2019.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) should add the following non-mandatory fields to their USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 18 April 2019 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 24 April 2019 or such later time and date as the Company may determine (being no later than 8.00 a.m. on 8 May 2019), the Open Offer will lapse, the Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days. The Open Offer cannot be revoked once all conditions have been satisfied.

4.2.6 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal as are set out in the Application Form.

The holder of an Application Form who is proposing so to deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and Excess Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up such entitlements prior to 11.00 a.m. on 18 April 2019.

In particular, having regard to normal processing times in CREST and on the part of the Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 15 April 2019, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST is 4.30 p.m. on 12 April 2019, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and Excess Open Offer Entitlements prior to 11.00 a.m. on 18 April 2019.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of an Excluded Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

4.2.7 *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 18 April 2019 will constitute a valid application under the Open Offer.

4.2.8 *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 18 April 2019. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

4.2.9 *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question (without interest).

4.2.10 *The Excess Application Facility*

Provided that a Qualifying CREST Shareholder chooses to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess CREST Open Offer Entitlement does not in any way give Qualifying CREST Shareholders a right to the Open Offer Shares attributable to the Excess CREST Open Offer Entitlement as an Excess CREST Open Offer Entitlement is subject to scaling back in accordance with the terms of this document.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim. In such circumstances the Qualifying CREST Shareholder should contact share Registrars by telephone on the number stated in Note (1) on page 6 who will arrange for the additional Excess Shares to be credited to the relevant CREST account of the Qualifying CREST Shareholder. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed the number of Open Offer Shares being made available, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application for Excess Shares under the Excess Application Facility, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid

for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest, and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

4.2.11 *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Excluded Territory and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Excluded Territory nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (v) represent and warrant that he is not, nor is he 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 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information or representation other than those contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof, shall have any liability for any information or representation not contained in this document and further agree that having had the opportunity to read this document he will be deemed to have had notice of all the information concerning the Group contained therein; and
- (vii) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

4.2.12 *Company's discretion as to rejection and validity of applications*

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not strictly comply in all respects with the requirements as to validity set out or referred to in this paragraph 4 of this Part IV;
- (ii) accept an alternative properly authenticated, dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

If you have any doubt as to the procedure for acceptance and payment you should contact Computershare by telephone between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday on 0370 707 1755 from within the UK or +44 (0)370 707 1755 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. This helpline will not provide any financial or tax advice or advice concerning the merits of the Open Offer or whether or not you should make an application under the Open Offer.

4.2.13 *Issue of Open Offer Shares in CREST*

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after the close of business on 18 April 2019. If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' Open Offer Entitlements with effect from the next business day. The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

5. Money Laundering Regulations

5.1 Holders of Application Forms

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations (the “Regulations”), the Registrar may require verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the “verification of identity”).

The verification of identity requirements pursuant to the Regulations will apply to applications with a value of €15,000 (or its Pound Sterling equivalent) or greater, or to one of a series of linked applications whose aggregate value exceeds that amount, and in the case of such applications verification of the identity of Applicant(s) for Open Offer Shares may be required.

If within a reasonable period of time following a request, for verification of identity, but in any event by 11.00 a.m. on 18 April 2019, the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the Applicant’s risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the Applicant named on the accompanying Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares through the market prior to 3.00 p.m. on 16 April 2019), by the person named in Box 11 on the Application Form. If this is not practicable and the Applicant uses a cheque drawn on a building society or a banker’s draft, the Applicant should:

- (i) ask the building society or bank to endorse on the cheque or draft the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or banker’s draft;
- (ii) if the Applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you have any questions relating to the procedure for acceptance, please telephone Computershare between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday on 0370 707 1755 from within the UK or +44 (0)370 707 1755 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice;
- (iii) if the Applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driving licence; and
- (iv) third party cheques may not be accepted unless covered by (i) above.

In any event, if it appears to the Receiving Agent that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting will be required.

Neither the Receiving Agent, nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification. By lodging an Application Form, each Qualifying Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company, at such specified time thereafter as may be required to ensure compliance with the Regulations.

5.2 ***Open Offer Entitlements and Excess Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements or Excess Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements (and Excess Open Offer Entitlements) as agent for one or more persons and you are not a United Kingdom or European Union regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of any failure to provide satisfactory evidence.

6. **Overseas Shareholders**

6.1 ***General***

The distribution of this document and the Application Form and the making or acceptance of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or Application Form(s)) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Application Forms will not be sent to and Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to a stock account in CREST of persons with registered addresses in an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company nor any of its respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part IV and specifically the contents of this paragraph 6.

The Company reserves the right, but shall not be obliged, to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of an Open Offer Entitlement (and/or a credit of Excess Open Offer Entitlements) to a stock account in CREST, to a member whose registered address would be in an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.5 below.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Excluded Territory. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement and/or a credit of Excess Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 *United States*

None of the Open Offer Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements have been or will be registered under the US Securities Act or the laws of any state or other jurisdiction of the United States and, therefore, the Open Offer Shares and the Open Offer Entitlements and the Excess Open Offer Entitlements may not be directly, or indirectly, offered for subscription or purchase, taken up, sold, delivered, renounced or transferred in or into the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States and, subject to certain exceptions, none of this document, the Application Forms or the crediting of Open Offer Entitlements (or Excess Open Offer Entitlements) to a stock account in CREST constitutes or will constitute an offer or an invitation to apply for an offer or an invitation to subscribe for any Open Offer Shares in the United States. Neither this document nor an Application Form will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to, and no Open Offer Entitlements (or Excess Open Offer Entitlements) will be credited to, a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from, or post-marked in, the United States will be deemed to be invalid and all persons subscribing for Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares outside the United States.

6.3 *Other Excluded Territories*

Due to restrictions under the securities laws of the Excluded Territories and subject to certain exemptions, Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Excluded Territories will not qualify to participate

in the Open Offer and will not be sent an Application Form, nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, re-sold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Excluded Territory.

6.4 ***Other overseas territories***

Application Forms will be sent to Qualifying non-CREST Shareholders and an Open Offer Entitlement will be credited to the stock account in CREST of Qualifying CREST Shareholders in other overseas territories. Qualifying Shareholders in jurisdictions other than any Excluded Territory may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form.

Qualifying Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

6.5 ***Representations and warranties relating to Overseas Shareholders***

6.5.1 *Qualifying non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and/or the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within an Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis on behalf of, a person located within an Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not subscribing for Open Offer Shares with a view to the offer, sale, re-sale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into an Excluded Territory or any territory referred to in (ii) above. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; (ii) provides an address in any Excluded Territory for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this paragraph (a).

6.5.2 *Qualifying CREST Shareholders*

A CREST member who makes a valid application either on its own behalf or on behalf of one of its clients in accordance with the procedures set out in this Part IV represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within an Excluded Territory; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares; (iii) it is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within an Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is subscribing for any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into an Excluded Territory, or any territory referred to in (ii) above. The Company reserves the right to reject any USE instruction from an Excluded Territory or any territory referred to in (ii) above or by a CREST participant who is acting on a non-discretionary basis on behalf of a person located within an Excluded Territory or any territory referred to in (ii) above.

7. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

8. Further information

The attention of Shareholders is drawn to the terms and conditions set out on the Application Form.

NOTICE OF GENERAL MEETING

Independent Oil and Gas plc

(Incorporated and Registered in England and Wales under the Companies Act 2006 with company number 07434350)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting of Independent Oil and Gas plc (the "Company") will be held on 23 April 2019 at 11.00 a.m. at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom. The business of the meeting will be to consider and, if thought appropriate, to pass the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. THAT the Directors are generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act"), in substitution for all previous authorisations, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £3,220,550 comprising:
 - (a) up to an aggregate nominal value of £1,891,737 in connection with the Placing, Subscription and Open Offer (as such terms are defined in the circular to shareholders of which this notice forms part ("Circular"));
 - (b) up to an aggregate nominal value of £204,973 in connection with the issue of the LOG Shares (as such term is defined in the Circular); and
 - (c) otherwise than in connection with sub-paragraphs (a) and (b) above, up to an aggregate nominal value of £1,123,840 (being approximately one third of the aggregate nominal amount of the Company's issued share capital immediately following the completion of the Proposals (as such term is defined in the Circular) based on full take up under the Open Offer),

provided that this authorisation shall, unless previously revoked by resolution of the Company, expire at the conclusion of the annual general meeting of the Company to be held in 2020. The Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if this authorisation had not expired.

SPECIAL RESOLUTION

2. THAT the Directors are empowered pursuant to Section 570 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authorisation conferred by Resolution 1 above as if Section 561 of the Act did not apply to the allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities up to an aggregate nominal amount of £1,891,737 pursuant to the Placing, Subscription and Open Offer;
 - (b) the allotment of equity securities up to an aggregate nominal amount of £204,973 pursuant to the issue of the LOG Shares;
 - (c) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities made (i) to holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on the record date for such offer and (ii) to holders of other equity

securities as may be required by the rights attached to those securities or, if the Directors consider it desirable, as may be permitted by such rights, but subject in each case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (d) the allotment (otherwise than pursuant to sub-paragraphs 2(a), (b) and (c) above) of further equity securities up to an aggregate nominal amount of £842,880 (being approximately one quarter of the Company's issued share capital following the completion of the Proposals based on full take up under the Open Offer).

provided that this power shall, unless previously revoked by resolution of the Company, expire at the conclusion of the annual general meeting of the Company to be held in 2020. The Company may, at any time before the expiry of this power, make offers or enter into agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

BY ORDER OF THE BOARD

Robin Storey

Company Secretary

3 April 2019

Registered Office:
6th Floor,
60 Gracechurch Street,
London EC3V 0HR

Notes to the Notice of General Meeting:

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only shareholders entered on the register of members of the Company at 11.00 a.m. on 18 April 2019 (or in the event that this meeting is adjourned, on the register of members at 11.00 a.m. on the day preceding the date fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. A shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
3. The appointment of a proxy will not preclude a shareholder from attending in person at the meeting and voting if he or she wishes to do so.

Appointment of proxy using the accompanying proxy form

4. A proxy form is enclosed. To appoint more than one proxy, please photocopy the form. Please state each proxy's name and the number of shares in relation to which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy form is one of multiple forms being returned. All proxy forms must be signed and should be returned together in the same envelope. In the case of joint shareholders, the signature of any one of them will suffice, but the names of all joint holders should be stated.
5. To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered by hand or sent by post to the offices of the Company's registrars, Computershare Investor Services PLC ("Computershare Registrars"), The Pavilions, Bridgwater Road, Bristol, BS99 6AH, United Kingdom, so as to be received not less than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be).

Appointment of proxy through CREST

6. CREST members who wish to appoint a proxy or proxies for the meeting, including any adjournments of the meeting, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare Registrars (ID 3RA50) no later than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Changing proxy instructions

10. To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

Termination of proxy appointments

11. In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

Joint shareholders

12. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

Corporate representatives

13. A corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative at the meeting. Corporate representatives should bring with them to the meeting:
(i) an original or certified copy of the resolution authorising them; or (ii) an original letter on the shareholder's letterhead, signed by an authorised signatory, confirming that they are so authorised.

