

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 (“**FSMA**”).

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

Applications will be made to the FCA for all of the shares of no par value in the Company (issued and to be issued in connection with the Placing) (the “**Ordinary Shares**”) to be admitted to the Official List of the UK Listing Authority (the “**Official List**”) by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority under section 73A of FSMA as amended from time to time (the “**Listing Rules**”) and to London Stock Exchange plc (the “**London Stock Exchange**”) for such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (together “**Admission**”). It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence, at 8.00 a.m. on 26 October 2015.

The whole of the text of this document should be read by prospective investors. Your attention is specifically drawn to the discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares, as set out in the section entitled ‘Risk Factors’ beginning on page 15 of this document.

The Directors, whose names appear on page 34, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.



UPLAND RESOURCES LIMITED

(Incorporated in the British Virgin Islands in accordance with the laws of the British Virgin Islands with company no. 1701436)

**Placing of 130,000,000 New Ordinary Shares
at £0.01 per New Ordinary Share**

**Admission to the Official List of 213,437,861 Ordinary Shares
(by way of a Standard Listing under Chapter 14 of the Listing Rules) and
to trading on the London Stock Exchange’s main market for listed securities**

**Financial Adviser, Broker & Placing Agent
OPTIVA SECURITIES LIMITED**

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

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

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

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

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

CONTENTS

Part I – Summary	3
Part II – Risk Factors	15
Part III – Important Information	30
Part IV – Expected Timetable, Admission Statistics and Dealing Codes	33
Part V – Directors, Agents and Advisers	34
Part VI – The Company’s Strategy	36
Part VII – The Company and the Board	42
Part VIII – The Placing	45
Part IX – Share Capital, Liquidity and Capital Resources	47
Part X – Historical Financial Information	50
Section A: Accountants’ Report on the Consolidated Historical Financial Information of the Group	50
Section B: Consolidated Historical Financial Information of the Group	52
Section C: Capitalisation and Indebtedness of the Group	62
Part XI – Taxation	63
Part XII – Consequences of a Standard Listing	67
Part XIII – BVI Company Law	68
Part XIV – CREST and Depositary Interests	71
Part XV – Competent Person’s Report	74
Part XVI – Additional Information	113
Part XVII – Definitions	131

PART I

SUMMARY

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

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

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

Section A – Introduction and warnings		
A.1	Warning to investors	<p>This summary should be read as an introduction to this document.</p> <p>Any decision to invest in the Ordinary Shares should be based on consideration of this document as a whole by the investor.</p> <p>Where a claim relating to the information contained in this document is brought before a court the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent for intermediaries	<p>Not applicable; no consent has been given by the Company or the Directors, who are the persons responsible for drawing up this document, to the use of this document for subsequent resale or final placement of securities by financial intermediaries.</p>

Section B – the Issuer		
B.1	Legal and commercial name	<p>The legal and commercial name of the issuer is Upland Resources Limited.</p>
B.2	Domicile and legal form	<p>The Company was incorporated with limited liability on 14 March 2012 in the BVI under the BVI Companies Act with an indefinite life.</p>

B.3	Current operations / Principal activities and markets	<p><i>Introduction</i></p> <p>The Company was formed for the purpose of acquiring target companies, businesses or assets which have operations in the oil & gas exploration and production sector which the Company will then look to develop and expand. It may also apply to the relevant governmental authorities for licences or permits to explore, appraise and/or develop oil & gas assets. It is not intended that the Company simply acquire minority stakes in entities operating in the oil & gas sector, but that it acquires and actively manages oil & gas assets/businesses.</p> <p>The Company has not as yet begun to execute its business plan, but has been assessing various opportunities. The Company is however currently awaiting the result of its application (with co-applicants) submitted in October 2014 for a UK petroleum exploration and development licence covering the East Midlands Blocks SK46c and SK47b in the 14th Onshore Licensing Round, organised by the UK Oil And Gas Authority.</p> <p>The Company (including subsequently acquired or incorporated subsidiaries) will form a trading business/group, rather than an investment entity. The Company intends to grow this operational oil & gas exploration and production business both organically and by acquisition. The Company aims to achieve its objective through the identification and acquisition of assets, companies or businesses where the existing owners are attracted to the Company's proposition, namely the opportunity to sell for cash or accept undertakings to finance and carry out work commitments or hold an ownership interest in a company whose equity securities are listed on the London Stock Exchange, with cash, access to capital markets and the 'know-how' to unlock the value of their acquired oil & gas assets.</p> <p>The Company intends to focus on acquiring assets, companies or businesses where value is trapped by virtue of a lack of capital, technical expertise or management focus. The Directors believe such trapped value may often occur in family-controlled businesses and small companies or where the business or assets are considered to be non-core by a larger natural resources company.</p> <p>In terms of geography, the Company will not limit its efforts to identify a target company, business or assets to any particular geographic regions , although it is currently looking at onshore opportunities primarily in the UK, as well as currently appraising additional opportunities in North Africa and Western Europe.</p> <p>Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to any Acquisition.</p> <p><i>Failure to make any Acquisition</i></p> <p>If no Acquisition has been announced within three years of Admission, the Board will consult with shareholders as to the ongoing direction and activities of the Company.</p>
-----	---	---

		<p><i>Business strategy and execution</i></p> <p>The Directors will draw on their experience, in conjunction with their contacts and advisers, to target suitable Acquisition candidates in the oil & gas sector.</p>																														
B.4	Significant trends	<p>The Directors believe that increasing global industrialisation and urbanisation, particularly in emerging African and Asian markets, plus increased concern about security of energy supply in some developed economies is likely to lead to increased local demand for energy production in the medium to long term. Over the same period, the Directors believe that the supply of oil and gas in these markets will be constrained by insufficient investment to keep pace with increased demand and by exploration and development challenges, which are likely in each case to generate sustained inflation in commodity pricing. However, the world is currently experiencing an oversupply of oil and gas that has led to a sharp, and for the time being sustained, fall in the price of these commodities.</p>																														
B.5	Group structure	<p>The Company is the holding company for the Group and currently has three wholly-owned direct subsidiaries and two wholly-owned indirect subsidiaries.</p>																														
B.6	Major shareholders	<p>At the date of this document, the Company has an aggregate of 83,437,861 Ordinary Shares in issue and the following shareholders had interests in 5% or more of the Company's issued shares:</p> <table border="1"> <thead> <tr> <th><i>Shareholder</i></th> <th><i>No. of Ordinary Shares as at 14 October 2015</i></th> <th><i>Percentage of issued ordinary share capital as at 14 October 2015</i></th> <th><i>No. of ordinary shares following completion of the Placing/on Admission</i></th> <th><i>Percentage of issued ordinary share capital following completion of the Placing/on Admission</i></th> </tr> </thead> <tbody> <tr> <td>Stephen Staley</td> <td>16,287,564</td> <td>19.52%</td> <td>17,287,564</td> <td>8.1%</td> </tr> <tr> <td>Optiva Securities Limited</td> <td>15,000,000</td> <td>17.98%</td> <td>15,000,000</td> <td>7.03%</td> </tr> <tr> <td>Norza Zakaria</td> <td>12,876,642</td> <td>15.43%</td> <td>44,876,642</td> <td>21.03%</td> </tr> <tr> <td>Portmann Capital Management Limited</td> <td>6,438,323</td> <td>7.72%</td> <td>6,438,323</td> <td>3.02%</td> </tr> <tr> <td>Gerard Walsh</td> <td>4,506,824</td> <td>5.4%</td> <td>4,506,824</td> <td>2.11%</td> </tr> </tbody> </table>	<i>Shareholder</i>	<i>No. of Ordinary Shares as at 14 October 2015</i>	<i>Percentage of issued ordinary share capital as at 14 October 2015</i>	<i>No. of ordinary shares following completion of the Placing/on Admission</i>	<i>Percentage of issued ordinary share capital following completion of the Placing/on Admission</i>	Stephen Staley	16,287,564	19.52%	17,287,564	8.1%	Optiva Securities Limited	15,000,000	17.98%	15,000,000	7.03%	Norza Zakaria	12,876,642	15.43%	44,876,642	21.03%	Portmann Capital Management Limited	6,438,323	7.72%	6,438,323	3.02%	Gerard Walsh	4,506,824	5.4%	4,506,824	2.11%
<i>Shareholder</i>	<i>No. of Ordinary Shares as at 14 October 2015</i>	<i>Percentage of issued ordinary share capital as at 14 October 2015</i>	<i>No. of ordinary shares following completion of the Placing/on Admission</i>	<i>Percentage of issued ordinary share capital following completion of the Placing/on Admission</i>																												
Stephen Staley	16,287,564	19.52%	17,287,564	8.1%																												
Optiva Securities Limited	15,000,000	17.98%	15,000,000	7.03%																												
Norza Zakaria	12,876,642	15.43%	44,876,642	21.03%																												
Portmann Capital Management Limited	6,438,323	7.72%	6,438,323	3.02%																												
Gerard Walsh	4,506,824	5.4%	4,506,824	2.11%																												

B.7	Selected historical key financial information	<p>The Company was incorporated on 14 March 2012.</p> <p>The tables below set out the historical financial information of the Group for the period from incorporation to 31 March 2015:</p> <p>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</p> <table border="1"> <thead> <tr> <th></th> <th><i>As at 31 March 2015</i></th> <th><i>As at 31 March 2014</i></th> <th><i>As at 30 June 2014</i></th> <th><i>As at 30 June 2013</i></th> <th><i>As at 30 June 2012 As restated</i></th> </tr> <tr> <th><i>Assets</i></th> <th><i>£</i></th> <th><i>Unaudited £</i></th> <th><i>£</i></th> <th><i>£</i></th> <th><i>£</i></th> </tr> </thead> <tbody> <tr> <td>Non-current assets</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Investments in Group undertakings*</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Current assets</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other receivables</td> <td>-</td> <td>863</td> <td>777</td> <td>738</td> <td>1</td> </tr> <tr> <td>Cash and cash equivalents *</td> <td>169,304</td> <td>350,629</td> <td>350,896</td> <td>639</td> <td>1,000</td> </tr> <tr> <td>Total assets</td> <td><u>169,304</u></td> <td><u>351,492</u></td> <td><u>351,673</u></td> <td><u>1,377</u></td> <td><u>1,001</u></td> </tr> <tr> <td>Equity and Liabilities</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Share capital</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Share premium</td> <td>392,201</td> <td>382,801</td> <td>392,201</td> <td>1</td> <td>1</td> </tr> <tr> <td>Retained earnings</td> <td>(242,275)</td> <td>(51,594)</td> <td>(75,714)</td> <td>(9,240)</td> <td>(5,478)</td> </tr> <tr> <td>Total Equity</td> <td>149,926</td> <td>331,207</td> <td>316,487</td> <td>(9,239)</td> <td>(5,477)</td> </tr> <tr> <td>Current Liabilities</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other payables</td> <td>19,378</td> <td>20,285</td> <td>35,186</td> <td>10,616</td> <td>6,478</td> </tr> <tr> <td>Total Equity and Liabilities</td> <td><u>169,304</u></td> <td><u>351,492</u></td> <td><u>351,673</u></td> <td><u>1,377</u></td> <td><u>1,001</u></td> </tr> </tbody> </table> <p>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</p> <table border="1"> <thead> <tr> <th></th> <th><i>Nine months ended 31 March 2015</i></th> <th><i>Nine months ended 31 March 2014</i></th> <th><i>Year ended 30 June 2014</i></th> <th><i>Year ended 30 June 2013</i></th> <th><i>Period ended 30 June 2012 As restated</i></th> </tr> <tr> <th></th> <th><i>£</i></th> <th><i>Unaudited £</i></th> <th><i>£</i></th> <th><i>As restated £</i></th> <th><i>As restated £</i></th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Administrative expenses</td> <td>(166,561)</td> <td>(42,354)</td> <td>(66,474)</td> <td>(3,762)</td> <td>(5,478)</td> </tr> <tr> <td>Operating loss</td> <td>(166,561)</td> <td>(42,354)</td> <td>(66,474)</td> <td>(3,762)</td> <td>(5,478)</td> </tr> <tr> <td>Loss before taxation</td> <td>(166,561)</td> <td>(42,354)</td> <td>(66,474)</td> <td>(3,762)</td> <td>(5,478)</td> </tr> <tr> <td>Taxation</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total comprehensive income for the year/period attributable to the owners of the parent</td> <td><u>(166,561)</u></td> <td><u>(42,354)</u></td> <td><u>(66,474)</u></td> <td><u>(3,762)</u></td> <td><u>(5,478)</u></td> </tr> </tbody> </table>		<i>As at 31 March 2015</i>	<i>As at 31 March 2014</i>	<i>As at 30 June 2014</i>	<i>As at 30 June 2013</i>	<i>As at 30 June 2012 As restated</i>	<i>Assets</i>	<i>£</i>	<i>Unaudited £</i>	<i>£</i>	<i>£</i>	<i>£</i>	Non-current assets						Investments in Group undertakings*	-	-	-	-	-		-	-	-	-	-	Current assets						Other receivables	-	863	777	738	1	Cash and cash equivalents *	169,304	350,629	350,896	639	1,000	Total assets	<u>169,304</u>	<u>351,492</u>	<u>351,673</u>	<u>1,377</u>	<u>1,001</u>	Equity and Liabilities						Share capital	-	-	-	-	-	Share premium	392,201	382,801	392,201	1	1	Retained earnings	(242,275)	(51,594)	(75,714)	(9,240)	(5,478)	Total Equity	149,926	331,207	316,487	(9,239)	(5,477)	Current Liabilities						Other payables	19,378	20,285	35,186	10,616	6,478	Total Equity and Liabilities	<u>169,304</u>	<u>351,492</u>	<u>351,673</u>	<u>1,377</u>	<u>1,001</u>		<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013</i>	<i>Period ended 30 June 2012 As restated</i>		<i>£</i>	<i>Unaudited £</i>	<i>£</i>	<i>As restated £</i>	<i>As restated £</i>	Revenue	-	-	-	-	-	Administrative expenses	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)	Operating loss	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)	Loss before taxation	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)	Taxation	-	-	-	-	-	Total comprehensive income for the year/period attributable to the owners of the parent	<u>(166,561)</u>	<u>(42,354)</u>	<u>(66,474)</u>	<u>(3,762)</u>	<u>(5,478)</u>
	<i>As at 31 March 2015</i>	<i>As at 31 March 2014</i>	<i>As at 30 June 2014</i>	<i>As at 30 June 2013</i>	<i>As at 30 June 2012 As restated</i>																																																																																																																																																			
<i>Assets</i>	<i>£</i>	<i>Unaudited £</i>	<i>£</i>	<i>£</i>	<i>£</i>																																																																																																																																																			
Non-current assets																																																																																																																																																								
Investments in Group undertakings*	-	-	-	-	-																																																																																																																																																			
	-	-	-	-	-																																																																																																																																																			
Current assets																																																																																																																																																								
Other receivables	-	863	777	738	1																																																																																																																																																			
Cash and cash equivalents *	169,304	350,629	350,896	639	1,000																																																																																																																																																			
Total assets	<u>169,304</u>	<u>351,492</u>	<u>351,673</u>	<u>1,377</u>	<u>1,001</u>																																																																																																																																																			
Equity and Liabilities																																																																																																																																																								
Share capital	-	-	-	-	-																																																																																																																																																			
Share premium	392,201	382,801	392,201	1	1																																																																																																																																																			
Retained earnings	(242,275)	(51,594)	(75,714)	(9,240)	(5,478)																																																																																																																																																			
Total Equity	149,926	331,207	316,487	(9,239)	(5,477)																																																																																																																																																			
Current Liabilities																																																																																																																																																								
Other payables	19,378	20,285	35,186	10,616	6,478																																																																																																																																																			
Total Equity and Liabilities	<u>169,304</u>	<u>351,492</u>	<u>351,673</u>	<u>1,377</u>	<u>1,001</u>																																																																																																																																																			
	<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013</i>	<i>Period ended 30 June 2012 As restated</i>																																																																																																																																																			
	<i>£</i>	<i>Unaudited £</i>	<i>£</i>	<i>As restated £</i>	<i>As restated £</i>																																																																																																																																																			
Revenue	-	-	-	-	-																																																																																																																																																			
Administrative expenses	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)																																																																																																																																																			
Operating loss	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)																																																																																																																																																			
Loss before taxation	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)																																																																																																																																																			
Taxation	-	-	-	-	-																																																																																																																																																			
Total comprehensive income for the year/period attributable to the owners of the parent	<u>(166,561)</u>	<u>(42,354)</u>	<u>(66,474)</u>	<u>(3,762)</u>	<u>(5,478)</u>																																																																																																																																																			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
	<i>Share capital £</i>	<i>Share premium £</i>	<i>Retained earnings £</i>	<i>Total £</i>
Issue of shares – as restated	-	1	-	1
Share issue costs – as restated	-	-	-	-
Loss for the period – as restated	-	-	(5,478)	(5,478)
Balance at 30 June 2012 –				
as restated	-	1	(5,478)	(5,477)
Issue of shares – as restated	-	-	-	-
Share issue costs – as restated	-	-	-	-
Loss for the year – as restated	-	-	(3,762)	(3,762)
Balance at 30 June 2013	-	1	(9,240)	(9,239)
Issue of shares	-	416,500	-	416,500
Share issue costs	-	(24,300)	-	24,300
Loss for the year	-	-	(66,474)	(66,474)
Balance at 30 June 2014	-	392,201	(75,714)	316,487
Issue of shares	-	-	-	-
Share issue costs	-	-	-	-
Loss for the period	-	-	(166,561)	(166,561)
Balance at 31 March 2015	-	392,201	(242,275)	149,926

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013 As restated</i>	<i>Period ended 30 June 2012 As restated</i>
	£	<i>Unaudited</i> £	£	£	£
Cash flows from operating activities					
Loss from operations	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)
(Increase)/decrease in other debtors and prepayments	777	(126)	(40)	(737)	-
Increase/(decrease) in trade and other payables	(15,808)	9,669	24,570	4,138	6,478
Net cash flow from operating activities	<u>(181,592)</u>	<u>(32,811)</u>	<u>(41,944)</u>	<u>(361)</u>	<u>1,000</u>
Cash flows from financing activities					
Proceeds from issuance of shares of no par value	-	406,501	416,501	-	-
Costs from issuance of shares of no par value	-	(23,700)	(24,300)	-	-
Net cash generated from financing activities	<u>-</u>	<u>382,801</u>	<u>392,201</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities					
Investments in group undertakings*	-	-	-	-	-
Net cash outflow from investing activities *	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<u>(181,592)</u>	<u>349,990</u>	<u>350,257</u>	<u>(361)</u>	<u>1,000</u>
Cash and cash equivalents and beginning of period	350,896	639	639	1,000	-
Cash and cash equivalents at end of period *	<u><u>169,304</u></u>	<u><u>350,629</u></u>	<u><u>350,896</u></u>	<u><u>639</u></u>	<u><u>1,000</u></u>

		<p>During the year ended 30 June 2014, the Company undertook a fundraising, raising £392,200 net of share issue costs.</p> <p>In the period ended 31 March 2015, the Company incurred and expensed costs on account of its proposed Listing totalling £23,600.</p> <p>During the period ended 31 March 2015, the Group incurred and expensed costs totalling £64,097 (£6,300 in the year ended 30 June 2014) relating to progressing projects, excluding any Directors' fees.</p> <p>There has been no significant change in the financial condition or operating results of the Group since 31 March 2015, the end of the period covered by the selected historical financial information set out in the tables above.</p>
B.8	Selected key pro forma financial information	Not applicable; no pro forma financial information is included.
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made.
B.10	Qualified audit report	Not applicable; the audit report on the historical financial information of the Group does not contain any qualification.
B.11	Insufficient working capital	Not applicable; the Company's working capital, taking into account the estimated Net Placing Proceeds, is sufficient for its present requirements, that is for at least the 12 months from the date of this document.

Section C- Securities

C.1	Description of the type and the class of the securities being offered	Each Placee has subscribed for New Ordinary Shares of no par value at the Placing Price of £0.01 per share, payable in cash. The Ordinary Shares are registered with ISIN number VGG7552A1075 and SEDOL number BYZFL59.
C.2	Currency of the securities issue	The Ordinary Shares are denominated in UK Sterling and the Placing Price is payable in UK Sterling.
C.3	Issued share capital	<p>83,437,861 Ordinary Shares have been issued at the date of this document, all of which have been fully paid up.</p> <p>As at Admission, there will be 213,437,861 Ordinary Shares in issue, all of which will be fully paid up.</p>
C.4	Rights attached to the securities	<p>Shareholders will have the right to receive notice of and to attend and vote at any meetings of Shareholders. Each Shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such Shareholder present in person or by proxy will have one vote for each Ordinary Share held by him.</p> <p>In the case of joint holders of an Ordinary Share, if two or more persons hold an Ordinary Share jointly either of them may be present in person or by proxy at a meeting of Shareholders and may speak on behalf of all joint owners as a Shareholder, and if two or more joint holders are present at a meeting of Shareholders, in person or by proxy, they must vote as one.</p>

		<p>The pre-emption rights contained in the Articles have been waived, subject to Admission, (i) for the purposes of, or in connection with, the Placing, (ii) for the purposes of, or in connection with, the grant of any exercise of the warrants to subscribe for 6,500,000 Ordinary Shares to Optiva, (iii) for the purposes of, or in connection with, any Acquisition (including in respect of consideration payable for any Acquisition) or in connection with the restructuring or refinancing of any debt or other financial obligation relating to any Acquisition (whether assumed or entered into by the Company or owed or guaranteed by any company or entity acquired), (iv) generally for such purposes as the Directors may think fit, an aggregate amount not exceeding 100 per cent, of the aggregate value of Ordinary Shares in issue (as at the close of the first Business Day following Admission) and (v) for the purposes of issues of securities offered to Shareholders on a <i>pro rata</i> basis. Otherwise, Shareholders will have pre-emption rights which will generally apply in respect of future share issues for cash. No pre-emption rights exist in respect of future share issues wholly or partly other than for cash.</p> <p>Subject to the BVI Companies Act, each Ordinary Shares confers on the holder the right to an equal share in the distribution of the surplus assets of the Company.</p> <p>Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to any Acquisition.</p>
C.5	Restrictions on transferability	<p>Subject to the BVI Companies Act and the Articles, any member may transfer all or any of his certificated shares by an instrument of transfer signed by the transferor and containing the name and address of the transferee. The Directors may permit such shares or interests in shares held in uncertificated form to be transferred by means of a relevant system of holding and transferring shares (or interests in shares) in uncertificated form.</p>
C.6	Application for admission to trading on a regulated market	<p>Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8.00 a.m. on 26 October 2015.</p>
C.7	Dividend policy	<p>The Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with the BVI Companies Act and all other applicable laws.</p>

Section D – Risks

D.1	Key information on the key risks that are specific to the issuer or its industry	<p><i>Business Strategy</i></p> <ul style="list-style-type: none"> ● The Company has no operating history or results. ● There may be significant competition in some or all of the acquisition opportunities that the Company may explore, which may cause the Company to be unsuccessful in executing any Acquisition or may result in a successful Acquisition being made at a significantly higher price than would otherwise have been the case. ● The Company may be unable to complete any Acquisition in a timely manner or at all, or to fund the operations of the target asset, company or business if it does not obtain additional funding following completion of any such Acquisition. ● In October 2014, the Company submitted an application (with co-applicants) for a UK petroleum exploration and development licence (a “PEDL”) in the 14th Onshore Licensing Round, organised by the Oil and Gas Authority (“OGA”), the executive agency sponsored by the UK Department of Energy and Climate Change, the result of which is not expected to be announced by the OGA by Admission. The Company’s application is for two Blocks, covered by a single PEDL and is in the East Midlands. At the date of this document, the Company has not been given any indication as to whether such application will be successful in whole or in part. If the application is unsuccessful, it will result in a loss to the Company of its share of the related costs incurred in relation to such application, together with the costs of the Competent Person’s Report set out in Part XV of this document (estimated to amount to £48,000 in aggregate). <p><i>The Company’s relationship with the Directors, and conflicts of interest</i></p> <ul style="list-style-type: none"> ● The Company is dependent on the Directors to identify potential acquisition opportunities and to execute any Acquisition and the loss of the services of the Directors (in particular, the Executive Director) could materially adversely affect it. ● At the date of this document, each of the Directors has other private interests and duties, which include, in the case of Stephen Staley and Jeremy King, directorships of other upstream oil & gas companies. The Directors’ other interests and duties do not give rise to any conflict of interest at present, but it is not possible to say whether any such conflict of interest will arise in the future or not given the changing strategies and goals of the Company and the other companies in which each of the Directors has other private interests and duties. <p><i>Oil & Gas Sector</i></p> <ul style="list-style-type: none"> ● The oil & gas sector is subject to commodity price fluctuations, which may adversely impact the results of operations, financial conditions and prospects of the Company following any Acquisition
-----	--	--

		<ul style="list-style-type: none"> ● Failure to discover new reserves, enhance existing reserves or adequately develop new projects could adversely affect the Company's business following any Acquisition ● The Company may be unable to obtain or renew required drilling or mining rights and concessions, licences, permits and other authorisations and/or such concessions, rights, licences, permits and other authorisations may be suspended, terminated or revoked prior to their expiration ● Drilling operations are vulnerable to natural disasters, operating difficulties and damage to or breakdown of a physical asset, any of which could have a material impact on the productivity of the operations and not all of which may be covered by insurance ● Exploration, development and production activities are capital intensive and inherently uncertain in their outcome. ● The Company may be subject to risks particular to one or more countries in which it ultimately operates (following any Acquisition), including regulatory compliance risks and foreign investment and exchange risks
D.3	Key information on the key risks that are specific to the securities	<p><i>The Ordinary Shares</i></p> <ul style="list-style-type: none"> ● A Standard Listing will afford investors a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules which may have an adverse effect on the valuation of the Ordinary Shares. ● The proposed Standard Listing of the Ordinary Shares will not afford Shareholders the opportunity to vote to approve any Acquisition (including any Acquisition which constitutes a Reverse Takeover). ● If any Acquisition constitutes a Reverse Takeover, a suspension or cancellation of the Company's Ordinary Shares, as a result of the UKLA determining that there is insufficient information in the market about the target company, business or assets the subject of the Reverse Takeover, would materially reduce liquidity in such shares, which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. In the event of such suspension or cancellation, the value of the investors' shareholdings may be materially reduced. ● It may be necessary for the Company to apply for readmission of the Company's Ordinary Shares following completion of any Acquisition which constitutes a Reverse Takeover. A cancellation of the listing of the Company's Ordinary Shares by the UKLA would prevent the Company from raising equity finance on the public market, or to carry out any further acquisition using share consideration, restricting its business activities and resulting in incurring unnecessary costs.

Section E – Offer		
E.1	Total net proceeds/expenses	The Net Placing Proceeds are approximately £1,110,000. The total expenses incurred (or to be incurred) by the Company in connection with Admission and the Placing are approximately £190,000. None of such expenses will be charged to investors.
E.2a	Reasons for the offer and use of proceeds	<p>The Company was formed for the purpose of acquiring target companies, businesses or assets which have operations in the oil & gas exploration and production sector which the Company will then look to develop and expand. There is no specific expected target value for any Acquisition and the Company expects that any funds not used for Acquisitions will be used for internal or external growth and expansion, and working capital in relation to acquired assets, companies or businesses.</p> <p>Following completion of an Acquisition, the objective of the Company will be to actively manage the acquired asset, company or business and implement an operating strategy with a view to generating value for its shareholders through operational improvements as well as through additional complementary acquisitions.</p> <p>Prior to the completion of an Acquisition, the Net Placing Proceeds will be held in an interest-bearing deposit account and will be used for general corporate purposes, including paying the expenses of Admission and the Placing, and the Company’s ongoing costs and expenses, including directors’ fees, due diligence costs and other costs of sourcing, reviewing and pursuing Acquisition opportunities.</p> <p>The Company’s intention is to use the Net Placing Proceeds (estimated to be approximately £1,110,000) to cover initial expenditure on the licence it has (with its co-applicants) applied for under the 14th Onshore Licence Round and to fund the due diligence and other transaction costs in respect of whatever is necessary for any Acquisition. This due diligence will include a legal, financial, technical and operational evaluation of each potential Acquisition. As it is anticipated that any material Company/Business Acquisition would be made primarily for the issue of further Ordinary Shares, the Board considers that the Net Placing Proceeds are sufficient to cover both the expenses and any amounts payable for consideration in cash.</p> <p>Following a Company/Business Acquisition which constitutes a Reverse Takeover, the Company would be required under the Listing Rules to seek re-admission of the enlarged group to listing on the Official List and trading on the London Stock Exchange’s main market for listed securities or admission to trading on AIM or admission to another stock exchange.</p> <p>The Placing will only be completed if the full £1,300,000 (gross) is raised.</p>

E.3	Terms and conditions of the offer	<p>Each prospective investor has been offered New Ordinary Shares at the Placing Price of £0.01 in cash per New Ordinary Share and has conditionally subscribed for such New Ordinary Shares by signing a Placing Letter with the Company.</p> <p>Placing Letters signed by Placees have been received by the Company in respect of 130,000,000 New Ordinary Shares. All subscriptions for New Ordinary Shares are conditional on, <i>inter alia</i>, Admission.</p>
E.4	Material interests	Not applicable; there is no interest that is material to the issue/offer.
E.5	Selling Shareholders / Lock-up agreements	<p>Not applicable; no person or entity is offering to sell the relevant securities.</p> <p>Each of the Directors has agreed that he will not, offer, sell, contract to sell, pledge or otherwise dispose of any Ordinary Shares which he beneficially owns or may come to beneficially own directly or indirectly in the Company, for a period of one year following Admission.</p> <p>The restrictions on the ability of each of the Directors to transfer its Ordinary Shares are subject to certain usual and customary exceptions for: the acceptance of, or provision of, an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms; transfers pursuant to an offer by or an agreement with the Company to purchase ordinary shares made on identical terms to all Shareholders; or transfers as required by an order made by a court with competent jurisdiction.</p>
E.6	Dilution	<p>Not applicable; there is no immediate dilution resulting from the offer in respect of the New Ordinary Shares.</p> <p>Not applicable; there is no subscription offer to existing equity holders.</p>
E.7	Expenses charged to investors	Not applicable; no expenses will be charged to the investors.

PART II

RISK FACTORS

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

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

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

Risks relating to the company's business strategy

The Company has no operating history

The Company has no operating history or results and it will not commence operations prior to obtaining the Net Placing Proceeds. The Company lacks an operating history, and therefore, investors have no basis on which to evaluate the Company's ability to achieve its objective of identifying, acquiring and operating assets, companies and/or businesses in the oil & gas sector (including licences or permits or a company or business in such sector). Currently, there are no binding arrangements or understandings for the acquisition of any such asset and the Company may acquire a target asset, company or business in the oil & gas sector which does not meet the Company's stated acquisition criteria. The Company will not generate any revenues from operations unless it completes an Acquisition.

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

There is no assurance that the Company will identify and complete suitable acquisition opportunities in a timely manner or at all which could result in a loss on an investor's investment

If the Company fails to complete a proposed acquisition (for example, because it has been outbid by a competitor) it may be left with substantial unrecovered transaction costs, potentially including fees, legal costs, accounting costs, due diligence or other expenses. Furthermore, even if an agreement is reached relating to a proposed acquisition, the Company may fail to complete such acquisition for

reasons beyond its control. Any such event will result in a loss to the Company of the related costs incurred, which could materially adversely affect subsequent attempts to identify and acquire other target assets, companies or businesses in the oil & gas sector.

It is the intention of the Directors that in the event that no Acquisition at all has been announced within three years of Admission, Shareholders will be consulted as to the ongoing direction and activities of the Company. In the event that it is resolved that the Company be liquidated, there can be no assurance as to the particular amount or value of the remaining assets at such future time of any such distribution either as a result of costs from any unsuccessful Acquisition or from other factors, including disputes or legal claims which the Company is required to pay out, the cost of the liquidation and the dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation, such costs and expenses will result in investors receiving less than the initial subscription price of £0.01 per Ordinary Share and investors who acquired Ordinary Shares after Admission potentially receiving less than they invested.

Prior to the completion of any Acquisition, the Net Placing Proceeds (together with the Existing Funds) will be held in an interest bearing deposit account. Interest on the Net Placing Proceeds so deposited may be significantly lower than the potential returns on the Net Placing Proceeds had the Company completed an Acquisition sooner or deposited or held the money in other ways.

The Company's (and its co-applicants') application for a UK petroleum exploration and development licence in the 14th Onshore Licensing Round may be unsuccessful and involve aborted costs

In October 2014, the Company (along with its co-applicants) submitted an application for a UK petroleum exploration and development licence in respect of two onshore Blocks offered in the 14th Onshore Licensing Round, but at the date of this document, has not been given any indication as to whether such application will be successful in whole or in part. If the application is unsuccessful, it will result in a loss to the Company of its share of the related costs incurred in relation to such application, together with the costs of the Competent Person's Report set out in Part XV of this document (estimated to amount to £48,000 in aggregate).

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

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

The Company may face significant competition for acquisition opportunities

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

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

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

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

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

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

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

Although the Company cannot currently predict the amount of additional capital that may be required for any target asset, company or business, once any Acquisition has been made, if the target asset, company or business is not sufficiently cost generative, further funds may need to be raised. For the

avoidance of any doubt, the Company will however (taking into account the Net Placing Proceeds) have sufficient working capital to fund the requirements of the PDEL, if awarded to the Company and its co-applicants, for at least 12 months from the date of this document.

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

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

The pre-emption rights contained in the Articles have been disapplied for Shareholders in respect of the issue of equity securities to facilitate any Acquisition and in certain other circumstances and the Company may issue shares or convertible debt securities or incur substantial indebtedness to complete any Acquisition, which may dilute the interests of Shareholders or present other risks, including a decline in post-acquisition operating results due to increased interest expense or an adverse effect on liquidity as a result of acceleration of its indebtedness

The pre-emption rights contained in the Articles have been disapplied for Shareholders (i) for the purposes of, or in connection with, the Placing; (ii) for the purposes of, or in connection with, the grant of any exercise of the warrants to subscribe for 6,500,000 Ordinary Shares to Optiva (as referred to in paragraph 12.3 of Part XVI of this document); (iii) for the purposes of, or in connection with, any Acquisition or in connection with the restructuring of any debt or other financial obligation relating to any Acquisition (whether assumed or entered into by the Company or owed or guaranteed by any company or entity acquired); (iv) generally for such purposes as the Directors may think fit, an aggregate amount not exceeding 100 per cent, of the aggregate value of Ordinary Shares in issue (as at the close of the first Business Day following Admission) and (v) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary Shares, in proportion (as nearly as may be) to their existing holdings of Ordinary Shares up to an amount equal to the aggregate value of the Ordinary Shares in issue as at the close of the first Business Day following Admission but subject to the Directors having a right to make such exclusions or other arrangements in connection with the offering as they deem necessary or expedient: (A) to deal with equity securities representing fractional entitlements and (B) to deal with legal or practical problems in the laws of any territory, or the requirements of any regulatory body

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

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

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

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

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

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

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

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

It is possible that any acquisition structure determined necessary by the Company to complete any Acquisition may have adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their individual status and residence.

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

The Company is dependent upon the Directors to identify potential acquisition opportunities and to execute any Acquisition. Only the Executive Director has an agreement with the Company for the provision of his services (on a part-time basis) to the Group. The unexpected loss of the services of the Directors (and, in particular, the Executive Director) could have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute any Acquisition.

The Directors have other private interests and duties which could have a negative impact on the Company's ability to achieve its business strategy

At the date of this document, each of the Directors has other private interests and duties, which may in future lead to a conflict of interest and which include, in the case of Stephen Staley and Jeremy King, directorships of other upstream oil & gas companies. In the case of Steve Staley, such directorships of other upstream oil & gas companies are of Derwent Resources (Ksar Hadada) Limited and 88 Energy Limited (an Australian company)—the former is a dormant, single-asset company holding an interest in the Ksar Hadada permit, Tunisia and 88 Energy Limited is active solely in Alaska. In the case of Jeremy King, his only such directorship of another upstream oil & gas company is of newly-incorporated Senterra Energy Limited, which does not intend to pursue any interest in the UK or North Africa. Given the specific geographic focus of these upstream oil & gas companies, such directorships do not therefore give rise to any conflict of interest at present for either Steve Staley or Jeremy King and it is considered unlikely that any conflict of interest will arise in the future. In relation to the Directors' private interests and duties generally, these do not give rise to any existing conflict of interest, but it is not possible to say whether any such conflict of interest will arise in the future or

not given the changing strategies and goals of the Company and the other companies in which each of the Directors has other private interests and duties.

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

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

If a Company/Business Acquisition is completed, the Company's principal source of operating cash may be income received from the company or business it has acquired

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

The Company may be subject to foreign investment and exchange risks

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

The Company will not limit its efforts to identifying a target company, business or assets to any particular geographic regions (although it is currently assessing possible opportunities in the UK, North Africa and Western Europe) and may be subject to risks particular to one or more countries in which it ultimately operates, which could negatively impact its operations

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

Risks relating to the oil & gas sector

Changes in global supply and demand owing to an economic downturn may adversely affect the business, results of operations, cash flows and financial condition of the Company

Commodity prices are affected by global supply and demand, as well as widespread trading activities by market participants and others, either seeking to secure access to such commodities or to hedge against commercial risks, or as part of investment portfolio activity. Fluctuations in commodity prices give rise to commodity price risk for the Company. Historically, such prices can be subject to substantial variation which cannot be accurately predicted.

If the global economic environment experiences a substantial downturn or remains relatively weak for the medium to long term, the ability of the Company to grow or maintain revenues in future years may be adversely affected, and at certain long term price levels for a given commodity, extractive operations with respect to that commodity may not be economically viable.

Adverse and volatile economic conditions may also limit the Company's ability to anticipate revenues and costs and can affect the Company's ability to implement planned projects anticipated following any Acquisition. In addition, industry analysts are likely to take such conditions into account when assessing the prospective business and creditworthiness of the Company (following any Acquisition) and any adverse determinations, may make it more difficult for the Company to raise capital in the future to finance the business following any Acquisition.

The oil & gas sector is subject to commodity price fluctuations, which may adversely impact the results of operations, financial conditions and prospects of the Company following any Acquisition

Following any Acquisition, the Company, through the acquired asset or activities, may be a market participant as seller (and may, in certain situations, be a buyer) in any one or more commodities. Accordingly, the Company's revenue and earnings may depend upon prevailing prices for the commodities it relies on and produces. These commodities are globally traded and as a result, and in common with its competitors, the Company is unable to control the prices it receives for such commodities. In addition, following an Acquisition, the range of the commodities which the acquired activities produces may not be sufficiently broad and/or the acquired activities may be concentrated in one or more commodities within the oil & gas sector. As a result, the Company may not be able to offset price changes in one commodity with countercyclical changes in another commodity within the Company's range of commodities in an attempt to mitigate the effects of adverse price changes.

Historically, commodity prices have been volatile and subject to wide fluctuations for many reasons, including, but not limited to:

- global and regional supply and demand, and expectations regarding future supply and demand for commodities;
- geopolitical uncertainty;
- availability of tanker ships and processing equipment;
- proximity to, and capacity and cost of, transportation;
- price, availability and government subsidies of alternative fuels;
- price and availability of new technologies;
- the ability of the members of the Organisation of the Petroleum Exporting Countries ("OPEC") and other oil producing nations to set and maintain specified levels of production and prices;
- political, economic and military developments in producing regions, particularly the Middle East;
- domestic and foreign governmental regulations and actions, including export restrictions, taxes, repatriations and nationalisations;
- global and regional economic conditions; and
- weather conditions and natural disasters.

It is impossible to predict accurately future commodities price movements and commodities prices may not remain at their current levels. Any material decline in commodities prices, to the extent they are not addressed by meaningful hedging arrangements, could result in a reduction of the Company's net production revenue.

In addition, the economics of producing in some jurisdictions, or some assets within some jurisdictions, may change as a result of lower commodities prices, which could result in a reduction of the Company's reserves to the extent that they may become no longer economically viable to develop. Moreover, the Company may not be able to engage in meaningful hedging arrangements against declines in commodity prices and there can be no guarantee that such hedging strategies will be implemented or ultimately successful. As a result, the Company following any Acquisition may experience significant volatility in its results of operations in its periodic financial statements if there are adverse changes in commodity prices during the reported financial period. As a result of the factors described above, the Company will also not be able to accurately predict the precise timing of any improvements and/or recoveries in the global, regional or national macroeconomic environments, or in commodity prices, any of which can make the Company's operational strategies based on production planning more difficult to implement successfully. For example, the prevailing prices of certain commodities may fall to levels that are below the average marginal cost of production for the industry, which the Company will not be able to predict accurately. If the Company's estimates of future price levels results in the Company incurring fixed additional costs and the Company fails to change production levels in response to then-current price levels, the Company's results of operations and financial condition could be adversely affected.

Political, legal and commercial instability, as well as political and fiscal pressure on governments, in the countries and territories in which the oil & gas sector may operate could affect the viability of the Company's operations following any Acquisition

Following any Acquisition, the Company may have operations in jurisdictions with varying degrees of political, legal and commercial stability. Political, civil and social pressures may result in administrative change, policy reform, changes in law or governmental regulations, which in turn can result in expropriation or nationalisation of a target's assets. Renegotiation or nullification of pre-existing agreements, concessions, leases and permits held by a target business, changes in fiscal policies (including increased tax or royalty rates) or currency restrictions are all possibilities. Commercial instability caused by bribery may lead to similar consequences, any of which could have a material adverse effect on the profitability, the ability to finance or, in extreme cases, the viability of an operation.

In addition, fiscal constraints or political pressure may also lead governments to impose increased taxation on operations in the oil & gas sector within a given jurisdiction. Such taxes or other expropriation of assets could be imposed by any jurisdiction in which the Company operates before or after any Acquisition. If operations are delayed or shut down as a result of political, legal or commercial instability, or if the Company's operations are subjected to increased taxation or other expropriation, the Company's earnings growth may be constrained and the ability of the Company to generate long term value for Shareholders following any Acquisition could be adversely impacted.

Inflation and other cost increases may have an adverse effect on the Company's results of operations and cash flows

Significant inflation or other production cost increases in the countries in which the Company may operate could increase operational costs without a corresponding increase in the sales price of the commodities the Company may produce. Alternatively, a lag in the reduction of input costs relative to declining commodity prices will have a similar adverse effect on the Company's operations. Any such increased costs or delays in cost reductions may adversely affect the Company's profitability, cash flows and results of operations.

Safety, health and environmental exposures and related regulations may expose the Company to increased litigation, compliance costs, interruptions to operations, unforeseen environmental remediation expenses and loss of reputation

The oil & gas sector involves extractive enterprises. Such activities often make the sector a hazardous industry and as a result it is typically highly regulated by safety, health and environmental laws.

Following an Acquisition, the Company's operations may be subject to extensive governmental regulations in all jurisdictions in which it operates. Operations are subject to general and specific regulations and restrictions governing drilling and production, land tenure and use, environmental requirements (including site specific environmental licences, permits and remediation requirements), workplace health and safety, social impacts and other laws.

Certain of the Company's operations may create environmental risk in the form of dust, noise or leakage of polluting substances from site operations. Failure to provide a safe working environment or to manage environmental risks may result in harm to the Company's employees, the communities near the Company's operations and the local environment. Government authorities may also force closure of facilities on a temporary or permanent basis or refuse future drilling or mining right applications. The Company could face fines and penalties, liability to employees and third parties for injury, statutory liability for environmental remediation and other financial consequences, which may be significant. The Company could also suffer impairment of its reputation, industrial action or difficulty in recruiting and retaining skilled employees. Any future changes in laws, regulations or community expectations governing the Company's operations could result in increased compliance and remediation costs. Any of the foregoing developments could have a materially adverse effect on the Company's results of operations, cash flows or financial condition.

Existing and proposed legislation and regulation affecting greenhouse gas emissions may adversely affect certain of the Company's operations

Many participants in the oil & gas sector are subject to current and planned legislation in relation to the emission of carbon dioxide, methane, nitrous oxide and other so called 'greenhouse gases'.

Failure to comply with existing legislation or any future legislation could adversely affect the Company's profitability following any Acquisition if an acquired company or business has material greenhouse gas intensive assets. Future legislative initiatives designed to reduce the consumption of hydrocarbons could also have an impact on the ability of the Company following such an Acquisition to market its commodities and/or the prices which it is able to obtain. These factors could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

In assessing and completing any Acquisition, the Company may estimate reserves, which may be less than actually recovered

The Company may estimate, or employ third party experts to estimate, a potential target's resources and reserves, which are subject to a number of assumptions, including (without limitation) the price of commodities, production costs and recovery rates. Fluctuations in the variables underlying the Company's or third party expert's estimates may result in material changes to its reserve estimates and such changes may have a materially adverse impact on the financial condition and prospects of the Company following any Acquisition.

Failure to discover new reserves, enhance existing reserves or adequately develop new projects could adversely affect the Company's business following any Acquisition

Exploration and development are costly, speculative and often unproductive, but may be necessary for the Company's business following any Acquisition. This is particularly the case in the oil & gas industry, where there may be many reasons why the Company may not be able to find or acquire oil & gas reserves or develop them for commercially viable production. For instance, factors such as adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from the environmental and other conditions in the areas where the reserves are located or through which production is transported may increase costs and make it uneconomical to develop potential reserves. Failure to discover new reserves, to enhance existing reserves or to extract resources from such reserves in sufficient amounts and in a timely manner could materially and adversely affect the Company's results of operations, cash flows, financial condition and prospects. In addition, the Company may not be able to recover the funds used in any exploration programme to identify new opportunities.

Increasingly stringent requirements relating to regulatory, environmental and social approvals can result in significant delays in construction of additional facilities and may adversely affect new drilling

projects, the expansion of existing operations and, consequently, the Company's results of operations, cash flows and financial condition, and such effects could be material.

The Company may be unable to obtain or renew required drilling rights and concessions, licences, permits and other authorisations and/or such concessions, rights, licences, permits and other authorisations may be suspended, terminated or revoked prior to their expiration

An acquired company or business may conduct its operations pursuant to drilling rights and concessions, licences, permits and other authorisations. Any delay in obtaining or renewing a licence, permit or other authorisation may result in a delay in investment or development of a resource and may have a material adverse effect on the acquired business' results of operations, cash flows and financial condition. In addition, any existing drilling rights and concessions, licences, permits and other authorisations of the acquired business may be suspended, terminated or revoked if it fails to comply with the relevant requirements. If, following a Corporate/Business Acquisition, the acquired company or business (or any of its subsidiaries) fails to fulfil the specific terms of any of its rights, concessions, licences, permits and other authorisations or if it operates its business in a manner that violates applicable law, government regulators may impose fines or suspend or terminate the right, concession, licence, permit or other authorisation, any of which could have a material adverse effect on the Company's results of operations, cash flows and financial condition.

Such risks apply equally to any licence, permit or other authorisation the subject of any Licence/Permit Acquisition.

The use of independent contractors in operations may expose those operations to delays or suspensions of activities

Independent contractors are typically used in operations in the oil & gas sector to perform various operational tasks, including carrying out drilling and mining activities and delivering raw commodities to processing or beneficiation plants. In periods of high commodity prices, demand for such contractors may exceed supply resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. Additionally, because the Company following any Acquisition will not have the same control over independent contractors as it does over employees of a target, there is a risk that such contractors will not operate in accordance with the Company's safety standards or other policies. Any of the foregoing circumstances could have a material adverse affect on the Company's operating results and cash flows following any Acquisition.

Drilling operations are vulnerable to natural disasters, operating difficulties and damage to or breakdown of a physical asset, any of which could have a material impact on the productivity of the operations and not all of which may be covered by insurance

Drilling operations are vulnerable to natural disasters, including earthquakes, drought, floods, fire, tropical storms and the physical effects of climate change, all of which are outside the Company's control. Operating difficulties, such as unexpected geological variations that could result in significant failure, could affect the costs and viability of its operations for indeterminate periods. In addition, damage to or breakdown of a physical asset, including as a result of fire, explosion or natural catastrophe, can result in a loss of assets and subsequent financial losses. Insurance can provide protection from some, but not all, of the costs that may arise from unforeseen events. Although the Company intends to maintain suitable insurance, the Company's insurance may not cover every potential risk associated with its operations. Adequate coverage at reasonable rates is not always obtainable. In addition, the Company's insurance may not fully cover its liability or the consequences of any business interruptions such as equipment failure or labour dispute. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Labour disruptions could have an adverse effect on the Company's results of operations, cash flows and financial condition

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of the Company's operations or in any of the geographic regions in which the Company operates. A significant portion of the Company's workforce may be unionised. Labour disruptions may be used not

only for reasons specific to the Company's business, but also to advocate labour, political or social goals. Any labour disruptions could increase operational costs and decrease revenues by delaying the business activities of the Company or increasing the cost of substitute labour, which may not be available. Furthermore, if such disruptions are material, they could adversely affect the Company's results of operations, cash flows and financial condition.

Restrictions on the Company's ability to access necessary infrastructure services, including transportation and utilities, may adversely affect the Company's operations

Inadequate supply of the critical infrastructure elements for drilling activity could result in reduced production or sales volumes, which could have a negative effect on the Company's financial performance. Disruptions in the supply of essential utility services, such as water and electricity, can halt the Company's production for the duration of the disruption and, when unexpected, may cause loss of life or damage to its drilling equipment or facilities, which may in turn affect its ability to recommence operations on a timely basis. Adequate provision of transportation services, such as timely pipeline and port access and rail services, are critical to distributing products and disruptions to such services may affect the Company's operations. The Company may be dependent on third party providers of utility and transportation services. As such, third party provision of services, maintenance of networks and expansion and contingency plans will be outside of the Company's control.

The Company's operations and development projects could be adversely affected by shortages of, as well as lead times to deliver, certain key inputs

The inability to obtain, in a timely manner, strategic consumables, raw materials, drilling and mining and processing equipment could have an adverse impact on any results of operations and financial condition. Periods of high demand for such supplies can result in periods when availability of supplies are limited and cause costs to increase above normal inflation rates. Any interruption to supplies or increase in costs could adversely affect the operating results and cash flows of the Company following an Acquisition.

Failure to manage relationships with local communities, government and non-government organisations could adversely affect future growth potential of the Company

As a consequence of public concern about the perceived ill effects of economic globalisation, businesses often face increasing public scrutiny of their activities. Prospective targets may have operations located in or near communities that may regard such an operation as detrimental to their environmental, economic or social circumstances. Negative community reaction to such operations could have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could also lead to disputes with national or local governments or with local communities and give rise to material reputational damage. In addition, the business which the Company acquires may operate in countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise. These disputes are not always predictable and may cause disruption to projects or operations. Oil & gas operations can also have an impact on local communities, including the need, from time to time, to relocate communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, government and non-government organisations may adversely affect the Company's reputation, as well as its ability to commence production projects, which could in turn affect the Company's revenues, results of operations and cash flows.

Exploration, development and production activities are capital intensive and inherently uncertain in their outcome. As a result, the Company may not generate a return on its investments or recover its costs and it may not be able to generate cash flows or secure adequate financing for its discretionary capital expenditure plans

Exploration, development and production activities are capital intensive and inherently uncertain in their outcome. Should the Company acquire or establish operations in the oil & gas industry, the Company's future oil & gas projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Furthermore, completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. In addition, drilling hazards or environmental damage could significantly affect operating costs, and production from successful

wells may be adversely affected by conditions including delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or adverse geological conditions. Production delays and declines, whether or not as a result of the foregoing conditions, may result in lower revenue or cash flows from operating activities until such time, if at all, that the delay or decline is cured or arrested. In the event that such cash flows are reduced in the future, the Company may be forced to scale back or delay discretionary capital expenditure resulting in delays to, or the postponement of, the Company's planned production and development activities which could have a material adverse effect on its business, results of operations, financial condition or prospects.

Exploration, development and production activities are inherently subject to a number of potential drilling and production risks and hazards which may affect the ability of the Company, if it acquires or establishes any oil & gas activities to produce oil & gas at expected levels, increase operating costs and/or expose the Company and/or its Directors and officers to legal liability

Should the Company acquire or establish operations in the oil & gas industry, the production and development operations of the Company will involve risks normally associated with such activities, including blowouts, explosions, fires, equipment damage or failure, geological uncertainties, unusual or unexpected rock formations and abnormal pressures and environmental hazards such as accidental spills, releases or leakages of petroleum liquids, gas leaks, ruptures or discharges of toxic gas. Operations are also subject to hazards inherent in marine operations, which include damage from severe weather conditions, capsizing or sinking, and damage to pipelines and subsea facilities from fishing nets, anchors and vessels. The occurrence of any of these events could result in production delays or the failure to produce oil & gas in commercial quantities from the affected operations. These events could also lead to environmental damage, injury to persons and loss of life or the destruction of property, any of which could expose the Company and/or its Directors and officers to the risk of litigation and clean-up or other remedial costs. Damages claimed in connection with any consequent litigation and the costs to the Company in defending itself against such litigation are difficult to predict and may be material. In addition, the Company could experience adverse publicity as a result of any such litigation. Any loss of production or adverse legal consequences stemming from production hazards could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

Risks relating to the Ordinary Shares

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

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

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

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

- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

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

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Upon completion of an Acquisition (especially if it constitutes a Reverse Takeover), the Directors may seek to transfer from a Standard Listing to either a Premium Listing or other appropriate listing, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. There can be no guarantee that the Company will meet such eligibility criteria or that a transfer to a Premium Listing or other appropriate listing (e.g. AIM) will be achieved. For example, such eligibility criteria may not be met if the Company acquires less than a controlling interest in the target company or business. In addition, there may be a delay, which could be significant, between the completion of an Acquisition and the date upon which the Company is able to seek or achieve a Premium Listing or a listing on another stock exchange.

If the Company does not achieve a Premium Listing or the Directors decide to maintain the Standard Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would mean that the Company could be operating a substantial business but would not need to comply with such higher standards as a Premium Listing provides.

Alternatively, in addition to, or in lieu of seeking a Premium Listing, the Company may determine to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

For the avoidance of any doubt, the Company intends to maintain the Standard Listing if it and its co-applicants are awarded the UK petroleum exploration and development licence in respect of the onshore Blocks applied for in the 14th Onshore Licensing Round.

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

It is the Company's duty under the Listing Rules to contact the UKLA as early as possible if a transaction constituting a Reverse Takeover has been agreed or is in contemplation, to discuss whether a suspension of the listing of the Company's shares is appropriate. The UKLA retains a general power to suspend a company's securities where it considers it necessary to protect investors.

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

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

The Listing Rules also provide that the UKLA will generally seek to cancel the listing of a listed company's securities when it completes a Reverse Takeover. In such circumstances, the Company may seek the re-admission to listing either simultaneously with completion of any such Reverse Takeover or as soon thereafter as is possible, but there is no guarantee that such re-admission would be granted.

In this regard, the UKLA has taken the view that the successful award to the Company (and its co-applicants) of the UK petroleum exploration and development licence which it has applied for in respect of two onshore Blocks offered in the 14th Onshore Licensing Round, is a Reverse Takeover. However, the Directors consider (and have confirmed to the UKLA) that on publication of this document, there will be sufficient information in the market about the licence and in the event that the licence is awarded to the Company (and its co-applicants), the Company will be able to assess accurately its financial position and inform the market accordingly. The UKLA has therefore agreed that if the Company applies for Admission, trading in the Ordinary Shares will not be immediately suspended on Admission on grounds of lack of sufficient information about the licence or, in the event of being awarded the licence, the Company being unable to assess accurately its financial position and inform the market accordingly (but without prejudice to the UKLA's ability to suspend trading in the Ordinary Shares on other grounds). As referred to above, if the licence is awarded to the Company and its co-applicants, the Company will be required to seek the re-admission to listing of the Ordinary Shares by way of a Standard Listing as soon as possible after such award, but again there is no guarantee that such re-admission would be granted.

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

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

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

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

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Ordinary Shares to be issued pursuant to the Placing, may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will

necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price.

Dividend payments may not be declared on the Ordinary Shares

The Company's current intention is to retain any earnings for use in its business operations, and the Board does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with the BVI Companies Act and all other applicable laws.

Risks relating to taxation

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

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

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

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

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

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

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

PART III
IMPORTANT INFORMATION

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

General

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

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

For the attention of all investors

The Ordinary Shares are only suitable for acquisition by a person who: (a) has a significantly substantial asset base such that would enable the person to sustain any loss that might be incurred as a result of acquiring the Ordinary Shares; and (b) is sufficiently financially sophisticated to be reasonably expected to know the risks involved in acquiring the Ordinary Shares.

For the attention of European Economic Area investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

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

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

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

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

For the attention of UK investors

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

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

Forward looking statements

This document includes statements that are, or may be deemed to be, ‘forward-looking statements’. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms ‘targets’, ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘should’ or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board of Directors concerning, *inter alia*: (i) the Company’s objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to any Acquisition. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document. In addition, even if the Company’s actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the 'Risk Factors' set out in Part II of this document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement set out in paragraph 8 (Working Capital) of Part XVI of this document.

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

PART IV

EXPECTED TIMETABLE

Publication of this document	15 October 2015
Admission and commencement of dealings in Ordinary Shares	8.00 a.m. on 26 October 2015
CREST members' accounts credited in respect of Depository Interests	8.00 a.m. on 26 October 2015
Depository Interests certificates despatched	by 30 October 2015

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

ADMISSION STATISTICS

Existing Ordinary Shares in issue	83,437,861
Total number of New Ordinary Shares in the Placing	130,000,000
Total number of Ordinary Shares in issue following the Placing and Admission	213,437,861
Placing Price per New Ordinary Share	£0.01
Estimated Net Placing Proceeds receivable by the Company	approximately £1,110,000
Market capitalisation at the Placing Price	£2,134,380

DEALING CODES

The dealing codes for the Ordinary Shares will be as follows

ISIN	VGG7552A1075
SEDOL	BYZFL59
TIDM	UPL

PART V

DIRECTORS, AGENTS AND ADVISERS

Directors	Mohamad Norza Bin Zakaria (<i>Non-Executive Chairman</i>) Dr George Henry Stephen Staley (<i>Chief Executive</i>) Jeremy Edward Stuart King (<i>Non-Executive</i>)
Corporate Administrator	Elian Fiduciary Services (BVI) Limited Ritter House Wickhams Cay II P O Box 3170 Road Town Tortola VG1110 British Virgin Islands
Registered Office	Ritter House Wickhams Cay II Road Town Tortola VG1110 British Virgin Islands
Principal Office	Unit 4, The Green Man 10 St John Street Ashbourne Derbyshire DE6 1GH
Financial Adviser and Broker	Optiva Securities Limited 2 Mill Street Mayfair London W1S 2AT
Auditors	Wilkins Kennedy LLP Bridge House London Bridge London SE1 9QR
Reporting Accountants	WK Corporate Finance LLP Bridge House London Bridge London SE1 9QR
Legal advisers to the Company as to English law	Wragge Lawrence Graham & Co LLP 4 More London Riverside London SE1 2AU
Legal advisers to the Company as to British Virgin Islands law	Ogier 44 Esplanade St. Helier Jersey JE4 9WG

Competent Person	Blackwatch Petroleum Services Limited 53 Davies Street Mayfair London W1K 5JH
Registrar	Computershare Investor Services (BVI) Limited Woodbourne Hall P O Box 3162 Road Town Tortola British Virgin Islands
Depositary	Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS13 8AE

PART VI

THE COMPANY'S STRATEGY

Introduction

The Company was incorporated on 14 March 2012 as a company with limited liability under the BVI Companies Act and with an indefinite life. To date, it has not commenced operations, but has been assessing various opportunities.

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

Opportunity

The Directors believe that increasing global industrialisation and urbanisation, particularly in the emerging African and Asian markets, plus increased concern about security of energy supply in some developed economies is likely to lead to increased local demand for energy production in the medium to long term. Over the same period, the Directors believe that the supply of oil and gas in these markets will be constrained by insufficient investment to keep pace with increased demand and by exploration and development challenges, which are likely in each case to generate sustained inflation in commodity pricing. However, the world is currently experiencing an oversupply of oil and gas that has led to a sharp, and for the time being sustained, fall in the price of these commodities.

The Directors consider these dynamics to be particularly apparent in the oil & gas industry. In recent years, the oil & gas industry has become significantly consolidated. Such consolidation has resulted in the acquisition of many mid-sized companies and the domination of the industry by a small number of non-state owned, vertically integrated companies (commonly known as the ‘oil majors’ or ‘majors’) and national oil companies. However, many valuable resource assets have been acquired by non-majors, which often do not have access to capital or sufficient know-how to realise their development potential, especially in an increasingly complex technical environment. Many of these businesses have a bias towards exploration and development assets, so consequently do not have sufficient producing assets to benefit from oil production in order to de-leverage their balance sheets. The recent fall in oil and gas prices has exacerbated what was an already difficult situation for many companies and has tended to make some governments offer more attractive terms to foreign investors in the hydrocarbon sector. Other parts of the oil & gas sector demonstrate similar characteristics.

Accordingly, the Directors believe that the oil & gas industry presents multiple attractive investment opportunities. These include the opportunity to acquire privately owned natural resource businesses, or illiquid emerging market listed entities without the ‘know-how’ or capital to unlock the value of their natural resource assets.

Company objective

The Company was formed for the purpose of acquiring a target company, business or asset that has operations in the oil & gas exploration and production sector that it will then look to develop and expand. It may also apply to the relevant governmental authorities for licences or permits to explore, appraise and/or develop oil & gas assets. It is not intended that the Company simply acquire minority stakes in entities operating in the oil & gas sector, but that it acquires and actively manages oil & gas assets/businesses.

There is no specific expected target value for any Acquisition and the Company expects that any funds not used for an Acquisition will be used for internal or external growth and expansion, and working capital in relation to acquired assets, companies or businesses.

The Company (including subsequently acquired or incorporated subsidiaries) will form a trading business/group, rather than an investment entity. The Company intends to grow this operational oil & gas exploration and production business both organically and by acquisition. The Company aims to achieve its objective through the identification and acquisition of assets, companies or businesses where the existing owners are attracted to the Company's proposition, namely the opportunity to sell for cash or accept undertakings to finance and carry out work commitments or hold an ownership interest in a company whose equity securities are listed on the London Stock Exchange, with cash, access to capital markets and the 'know-how' to unlock the value of their acquired oil & gas assets.

The Company intends to focus on acquiring assets where value is trapped by virtue of a lack of capital, technical expertise or management focus. The Directors believe such trapped value may often occur in family-controlled businesses and small companies or where the business or assets are considered to be non-core by a larger natural resources company.

Following completion of an Acquisition, the objective of the Company will be to actively manage the acquired asset, company or business and implement an operating strategy with a view to generating value for its Shareholders through operational improvements as well as through additional complementary acquisitions. Following completion of any Company/Business Acquisition which constitutes a Reverse Takeover, the Company would be required to seek re-admission of the enlarged group to listing on the Official List and trading on the London Stock Exchange or admission to another stock exchange.

The Company's efforts in identifying prospective assets, companies or businesses in the oil & gas sector will not be limited to a particular geographic region. The Company is currently looking at onshore opportunities primarily in the UK, as well as currently appraising additional opportunities in North Africa (e.g. the Rharb Basin in Morocco) and Western Europe but at the date of this document, none of these have reached a stage where the Board can be sure that they represent an attractive project. However, the Company will not exclude other geographic regions where an opportunity presents an appropriate acquisition opportunity.

The Company has previously considered opportunities in a number of other countries, including Tunisia and Egypt. In light of the recent terrorist attacks in Tunis and Sousse, the Board has decided not to pursue the Tunisian opportunities. It has also ceased looking at opportunities in Egypt. The Company has not entered into any binding commitments in respect of these, other than confidentiality agreements.

The Company has not engaged or retained any agent or other representative to identify or locate any suitable Acquisition candidate, to conduct any research or take any measures, directly or indirectly, to locate or contact a target company or business. To date, the Company's efforts have been limited to organisational activities as well as activities related to the Placing. The Company may subsequently seek to raise further capital to fund the working capital requirements of the Company following any Acquisition.

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

The Company has not entered into any arrangement with Optiva or any of its other advisers under which any such adviser is entitled to any success fees or remuneration in relation to any Acquisition made by the Company.

Business plan

The Company's strategic objective of the acquisition of one or more oil & gas assets as the base for the further development and expansion of the company's activities is based on the key assumption that there will continue to be a large number of opportunities to acquire assets in the upstream oil & gas sector. The Board considers this to be a safe assumption, as the sector has been characterised for many years by a high degree of 'asset churn' and a plethora of assets on offer at any given time. The key sensitivities are (i) that political instability in some countries/areas make asset acquisitions unattractive there, but the Company's willingness to consider transactions in a wide range of geographies minimises this risk and (ii) volatility in the oil price can lead to major oil and gas

companies ceasing to be interested in making further investment in upstream oil & gas projects for a period of time, but this is mitigated by the fact that the Company has low overheads and will therefore have sufficient funds to enable it to continue as a going concern for a considerable period of time. The Board’s past experience has shown that the period of the cycles affecting oil & gas investments are short enough to enable the Company to ride such periods out. These key sensitivities ensure that there is likely to be no shortage of projects for the Company to evaluate.

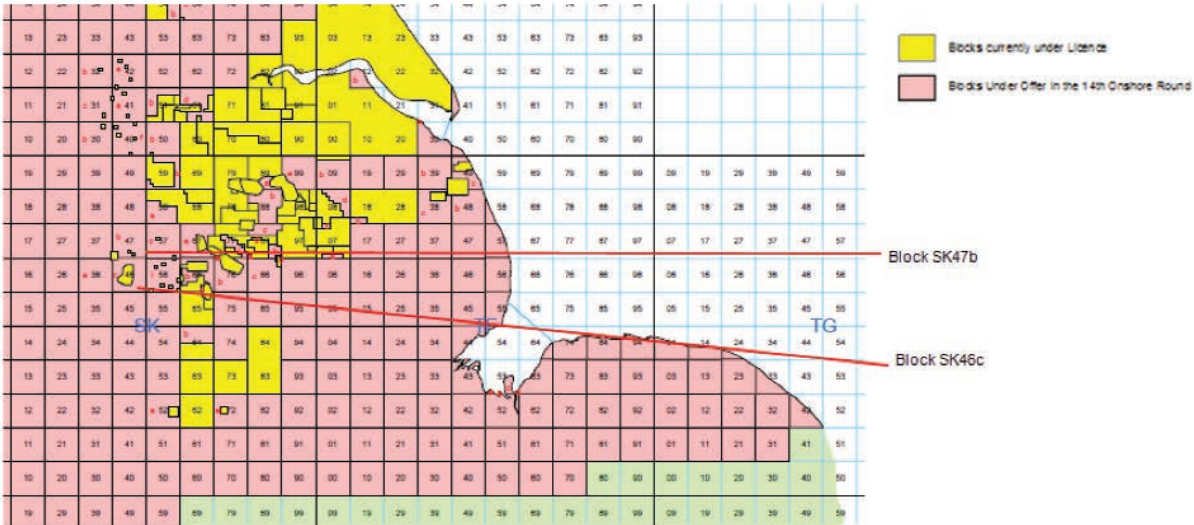
The Company has not as yet begun to execute its business plan, other than assessing various opportunities and as stated below making an application (with co-applicants) for a UK petroleum exploration and development licence in the 14th Onshore Licensing Round.

Licence Application under 14th Onshore Licensing Round

At the date of this document, the Company is awaiting the result of its application (with co-applicants), submitted in October 2014, for a UK petroleum exploration and development licence (“**PEDL**”) covering the East Midlands Blocks SK46c and SK47b in the 14th Onshore Licensing Round, organised by the Oil and Gas Authority (“**OGA**”), the executive agency of the UK Department of Energy & Climate Change. On 18 August 2015, the OGA announced that the area covered by the PEDL applied for by the Company and its co-applicants would, along with the majority of areas applied for in the 14th Onshore Licensing Round, be subject to detailed assessment under the Conservation of Habitats and Species Regulations 2010, the findings of which would be out for consultation for a period of 6 weeks (as from 18 August 2015). Whilst the OGA has stated that subject to the outcome of that consultation, it will announce the successful applications for this group of licence Blocks later this year, the Company does not expect any announcement of the successful applicants to be made until 2016 now and therefore not by the anticipated date of Admission. The PEDL application process is a sealed application process; the Company does not know if applications have been made by other parties for the same Blocks or, even in the absence of applications from other parties, whether the Company’s application will be accepted by the OGA for one or both Blocks. Applications are made on the basis of work to be carried out on the acreage, not the amount to be spent. The OGA’s application assessment criteria cover the technical and financial capabilities of the bidders, their exploration and appraisal concepts and their proposed work programmes.

A PEDL confers on the licensee(s) the exclusive right to explore for, appraise, develop and produce both conventional and unconventional (including shale gas & oil) fluid hydrocarbons within the PEDL boundaries, in this case for a period of five years after award. A summary of the principal terms and conditions of the PEDL is included in the Competent Person’s Report. Plans must be approved by the appropriate regulatory bodies before production can proceed; approval is accompanied by an extension of the lifetime of the PEDL to allow for production.

A map showing the two Blocks which the Company (and its co-applicants) have applied for (Blocks SK46c and SK47b) is set out below:



Source: DECC map ‘14th Onshore Round of Licensing Blocks under Offer’

The Board considered a number of onshore UK areas before deciding to concentrate on this area. There are several reasons for this choice, including the presence of existing oil & gas operations close by, good nearby gas infrastructure, ease of trucking potential oil production to a refinery, a history of oil production from the Dinantian carbonates within the PEDL plus two other conventional prospects in the Namurian-Westphalian and an unconventional Bowland Shale play, reducing reliance on any one prospect or play. In addition, the area has been for many years one with oil & gas, coal and heavy industrial activity. It is not within a National Park or area of outstanding natural beauty.

Reverse Takeover – Competent Person’s Report

The UKLA has taken the view that the successful award of the PEDL to the Company (and its co-applicants) would constitute a Reverse Takeover for the purposes of Chapter 5 of the Listing Rules. The Company therefore commissioned Blackwatch Petroleum Services Limited, an independent provider of geological, petroleum engineering, well testing and drilling engineering services to the international petroleum industry and which specialises in the modelling, estimation, assessment and evaluation of oil and gas assets, to prepare a Competent Person’s Report in respect of the area of the PEDL (i.e. Blocks SK46c and SK47b), for the purpose of inclusion in this document (and giving investors all relevant information) and the Company’s application for Admission. The text of such Competent Person’s Report is therefore set out in full in Part XV of this document.

Financial commitments under PDEL

The Company and its co-applicants would be obliged to pay an annual acreage ‘rental fee’ in respect of the area the subject of the PEDL – which is set by DECC/OGA at £25/km²/yr for the first few years of the PEDL – i.e. about £3,000–£3,500 per year, of which the Company’s share would be £1,000–£1,167 per year (albeit the Company and its co-applicants would be jointly and severally liable to the OGA for the total rental fees).

The Company and its co-applicants have committed on award of the PEDL, to acquire at least 75km of firm 2D seismic data over the acreage of the PEDL and to obtain raw field tapes and reprocess the relevant existing data (minimum 200km total, some off-block). They have also indicated to the OGA that they are sufficiently confident that one or more of the opportunities presented by the PEDL will mature that they will commit to drilling a well on the licence area.

The amount of expenditure involved is not known or agreed at the date of this document, but will be well within the cash resources of the Company following Admission – the Net Placing Proceeds are anticipated to be approximately £1,110,000. The ‘best estimate’ that the Company can give at present is set out below (although clearly, as the PEDL has not as yet been awarded to the Company and its co-applicants, the work has not as yet been agreed with its co-applicants and costs may vary due to market conditions etc.):

<i>Licence year</i>	<i>Expenditure (£’000s)</i>	<i>Purpose</i>
1/2	100	Seismic reprocessing & acquisition & processing of new 2D seismic
3	30	Preparation for new well
4/5	600	New well

The Company’s co-applicants are Europa Oil & Gas plc (a UK-incorporated company) (“**Europa**”) and Shale Petroleum Limited (UK) Limited (a wholly-owned subsidiary of Canadian company, Shale Petroleum Limited). Europa is listed on AIM (ticker: EOG) and is an established, London-based UK onshore operator with existing production and/or exploration activities in the UK, Ireland and France. Shale Petroleum Limited is a private company based in Calgary and with considerable experience in exploring, developing and producing from shales in Canada; its current focus is on the Ricinus/Lochend and Claresholm areas of Alberta. Each of the three companies in the bidding group has funded one third of the costs of making the application and, should the group win the bid, has agreed that any subsequent costs will be similarly divided. Each will also be entitled to one third of the rights to any hydrocarbons produced. Such arrangements are reflected in the bidding group’s application materials, as lodged via the secure OGA portal.

In the event the licence application is unsuccessful, there will no further action required in relation to this bid.

In the event the licence application is successful, then the award of the PEDL would ensue shortly thereafter. Each of the three companies in the bidding group will provide technical and commercial expertise to the venture. Europa is the nominated 'Operator': every PEDL must have one company that takes the lead in dealings with government, contractors, coordination of activities etc. as 'Operator', for which efforts they are reimbursed by their co-venturers.

Capital and returns management

The Company expects to raise net proceeds of £1,110,000 from the Placing. The Directors believe that, following an Acquisition, further equity capital raisings may be required by the Company for working capital purposes as the Company pursues its objectives, but for the avoidance of any doubt, the Company will however (taking into account the Net Placing Proceeds) have sufficient working capital to fund the requirements of the PDEL, if awarded to the Company and its co-applicants, for at least 12 months from the date of this document. The amount of any such additional equity to be raised, which could be substantial, will depend on the nature of the acquisition opportunities which arise and the form of consideration the Company uses to make an Acquisition and cannot be determined at this time.

The pre-emption rights contained in the Articles (whether to issue equity securities or sell them from treasury) have been waived, subject to Admission, (i) for the purposes of or in connection with the Placing, (ii) for the purposes of, or in connection with, the grant of any exercise of the warrants to subscribe for Ordinary Shares to Optiva (as referred to in paragraph 12.3 of Part XVI of this document); (iii) for the purposes of or in connection with any Acquisition or in connection with the restructuring of any debt or other financial obligation relating to any Acquisition (whether assumed or entered into by the Company or owed or guaranteed by any company or entity acquired), (iv) generally for such purposes as the Directors may think fit, an aggregate amount not exceeding 100 per cent. of the aggregate value of Ordinary Shares in issue (as at the close of the first Business Day following Admission) and (v) for the purposes of issues of securities offered to existing holders of Ordinary Shares on a *pro rata* basis. Otherwise, Shareholders will have pre-emption rights which will generally apply in respect of future issues of Ordinary Shares for cash. No pre-emption rights exist in respect of future share issues wholly or partly other than for cash.

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

If an Acquisition has not been announced within three years of Admission, Shareholders will be consulted as to the ongoing direction and activities of the Company. In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. A Special Resolution of Members, requiring not less than two thirds of the votes cast, is required to voluntarily wind-up the Company.

Dividend policy

The Company's current intention is to retain any earnings for use in its business operations, and the Board does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with the BVI Companies Act and all other applicable laws.

Corporate governance

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

- two Non-Executive Directors. The Board is knowledgeable and experienced and has extensive experience of making international acquisitions and has relevant experience in the oil & gas sector;

- consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process, Shareholder approval is not required in order for the Company to complete any Acquisition (including a Company/Business Acquisition constituting a Reverse Takeover). The Company will, however, be required to obtain the approval of the Board of Directors, before it may complete any Acquisition;
- the Board intends to comply, so far as it is practicable for a company of the Company's size and nature, with certain Main Principles of the UK Corporate Governance Code (as set out in more detail in Part VII (The Company and the Board)) and will voluntarily adopt the Model Code. Compliance with the provisions of the Model Code is being undertaken on a voluntary basis, and the UKLA will not have the authority to monitor the Company's voluntary compliance with the Model Code or to impose sanctions in respect of any breaches; and
- following any Acquisition (and in particular, a Company/Business Acquisition constituting a Reverse Takeover), the Company may seek to transfer from a Standard Listing to either a Premium Listing or other appropriate listing venue (e.g. AIM), based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. If the Company is successful in obtaining a Premium Listing, further rules will apply to the Company under the Listing Rules and Disclosure and Transparency Rules and the Company will be obliged to comply with the Model Code and to comply or explain any derogation from the UK Corporate Governance Code. In addition to, or in lieu of, a Premium Listing, the Company may determine to seek a listing on another stock exchange (e.g. AIM) or seek re-admission to a Standard Listing.

PART VII

THE COMPANY AND THE BOARD

The Company

The Company was incorporated on 14 March 2012 as a company with limited liability under the BVI Companies Act and with an indefinite life.

Its issued shares will, on Admission, consist of existing issued Ordinary Shares and the New Ordinary Shares. It is intended that all the Ordinary Shares will be admitted by the UKLA to a Standard Listing on the Official List in accordance with Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities.

The Directors

The Directors believe the Board comprises a knowledgeable and experienced group of professionals with relevant experience for sourcing, evaluating, structuring and executing Acquisitions. The Company will not be externally managed and the Board will have full responsibility for its activities.

Details of the Directors, are listed below.

Dr Stephen Staley, *Chief Executive (age 55)*

Dr Staley has over 30 years of wide-ranging technical and commercial experience in the international oil, gas and power sectors. He co-founded and brought to the AIM market both Fastnet Oil & Gas plc (where he was the founding CEO) and Independent Resources plc (where he was the founding Managing Director). He was also both a technical consultant to, and non-executive director of, Cove Energy plc – the highly successful East Africa focused explorer that went from having a market capitalisation of £2 million in mid-2009 to being sold to PTTP for £1.2 billion in less than three years. Dr Staley is owner & founder of Derwent Resources Limited, an upstream consultancy advising on oil and gas opportunities. Prior to this he has worked for Cinergy Corp., Conoco and BP.

He holds a BSc. (Hons.) in Geophysics from Edinburgh University, a PhD in Petroleum Geology from Sheffield University and an MBA from Warwick University. He is a Fellow of the Geological Society and a member of the EAGE, the PESGB and The Arctic Club.

Norza Zakaria, *Non-Executive Director (age 48)*

Norza Zakaria is a highly experience businessman and a Chartered Accountant with the Malaysian Institute of Accountants (MIA) as well as Fellow of the Australian Certified Practising Accountants (FCPA).

He is currently a director of several public listed companies in Malaysia; namely, Bintulu Port Holdings Bhd, TH Plantations Bhd and Tropicana Corporation Bhd. Previously, he has also held senior positions with PETRONAS, Central Bank of Malaysia and Arthur Andersen & Co. He is also currently the Chairman of National Sports Institute of Malaysia.

Jeremy King, *Non-Executive Director (age 52)*

Jeremy is a senior corporate finance executive with over 18 years experience.

He has a wealth of experience advising clients on IPOs, fundraising, takeovers, mergers and acquisitions and continuing obligations.

Jeremy is currently a director of, and head of corporate finance for, Optiva Securities Limited.

Previously, he was a Director of English Trust Company Ltd, a corporate finance house, where he originated and led the IPO of Private Equity Investor plc on the Full List of the LSE, raising £100 million from investors. Prior to this, he was at Kleinwort Benson Investment Management Ltd, where he became Head of UK Smaller Companies, managing unit trusts, investment trusts and pension funds investing in UK smaller companies.

Director's Fees

The services of Stephen Staley as Chief Executive of the Company on a part-time basis (108 hours in each calendar month) are provided to the Company by Derwent Resources Limited ("**Derwent**") pursuant to a consultancy agreement entered into by Derwent with the Company. Under the consultancy agreement, Derwent is entitled to a fee of £125,000 per annum plus VAT (if applicable) for the basic 108 hours per calendar month and reimbursement of reasonable expenses. Further details of the consultancy agreement are set out in paragraph 13.1 of Part XVI of this document.

Norza Zakaria will be entitled to receive an annual fee of £25,000 as Non-Executive Chairman and Jeremy King will be entitled to receive an annual fee of £20,000 as a Non-Executive Director, in each case plus reasonable expenses. Further details of the Non-Executive Directors' letters of appointment are set out in paragraph 13.2 of Part XVI of this document.

Strategic decisions

Members and responsibility

The Directors are responsible for carrying out the Company's objectives, implementing its business strategy and conducting its overall supervision, Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

The Board will provide leadership within a framework of prudent and effective controls. The Board will establish the corporate governance values of the Company and will have overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business.

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

Frequency of meetings

The Board will schedule quarterly meetings and will hold additional meetings as and when required.

Corporate governance

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

- Given the size and non-executive composition of the Board, certain provisions of the UK Corporate Governance Code (in particular the provisions relating to the composition of the Board and executive compensation) are not being complied with by the Company as the Board considers those provisions to be inapplicable to the Company.
- No Director will be required to submit for re-election until the first annual general meeting of the Company following Admission.
- The Company will not have nomination, remuneration, audit or risk committees. The Board as a whole will instead review its size, structure and composition, the scale and structure of the Directors' fees (taking into account the interests of Shareholders and the performance of the Company) take responsibility for the appointment of auditors and payment of their audit fee,

monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance. If a material/significant Acquisition is completed, the Board intends to put in place nomination, remuneration, audit and risk committees. The Board as a whole will review the appointment of new members of the Board, taking into account the interests of Shareholders and the performance of the Company.

- The Board will not comply with the provision of the UK Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent.

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

Following an Acquisition, subject to eligibility, the Directors intend to seek to transfer from a Standard Listing to either a Premium Listing or other appropriate listing venue (e.g. AIM), based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time.

Other Agreements

The Company has also entered into agreements for the provision of the services of the Registrar and the Depositary, as more fully described in Part XVI (Additional Information).

PART VIII

THE PLACING

Introduction

On 14 October 2015, pursuant to the Placing, Placees subscribed for an aggregate of 130,000,000 New Ordinary Shares which will be issued conditional on Admission, at the Placing Price of £0.01 per share to Placees, conditionally raising gross proceeds of £1,300,000 for the Company, subject to deduction of estimated fees and expenses of £190,000 (exclusive of VAT).

The net proceeds of the Placing to the Company amount to approximately £1,110,000, after deduction of fees and expenses payable by the Company relating to the Placing and Admission. None of the expenses of the Placing and Admission will be charged to Placees. The Placing is conditional on, *inter alia*, Admission. If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to the applicants. In accordance with Listing Rule 14.3, at Admission at least 25% of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules). Completion of the Placing will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 26 October 2015.

The Placing will only be completed if the full £1,300,000 (gross) is raised.

Admission, Dealings and CREST

Completion of the Placing is subject to the satisfaction of conditions contained in the Placing Letters, including Admission occurring on or before 26 October 2015 or such later date as may be agreed by the Directors and the Company (being not later than 30 October 2015).

Admission is expected to take place and dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 26 October 2015.

Where applicable, certificates in respect of the depositary interests representing New Ordinary Shares to be issued pursuant to the Placing are expected to be despatched, by post at the risk of the recipients, to the relevant holders, not later than 30 October 2015. The New Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of certificates in respect of depositary interests representing any New Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

Placing Agreement

Optiva has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the 130,000,000 New Ordinary Shares at the Placing Price. The Placing Agreement does not include any underwriting obligations.

Optiva may terminate the Placing Agreement (and the arrangements associated with it) at any time prior to Admission in certain circumstances (including for a material breach of warranty). If this right is exercised, the Placing and these arrangements will lapse and any monies received in respect of the Placing will be returned to applicants without interest by Optiva.

Further details of the terms of the Placing Agreement are contained in paragraph 12.2 of Part XVI of this document.

Placing Letters

Conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 26 October 2015 (or such later date as the Company may agree, being not later than 30 October 2015) each of the Placees agrees to become a member of the Company and agrees to subscribe for those New Ordinary Shares set out in his Placing Letter. Commitments evidenced by Placing Letters are

irrevocable and investors will not be entitled to rescind their agreement at any time. In the event that Admission does not become effective by 8.00 a.m. London time on or prior to 26 October 2015 (or such later date as the Company may agree, being not later than 30 October 2015) Placees will receive a full refund of monies subscribed (without interest).

The rights attaching to the New Ordinary Shares will be uniform in all respects and all of the New Ordinary Shares will form a single class for all purposes.

Payment

Each Placee has placed the Placing Price for the New Ordinary Shares in the Company's bank account as set out in such Placee's Placing Letter.

If Admission does not occur, subscription monies will be returned to each Placee (without interest) by the Company.

Use of Proceeds

The gross proceeds of the Placing (together with the Existing Funds) will be used to pay the expenses of the Placing and Admission and further the Company's objective of making Acquisitions. If the Company and its co-applicants are awarded the PEDL referred to under the heading 'Licence Application under 14th Onshore Licensing Round' in Part VI (The Company's Strategy) of this document, some of the proceeds of the Placing will be used in relation to initial expenditure on that licence (as referred to in that section).

The Company's intention is to use the Net Placing Proceeds to fund the due diligence and other transaction costs in respect of whatever is necessary for any Acquisition. This due diligence will include a legal, financial, technical and operational evaluation of each potential Acquisition. As it is anticipated that any significant Acquisition would be made primarily for the issue of further Ordinary Shares, the Board considers that the Net Placing Proceeds are sufficient to cover both the expenses and any amounts payable for consideration in cash.

CREST

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

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

Selling Restrictions

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

Certain restrictions that apply to the distribution of this document and the New Ordinary Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed 'Important Information' in Part III of this document.

PART IX

SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES

Share capital

The Company was incorporated on 14 March 2012 under the BVI Companies Act.

Details of the current issued shares of the Company are set out in paragraph 3 of Part XVI (Additional Information). As at Admission, there is expected to be an aggregate of 213,437,861 Ordinary Shares in issue.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN number of the Ordinary Shares is VGG7552A1075. The SEDOL number of the Ordinary Shares is BYZFL59.

Financial position

The Group has not as yet commenced operations. The financial information, in respect of the Group upon which WK Corporate Finance LLP has provided the accountants' report in section A of Part X (Historical Financial Information) as at 31 March 2015, is set out in section B of Part X (Historical Financial Information).

If the Placing and Admission had taken place on 31 March 2015 (being the date as at which the historical financial information on the Group contained in Part X (Historical Financial Information) is presented):

- the net assets of the Company would have been increased by £1,110,000 (due to the receipt of the Net Placing Proceeds and the Existing Funds raised through the subscriptions for Ordinary Shares issued to date); and
- the Company's earnings would have decreased as a result of fees and expenses incurred in connection with the Placing and Admission.

Liquidity and capital resources

Sources of cash and liquidity

The Company's ongoing source of cash (in addition to the Existing Funds) will be the Net Placing Proceeds, which are expected to be £1,110,000. It will use such cash to fund the expenses of the Placing, ongoing costs and expenses (primarily the UKLA application, listing and vetting fee of £7,595, the London Stock Exchange listing fee of £7,600, Directors' fees of £170,000 in aggregate per year, Registrar's set-up fee of £1,500 and ongoing basic fee of £5,500 per year, the Depositary's set-up fee of £8,000 and ongoing basic fee of £8,000 per year, the UKLA's fee of £4,750 per year and the London Stock Exchange fees of £1,095 per year), the broker's fee of £20,000 per year and an estimated annual audit fee of £15,000, all exclusive of VAT, and the costs and expenses to be incurred in connection with seeking to identify and effect Acquisitions. The costs and expenses of any Acquisition will likely comprise legal, financial and tax due diligence in relation to the target asset, business or company; however, the Company would only reach this stage after the Directors have carried out an initial commercial review of the target and the Company has entered into a non-disclosure agreement and/or heads of terms. In addition to any share consideration used by the Company in relation to any Acquisition, the Company may raise additional capital from time to time in connection with any Acquisition. Such capital may be raised through share issues (such as rights issues, open offers or private placings) or borrowings.

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

Although the Company envisages that any capital raised will be from new equity, the Company may also choose to finance all or a portion of any Company/Business Acquisition with debt financing. Any debt financing used by the Company is expected to take the form of bank financing, although no financing arrangements will be in place at Admission. The Company envisages that debt financing may be necessary if, for example, a target company has been identified but would require a certain amount of cash consideration in addition to, or instead of, share consideration.

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

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

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

Cash uses

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

- all costs relating to the Placing and Admission, including fees and expenses incurred in connection with the Placing such as those incurred in the establishment of the Company, the Placing and Admission fees, legal, accounting, registration, printing, advertising and distribution costs and any other applicable expenses;
- if the Company and its co-applicants are awarded the PEDL referred to under the heading 'Licence Application under 14th Onshore Licensing Round' in Part VI (The Company's Strategy) of this document, to cover initial expenditure on that licence (as referred to in that section);
- transaction costs and expenses – the Company will bear all due diligence costs and legal and accounting costs; and
- Directors' fees.

Deposit of Net Placing Proceeds pending an Acquisition

Prior to the completion of an Acquisition, the Net Placing Proceeds will be held in an interest bearing deposit account and will be used for general corporate purposes, including paying the expenses of Admission and the Company's ongoing costs and expenses, including Directors' fees, due diligence costs and other costs of sourcing, reviewing and pursuing Acquisition opportunities.

Interest rate risks

The Company may incur indebtedness to finance and leverage an Acquisition and to fund its liquidity needs following such Acquisition. Such indebtedness may expose the Company to risks associated with movements in prevailing interest rates. Changes in the level of interest rates can affect, *inter alia*: (i) the cost and availability of debt financing and hence the Company's ability to achieve attractive rates of return on its assets; (ii) the Company's ability to make an Acquisition when competing with other potential buyers who may be able to bid for an asset at a higher price due to a lower overall cost of capital; (iii) the debt financing capability of the companies and businesses in which the Company is invested; and (iv) the rate of return on the Company's uninvested cash balances. This exposure may be reduced by introducing a combination of a fixed and floating interest rates or through the use of hedging transactions (such as derivative transactions, including swaps or caps). Interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management, and will not be carried out for speculative purposes. See 'Hedging arrangements and risk management' below.

Hedging arrangements and risk management

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

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

PART X
HISTORICAL FINANCIAL INFORMATION

Section A – Accountants’ Report on the Consolidated Historical Financial Information of the Group

The Directors
Upland Resources Limited
Ritter House
Wickhams Cay II
P O Box 3170
Road Town
Tortola VG1110
British Virgin Islands



15 October 2015

Dear Sirs

Upland Resources Limited

We report on the financial information of Upland Resources Limited (the “**Company**”) and its subsidiaries (together with the Company, the “**Group**”), for the period from incorporation to 30 June 2012 and the two years and nine months ended 31 March 2015 (the “**Historical Financial Information**”) set out in section B of Part X of the prospectus dated 15 October 2015 (the “**Prospectus**”). This Historical Financial Information has been prepared for inclusion in the Prospectus, on the basis of the accounting policies set out in Note 2 to the financial information. This report is required by paragraph 20.1 of Annex I of Commission Regulation (EC) 809/2004 (the “**Prospectus Directive**”) and is given for the purpose of complying with that paragraph and for no other purpose.

We have not audited the financial information for the nine months ended 31 March 2014 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report and our statement, required by and given solely for the purpose of complying with paragraph 23.1 of Annex I of the Prospectus Directive, consenting to its inclusion in the Prospectus.

Responsibilities

The Directors of the Company (the “**Directors**”) are responsible for preparing the financial information in accordance with the International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union.

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

Basis of opinion

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

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Prospectus dated 15 October 2015, a true and fair view of the state of affairs of the Group as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with IFRS as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with paragraph 1.2 of Annex 1 of the Prospectus Directive.

Yours faithfully,

WK Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

WK Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC315669. A list of the names of members is open to inspection at the registered office Bridge House, London Bridge, London SE1 9QR

Section B – Consolidated Historical Financial Information of the Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Assets</i>	<i>Note</i>	<i>As at 31 March 2015</i> £	<i>As at 31 March 2014 Unaudited</i> £	<i>As at 30 June 2014</i> £	<i>As at 30 June 2013</i> £	<i>As at 30 June 2012 As restated</i> £
Non-Current Assets						
Investments in Group undertakings *	8	-	-	-	-	-
Current Assets						
Other receivables	9	-	863	777	738	1
Cash and cash equivalents *		169,304	350,629	350,886	639	1,001
Total Assets		<u>169,304</u>	<u>351,492</u>	<u>351,673</u>	<u>1,377</u>	<u>1,001</u>
Equity and Liabilities						
Share capital	3	-	-	-	-	-
Share premium		392,201	382,801	392,201	1	1
Retained earnings		(242,275)	(51,594)	(75,714)	(9,240)	(5,478)
Total Equity		<u>149,926</u>	<u>331,207</u>	<u>316,487</u>	<u>(9,239)</u>	<u>(5,477)</u>
Current Liabilities						
Other payables	10	19,378	20,285	35,186	10,616	6,478
Total Equity and Liabilities		<u>169,304</u>	<u>351,492</u>	<u>351,673</u>	<u>1,377</u>	<u>1,001</u>

* £10 was reclassified from dormant subsidiaries to present consolidated figures as at 30 June 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014 Unaudited</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013 As restated</i>	<i>Period ended 30 June 2012 As restated</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Revenues		-	-	-	-	-
Administrative expenses		<u>(166,561)</u>	<u>(42,354)</u>	<u>(66,474)</u>	<u>(3,762)</u>	<u>(5,478)</u>
Operating Loss	5	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)
Loss before taxation		(166,561)	(42,354)	(66,474)	(3,762)	(5,478)
Taxation	7	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year and/period attributable to the equity owners		<u>(166,561)</u>	<u>(42,354)</u>	<u>(66,474)</u>	<u>(3,762)</u>	<u>(5,478)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

From incorporation of the Company on 14 March 2012 to 30 June 2012, for the years ended 30 June 2013 and 2014 and for the nine months ended 31 March 2015:

	<i>Share Capital £</i>	<i>Share Premium £</i>	<i>Retained earnings £</i>	<i>Total £</i>
Issue of shares – as restated	-	1	-	1
Share issue costs – as restated	-	-	-	-
Loss for the period – as restated	-	-	(5,478)	(5,478)
Balance at 30 June 2012 – as restated	-	1	(5,478)	(5,477)
Issue of shares – as restated	-	-	-	-
Share issue costs – as restated	-	-	-	-
Loss for the year – as restated	-	-	(3,762)	(3,762)
Balance at 30 June 2013	-	1	(9,240)	(9,239)
Issue of shares	-	416,500	-	416,500
Share issue costs	-	(24,300)	-	(24,300)
Loss for the year	-	-	(66,474)	(66,474)
Balance at 30 June 2014	-	392,201	(75,714)	316,487
Issue of shares	-	-	-	-
Share issue costs	-	-	-	-
Loss for the period	-	-	(166,561)	(166,561)
Balance at 31 March 2015	-	392,201	(242,275)	149,926

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014 Unaudited</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013 As restated</i>	<i>Period ended 30 June 2012 As restated</i>
<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash flows from operating activities					
Loss from operations	(166,561)	(42,354)	(66,474)	(3,762)	(5,478)
(Increase)/decrease in other debtors and prepayments	9 777	(126)	(40)	(737)	-
Increase/(decrease) in trade and other payables	10 (15,808)	9,669	24,570	4,138	6,478
	<u>(181,592)</u>	<u>(32,811)</u>	<u>(41,944)</u>	<u>(361)</u>	<u>1,000</u>
Net cash flow from operating activities					
Cash flows from financing activities					
Proceeds from issuance of shares of no par value	-	406,501	416,501	-	-
Costs from issuance of shares of no par value	<u>-</u>	<u>(23,700)</u>	<u>(24,300)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>382,801</u>	<u>392,201</u>	<u>-</u>	<u>-</u>
Net cash generated from financing activities					
Cash flows from investing activities					
Investment in group undertaking *	8 -	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash outflow from investing activities *					
	<u>(181,592)</u>	<u>349,990</u>	<u>350,257</u>	<u>(361)</u>	<u>1,000</u>
Net increase/(decrease) in cash and cash equivalents *					
Cash and cash equivalents at beginning of period	<u>350,896</u>	<u>639</u>	<u>639</u>	<u>1,000</u>	<u>-</u>
	<u>169,304</u>	<u>350,629</u>	<u>350,896</u>	<u>639</u>	<u>1,000</u>
Cash and cash equivalents at end of period *					

* £10 was reclassified from dormant subsidiaries in the year ended 30 June 2014, to present consolidated figures.

NOTES TO THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

1. General Information

The Company was incorporated in the British Virgin Islands on 14 March 2012 as a private limited company with the name Ribes Resources Limited. On 3 September 2013, the Company changed its name to Upland Resources Limited.

2. Summary of significant accounting policies

Basis of Preparation

The historical financial information is presented in Sterling (£).

The historical financial information has been prepared in accordance with IFRS and the International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The historical financial information has also been prepared under the historical cost convention. A summary of the material accounting policies, which have been applied consistently, are set out below.

The preparation of the historical financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving judgements or where estimates and assumptions are significant are disclosed in Note 2.9.

Basis of Consolidation

The consolidated historical financial information of the Group incorporates the financial statements of the Company and entities controlled by the Company (its subsidiaries).

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Financial Assets and Liabilities

Financial assets and liabilities comprise of cash at banks and trade payables arising in the normal course of business.

The fair value of financial assets and liabilities are not considered to be materially different to the book value and they are all held at amortised cost.

Financial assets and liabilities are accounted for as follows:

Financial assets and liabilities are initially recognised on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Cash and Cash Equivalents

Cash and cash equivalents include cash at bank.

Equity

Equity comprises the following:

- “Share premium” represents the Premium paid on Shares issued of no par value; and
- “Retained earnings” represents retained losses.

Foreign Currency Translation

- *Functional and presentation currency*
Items included in the financial information are measured using the currency of the primary economic environment in which the entity operates (“**the functional currency**”). The Financial Statements are presented in Sterling (£), which is the Group’s functional and presentational currency.
- *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Related Parties

Parties are considered to be related to the Company or the Group if the Company or a subsidiary company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company or its subsidiary undertakings and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under significant influence of related parties of the Company or a subsidiary company where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Company or its Group or of any entity that is a related party of the Company or the Group.

Operating Segments

Due to the current nature of the Group’s operations, all costs are incurred within one segment.

Risk Management

The Directors consider the key risk for the Group at the year end to be the maintenance of its cash reserves. With this in mind the Group has treasury controls in place which ensure that the Group’s liquid reserves are kept as cash only and are only deposited at institutions with at least an A credit rating.

Critical Accounting Estimates and Judgements

Use of Estimates and Judgements

The preparation of the historical financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Standards and interpretations issued but not yet applied

Certain changes to IFRS will be applicable for the Group's financial information in future periods. To the extent that the Group has not adopted these early in the current financial information, they will not affect the Group's reported profit or equity but they will affect disclosures.

As at the date of approval of this financial information, the following standards and interpretations were in issue but not yet endorsed by the European Union:-

IFRS 9 – Financial Instruments (issued by on 24 July 2014);

IFRS14 – Regulatory Deferral Accounts (issued on 30 January 2014);

IFRS 15 – Revenue from Contracts with Customers (issued on 28 May 2014);

Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception (issued on 18 December 2014);

Amendments to IAS 1 – Disclosure Initiative (issued on 18 December 2014)

Annual Improvements to IFRSs 2012-2014 Cycle (issued on 25 September 2014);

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014)

Amendment to IAS 27 – Equity Method in Separate Financial Statements (issued on 12 August 2014);

Amendments to IAS 16 and IAS 41 – Bearer Plants (issued on 30 June 2014);

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014)

Amendment to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014). The Directors have considered the impact of the above standards and do not believe that they will have a material impact on the Group.

Numerous other minor amendments to standards have been made as a result of the IASB's annual improvement projects.

3. Share Capital

	<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014 Unaudited</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013 As restated</i>	<i>Period ended 30 June 2012 As restated</i>
Shares in issue at period end	<u>83,437,861</u>	<u>82,150,297</u>	<u>83,437,861</u>	<u>100</u>	<u>100</u>

The Company's share capital comprises shares of no par value and are accordingly reflected in share premium. The Company is authorised to issue an unlimited number of no par value shares.

On incorporation, 100 ordinary shares were issued for consideration of £1 and which were subdivided into 15,000,000 shares of no par value on 19 July 2013. The Company subsequently issued a further 68,437,861 shares of no par value for consideration totalling £416,500.

4. Dividends

No dividend has been declared or paid by the Company during any of the periods presented.

5. Operating loss

The operating loss is stated after charging:-

	<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014 Unaudited</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013 As restated</i>	<i>Period ended 30 June 2012 As restated</i>
	£	£	£	£	£
Directors' remuneration and fees	63,000	24,000	42,000	-	-
Exceptional item – costs associated with listing	23,600	-	-	-	-
Auditors' remuneration – audit services	5,000	-	5,000	-	-
Auditors' remuneration – non-audit services	5,350	3,750	-	-	-
	<u>63,950</u>	<u>27,750</u>	<u>47,000</u>	<u>-</u>	<u>-</u>

Auditors' remuneration – non-audit services includes £3,500 that has also been reflected in the exceptional item disclosed above.

6. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Board.

(a) **Market Risk**

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from currency exposure, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The exposure to this risk is not considered material to the Group and thus the Directors consider that, for the time being, no hedging or other arrangements are necessary to mitigate this risk.

(b) **Credit Risk**

Credit risk arises from cash and cash equivalents.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Group will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'A'.

(c) **Liquidity Risk**

Management of liquidity risk is achieved by monitoring budgets and forecasts against actual cash flows.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure.

The Company monitors capital on the basis of the equity held by the Company.

7. Taxation

As the Company is BVI incorporated, no tax is payable on its profits. As such, no tax losses have arisen in the period on the loss.

8. Subsidiaries

Details of the Company's subsidiaries as at 31 March 2015 are as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation</i>	<i>Proportion of ownership interest %</i>	<i>Proportion of voting power held %</i>	<i>Principal activity</i>
Upland Resources (UK Onshore) Limited	UK	100	100	Oil and gas
Upland (N Tunisia) Limited	UK	100	100	Non-trading
Upland (El Fahs) Limited	UK	100	100	Non-trading
Upland (S Tunisia) Limited	UK	100	100	Non-trading
Upland (Ksar Hadada) Limited	UK	100	100	Non-trading

The results of all subsidiary undertakings are included in the consolidated accounts.

Upland Resources (UK Onshore) Limited, was incorporated on 13 January 2014 and was dormant throughout the year ended 30 June 2014. Upland Resources (UK Onshore) Limited commenced activities in the period ended 31 March 2015.

Upland (N Tunisia) Limited and Upland (El Fahs) Limited were incorporated on 15 July 2014. Upland (Ksar Hadada) Limited and Upland (S Tunisia) Limited was incorporated on 17 July 2014.

9. Other debtors

	<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014 Unaudited</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013 As restated</i>	<i>Period ended 30 June 2012 As restated</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Prepayments	-	863	777	737	-
Other debtors	-	-	-	1	1
	<u>-</u>	<u>863</u>	<u>777</u>	<u>738</u>	<u>1</u>

10. Other payables

	<i>Nine months ended 31 March 2015</i>	<i>Nine months ended 31 March 2014 Unaudited</i>	<i>Year ended 30 June 2014</i>	<i>Year ended 30 June 2013</i>	<i>Period ended 30 June 2012 As restated</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade creditors	-	-	10,000	-	-
Accruals	19,378	20,285	25,186	116	5,478
Loan (note 11)	-	-	-	10,500	1,000
	<u>19,378</u>	<u>20,285</u>	<u>35,186</u>	<u>10,616</u>	<u>6,478</u>

11. Capital and Financial Commitments

There were no capital commitments authorised by the Directors or contracted for as at 31 March 2015.

12. Related party transactions

During the year ended 30 June 2014, the Company was charged fees of £24,300 by Optiva Securities Limited ("**Optiva**"), of which C G St J Dennis and J E S King are Directors and shareholders (2013 and 2012: £Nil). At the balance sheet date, a balance of £Nil (30 June 2013: £10,500) and 30 June 2012: £1,000 was outstanding as payable to Optiva in respect of loan advances. As at 30 June 2014, Optiva held a 17.98% shareholding in the Company.

During the year ended 30 June 2014, provision for directors fees relating to Messrs J E S King and C G St J Dennis totalling £6,000 each have been reflected in the financial statements and included in accruals (2013 and 2012: £Nil).

During the nine month period ended 31 March 2015, provision for directors fees relating to Mr J E S King totalling £18,000 were reflected in the financial statements, of which £6,000 was accrued (nine month period ended 31 March 2014: £9,000 in respect of Messrs J E S King and C G St J Dennis and which was accrued as at 31 March 2014). As at 31 March 2015, Optiva held a 17.98% shareholding in the Company.

During the year ended 30 June 2014, the Company was charged director's fees totalling £30,000 by Derwent Resources Limited ("**Derwent**"), in respect of the services of G H S Staley (2013 and 2012: £Nil). At the balance sheet date, a balance of £15,000 was outstanding and payable to Derwent. Of this balance, £10,000 was included in trade creditors and £5,000 in accruals (2013 and 2012: £Nil). At the balance sheet date, G H S Staley held a 19.52% shareholding in the Company.

During the nine month period ended 31 March 2015, the Company was charged director's fees totalling £45,000 by Derwent, in respect of the services of G H S Staley (nine month period ended 31 March 2014: £15,000). As at 31 March 2015, £5,000 was included in accruals (31 March 2014: £5,000). As at 31 March 2015, G H S Staley held a 19.52% shareholding in the Company.

As at 31 March 2015 and as at 30 June 2014, the Director Norza Zakaria, held a 15.43% shareholding in the Company.

13. Ultimate controlling party

The directors believe there to be no ultimate controlling party. As at 30 June 2013, the Company was owned by Optiva Securities Limited.

Section C – Capitalisation and Indebtedness of the Group

The following table sets out the Group's consolidated capitalisation and indebtedness as at 31 July 2015.

	<i>As at 31 July 2015</i>
Total Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	49,646
Total Non-Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Total Non-Current Debt	-
Total debt	<u>49,646</u>
Shareholder Equity	31 July 2015
Share Capital	-
Reserves	<u>67,253</u>
Total capitalisation	<u>67,253</u>
Total capitalisation and indebtedness	<u><u>116,899</u></u>

As at 12 October 2015, being the latest practicable date prior to the publication of this document, there has been no material change to the Group's total capitalisation or indebtedness.

The following table sets out the total net financial indebtedness of the Group as at 31 July 2015:

	<i>As at 31 July 2015</i>
A. Cash	116,247
B. Cash equivalent	-
C. Trading securities	-
D. Liquidity (A) + (B) + (C)	116,247
E. Current financial receivable	652
F. Current bank debt	-
G. Current portion of non current debt	-
H. Other current financial debt	49,646
I. Current Financial Debt (F) + (G) + (H)	49,646
J. Net Current Financial Indebtedness (I) - (E) - (D)	(67,253)
K. Non current Bank loans	-
L. Bonds Issued	-
M. Other non current loans	-
N. Non current Financial Indebtedness (K) + (L) + (M)	-
O. Net Financial Indebtedness (J) + (N)	(67,253)

PART XI

TAXATION

General

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current revenue law and published practice in the UK and in the BVI, which is subject to change, possibly with retrospective effect. The following summary does not constitute legal or tax advice and broadly applies only to persons subscribing for New Ordinary Shares in the Placing as an investment (rather than as securities to be realised in the course of a trade) who are the absolute beneficial owners of their Ordinary Shares and who have not acquired their Ordinary Shares by reason of their or another person's employment. These comments may not apply to certain classes of person, including (but not limited to) dealers in securities, insurance companies and collective investment schemes.

An investment in the Company involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Company has assets (or in any other country in which a subsidiary of the Company through which an Acquisition is made, is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective investors should consult their own independent professional advisers on the potential tax consequences relating to their interest in New Ordinary Shares, including (but not limited to) tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence including the consequences of distributions by the Company, either on a liquidation or distribution or otherwise.

British Virgin Islands taxation

The following summary related to British Virgin Islands taxation law as it is understood to apply at the date of this document. The below summary does not constitute legal or tax advice.

The Company

The Company is exempt from most forms of taxation in the BVI, provided the Company is not trading in the BVI, and does not have employees working in the BVI.

Dividends etc. on Ordinary Shares

All dividends, interest, rents, royalties, and other expense amounts paid by the Company, and capital gains realised with respect to any shares, debt obligations or other securities of the Company, are exempt from all provisions of the Income Tax Ordinance and Payroll Taxes Act 2004 (as amended). There is no BVI withholding tax on dividends. Additionally, no estate, inheritance, succession or gift tax is payable with respect to any shares, debt obligations or securities of the Company.

However, under the EU Savings Tax Directive, EU resident individuals who receive bank interest or other interest from investments held in the BVI may be subject to withholding tax at the current rate of 20 per cent., and 35 per cent., from 1 January 2011. At this time the Directive does not affect interest paid to companies. In the case where interest is subject to withholding tax, banks and/or other paying agents will deduct tax at source.

Stamp duty

Save in respect of an instrument relating to the transfer to or by the Company of an interest in land situate in the BVI or any transactions in respect of the shares, debt obligations or other securities of the Company whilst holding any land in the BVI, and notwithstanding any provision of the Stamp Duty Act, all instruments relating to transfers of property to or by a company, all instruments relating to transactions in respect of the shares, debt obligations or other securities of a BVI company, and all instruments relating to the business of a company, are exempt from the payment of BVI stamp duty.

United Kingdom taxation

The Company

The Directors intend to conduct the affairs of the Company in such a manner that it does not become resident in the UK for taxation purposes. On the assumption that this intention is realised, and provided that the Company does not carry on a trade, invests or carries on any other business activity in the UK (whether or not through a permanent establishment situated therein), the Company should not be subject to UK income tax or UK corporation tax, except on certain types of UK source income.

Investors

Disposals of Ordinary Shares

Subject to their individual circumstances, Shareholders who are resident in the United Kingdom for UK taxation purposes, or who carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, will potentially be liable to UK taxation, as further explained below, on any gains which accrue to them on a sale or other disposition of their Ordinary Shares which constitutes a 'disposal' for UK taxation purposes.

The Taxation (International and Other Provisions) Act 2010 and the Offshore Funds (Tax) Regulations 2009 contain provisions (the 'offshore fund rules') which apply to persons who hold an interest in an entity which is an 'offshore fund' for the purposes of those provisions. Under the offshore fund rules, any gain accruing to a person upon the sale or other disposal of an interest in an offshore fund can, in certain circumstances, be chargeable to UK tax as income, rather than as a capital gain. In addition, offshore funds which are predominantly debt-invested may be treated as 'bond funds'. If the bond fund rules were to apply, investors who are within the charge to UK corporation tax would be subject to taxation in accordance with a fair value basis of accounting in accordance with the rules in Chapter 3 of Part 6 of the Corporation Tax Act 2009 and investors who are within the charge to UK income tax would be taxed on dividends and other distributions from the Company as though they were interest in accordance with section 378A of the Income Tax (Trading and Other Income) Act 2005.

The offshore fund rules will apply to an investment in Ordinary Shares only if a reasonable investor acquiring those Ordinary Shares in the Company would, under the terms of the arrangement, expect to be able to realise all or part of their investment on a basis calculated entirely, or almost entirely, by reference to the net asset value of the Company's assets (to the extent attributable to the Ordinary Shares) or by reference to an index of any description. The Directors are of the view that a reasonable investor acquiring Ordinary Shares in the Placing would not have such an expectation, and therefore the Ordinary Shares should not be treated as constituting interests in an offshore fund for such investors. On that basis, the offshore fund rules should not apply to such investors and any gain realised by such an investor on a disposal of Ordinary Shares should not be taxable under the offshore fund rules but should be respected as a capital gain. Consequently, neither should the bond fund rules described above apply to such investors.

The offshore fund and bond fund rules are complex and can apply in different ways to different investors. The Directors would strongly recommend that prospective investors seek advice from their own independent professional advisers.

Dividends on Ordinary Shares

Shareholders who are resident in the United Kingdom for tax purposes will, subject to their individual circumstances and domicile status, be liable to UK income tax or, as the case may be, corporation tax on dividends paid to them by the Company.

Shareholders who are persons within the charge to UK income tax (but not companies within the charge to corporation tax) and who hold less than ten per cent, of the issued Ordinary Shares will be entitled, subject to certain conditions, to a notional tax credit in respect of dividends they receive from the Company. The dividend tax credit in these circumstances will be equal to one-ninth of the dividend received. Availability of the dividend tax credit will reduce the effective rate of UK income tax payable by such Shareholders, on dividends received from the Company. Individual Shareholders who hold ten per cent, or more of the issued Ordinary Shares will not be entitled to a tax credit.

UK resident individuals who are not domiciled in the UK and pay tax on a remittance basis may be taxed on the dividends paid if they are considered to be remitted to the UK. The remittance basis rules and its inter-relationship with other anti-avoidance legislation is complex and prospective investors who are UK resident but not domiciled should seek advice from their own professional advisers in this regard.

Shareholders who are within the charge to UK corporation tax and who are not 'small companies' will generally be exempt from corporation tax on dividends they receive from the Company, provided the dividends fall within an exempt class and certain conditions are met. In general, almost all dividends received by non-small corporate Shareholders should fall within an exempt class. Shareholders within the charge to UK corporation tax who are 'small companies' (as that term is defined in section 931S of the Corporation Tax Act 2009) will be liable to UK corporation tax on dividends paid to them by the Company because the Company is not resident in a 'qualifying territory' for the purposes of the legislation contained in the Corporation Tax Act 2009.

Certain other provisions of UK tax legislation

(a) *Section 13 Taxation of Chargeable Gains Act 1992 – Deemed Gains*

The attention of Shareholders who are resident in the United Kingdom for tax purposes are drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992. This provides that for so long as the Company is a close company, Shareholders who (alone or together with connected persons) have more than a 25 per cent. interest in the Company could be liable to UK capital gains taxation on their *pro rata* share of any capital gain accruing to the Company (or, in certain circumstances, to a subsidiary or investee company of the Company). Shareholders should consult their own independent professional advisers as to their UK tax position.

(b) *'Controlled Foreign Companies' Provisions – Deemed Income of Corporates*

If the Company were at any time to be 'controlled', for UK tax purposes, by persons (of any type) resident in the United Kingdom for tax purposes, the 'controlled foreign companies' provisions in Part 9A of Taxation (International and Other Provisions) Act 2010 could apply to UK resident corporate Shareholders. Under these provisions, part of any 'chargeable profits' accruing to the Company (or in certain circumstances to a subsidiary or investee company of the Company) may be attributed to such a corporate Shareholder and may in certain circumstances be chargeable to UK corporation tax in the hands of the corporate Shareholder. The Controlled Foreign Companies provisions are complex, and prospective investors should consult their own independent professional advisers.

(c) *Chapter 2 of Part 13 of the Income Tax Act 2007 – Deemed Income of Individuals*

The attention of Shareholders who are individuals resident in the United Kingdom for tax purposes is drawn to the provisions set out in Chapter 2 of Part 13 of the UK Income Tax Act 2007, which may render those individuals liable to UK income tax in respect of undistributed income (but not capital gains) of the Company.

(d) *'Transactions in securities'*

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel 'tax advantages' derived from certain prescribed "transactions in securities".

Stamp duty/stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the Ordinary Shares.

Shares of a UK incorporated company will be subject to duty on many occasions when transferred whether or not by means of an instrument of transfer. While shares of a non-UK incorporated company are less exposed to charge, stamp duty may arise on any instrument of transfer of shares that

is executed in the UK or that relates to any property situate, or to any matter or thing done or to be done, in the UK.

Any agreement to transfer the Company's Ordinary Shares should not, broadly, be subject to UK stamp duty reserve tax ("**SDRT**") provided that the transfer of the Ordinary Shares is not registered in any register kept in the UK by or on behalf of the Company and the Ordinary Shares are not paired with shares issued by any company incorporated in the UK.

The Ordinary Shares of the Company will be transferred into a depository and investors will deal in the depository interests within CREST. Dealings in these depository interests should avoid stamp duty, as there will be no instrument of transfer on which the charge could fall.

Depository interests may nevertheless be subject to SDRT. Depository interests are excluded from the definition of 'chargeable securities' for the main SDRT provisions, so that investors will not be subject to a possible SDRT charge unless the investor is a person whose business is, or includes, issuing depository receipts for chargeable securities, or a person who holds such securities as nominee or agent for an issuer of depository receipts as part of arrangement for the issuer to issue depository receipts. In the context of the Placing, the most likely such persons will be the Depository and its nominated custodian. Anyone else who may be in that category should take further professional advice.

If any Shareholder is in any doubt as to his or her taxation position, they should seek independent and professional financial advice.

PART XII

CONSEQUENCES OF A STANDARD LISTING

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

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

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

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Following a Company/Business Acquisition, the Directors intend to seek to transfer from a Standard Listing to either a Premium Listing or other appropriate listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. Alternatively, it may determine to seek re-admission to a Standard Listing, subject to eligibility criteria. If a transfer to a Premium Listing is possible (and there can be no guarantee that it will be) and the Company decides to transfer to a Premium Listing, the various Listing Rules highlighted above as rules with which the Company is not required to comply will become mandatory and the Company will comply with the continuing obligations contained within the Listing Rules (and the Disclosure and Transparency Rules) in the same manner as any other company with a Premium Listing.

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

PART XIII

BVI COMPANY LAW

The Company is registered in the BVI as a BVI business company and is subject to BVI law. English law and BVI law differ in a number of areas, and certain differences between English law and BVI law are summarised below, although this is not intended to provide a comprehensive review of the applicable law.

The Company has incorporated equivalent provisions in its Memorandum and Articles to address the material elements of these differences (further details are provided in paragraph 4.2 of Part XVI of this document).

Shares

Subject to the BVI Companies Act and to a BVI business company's memorandum and articles of association, the directors have the power to offer, issue or grant options over or otherwise dispose of shares. Section 46 of the BVI Companies Act contains pre-emption provisions upon the issuance of shares which a BVI business company can 'opt into' (i.e. they only apply if the memorandum of association specifically states that they are to apply), although in practice BVI business companies rarely do so. A BVI business company may amend its memorandum of association to increase, sub-divide, combine or decrease the maximum number of shares that it is authorised to issue or its issued shares.

Financial assistance

Financial assistance to purchase shares of a BVI business company or its holding company is not prohibited under BVI law. Market practice is to treat such actions as a distribution and requires that the directors determine that, immediately following the grant of the assistance, the BVI business company will be able to meet its debts as they fall due and that the value of the BVI business company's assets will exceed its liabilities (the "**Solvency Test**").

Purchase of own shares

Except for limited circumstances, and subject to satisfaction of the Solvency Test and the provisions of its memorandum and articles of association, a BVI business company may purchase, redeem or otherwise acquire its own shares.

Dividends and distribution

Subject to the provisions of its memorandum and articles of association, directors of a BVI business company may declare dividends in money, shares or other property provided they determine the BVI business company will be able to satisfy the Solvency Test immediately after the distribution.

Protection of minorities

The BVI Act provides for various remedies to be available to shareholders who allege that a BVI business company's actions are prejudicial to them, including the right to be able to apply for restraining and compliance orders, derivative actions, personal actions, and representative actions against the BVI business company.

Management

The business and affairs of the Company are managed by, under the direction or supervision of the Directors. The Directors have all the powers necessary for managing, and for directing and supervising the business and affairs of the Company. Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the articles or the BVI Companies Act.

Accounting and audit

A BVI business company is obliged to keep financial records that (i) are sufficient to show and explain the company's transactions and (ii) will, at any time, enable the financial position of the BVI business company to be determined with reasonable accuracy.

There is no statutory requirement on a BVI business company which carries out business activities similar to the Company to audit or file annual accounts in the BVI.

Exchange control

A BVI business company is not subject to any exchange control regulations in the BVI.

Stamp duty

No stamp duty is payable in the BVI in respect of instruments relating to transactions involving BVI business companies.

Transactions with directors

Under BVI law, a transaction entered into by a BVI business company in which a director is interested is voidable unless (i) such interest was disclosed prior to the BVI business company entering into the transaction or (ii) it was not required to be disclosed as it is a transaction between the BVI business company and the director in the ordinary course of the company's business and on usual terms and conditions. Furthermore, a transaction entered into by the BVI business company in respect of which a director is interested is not voidable by the BVI business company if (i) the material facts of the interest of the director in the transaction are known by the shareholders entitled to vote at a meeting of shareholders and the transaction is approved or ratified by a resolution of shareholders or (ii) the BVI business company received fair value for the transaction.

Redemption of minority shares

The BVI Companies Act provides that members holding 90 per cent. or more of all the voting shares of a BVI business company may instruct the directors to redeem the shares of the remaining shareholders. The directors shall be required to redeem the shares of the minority shareholders, whether or not the shares are by their terms redeemable. The directors must notify the minority shareholders in writing of the redemption price to be paid for the shares and the manner in which the redemption is to be effected. In the event that a minority shareholder objects to the redemption price to be paid and the parties are unable to agree the redemption amount payable, the BVI Companies Act sets out a mechanism whereby the shareholder and the BVI business company may each appoint an appraiser, who will together appoint a third appraiser and all three appraisers will have the power to determine the fair value of the shares to be compulsorily redeemed. Pursuant to the BVI Companies Act, the determination of the three appraisers shall be binding on the BVI business company and the minority shareholder for all purposes.

Inspection of corporate records

Shareholders of a BVI business company may inspect, upon giving notice to the company:

- (a) the memorandum and articles of association;
- (b) the register of members;
- (c) the register of directors; and
- (d) minutes of meetings and resolutions of members and of those classes of members of which he is a member.

However, the directors may refuse such request in relation to items (b) to (d) or limit the inspection of such documents (including limiting the ability to be able to make copies of or take of extracts

from the documents) on the grounds that inspection would be contrary to the interests of the BVI business company.

A register of charges must be maintained in the office of the BVI business company's registered agent whilst either the original or a copy of the register of directors and members will suffice.

These may be inspected with the BVI business company's consent, or in limited circumstances, pursuant to a court order.

Insolvency

BVI law makes provision for both voluntary and insolvent winding-up of a BVI business company, and for appointment of a liquidator. The shareholders or the directors may resolve to wind up the BVI business company voluntarily. If it is the directors who resolve to commence the winding-up, they must prepare a plan of dissolution. Where the shareholders resolve to commence the winding-up, they will approve a plan of liquidation prepared by the directors.

The BVI business company and any creditor may petition the court, pursuant to the Insolvency Act 2003 of the British Virgin Islands, for the winding-up of the BVI business company upon various grounds, including that the BVI business company is unable to pay its debts or that it is just and equitable that it be wound up.

Takeovers

There are no provisions governing takeover offers analogous to the City Code applicable in the BVI.

Squeeze-out

Section 176 of the BVI Companies Act (ability of the shareholders holding 90 per cent. of the votes of the outstanding shares or class of outstanding shares to require the Company to redeem the shares held by the remaining members) which may be disapplied by the memorandum or articles of association of a company, shall not apply to the Company.

Mergers

Generally, the merger or consolidation of a BVI business company requires shareholder approval. However, a BVI business company parent company may merge with one or more BVI subsidiaries without member approval, provided that the surviving company is also a BVI business company.

Members dissenting from a merger are entitled to payment of the fair value of their shares unless the BVI business company is the surviving company and the shareholders continue to hold a similar interest in the surviving company. BVI law permits BVI business companies to merge with companies incorporated outside the BVI, providing the merger is lawful under the laws of the jurisdiction in which the non-BVI company is incorporated.

Under BVI law, following a domestic statutory merger or consolidation, one of the companies is subsumed into the other (the "**surviving company**") or both are subsumed into a third company (a "**consolidation**"). In either case, with effect from the effective date of the merger, the surviving company or the new consolidated company assumes all of the assets and liabilities of the other entity/ies by operation of law and other entities cease to exist.

Corporate governance

There is no corporate governance regime in the BVI. As referred to in Part VII (The Company and the Board) of this document, it is the Directors' intention that the Company should comply with the UK Corporate Governance Code to the extent reasonably practicable for a company of the Company's size and nature.

PART XIV

CREST AND DEPOSITARY INTERESTS

Introduction

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use securities certificates or written instruments of transfer. Securities issued by non-UK registered companies, such as the Company, cannot be held or transferred in the CREST system. However, to enable investors to settle such securities through CREST, a depositary or custodian can hold the relevant securities and issue dematerialised DIs representing the underlying securities which are held on trust for the holders of the DIs.

The Articles permit the holding and transfer of Ordinary Shares and the DIs under CREST. With effect from Admission, it will be possible for CREST members to hold and transfer interests in Ordinary Shares within CREST pursuant to a DI arrangement established by the Company. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain securities certificates will also be able to do so. No temporary documents of title will be issued.

The Ordinary Shares will not themselves be admitted to CREST. Instead the Depositary, acting as depositary, will issue DIs in respect of the underlying Ordinary Shares. The DIs will be independent securities constituted under English law which may be held and transferred through CREST. DIs will have the same international security identification number ("**ISIN**") as the underlying Ordinary Shares and will not require a separate listing on the Official List. The DIs will be created and issued pursuant to the Deed Poll, which will govern the relationship between the Depositary, as depositary, and the holders of DIs.

Application will be made for the DIs in respect of the underlying Ordinary Shares to be admitted to CREST with effect from Admission. Holders of Ordinary Shares in certificated form who wish to hold DIs through the CREST system may be able to do so and should contact the Depositary.

Summary of the Deed Poll

As mentioned above, the DIs will be created pursuant to and issued on the terms of the Deed Poll. The Deed Poll is executed by the Depositary, as depositary, in favour of the holders of the DIs from time to time. Prospective holders of DIs should note that they will have no rights against Euroclear, or any of its subsidiaries in respect of the underlying Ordinary Shares or the DIs representing them.

Ordinary Shares will be transferred to an account of the Depositary or its nominated custodian (the "**Custodian**") and the Depositary will issue DIs to participating members of CREST.

Each DI will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of DIs any share or cash benefits received by it as holder of Ordinary Shares on trust for such DI holders. DI holders will also be able to receive from the Depositary notices of meetings of holders of Ordinary Shares and other information to make choices and elections issued by the Company to the Shareholders.

Below is a summary only of the DI terms and the Deed Poll. It does not therefore contain all of the information that the holder may find useful. A copy of the full Deed Poll will be made available to the DI holders at the Depositary's office at the address set out on page 35.

In summary, the Deed Poll contains, *inter alia*, provisions to the following effect:

- (a) The Depositary will hold (itself or through the Custodian), as bare trustee, the underlying Ordinary Shares issued by the Company and all and any rights and other securities, property and cash attributable to the underlying Ordinary Shares for the time being pertaining to the DIs for the benefit of the holders of the DIs. The Depositary will re-allocate securities or distributions allocated to the Depositary or the Custodian *pro rata* to the Ordinary Shares held for the

respective accounts of the holders of DIs but will not be required to account for fractional entitlements arising from such reallocation.

- (b) Holders of DIs warrant, *inter alia*, that the Ordinary Shares transferred or issued to the Depositary (or Custodian on behalf of the Depositary) for the account of the DI holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Articles or any contractual obligation, or applicable law or regulation binding or affecting such holder.
- (c) The Depositary and any Custodian must pass on to DI holders, or exercise on their behalf, all rights and entitlements received by the Depositary or the Custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form which they are received, together with amendments and additional documentation necessary to effect such passing on, or exercised in accordance with the Deed Poll. If arrangements are made which allow a DI holder to take up rights in the Company's securities requiring further payment, the DI holder must pay the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.
- (d) The Depositary will be entitled to cancel DIs and treat the holders as having requested a withdrawal of the underlying Ordinary Shares in certain circumstances including where a DI holder fails to furnish to the Depositary such certificates or representations as to material matters of fact, including his identity, as the Depositary deems appropriate.
- (e) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any DI holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless they have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent. Furthermore, the Depositary's liability to a holder of DIs will be limited to the lesser of:
 - (i) the value of the shares and other deposited property properly attributable to the DIs to which the liability relates; and
 - (ii) that proportion of £5 million which corresponds to the portion which the amount the Depositary would otherwise be liable to pay to the DI holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all or any such holders in respect of the same act, omission, or event or, if there are no such amounts, £5 million.
- (f) The Depositary is entitled to charge holders of DIs fees and expenses for the provision of its services under the Deed Poll.
- (g) The holders of DIs are required to agree and acknowledge with the Depositary that it is their responsibility to ensure that any transfer of DIs by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary if this is not the case, and to pay to Euroclear any interest, charges or penalties arising from non-payment of stamp duty reserve tax in respect of such transaction.
- (h) Each holder of DIs is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the DIs (and any property or rights held by the Depositary or Custodian in connection with the DIs) held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent if such Custodian or agent is a member of the Depositary's Group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of such Custodian or agent.

- (i) The Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale proceeds therefrom, in order to discharge the indemnification obligations of DI holders.
- (j) The Depositary may terminate the Deed Poll by giving 30 days' notice. During such notice period DI holders may cancel their DIs and withdraw their deposited property and, if any DIs remain outstanding after termination, the Depositary must, *inter alia*, deliver the deposited property in respect of the DIs to the relevant DI holders or, at their discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of DIs in respect of their DIs.
- (k) The Depositary or the Custodian may require from any DI holder information as to the capacity in which DIs are or were owned and the identity of any other person with or previously having any interest in such DIs and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owners of DIs and such information as is required for the transfer of the relevant Ordinary Shares to the holders. DI holders agree to provide such information requested and consent to the disclosure of such information by the Depositary or Custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Company's Articles require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of DIs are to comply with the Company's instructions with respect thereto.

PART XV
COMPETENT PERSON'S REPORT

Blackwatch
Petroleum Services Limited



Competent Person's Report on Licence Blocks SK46c & SK47b
Onshore UK

For Upland Resources Limited

16th September 2015

Blackwatch Petroleum Services Limited

London

53 Davies Street
Mayfair, London
England
W1K 5JH

Tel : +44 20 7152 6974
Fax : +44 020 7152 6975
e-mail: london@blackwatch.co.uk

Aberdeen

Netherton Business Centre
Fetternear, Kemnay
Aberdeenshire, Scotland
AB51 5LX

Tel: +44 (0) 1467 643082
Fax: +44 (0) 1467 642826
e-mail: aberdeen@blackwatch.co.uk

The Directors
Upland Resources Limited
Ritter House,
Wickhams Cay II,
PO Box 3170,
Road Town,
Tortola VG1110,
British Virgin Islands

16th September 2015

Dear Sirs,

Subject: Competent Person's Report on Licence Blocks SK46c & SK47b Onshore UK

In accordance with your instructions, we have conducted a Technical Resource Assessment of Licence Blocks SK46c and SK47b onshore UK and have compiled herewith a Competent Person's Report.

Based on your advice and information that you provided, we understand that Upland Resources Limited, ("Upland") is a part of the group that participated in the United Kingdom 14th Round of Onshore Licencing. The group comprised Europa Oil & Gas Limited ("Europa") (33.33%, proposed operator), Shale Petroleum (UK) Ltd (33.33%) and Upland Resources (UK Onshore) Limited (33.34%). Europa – the proposed operator, made the application on behalf of the group which was for a single licence over Blocks SK46c and SK47b immediately to the northwest of Mansfield in the East Midlands Petroleum Province.

The primary basis for our assessment was a package of data made available by Upland. We have supplemented this information by use of other relevant data from within the public domain where possible.

Where possible, we have undertaken a review of the technical work carried out by Upland and their partners Europa and Shale Petroleum (UK) Limited and we have made independent estimates of prospects/leads sizes and technical chance of success. In estimating hydrocarbons in place and recoverable volumes, we have used the standard geoscience and petroleum engineering techniques. These combine geophysical and geological knowledge with detailed information concerning porosity and permeability distributions, reservoir temperature and pressure conditions and fluid characteristics. There is of course uncertainty inherent in the measurement and interpretation of basic data. We have estimated the degree of this uncertainty and have used statistical methods to calculate the range of hydrocarbons initially in place or recoverable.

We have estimated the chance of success for discovery of a sufficient quantity of hydrocarbons which test at a sufficient rate to allow for the consideration of subsequent appraisal and development by using the standard approach taken in the industry. That is, assessing the likelihood of success on the following risk components: source rock, charge, reservoir, trap and seal. It should be understood that any technical assessment, particularly one involving exploration and future petroleum developments, may be subject to significant variations over time as new information becomes available. The resources included in this evaluation are estimates and should not be construed as exact quantities. We have classified the prospective hydrocarbons according to the SPE/WPC/AAPG/SPEE Petroleum Resources Management System (PRMS), an excerpt of which is included in Appendix 1. The content of this report and our estimates of resources are based on data provided to us by Upland.

Executive Summary

Blocks SK46c and SK47b are located to the NE and SE of Chesterfield and comprise a gross contiguous area of approximately 200 Km² extending from Derbyshire into Nottinghamshire (Figure E-1).

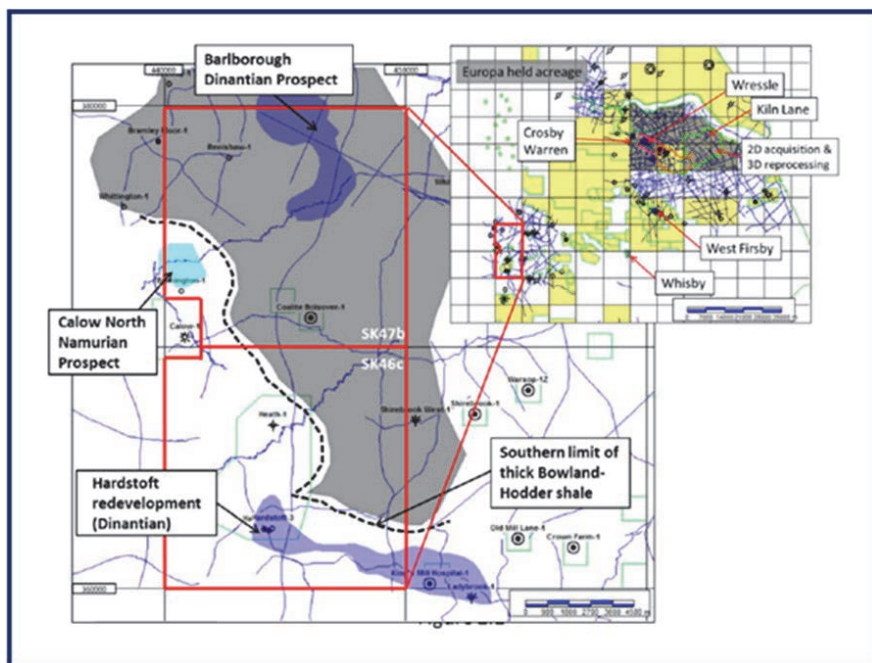


Figure E-1 Location of the Application Blocks SK46c & SK47b: Prospects & Leads indicated

Exploration activity began during the First World War and the first successful oil exploration well at Hardstoft / Tibshelf was completed within the area in 1919, producing in total during subsequent decades about 26,000 bbls oil from fractured Dinantian carbonates. The SK 46c block excludes an area of approximately 40 Km² retained by the Duke of Devonshire's Chatsworth Estate under the CE Licence (CE001) in which the three Hardstoft wells were drilled. The Calow gas discovery (PL 213) and two small Coal Bed Methane Exploration and Development Licence areas (PEDL 001) operated by Alkane are excluded from SK47.

No licence restrictions have been placed on the area and government recommendation is to allow fracking though operations will be subject to consultation due to their proximity to the Birklands and Bilhaugh and South Pennine Moors conservation areas. Upland and its partners in the group believe that the application blocks contain a variety of opportunities as follows:

- the rejuvenation of the Hardstoft oilfield (Dinantian Limestone)
- a small northerly extension of the Calow gas field (Namurian-Westphalian sandstones)
- a possible structural closure over the "Barlborough" Structure (Namurian-Westphalian sandstones)
- a Shale gas play (Early Namurian)

Upland and their partners believe that the above opportunities require further evaluation before a drilling strategy is finalised. A comprehensive technical work programme is outlined in the application. Principal terms of a Petroleum Exploration and Production Licence ("PEDL") – 14th UK Onshore Licensing Round are included in Appendix 3 for Reference.

We have reviewed the data provided conducted a technical resource assessment of the above opportunities and estimated their Prospectivity. Our estimates of the respective contingent and prospective resources in each of the opportunities are summarised in Table E-1 below.

Un-risked Oil Resources (MMstb)									
Total for Block SK46c - UK 14th Round of Onshore Licencing									
Field/Prospect/Lead	Resources Category*	Gross on Licence			Net to Upland			Risk Factor (Chance of Success)	Operator
		1C	2C	3C	1C	2C	3C		
Hardstoft Field - Excluding CE001 Estate portion (Dinantian Limestone)	Contingent	1C	2C	3C	1C	2C	3C	0.8	Europa (Proposed Operator)
		0.49	3.10	18.46	0.16	1.03	6.15		
Hardstoft East Prospect (Dinantian Limestone)	Prospective	Low	Best	High	Low	Best	High	0.64	
		0.58	3.65	26.06	0.19	1.22	8.69		

Un-risked Prospective Gas Resources (Bscf)									
Total for Blocks SK46c & SK47b - UK 14th Round of Onshore Licencing									
Field/Prospect/ Lead	Resource Category*	Gross on Licence			Net to Upland			Risk Factor (Chance of Success)	Operator
		Low	Best	High	Low	Best	High		
Calow North Lead (Namurian - Westphalian)	Prospective	1	5	10.3	0.33	1.67	3.45	0.4	Europa (Proposed Operator)
Barlborough Lead (Namurian - Westphalian)	Prospective	3.26	19.09	51.77	1.09	6.37	17.26	0.15	
Shale Gas Play (Early Namurian)	Prospective	50	160	270	16.67	53.34	90.02	0.15	

Un-risked Prospective Gas Resources (Bscf)									
Total for Block SK47b - UK 14th Round of Onshore Licencing									
Field/Prospect/ Lead	Resource Category*	Gross on Licence			Net to Upland			Risk Factor (Chance of Success)	Operator
		Low	Best	High	Low	Best	High		
Calow North Lead (Namurian - Westphalian)	Prospective	1	5	10.3	0.33	1.67	3.45	0.4	Europa (Proposed Operator)
Barlborough Lead (Namurian - Westphalian)	Prospective	3.26	19.09	51.77	1.09	6.37	17.26	0.15	
Shale Gas Play (Early Namurian)	Prospective	30.95	99.05	167.14	10.3195	33.02	55.73	0.15	

Un-risked Prospective Gas Resources (Bscf)									
Total for Block SK46c - UK 14th Round of Onshore Licencing									
Field/Prospect/ Lead	Resource Category*	Gross on Licence			Net to Upland			Risk Factor (Chance of Success)	Operator
		Low	Best	High	Low	Best	High		
Shale Gas Play (Early Namurian)	Prospective	19.05	60.95	102.86	6.35048	20.32	34.29	0.15	Europa (Proposed Operator)

* Based on PRMS Classification (Figure 1-1, Appendix 1)

Table E-1 Blackwatch Un-risked Resources Estimates

Professional Qualifications

Blackwatch Petroleum Services Ltd (Blackwatch) is an independent provider of geological, petroleum engineering, well testing and drilling engineering services to the international petroleum industry. Blackwatch specialises in the modelling, estimation, assessment and evaluation of oil and gas assets. Blackwatch was established in 1994 with offices in central London and Aberdeen and a multi-national / multi-disciplined staff base. As such, Blackwatch has acquired experience in most of the hydrocarbon producing provinces of the world. Blackwatch has performed work for a wide variety of clients, ranging from multi-national and state oil companies, small independents, investment banks, financial institutions, stock markets and governments. Blackwatch client base includes ADCO, BP, Shell, ConocoPhillips, Exxon Mobil, ChevronTexaco, ENI, JNOC (renamed JOGMEC), GDF, Marathon, Merrill Lynch, EBRD, Norsk Hydro, Cairn Energy, CNR, Victoria Oil and Gas and many others.

Except for the provision of professional services on a fee basis, Blackwatch does not have any interest in or commercial arrangement with any persons employed by or acting for Upland.

This report has been prepared under the supervision of Radwan Hadi, and Terry Pimble. Mr Hadi is a BSc graduate and was awarded an MSc in Chemical Engineering from the University of Bradford in 1979. He is a member of the Society of Petroleum Engineers (SPE) and is currently Deputy Managing Director of Blackwatch. Mr Hadi has over thirty five years of experience in the international oil industry in the estimation, assessment, evaluation, exploration, development and management of hydrocarbon reserves and resources. He has worked with oil majors such as BP, Shell, ExxonMobile, and Total as well as independents. He has led reserves evaluation and CPR projects for mergers/acquisitions, reserves based loans and privatisation projects working with governments and financial institutions/banks such as PWC, Merrill Lynch, HSBC, BNP Paribas, and Standard Chartered.

Mr Pimble is a BSc Graduate and was awarded an MSc in Geophysics and Seismology from the University of Leeds in 1978. He is a member of the Society of Exploration Geophysicists (SEG) and the Petroleum Exploration Society of Great Britain (PESGB). He is a Geoscience Director and Chief Geophysicist with over thirty years of experience in the international oil industry in the estimation, assessment and evaluation of hydrocarbon reserves working on assignments with oil majors such as BP and Shell as well as BHP in London and Australia. He has worked on a multitude of international assignments with Rockflow and previously with AGR/Tracs International and CGG London.

For the purposes of Prospectus Rule PR 5.5.3R (2)(f) Blackwatch accepts responsibility for the information contained in this section of the Prospectus and those sections of the Prospectus which include references to the information in this section. Blackwatch declares that to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Yours faithfully,

Radwan Hadi
Deputy Managing Director
Blackwatch Petroleum Services Limited

Table of Contents

Executive Summary	ii
Professional Qualifications	iii
1. Introduction.....	1
1.1. Blocks SK46c & SK47b Licence Application Prospectivity.....	1
1.2. Blackwatch Scope	2
1.3. Background & Location	2
1.4. Database	2
2. Hardstoft Field	4
2.1. Well History	4
2.2. Hardstoft Field Seismic Review	4
2.3. Hardstoft Geology	7
2.4. Hardstoft Volumetrics	7
2.4.1. Stratigraphic Model -1	7
2.4.2. Dual Porosity System, Model -2	8
2.5. Risking	10
2.5.1. Source Rocks.....	12
3. Calow North Prospect	12
3.1. Calow North Seismic.....	13
3.2. Calow North and Calow Field Geology and Prospectivity.....	14
3.3. Volumetric Estimate.....	15
4. Barlborough	15
4.1. Barlborough Seismic Review	16
4.2. Barlborough Geology & Prospectivity	17
5. Unconventional – Shale Gas Play	18
6. References.....	19
Appendix 1.....	20
Petroleum Resources Management System	20
Appendix 2.....	31
Nomenclature.....	31
Appendix 3.....	31
Principal terms of a PEDL – 14th UK Onshore Licensing Round.....	31

1. Introduction

Upland Resources (UK Onshore) Limited, ("Upland") is a part of a Group that participated in the United Kingdom 14th Round of Onshore Licencing. The group comprised Europa Oil & Gas Limited (33.33%, operator), ("Europa"), Shale Petroleum (UK) Ltd (33.33%) and Upland Resources (UK Onshore) Limited (33.34%). Europa made the application on behalf of the group. The application was for a single licence over Blocks SK46c and SK47b immediately to the northwest of Mansfield in the East Midlands Petroleum Province Figure 1-1.

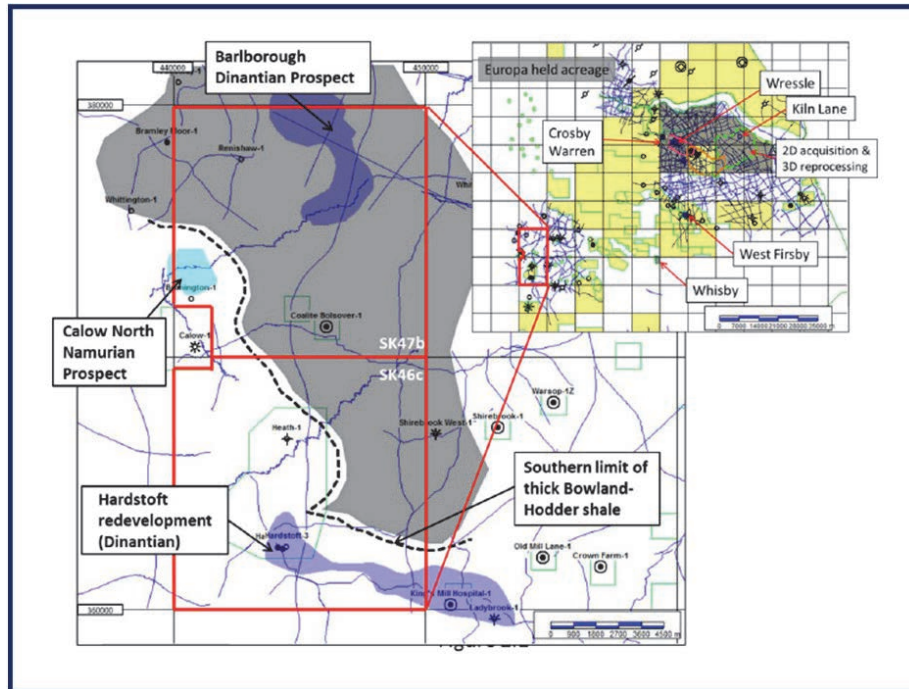


Figure 1-1 Location of the Application Blocks SK46c & SK47b: Prospects & Leads indicated

1.1. Blocks SK46c & SK47b Licence Application Prospectivity¹

Upland and its partners in the group believe that the application blocks contain a variety of opportunities. The northern area contains mature early Namurian hot shales at modest depths and with good logistic access. Upland and its partners believe that this is an ideal area for an early shale gas development. The shale gas potential is further enhanced by possible structural closure over the "Barlborough" Prospect, and by inter-bedded sandstones which provide potential moderate-permeability drains for the shale gas.

The Namurian hot shales are thin or absent over the southern part of the area, but migration into this part of the acreage is proven by the existence of gas at Calow and oil at Hardstoft. Upland and its partners identify a small northerly extension of the Calow gas field (Namurian-Westphalian sandstones), and then the possibility which first attracted them to the area – the rejuvenation of the Hardstoft oilfield. Hardstoft was first drilled in 1919 and produced some 26,000 bbls from fractured Dinantian Carbonates over the next few decades. Upland and its partners believe that a modern high-angle well (or wells) in this structure (possibly with artificial fractures) could access reserves over a much larger area than can have been seen by the original wells. All of these opportunities require further evaluation before a drilling strategy is finalised. A comprehensive technical work programme is outlined in the application. Principal terms of a Petroleum Exploration and Production Licence ("PEDL") – 14th UK Onshore Licencing Round are included in Appendix 3 for Reference.

¹ Source: Appendix B submitted as part of the application for blocks SK46c & SK47b at the UK 14th Round of Onshore licencing. The application was submitted by Europa – the proposed operator

1.2. Blackwatch Scope

At the instructions of Upland, Blackwatch conducted a Technical Resource Assessment on the application Blocks SK46c & SK47b and compiled the Competent Person's Report, herein.

1.3. Background & Location

Blocks SK46c and SK47b are located to the NE and SE of Chesterfield and comprise a gross contiguous area of approximately 200 Km² extending from Derbyshire into Nottinghamshire [Figure 1-2]. The Calow gas discovery (PL 213) and two small Coal Bed Methane Exploration and Development Licence areas (PEDL 001) operated by Alkane are excluded from SK47. The SK 46c block excludes an area of approximately 40 Km² retained by the Duke of Devonshire's Chatsworth Estate under the CE Licence (CE001) in which the three Hardstoft wells were drilled.

The area is accessible and traversed by many roads including the M1 motorway though retains a mainly rural aspect including the Hardwick Hall estate. Exploration activity began during the First World War and the first successful oil exploration well at Hardstoft / Tibshelf was completed within the area in 1919, producing in total during subsequent decades about 26,000 bbls oil from fractured Dinantian carbonates. No licence restrictions have been placed on the area and government recommendation is to allow fracking though operations will be subject to consultation due to their proximity to the Birklands and Bilhaugh and South Pennine Moors conservation areas.

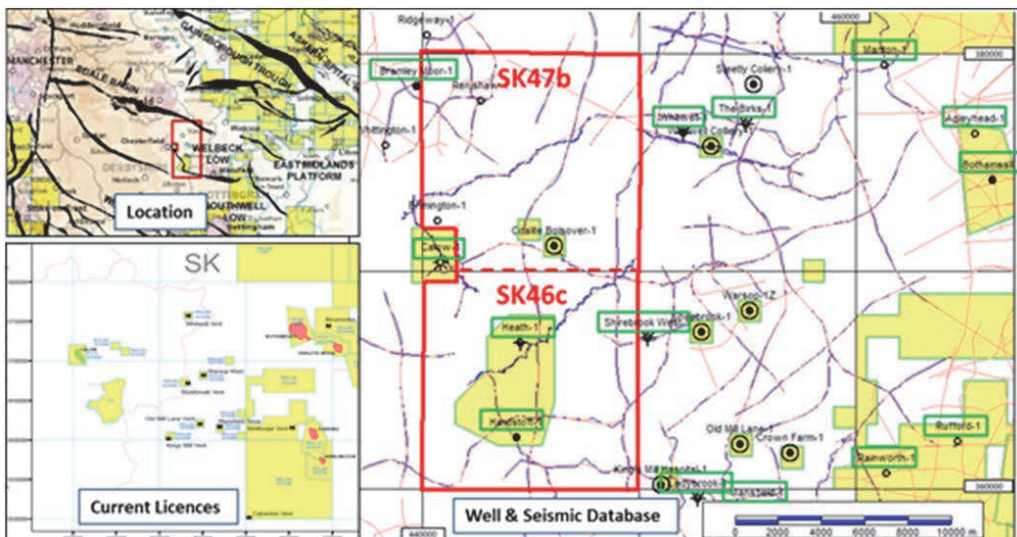


Figure 1-2 Blacks SK46c & SK 47b Location Map

1.4. Database

The seismic data were provided within 3 Kingdom projects (2 restricted to the SK46c/SK47b area and 1 of a more regional extent) or as SEGY format line files. As many of the SEGY lines were located in the area of interest, they were subsequently loaded into the Kingdom project containing Upland's interpretation. Only 2 of the wells for which data were available relevant to this evaluation had been loaded into the Kingdom project. To aid interpretation, data for the remaining 6 wells were loaded to produce the database map shown below [Figure 1-3].

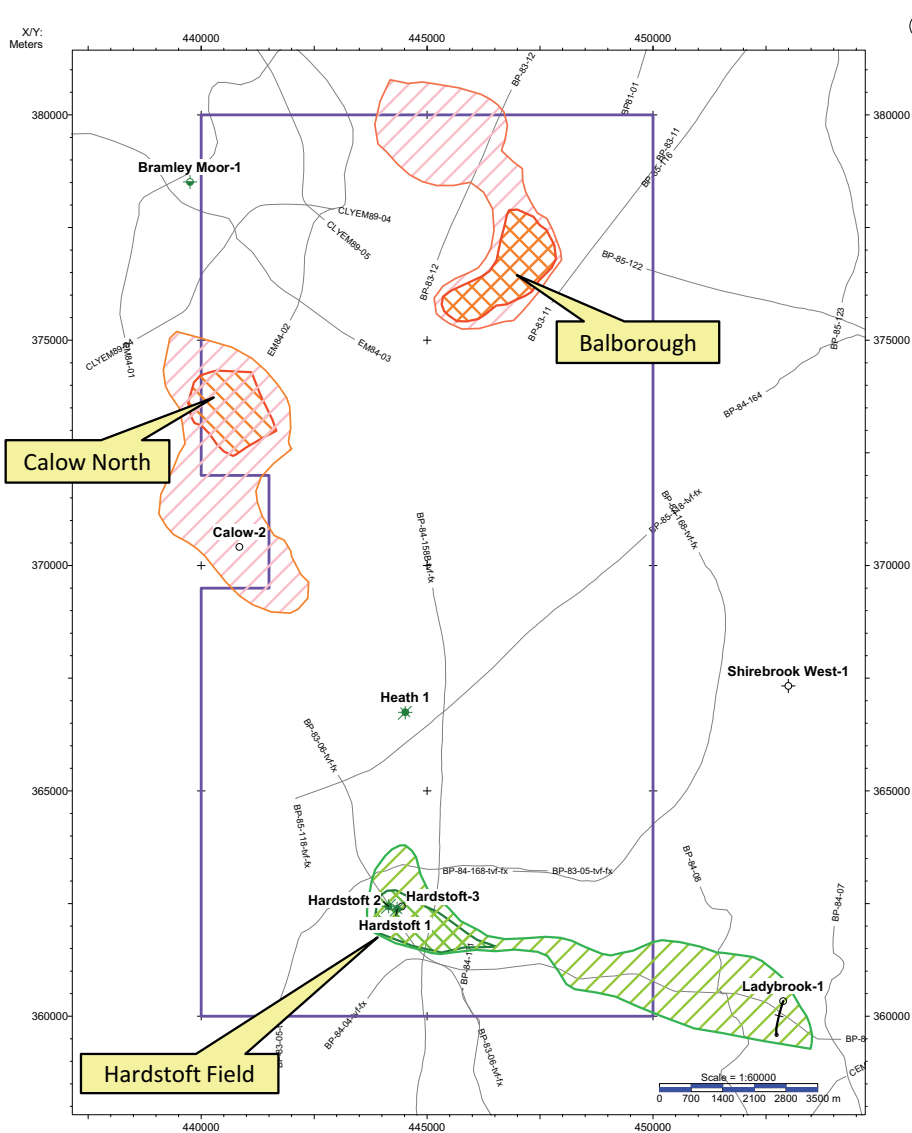


Figure 1-3 Seismic/well database

To assess the relevance of the available seismic lines to the Hardstoft field and prospects, maps of these features contained in Appendix B were loaded into Kingdom and polygons drawn around their extents. As shown in Figure 1-3 several seismic lines are present over the Hardstoft Field but only one traverses Balborough and none cross Calow North. However, maps produced by Europa Oil & Gas Limited in Appendix B show seismic lines over these prospects that were unavailable for the current review. As a result, it was only possible to assess Balborough and Calow North from the description and figures in Appendix B. It was also noted that one seismic line located over the anticline to the east of the Hardstoft Field was not provided.

Most of the seismic lines were acquired by BP during 1984 and are of moderate quality. They appear to follow local roads and tracks and hence exhibit many bends and curves which have degraded quality. Reprocessing, which includes migration, has been undertaken on 5 lines but does not appear to have been particularly successful. The interpretations provided were based on un-migrated stack data. Overall, data quality for the top Dinantian Limestone reflector, which represents top reservoir at Hardstoft, is of moderate to poor quality over the crests of anticlines and fair to moderately good elsewhere.

2. Hardstoft Field

2.1. Well History

The first well in the field, Hardstoft-1 was completed in 1919. It was the first significant oil discovery in the UK and produced naturally at an initial rate of approximately 6 bbls/day which increased to around 10 bbls/day with pumping. No significant water cut was observed until 1924.

In 1938 the well was deepened from 3127ft MD to 3272ft MD penetrating interbedded volcanic ashes and light brown limestones below cherty black limestones. Water was reported between 3247ft and 3261ft MD and it is unclear if oil shows were present at TD. However no additional production was achieved from deepening and acidising the well. It is estimated that total production from the well was approximately 26,000bbls oil.

Two appraisal wells, Hardstoft 2 & 3 were drilled in 1925 and 1926 respectively but failed to add production.

2.2. Hardstoft Field Seismic Review

The Hardstoft Field produced oil from the Dinantian limestone which was discovered in Hardstoft-1 at a depth of 3077 feet MD. The field structure has been mapped as a faulted anticline by both Europa in Appendix B and by Upland within the Kingdom project. It is constrained by 6 seismic lines that are orientated in an approximate dip direction and linked by 1 strike line. Lines are at 1 km intervals in the area of the Hardstoft wells and at 2.5km intervals to the east. Seismic lines clearly show the presence of a high relief faulted anticline. There are very limited velocity data to tie the top Dinantian limestone seismic horizon to the formation tops in the wells. This comprised a sonic log for Bramley Moor-1 to the north and velocity data for Eakring-146 to the east. No direct seismic tie to the Hardstoft lines from either of these wells could be made. Scanned images of the BP84 seismic survey show that they were processed to a mean sea level datum. Checking the seismic two-way time with the depth of the top Dinantian limestone at the Hardstoft-2 location gives an average velocity of 3557ms⁻¹. As this velocity is in the expected range for the Carboniferous sediments of the overburden, there is reasonable confidence that the top reservoir reflection has been correctly recognised.

The Europa top Dinantian reservoir map shows the Hardstoft structure as an elongate faulted anticline with the crest to the southeast of the wells [Figure 2-1]. The anticline contains two secondary closures, one within SK46c, and a second outside the block further to the east. The most easterly closure contains the Ladybrook-1 well which was drilled deviated the north. The composite log for this well shows Namurian sediments at a TD of -936m TVDss however the Europa map shows the underlying Dinantian reservoir at -740m TVDss. Therefore a significant error is present in this part of Europa's interpretation which reduces their most likely area of closure in the east and confidence in their interpretation.

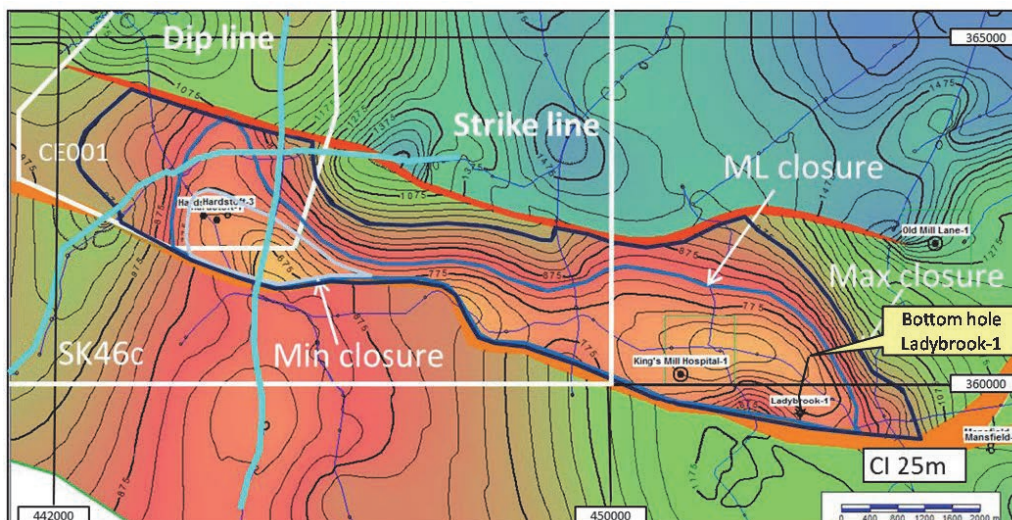


Figure 2-1 Hardstoft Top Dinantian Depth Map (Europa Appendix B)

An alternative depth map for the Dinantian reservoir was present within one of the provided Kingdom projects [Figure 2-2]. The author, Upland, based the interpretation on only 5 seismic lines. A review of these lines

showed the picks to be reasonably consistent with the reflections but the resultant depth map shows values that were approximately 150m greater than TVDs from the wells. It is unclear whether a different datum has been used in the creation of this depth map that would explain the contour depths shown.

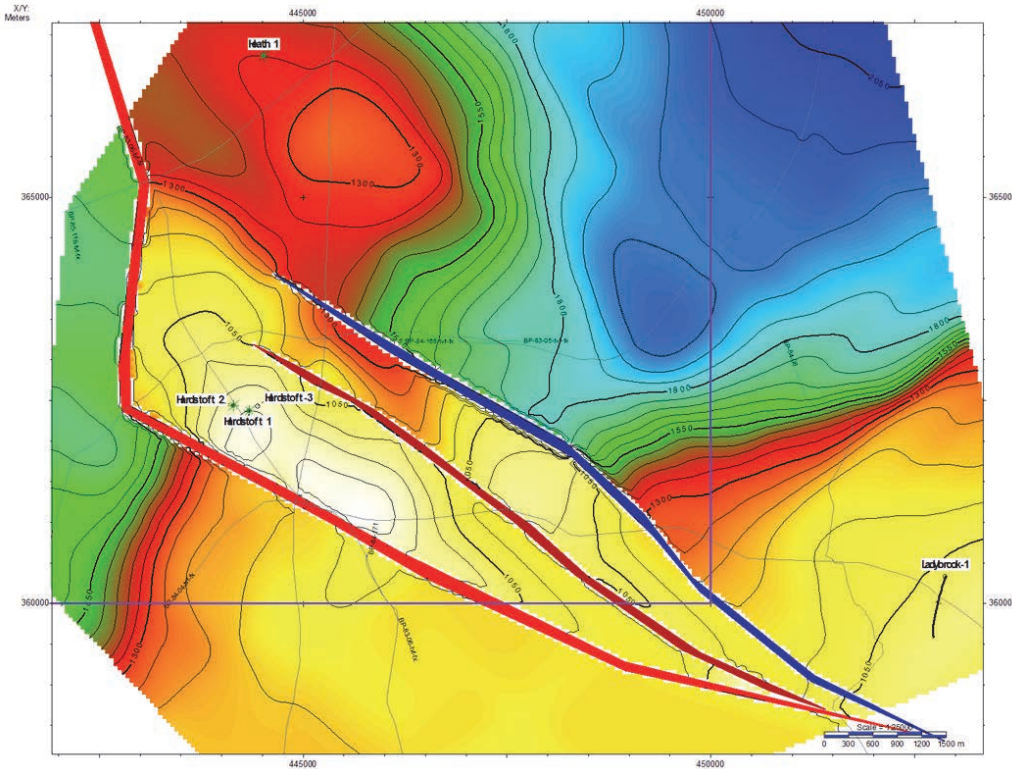


Figure 2-2 Hardstoft Top Reservoir Depth Map (Upland)

Comparison of the Upland and Europa maps reveals significant differences. Consequently, it was decided to undertake an independent interpretation of the Hardstoft Field incorporating the recently loaded lines. The Upland Dinantian reservoir pick was copied, revised and extended to the east on the additional lines. Similar to previous interpretations, the Hardstoft Field was interpreted as a faulted anticline [Figure 2-3] with the crest to the southeast of Hardstoft-1. Depth conversion was undertaken using a polynomial function based on the Eakring-146 velocity data. The final top Dinantian limestone depth map [Figure 2-4] was tied at well locations using a residual grid.

As shown in Figure 2-4, the anticline is complex, being cross cut by several large faults. There is significant uncertainty associated with some of these faults as there are insufficient seismic lines to unambiguously define their orientation. It is also highly likely that more faults would be mapped within the area if additional seismic lines were acquired. The anticlinal trend extends to the east as shown by Europa but at significantly greater depth. However, the small closure around the Hardstoft wells is similar on all maps.

In conclusion, the seismic interpretation locally around Hardstoft wells appears reasonably robust but uncertainty increases significantly to the east and west due to a lack of seismic coverage. Therefore prior to further wells being drilled on the structure, acquisition of additional seismic lines is strongly recommended.

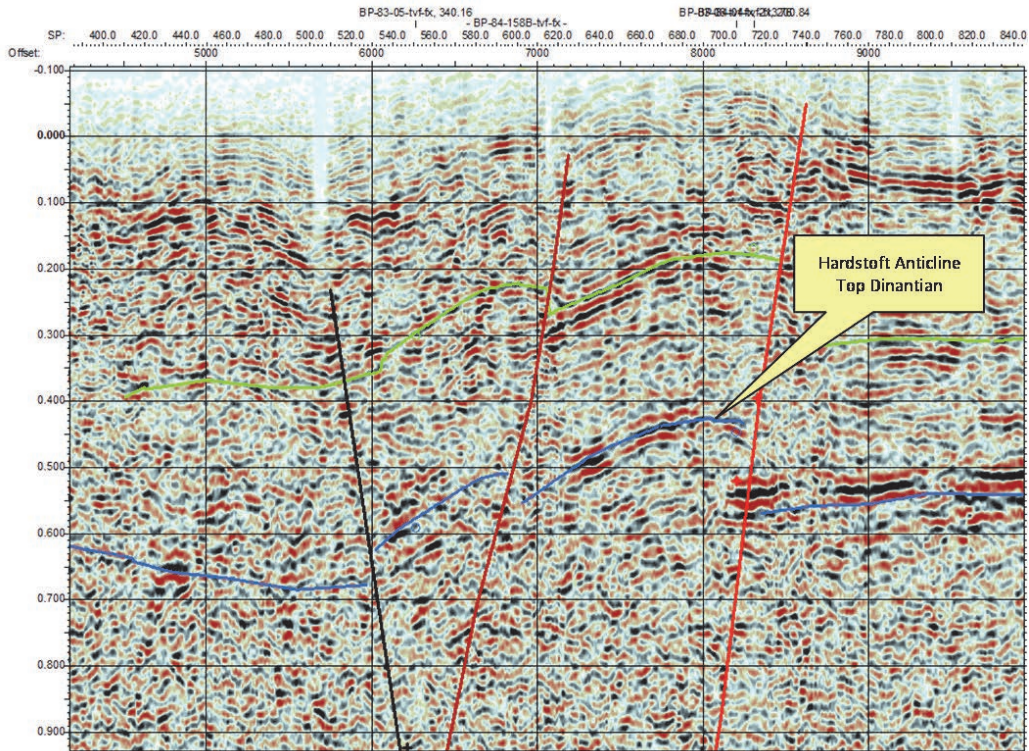


Figure 2-3 Seismic line BP-84-158B through Hardstoft Field

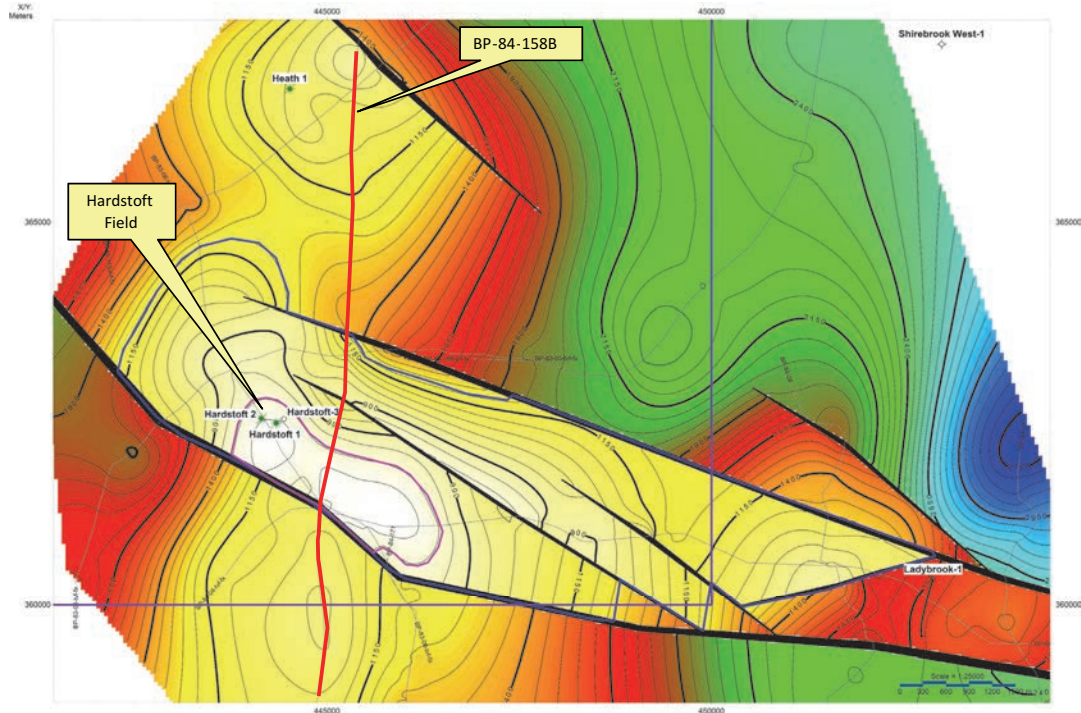


Figure 2-4 Hardstoft Top Dinantian Limestone Depth Map (Blackwatch)

2.3. Hardstoft Geology

The Hardstoft prospect comprises an ESE trending inversion anticline previously tested by three wells. Blackwatch has reinterpreted the structure identified by Europa but the main elements comprising closure to the south and north defined by reverse faults and dip closure to the east and west has been confirmed. It should be noted that previous wells were located close to the crest of the anticline and lie within the CE (Chatsworth Estates) acreage. A small untested area is located up-dip to the south-east of Hardstoft-1 with the crest of the structure interpreted at approximately 675m bmsl. On the northern flank of the anticline a secondary combination three-way dip and fault closure "Hardstoft East" has been identified.

The objective Dinantian limestone is overlain and sealed by high gamma "hot" Namurian shale source rocks permitting direct migration of hydrocarbons from source to reservoir. The structure is rather weakly defined by sparse 2D seismic data as shown on the location map above, but appears to spill northwards towards the Heath-1 well in which traces of migrant oil were reported at the top of Dinantian limestones together with bitumen impregnation of the overlying basal Namurian shales. The Ladybrook -1 well located at the eastern extremity of the prospect did not reach the Dinantian suggesting significant error in Europa's depth maps.

Our review has been unable to accurately define the OWC in Hardstoft-1. No significant oil shows were recorded in Hardstoft-2 or Hardstoft-3 though they lie within structural closure as reasonably defined by four 2D lines. We estimate top Dinantian limestone in Hardstoft -1 at -745m bmsl, Hardstoft-2 at -755m bmsl and Hardstoft-3 at -762m bmsl. Because of the uncertainty in mapping based on very limited 2D data and the poorly defined OWC there is significant uncertainty with respect to trap volume and potentially recoverable resources that may be accessed by re-developing the structure.

In view of mapping uncertainty and the wide range of possible trap sizes that may be interpreted we have considered two models. These are 1) that oil is stratigraphically confined within a karstified zone at the top of the Dinantian section and 2) that oil production at the core of the Hardstoft structure was achieved from a dual porosity system in which fracturing is a key element of the poroperm. Previous production of oil in commercial volumes from this closure demonstrates that all the essential elements of the petroleum system and trap are present and that further drilling and exploitation is low risk. The main uncertainty is the effectiveness of reservoir facies over a broader area. A secondary closure Hardstoft East, located immediately to the north-east has not been tested by previous drilling. Prospective resources have also been estimated for this prospect. As noted above, our analysis is that the top Dinantian limestone in Hardstoft-1 is at a depth of 745m bmsl (3077ft MD) and based on the initial 5 years of production without water, oil was present down to at least TD at 3127ft MD (761m bmsl). A reference to water being "bailed" at 3112ft MD is assumed to be in connection with operations to deepen the well in 1938. We have taken 762m bmsl to define the shallowest OWC and minimum (P90) closure.

2.4. Hardstoft Volumetrics

2.4.1. Stratigraphic Model -1

The premise for this model is that Hardstoft-1 did not penetrate a Free Water Level (FWL) and that the oil bearing interval is at the top of the Dinantian limestone where karstification has enhanced the matrix porosity and permeability sufficiently to form an effective reservoir rock. It is assumed that natural fracturing contributes little to the porosity and permeability being principally in the form of stratigraphically confined jointing. We accept a very large areal closure (about 23 Km²) at top Dinantian limestone as mapped by Europa is present and potentially filled by oil, and that the structure spills northwards towards Heath-1. However given the lack of significant oil shows in wells Hardstoft-2 and Hardstoft-3, the uncertainty in mapping and the pervasive nature of a steeply dipping fracture systems observed in analogous outcrop we believe such a model is risky and concur with Europa's view of P10 or less for this "upside" case. For scoping purposes we have made a deterministic estimate of 62MMSTOIIP (22 MMbbls prospective recoverable) in total with 55 MM bbls STOIP and 19 MMbbls recoverable in SK 46c. Details of these estimates are tabulated below.

GRV MMm ³	N/G	Porosity	1-Sw	FVF		STOIIP MMSTB	Recovery Factor	Resources MMSTB
412	0.75	0.05	0.7	1.1	6.28981	61.76	0.35	21.62

Table 1 Hardstoft Volumetric Scenarios – Stratigraphic Model-1 Whole Structure (Blackwatch)

GRV MMm ³	N/G	Porosity	1-Sw	FVF		STOIP MMSTB	Recovery Factor	Resources MMSTB
366	0.75	0.05	0.7	1.1	6.28981	54.87	0.35	19.20

Table 2 Hardstoft Volumetric Scenarios – Stratigraphic Model-1 On-Block (Blackwatch)

2.4.2. Dual Porosity System, Model -2

The premise for this model is that oil is trapped within the core of the Hardstoft anticline and that natural fracturing at the crest of the anticline has allowed preferential karstification. A secondary closure Hardstoft East is downthrown on the northern flank of the anticline [Figure 2-5].

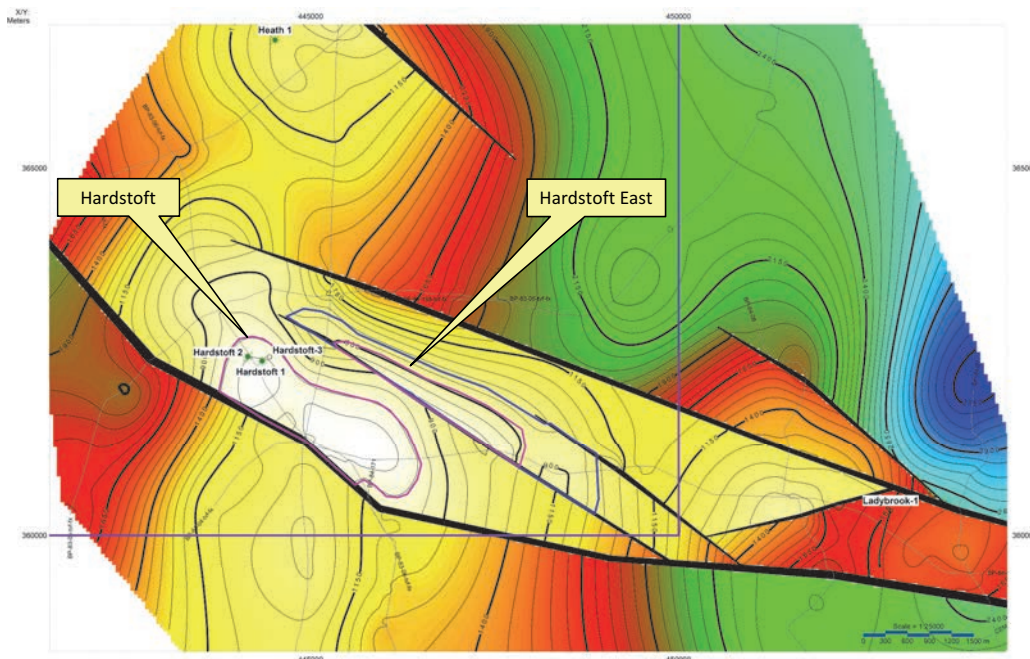


Figure 2-5 Top Dinantian Limestone Depth Map Showing Hardstoft East Prospect (Blackwatch)

We accept it is possible that Hardstoft-1 may not have penetrated an OWC and that the oil shows reported may indicate ODT levels within an alternating series of tight and permeable limestones. However based on outcrop and analogue studies, significant permeability and porosity at Hardstoft -1 is most likely due to karst, dolomitisation and a pervasive sub-vertical fracture system.

Our preferred interpretation is one of a dual porosity system. Therefore we believe it unlikely that oil in Hardstoft-1 would be stratigraphically confined to a relatively thin upper layer of limestone and that observed oil shows likely indicate oil present in fractures down to an OWC. The OWC in Hardstoft -1 is not clearly defined but a range of min, ml and maximum closures was derived from the following observations:

- For the **maximum case** we consider **closure at -797m bmsl** based on the water from 3247-3261ft MD which was shut off with a cement plug after deepening the well, there being no reported oil shows below this depth at Hardstoft-1.
- For the **most likely case** we consider **closure at -782m bmsl** which at Hardstoft-1 is the top of the interbedded volcanic ash section (3198ft MD). No increase in oil productivity was achieved below this level (a test at 3261ft MD resulted in increase in water production of 100gallons/hour).
- For the **minimum case** we consider **closure at -762m bmsl** based on the initial five years of oil production with no significant water cut to the well TD of -761m bmsl.

Hardstoft

Matrix		Min	ML	Max
	N/G	0.25	0.5	0.75
	Porosity	0.03	0.05	0.08
	1-Sw	0.55	0.7	0.8
	FVF	1.15	1.1	1.05
	Recovery %	15	25	35
Min GRV	STOIP MM bbls	1.444	3.204	9.206
	Resources MM bbls	0.217	0.802	3.226
ML GRV	STOIP MM bbls	2.902	6.437	18.497
	Resources MM bbls	0.435	1.609	6.474
Max GRV	STOIP MM bbls	4.294	9.524	27.367
	Resources MM bbls	0.644	2.381	9.578
Fractures		Min	ML	Max
	N/G	1	1	1
	Porosity %	0.5	1	3
	1-Sw	0.7	0.8	0.9
	FVF	1.15	1.1	1.05
	Recovery %	50	60	70
Min GRV	STOIP MM bbls	0.614	1.466	5.178
	Resources MM bbls	0.306	0.878	3.629
ML GRV	STOIP MM bbls	1.231	2.942	10.404
	Resources MM bbls	0.615	1.765	7.283
Max GRV	STOIP MM bbls	1.822	4.353	15.394
	Resources MM bbls	0.911	2.6123	10.776
Matrix & Fractures Combined	ML STOIP MM bbls		9.379	
	ML Resources MM bbls		3.374	

Hardstoft East

Matrix		Min	ML	Max
	N/G	0.25	0.5	0.75
	Porosity	0.03	0.05	0.08
	1-Sw	0.55	0.7	0.8
	FVF	1.15	1.1	1.05
	Recovery %	15	25	35
Min GRV	STOIP MM bbls	1.59	3.53	10.15
	Resources MM bbls	0.24	0.88	3.55
ML GRV	STOIP MM bbls	3.14	6.97	20.05
	Resources MM bbls	0.47	1.74	7.02
Max GRV	STOIP MM bbls	5.49	12.19	35.03
	Resources MM bbls	0.82	3.05	12.26
Fractures		Min	ML	Max
	N/G	1	1	1
	Porosity%	0.5	1	3
	1-Sw	0.7	0.8	0.9
	FVF	1.15	1.1	1.05
	Recovery %	50	60	70
Min GRV	STOIP MM bbls	0.67	1.61	5.71
	Resources MM bbls	0.34	0.97	3.99
ML GRV	STOIP MM bbls	1.33	3.19	11.28
	Resources MM bbls	0.67	1.91	7.89
Max GRV	STOIP MM bbls	2.33	5.57	19.71
	Resources MM bbls	1.17	3.34	13.79
Matrix & Fractures Combined	ML STOIP MM bbls		10.16	
	ML Resources MM bbls		3.65	

Table 3 Hardstoft Volumetric Scenarios – Dual Porosity System, Model-2 (Blackwatch) Deterministic. All Volumetrics Include the CE001 Licence

We have made arithmetic estimates of STOIP and Resources for both the Hardstoft and Hardstoft East traps (Table 3).

Hardstoft

	Original In Place		Prospective Undiscovered Recoverable Reserves					Total Geologic Pre-Drill
	Oil	Gas	Liquids		Sales Gas			
			Oil	Total Cond	Non-Assoc	Soln		
MMBO	BCF	MMBO	MMBO	BCF	BCF	MMBOE		
Fracture								
P99	0.89	0.00	0.53	0.00	0.00	0.07	0.54	
P90	1.62	0.00	0.97	0.00	0.00	0.13	0.99	
Mode	2.37	0.00	1.41	0.00	0.00	0.17	1.46	
P50	3.38	0.00	2.03	0.00	0.00	0.29	2.08	
Mean (P99->P1)	3.88	0.00	2.33	0.00	0.00	0.33	2.38	
P10	6.94	0.00	4.18	0.00	0.00	0.57	4.27	
P1	12.40	0.00	7.50	0.00	0.00	1.12	7.68	
Matrix								
P99	0.42	0.00	0.07	0.00	0.00	0.01	0.08	
P90	1.79	0.00	0.37	0.00	0.00	0.06	0.38	
Mode	3.60	0.00	0.82	0.00	0.00	0.46	0.84	
P50	5.21	0.00	1.23	0.00	0.00	0.18	1.26	
Mean (P99->P1)	6.21	0.00	1.53	0.00	0.00	0.22	1.57	
P10	12.25	0.00	3.18	0.00	0.00	0.46	3.28	
P1	23.76	0.00	6.67	0.00	0.00	1.00	6.84	

Total

Mean STOIP = (3.88 + 6.21) = 10.09 MMSTB

Mean Resource = (2.38 + 1.57) = 3.95 MMboe (Risk 1in 1.25)

Table 4 Hardstoft Volumetric Scenarios – Dual Porosity System, Model-2 (Blackwatch) Probabilistic Estimate for the Hardstoft Trap. All Volumetrics Include the CE001 Licence

In total, the Hardstoft anticline is estimated to contain 19.5 MMSTB OIIP with 7.0 MMSTB recoverable. These estimates include the area covered by the CE001 Licence. The same estimated input parameters (no e-log or core data available) were used in a Monte-Carlo simulation and the results are shown in Tables 4 & 5.

Hardstoft East

Fracture	Original In Place		Prospective Undiscovered Recoverable Reserves					Total Geologic Pre-Drill MMBOE
	Oil	Gas	Liquids		Sales Gas			
			Oil	Total Cond	Non-Assoc	Soln		
MMBO	BCF	MMBO	MMBO	BCF	BCF	MMBOE		
P99	0.99	0.00	0.59	0.00	0.00	0.08	0.60	
P90	1.91	0.00	1.13	0.00	0.00	0.16	1.16	
Mode	3.09	0.00	1.85	0.00	0.00	0.20	1.91	
P50	4.19	0.00	2.51	0.00	0.00	0.38	2.57	
Mean (P99->P1)	4.91	0.00	2.95	0.00	0.00	0.42	3.02	
P10	9.09	0.00	5.48	0.00	0.00	0.80	5.61	
P1	17.32	0.00	10.46	0.00	0.00	1.47	10.71	

Current settings...
Estimating method:
VOLUMETRIC (Net Rock Volume X HC Yield)
Intermediate Simulation: 5000 Iterations
Resources Simulation: 5000 Iterations
Truncations:
Input= 0.00/1.00
Output= 0.00/1.00
Raw Gas Surface Loss: NONE

Chance of Success >>> **64.0%**
Pg- Chance of Geologic Success (>=Ab Min reserve)

Matrix	Original In Place		Prospective Undiscovered Recoverable Reserves					Total Geologic Pre-Drill MMBOE
	Oil	Gas	Liquids		Sales Gas			
			Oil	Total Cond	Non-Assoc	Soln		
MMBO	BCF	MMBO	MMBO	BCF	BCF	MMBOE		
P99	0.49	0.00	0.09	0.00	0.00	0.01	0.09	
P90	1.98	0.00	0.42	0.00	0.00	0.06	0.43	
Mode	4.06	0.00	0.82	0.00	0.00	0.36	0.83	
P50	6.17	0.00	1.45	0.00	0.00	0.21	1.49	
Mean (P99->P1)	7.54	0.00	1.86	0.00	0.00	0.26	1.91	
P10	15.55	0.00	3.97	0.00	0.00	0.66	4.06	
P1	31.34	0.00	8.66	0.00	0.00	1.29	8.87	

Current settings...
Estimating method:
VOLUMETRIC (Net Rock Volume X HC Yield)
Intermediate Simulation: 5000 Iterations
Resources Simulation: 5000 Iterations
Truncations:
Input= 0.00/1.00
Output= 0.00/1.00
Raw Gas Surface Loss: NONE

Chance of Success >>> **64.0%**
Pg- Chance of Geologic Success (>=Ab Min reserve)

Total

Mean STOIP = (4.91 + 7.54) = 12.45 MMSTB

Mean Resource = (3.02 + 1.91) = 4.93 MMboe

Table 5 Hardstoft Volumetric Scenarios – Dual Porosity System, Model-2 (Blackwatch) Probabilistic Estimate for the Hardstoft East Trap. All Volumetrics Include the CE001 Licence

We suggest Hardstoft is low risk and are in agreement with Europa's estimated Geological Chance of Success of 0.8 (1 in 1.25). We consider the untested Hardstoft East structure that is also slightly down dip, carries a slightly higher risk and assign a GCS of 0.64 (1 in 1.6). On the basis of our review of the data and our assessment of Hardstoft Structure, we consider the resources in Hardstoft as Contingent Resources and the resources in Hardstoft East as Prospective Resources. Blackwatch estimate of resources in Block SK46c are given in Table 6 below.

Table 6 - A

GRV Split between Block SK46c Licence and CE001 Licence		
	SK46c	CE001
Min GRV	93.66%	6.34%
ML GRV	91.89%	8.11%
Max GRV	90.69%	9.31%

Table 6 - B

Un-risked Oil Resources (MMstb)									
Total for Block SK46c - UK 14th Round of Onshore Licencing									
Field/Prospect/Lead	Resources Category*	Gross on Licence			Net to Upland			Risk Factor (Chance of Success)	Operator
		1C	2C	3C	1C	2C	3C		
Hardstoft Field - Excluding CE001 Estate portion (Dinantian Limestone)	Contingent	1C	2C	3C	1C	2C	3C	0.8	Europa - Proposed Operator
		0.49	3.10	18.46	0.16	1.03	6.15		
Hardstoft East Prospect (Dinantian Limestone)	Prospective	Low	Best	High	Low	Best	High	0.64	
		0.58	3.65	26.06	0.19	1.22	8.69		

*Based on PRMS Classification (Figure 1-1 Appendix 1)

Table 6 Un-risked Resources Estimate in Block SK46c (Blackwatch)

2.5. Risking

Since the presence of effective seal, reservoir, source and trap have been proved by production the main risks are continuity of the reservoir facies and fracture system and trap definition (due to limited data available).

The effectiveness of the reservoir and trap at Hardstoft East is not proven and attracts a higher risk, though its proximity to Hardstoft -1 suggests this is also a low risk prospect.

Correlation between the Hardstoft wells is shown in Figure 2-6 below (vertical scale of well-2 exaggerated). These logs reveal little detail of the facies and likely (complex) diagenetic alteration though the light brown limestones and “sandy” limestones suggest there may be zones of poroperm enhancement by dolomitization (in which matrix porosity could be up to 8-9%). Of concern is the reference to salt water in Hardstoft -2 at an elevation only 10m below the top of the reservoir in Hardstoft –1 although bitumen impregnation was noted in the overlying Namurian shales.

Possibly the top part of the Dinantian in this well comprises interbedded limestone and black shale, and stratigraphic top Dinantian may therefore be above the top of the “solid “ limestone section, but this is unclear from available data. Similarly no significant shows were reported in Hardstoft-3 where the rock description appears similar to the previous wells. The lower part of the section penetrated by Hardstoft-1 and Hardstoft-3 comprises mainly volcanic ashes and lavas. Unfortunately limited seismic coverage is insufficient to identify the true complexity of the structure or lithological changes within the mapped structure.

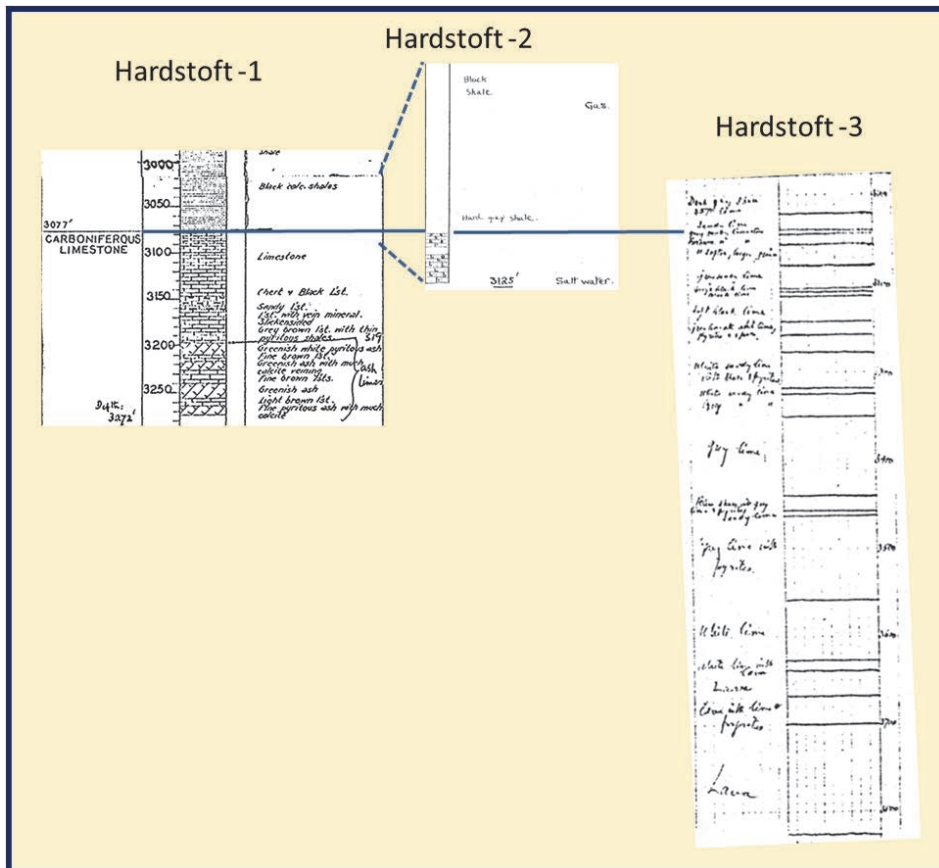


Figure 2-6 Correlation between the Hardstoft wells (vertical scale of well-2 exaggerated)

Depositional models for the Dinantian reservoir based on detailed field mapping have been widely published and an example is illustrated in Figure 2-7 below. The anticlinal structure at Hardstoft is probably the result of inversion of basement involved faults at a location transitional between the platform and basin. Typically the best reservoir facies may be expected at the shelf margin. From the data available the palaeogeography and facies distribution is not clear though clearly the best matrix poroperm may not coincide with post-inversion structural highs.

Typically the matrix porosity in Dinantian carbonates is very low ranging between 1% and 5%. Poor matrix porosity is due to compaction of lime muds during burial in the absence of reef building organisms which became established later in the Carboniferous.

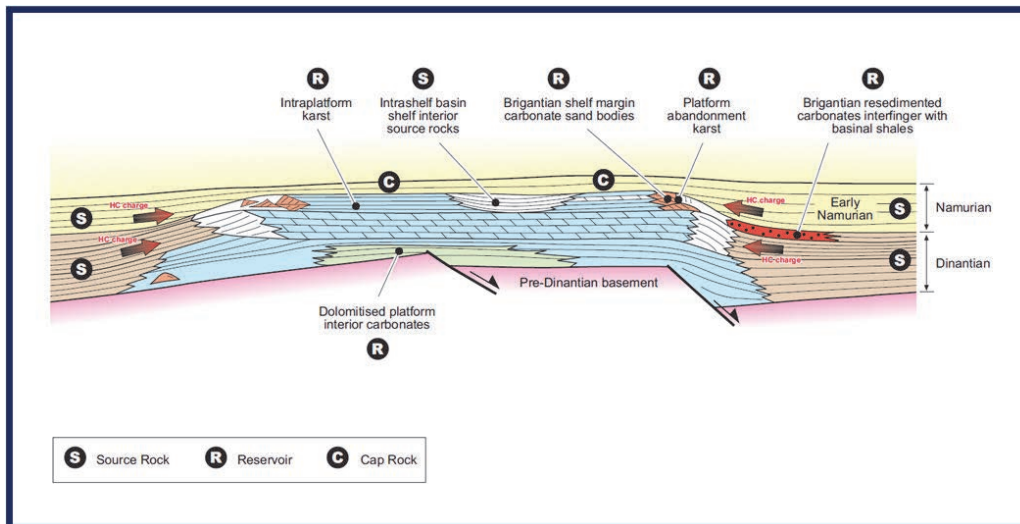


Figure 2-7 Schematic section illustrating Dinantian carbonate petroleum system (pre-inversion structure)²

Therefore the development of effective reservoir quality in Dinantian carbonates depends on fracturing, karstification and dolomitisation. Open fractures and macropores due to karstic dissolution are very difficult to detect or quantify from e-logs. The fracture system is mainly related to structure, in particular Variscan (Late Carboniferous-Early Permian) inversion. Karstic porosity is associated with sequence boundaries for example at the top of the Brigantian, Asbian, Arundian and Chadian and is usually best developed along the shelf – edge whereas no karstic porosity enhancement occurred in more seaward locations. Enhanced poroperm character is generally inferred from mud losses and drilling breaks rather than e-logs though gamma spikes may sometimes indicate karst–fill. An Asbian shelf margin outcrop at Windy Knoll near Castleton Derbyshire where fractures and vugs are filled by bitumen provides a useful analogue. Here the underlying fault system appears to have facilitated leaching and enhancement of pre-existing fracture and karst networks by later circulating fluids. Evidence for dolomitisation at Hardstoft is equivocal. No porosity logs or core information are available.

2.5.1. Source Rocks

A direct migration pathway by onlap and or fault juxtaposition suggests that the source of oil discovered in the Dinantian is most likely pro-delta marine shales of Namurian age (mainly Pendleian). These shales contain type-II kerogen and are oil-prone source rocks that regionally exhibit a residual TOC of 2-6% and are able to generate oil or condensate rich gas. The best source potential is believed to occur within the relatively sediment starved WNW-ESE Widmerpool and Gainsborough troughs. In part the source shales may be coeval with deposition of Dinantian carbonate reservoir facies on the shelf / up-thrown blocks.

3. Calow North Prospect

Calow North is a prospect mapped by Europa to the north of the Calow field. The Calow field is a small Namurian – Westphalian NNW-SSE trending anticlinal structure which straddles the western boundary between SK46c and SK47b. The structure was drilled by Brimington-1 in 1919 as part of the same campaign as Hardstoft. Europa has been unable to find details of this well but given the subtlety of pay in the Calow wells and the apparently strong seismic and structural similarity to Calow, Europa (as per Appendix B) believe that a modern well in this could be capable of gas production. The Calow field has produced gas from Westphalian and Namurian sediments at less than 1100m depth.

² Source: A Regional Review of the Dinantian Carbonate Play: Southern North Sea & Onshore UK. A report prepared for UK DBERR by Total E&P UK – November 2007

3.1. Calow North Seismic

The Calow North structure has been mapped on 3 seismic lines that were unavailable for this evaluation. In Appendix B, Europa shows 2 unnamed seismic lines, one of which traverses the crest of the structure [Figure 3-1], and time and depth maps of the top Namurian [Figure 3-2].

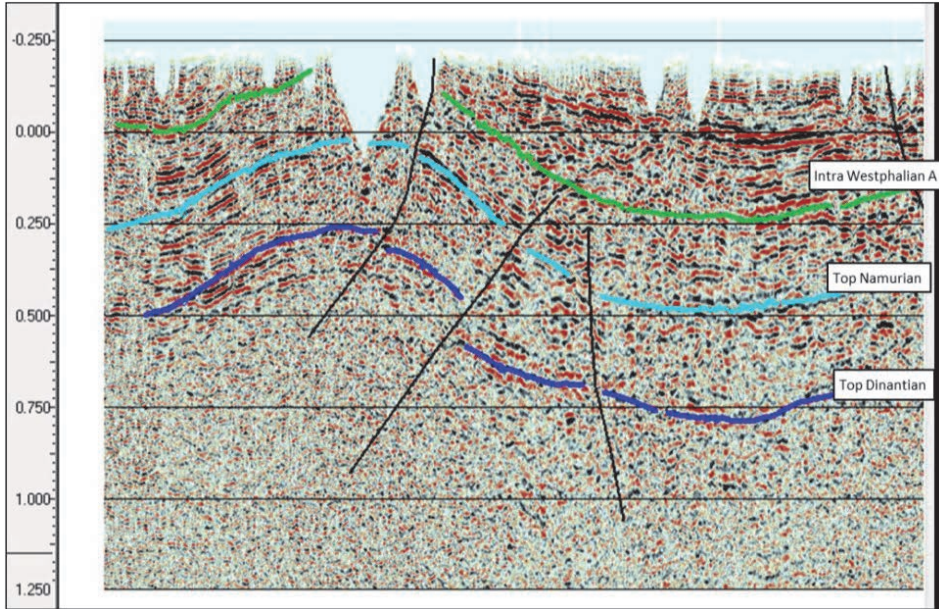


Figure 3-1 Dip Line over crest of Calow North (Europa Appendix B)

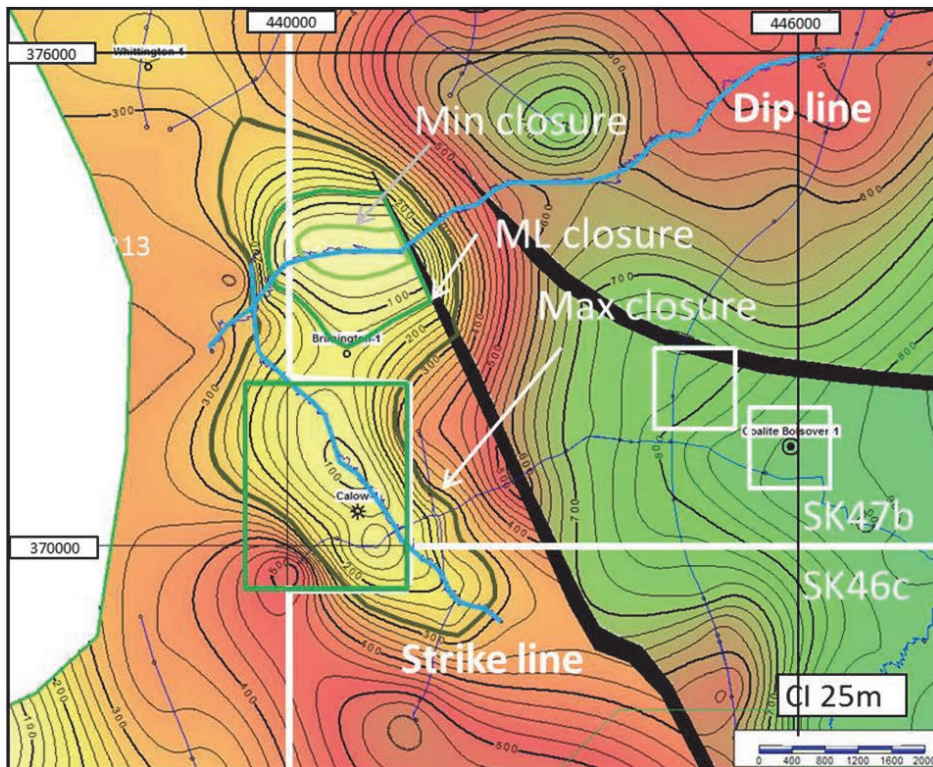


Figure 3-2 Top Namurian Depth Map (Europa Appendix B)

The unnamed seismic line does not display shot points and therefore cannot be accurately located. However, it clearly shows the presence of a high relief anticline. It is not possible to confirm that the picked seismic horizons accurately tie the events named, but it is considered that their recognition is reasonable. However the structure is principally based on one line and therefore trap closure is subject to a high degree of uncertainty. In addition, as stated above, no information is available for the Brimington-1 well that was drilled on the southern edge of the closure. As a result, **Calow North is considered as a lead with poor trap definition and significant risk which could be improved by the acquisition of additional seismic lines.**

3.2. Calow North and Calow Field Geology and Prospectivity

The Calow structure has been tested by four wells and Brimington-1. The sketch below [Figure 3-3] is from Fraser et al (1990) Geol Soc Special Publication 50 and shows the crest of the structure at Chatsworth Grit at 180m bmsl. Clearly the closure was not originally spill-full. There is no data on Brimington which was drilled as part of the initial exploration phase in 1919 and lies within SK47b. Calow -1 was drilled by BP and reached total depth at 1260ft in the Namurian. Late Namurian (Marsdenian) - Westphalian sands were reported oil stained but only gas was produced on test (Test rates not known).

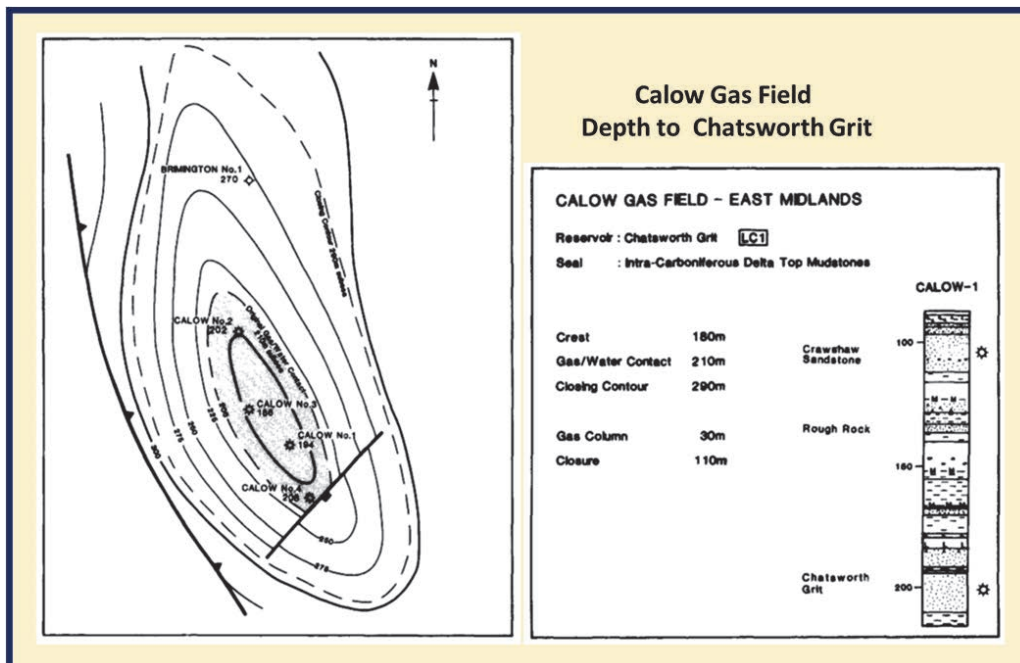


Figure 3-3 Sketch Showing the crest of the structure at Chatsworth Grit at 180m bmsl

The Calow discovery is currently licenced to Alkane who through their subsidiary company Seven Star Energy have lodged a planning application to re-drill the structure and build a gas to power facility. These proposals were rejected in January 2015 and currently further drilling is subject to planning appeal. Alkane report average porosity in the range of 8-10% and estimate 2.4BCF recoverable from the structure.

As discussed in section 3.1 above, Two seismic lines (illustrated in Appendix B) but not independently interpreted suggest that the prominent Calow anticline extends to the NNW where a secondary closure “Calow North”, may also be present. Calow is a dip closed, inversion anticline with stacked gas columns of 30-40 m sealed at two separate reservoir levels by delta top shale and argillaceous sandstone where structural closure is in excess of 100 m. The trap is poorly defined by available data and integrity of the trap especially towards the NW is uncertain. No e-log data was available from Calow -1 though Appendix –B states the well found eight stacked gas-bearing horizons the thickest being the Chatsworth grit (Marsdenian) and Crawshaw sand (Westphalian A). Calow, and by analogy the Calow North lead is unlikely to be filled to spill point.

Both the Chatsworth grit and Crawshaw sandstones were deposited in channelised fluvio-deltaic environments in which there are rapid lateral and vertical alternation of facies varying from coarse pebbly sandstones to fine micaceous sands interbedded with variable thicknesses of (coaly) shale.

3.3. Volumetric Estimate

We have not accessed original well data from Calow-1 or Brimington and have not interpreted seismic data, thus these remarks are qualitative observations. The trap is poorly defined and it is unclear why Seven Star Energy (Alkane) did not licence the entire closure. **However given the paucity of data, the range of closures estimated appears reasonably consistent with published information.** The published information for Calow suggests the P10 case closure height at Calow North is unreasonably large. Moreover trap capacity at shallow depth is uncertain. Similarly, the P10 net reservoir average thickness estimated in the Appendix B (56m) appears rather optimistic though within a fluvial dominated system it is possible.

Based on published porosity values for Calow we believe the range of porosity (4.5%-14.5%) is reasonable

The quoted gas expansion range (36-44 SCF/ RCF) is reasonable together with gas saturation and recovery factors suggested by the operator. Table 7 shows the volumetric Estimates for Calow North by Europa.

	P90	P50	P10
Area (km ²)	0.67	2.50	12.70
Closure Height (m)	50	135	275
Net Reservoir (m)	36	46	56
Net Rock Volume (m ³ x10 ⁶)	24	115	711
Porosity (%)	4.5	9.5	14.5
Hydrocarbon Saturation (%)	50	60	70
Formation Volume Factor	36	38	44
Gas-in-Place (bcf)	2	8	45
Recovery Factor (%)	50.00	60.00	70.00
Potential Recoverable Gas (bcf)	1	5	24
Fraction on Application Block	1.00	0.92	0.48
Recoverable Gas on Application Block (bcf)	1	5	12

Table 7 Calow North Prospect Volumetrics (Source: Appendix B)

Overall, we conclude that the upside (P10) case may be over-stated with respect to GRV. We estimate that the (P10) prospective resources based on stacked sands case would be 10.3 bcf but all other parameters in the table below lie within reasonable ranges. Blackwatch Un-risked Resources Estimate for Calow North Lead is given in Table 8 below.

Un-risked Prospective Gas Resources (Bscf)									
Total for Blocks SK46c & SK47b - UK 14th Round of Onshore Licencing									
Field/Prospect/ Lead	Resource Category*	Gross on Licence			Net to Upland			Risk Factor (Chance of Success)	Operator
		Low	Best	High	Low	Best	High		
Calow North Lead (Namurian - Wesphalian)	Prospective	1	5	10.3	0.33	1.67	3.45	0.4	Europa (Proposed Operator)

*Based on PRMS Classification (Figure 1-1 Appendix 1)

Table 8 Calow North Lead Un-risked Resources Estimate (Blackwatch)

4. Barlborough

Barlborough is a prospect defined in the northern part of SK47b. The target is gas charged Namurian sandstones that have produced at Calow.

4.1. Barlborough Seismic Review

The Barlborough prospect is delineated by 5 poor quality seismic lines and the structure mapped using the underlying Dinantian seismic reflection. Although Appendix B contains 2 example seismic sections (labelled dip and strike) they are identical and therefore their location is unclear [Figure 4-1]. In addition, the Barlborough depth map [Figure 4-2] is labelled top Namurian although the text states that it is Top Dinantian. As a result, there is significant uncertainty surrounding the validity of this prospect.

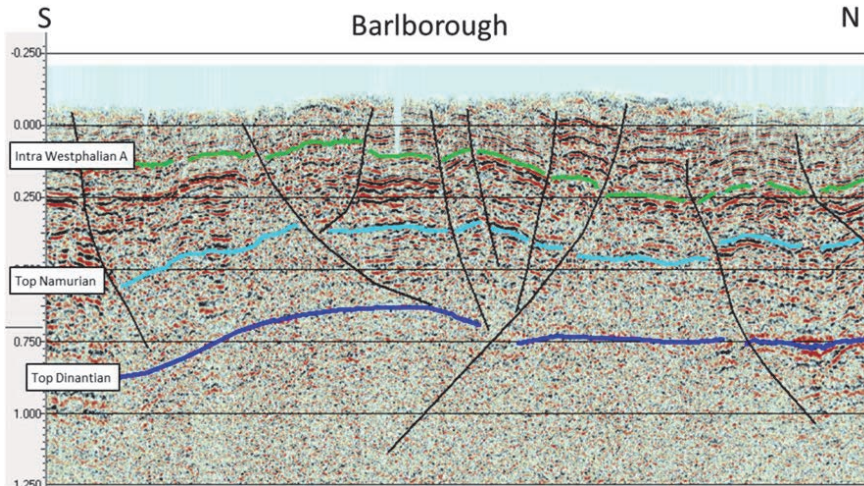


Figure 4-1 Barlborough seismic line (Appendix B)

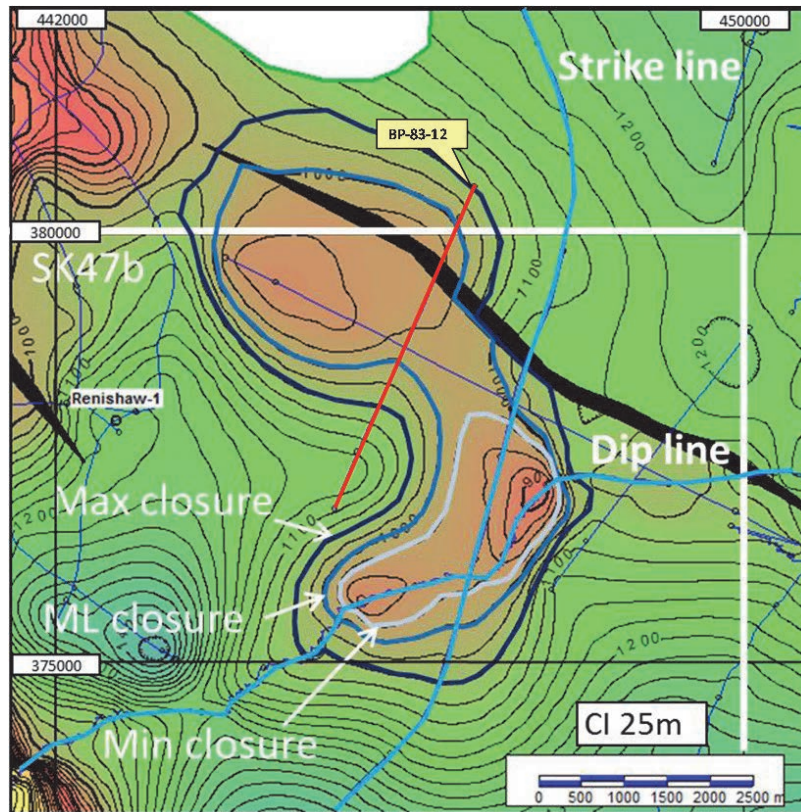


Figure 4-2 Barlborough Depth Map (Appendix B)

A review of the horizons picked on the Barlborough seismic line shows significant variations in the isochron for the Top Namurian to Top Dinantian interval. As such local variations are not to be expected, it suggests either that a number of faults are present that have not been picked, or there are errors in horizon interpretation. A review of line BP-83-12 [Figure 4-3], which has been loaded into the Kingdom project, shows that the structure is not the simple rollover shown on the map. As a result, **the current map provided in Appendix B poorly represents the structure in the area and hence the feature is considered a lead.** In addition, it is thought highly unlikely that the culmination mapped on BP-83-12 is connected to the culmination to the south.

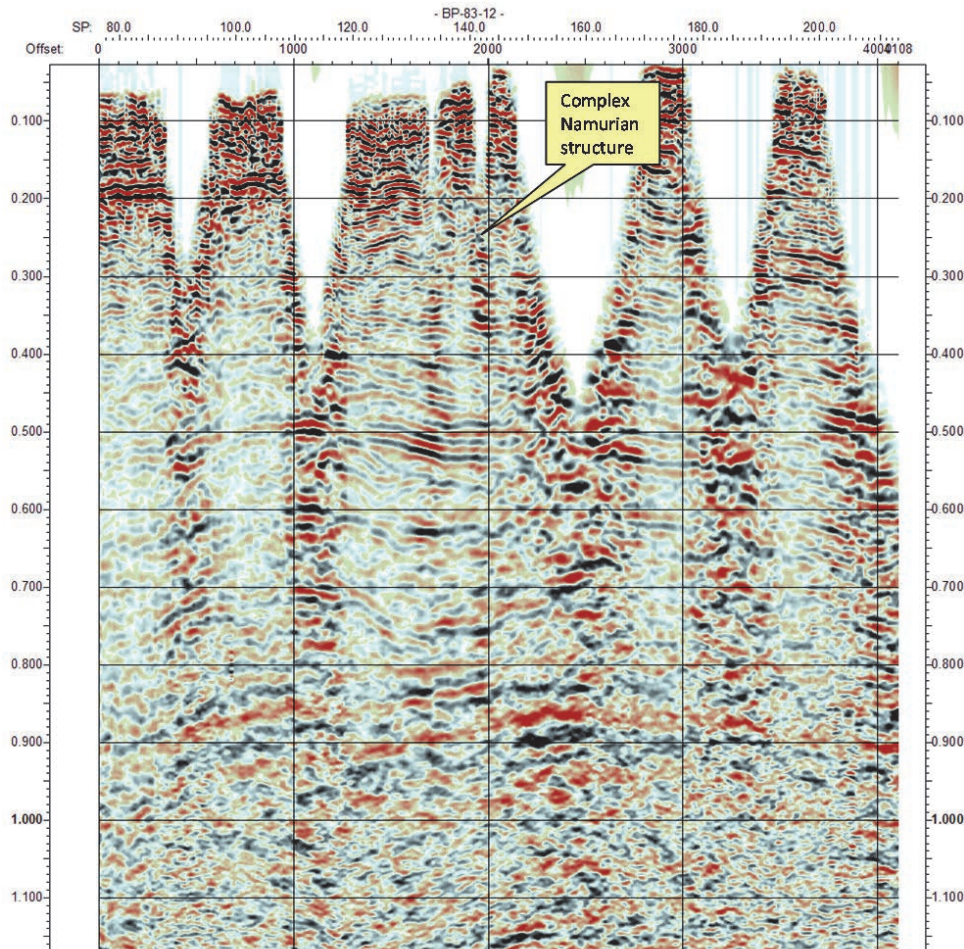


Figure 4-3 Seismic line BP-83-12 over Barlborough

4.2. Barlborough Geology & Prospectivity

As discussed above, the Barlborough prospect is located in the north east of SK47b and comprises a NNE trending inversion anticline truncated at a WNW-ESE trending high angle reverse fault. Concerns with respect to mapping and horizon correlation are outlined in section 4.1 above. A highly reflective intra-Westphalian interval probably reflects the presence of thick and laterally extensive coals. The objective Namurian – Westphalian reservoir sands (Chatsworth and Crawshaw) are likely to exhibit similar character to Calow. We have concerns about trap capacity at shallow depth and recommend the GRV estimates proposed are modified and reduced by a based on the degree of trap fill. We also have concerns that the range of gas expansion factors is too great given the shallow burial depth of key horizons. Values for porosity and saturation appear consistent with Calow and are satisfactory. We agree trap integrity and reservoir effectiveness (permeability) are the main risks. The nearby Bramley Moor well appears to contain oil in the Chatsworth Grit but failed to flow on test. We are not convinced that the mapping reflects the structural complexity illustrated on seismic lines, or that the

extent of the closure at the objective reservoir interval(s) is adequately defined. Overall we consider the Probability of Success, ("PoS") no better than 0.15 (1 in 6) which could be mitigated with acquisition of additional seismic data. Unlike Hardstoft, the top Dinantian limestone is not identified by a strong seismic event at this location and the reason for this is unclear. Additional reservoir potential, albeit high risk, may occur at this level. Blackwatch volumetric estimates of Un-risked prospective resources in Barlborough Lead is given in Table 9 below.

Gross Thickness (m)	AREA m2	GRV (m ³)	Shape	MM (m3)	N/G	Porosity	1-Sw	Gas Expansion Factor	(m3)	Conversion factor	BCF GIIP	Recovery	Resource BCF	Remark	
Barlborough P90 Un-risked Prospective Resources															
25	1.2	1,000,000	30000000	1.9	15789474	0.7	0.08	0.65	80	45978947	35.31467	1.624	0.75	1.218	North
20	1.0	1,000,000	20000000	2	10000000	0.6	0.06	0.65	80	18720000	35.31467	0.661	0.75	0.496	North
25	1.0	1,000,000	25000000	1.9	13157895	0.7	0.08	0.65	80	38315789	35.31467	1.353	0.75	1.015	South
20	0.8	1,000,000	16000000	2	8000000	0.6	0.08	0.65	80	19968000	35.31467	0.705	0.75	0.529	South
Total											4.34		3.26		
Barlborough P50 Un-risked Prospective Resources															
25	4.2	1,000,000	1.05E+08	1.9	55263158	0.8	0.1	0.7	80	2.48E+08	35.31467	8.743	0.75	6.557	North
20	4.0	1,000,000	80000000	2	40000000	0.7	0.09	0.7	80	1.41E+08	35.31467	4.984	0.75	3.738	North
25	3.6	1,000,000	90000000	1.9	47368421	0.8	0.1	0.7	80	2.12E+08	35.31467	7.494	0.75	5.621	South
20	3.4	1,000,000	68000000	2	34000000	0.7	0.09	0.7	80	1.2E+08	35.31467	4.236	0.75	3.177	South
Total											25.46		19.09		
Barlborough P10 Unrisked Prospective Resources															
25	11.7	1,000,000	2.93E+08	1.5	1.95E+08	0.9	0.12	0.75	80	1.26E+09	35.31467	44.624	0.75	33.468	
20	10.8	1,000,000	2.16E+08	1.8	1.2E+08	0.8	0.12	0.75	80	6.91E+08	35.31467	24.409	0.75	18.307	
Total											69.03		51.77		

Table 9 Barlborough Un-risked Prospective Resources Estimate (Blackwatch)

5. Unconventional – Shale Gas Play

Owing to major uplift (1-2Km), tilting and erosion during the early Tertiary the present day depth of burial of source intervals is generally a poor guide to their thermal maturity. A limited set of analyses included in the data base indicates that the primary source for oil is the basal Namurian (Pendleian) marine (pro-delta) shale. This can be seen on logs as the high gamma "hot" shale intervals. Overlying the sonic on deep resistivity curve shows good curve separation (Passey method) and supports the widespread occurrence of source rock. Available analyses suggest moderate to rich source potential for oil. However spore colour index typically of approximately 7 and a vitrinite reflectance varying between 0.65% Ro and 1.1% Ro at Bramley Moor is indicative of early to late maturity for oil. The hydrocarbons discovered in the application area are therefore reasonably interpreted as migrant oils generated in the adjacent structural lows (deeper parts of the Gainsborough Trough). The coaly Marsdenian – Westphalian section exhibits excellent gas generating potential but has not reached sufficient maturity to evolve significant volumes of oil or gas within the area of interest.

We therefore agree Europa's analysis that the primary Namurian source rocks are not optimally mature for gas generation but in general are mature for oil generation. Overall a shale-oil play seems possible. From the data available the silica and carbonate content of these organic-rich shales (important factors in determining the brittleness required for fracking) is also unclear. Testing the Barlborough conventional play could provide sufficient geological and engineering data to carry out a detailed feasibility study for fracking in that area. Given the sparse data available and lack of analogues within the East Midlands basin we conclude the unconventional shale oil and shale gas potential is speculative. However, we consider **the volumetric estimates for the Shale Gas in the Early Namurian in the Appendix B (as shown in the following table) lie within a possible range of outcomes.**

Un-risked Prospective Gas Resources (Bscf)									
Total for Blocks SK46c & SK47b - UK 14th Round of Onshore Licencing									
Field/Prospect/ Lead	Resource Category*	Gross on Licence			Net to Upland			Risk Factor (Chance of Success)	Operator
		Low	Best	High	Low	Best	High		
Shale Gas Play (Early Namurian)	Prospective	50	160	270	16.67	53.34	90.02	0.15	Europa (Proposed Operator)

*Based on PRMS Classification (Refer to Appendix 1)

Table 10 Un-risked Prospective Resources for the Early Namurian Shale Gas Play

6. References

1. SPE, AAPG, WPC, SPEE, 2007, 'Petroleum Resources Management System', www.spe.com
2. London Stock Exchange, June 2009, 'AIM Note for Mining and Oil & Gas Companies'
3. A Regional Review of the Dinantian Carbonate Play: Southern North Sea & Onshore UK. A report prepared for UK DBERR by Total E&P UK – November 2007
https://itportal.decc.gov.uk/web_files/relinqs/psns.pdf

Appendix 1

Petroleum Resources Management System

Sponsored by:

Society of Petroleum Engineers (SPE)

American Association of Petroleum Geologists (AAPG)

World Petroleum Council (WPC)

Society of Petroleum Evaluation Engineers (SPEE)

Preamble

Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be discovered accumulations; resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

International efforts to standardize the definitions of petroleum resources and how they are estimated began in the 1930s. Early guidance focused on Proved Reserves. Building on work initiated by the Society of Petroleum Evaluation Engineers (SPEE), SPE published definitions for all Reserves categories in 1987. In the same year, the World Petroleum Council (WPC, then known as the World Petroleum Congress), working independently, published Reserves definitions that were strikingly similar. In 1997, the two organizations jointly released a single set of definitions for Reserves that could be used worldwide. In 2000, the American Association of Petroleum Geologists (AAPG), SPE, and WPC jointly developed a classification system for all petroleum resources. This was followed by additional supporting documents: supplemental application evaluation guidelines (2001) and a glossary of terms utilized in resources definitions (2005). SPE also published standards for estimating and auditing reserves information (revised 2007).

These definitions and the related classification system are now in common use internationally within the petroleum industry. They provide a measure of comparability and reduce the subjective nature of resources estimation. However, the technologies employed in petroleum exploration, development, production, and processing continue to evolve and improve. The SPE Oil and Gas Reserves Committee works closely with other organizations to maintain the definitions and issues periodic revisions to keep current with evolving technologies and changing commercial opportunities.

This document consolidates, builds on, and replaces guidance previously contained in the 1997 Petroleum Reserves Definitions, the 2000 Petroleum Resources Classification and Definitions publications, and the 2001 "Guidelines for the Evaluation of Petroleum Reserves and Resources"; the latter document remains a valuable source of more detailed background information, and specific chapters are referenced herein. Appendix A is a consolidated glossary of terms used in resources evaluations and replaces those published in 2005.

These definitions and guidelines are designed to provide a common reference for the international petroleum industry, including national reporting and regulatory disclosure agencies, and to support petroleum project and portfolio management requirements. They are intended to improve clarity in global communications regarding petroleum resources. It is expected that this document will be supplemented with industry education programs and application guides addressing their implementation in a wide spectrum of technical and/or commercial settings.

It is understood that these definitions and guidelines allow flexibility for users and agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein should be clearly identified. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

The SPE/WPC/AAPG/SPEE Petroleum Resources Management System document, including its Appendix, may be referred to by the abbreviated term "SPE-PRMS" with the caveat that the full title, including clear recognition of the co-sponsoring organizations, has been initially stated.

1.0 Basic Principles and Definitions

The estimation of petroleum resource quantities involves the interpretation of volumes and values that have an inherent degree of uncertainty. These quantities are associated with development projects at various stages of design and implementation. Use of a consistent classification system enhances comparisons between projects, groups of projects, and total company portfolios according to forecast production profiles and recoveries. Such a system must consider both technical and commercial factors that impact the project's economic feasibility, its productive life, and its related cash flows.

1.1 Petroleum Resources Classification Framework

Petroleum is defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid, or solid phase. Petroleum may also contain non-hydrocarbons, common examples of which are carbon dioxide, nitrogen, hydrogen sulfide and sulfur. In rare cases, non-hydrocarbon content could be greater than 50%.

The term "resources" as used herein is intended to encompass all quantities of petroleum naturally occurring on or within the Earth's crust, discovered and undiscovered (recoverable and unrecoverable), plus those quantities already produced. Further, it includes all types of petroleum whether currently considered "conventional" or "unconventional."

Figure 1-1 is a graphical representation of the SPE/WPC/AAPG/SPEE resources classification system. The system defines the major recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable petroleum.

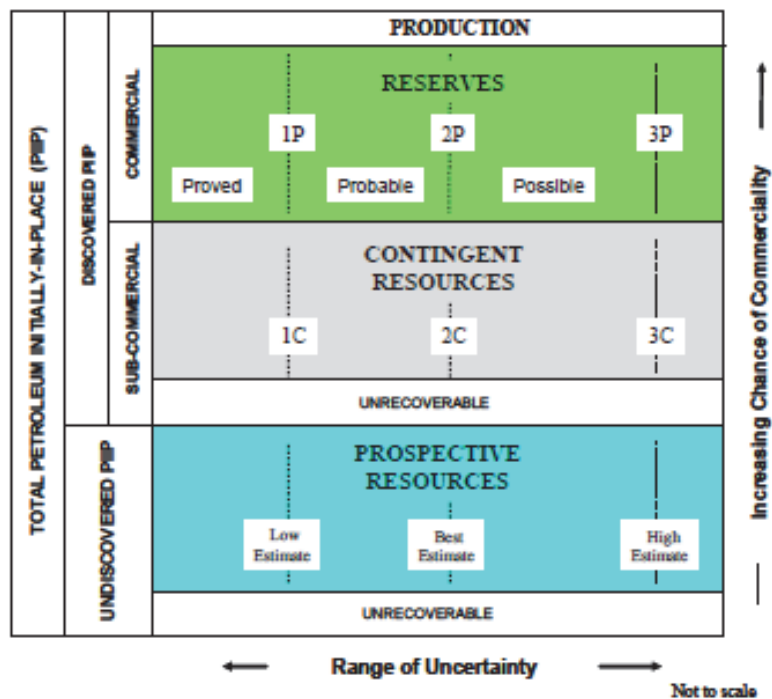


Figure 1-1: Resources Classification Framework.

The "Range of Uncertainty" reflects a range of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the "Chance of Commerciality, that is, the chance that the project that will be developed and reach commercial producing status. The following definitions apply to the major subdivisions within the resources classification:

TOTAL PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

DISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production.

PRODUCTION is the cumulative quantity of petroleum that has been recovered at a given date. While all recoverable resources are estimated and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage (see Production Measurement, section 3.2).

Multiple development projects may be applied to each known accumulation, and each project will recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into Commercial and Sub-Commercial, with the estimated recoverable quantities being classified as Reserves and Contingent Resources respectively, as defined below.

RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

CONTINGENT RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status.

UNDISCOVERED PETROLEUM INITIALLY-IN-PLACE is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.

PROSPECTIVE RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

UNRECOVERABLE is that portion of Discovered or Undiscovered Petroleum Initially-in-Place quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

Estimated Ultimate Recovery (EUR) is not a resources category, but a term that may be applied to any accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable under defined technical and commercial conditions plus those quantities already produced (total of recoverable resources).

In specialized areas, such as basin potential studies, alternative terminology has been used; the total resources may be referred to as Total Resource Base or Hydrocarbon Endowment. Total recoverable or EUR may be termed Basin Potential. The sum of Reserves, Contingent Resources, and Prospective Resources may be referred to as "remaining recoverable resources." When such terms are used, it is important that each classification component of the summation also be provided. Moreover, these quantities should not be aggregated without due consideration of the varying degrees of technical and commercial risk involved with their classification.

1.2 Project-Based Resources Evaluations

The resources evaluation process consists of identifying a recovery project, or projects, associated with a petroleum accumulation(s), estimating the quantities of Petroleum Initially-in-Place, estimating that portion of those in-place quantities that can be recovered by each project, and classifying the project(s) based on its maturity status or chance of commerciality.

This concept of a project-based classification system is further clarified by examining the primary data sources contributing to an evaluation of net recoverable resources (see Figure 1-2) that may be described as follows:

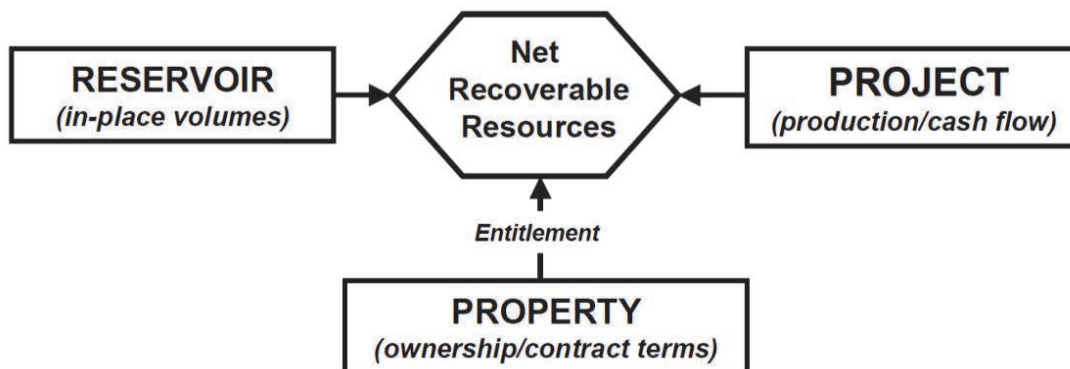


Figure 1-2: Resources Evaluation Data Sources.

- The Reservoir (accumulation): Key attributes include the types and quantities of Petroleum Initially-in-Place and the fluid and rock properties that affect petroleum recovery.
- The Project: Each project applied to a specific reservoir development generates a unique production and cash flow schedule. The time integration of these schedules taken to the project's technical, economic, or contractual limit defines the estimated recoverable resources and associated future net cash flow projections for each project. The ratio of EUR to Total Initially-in-Place quantities defines the ultimate recovery efficiency for the development project(s). A project may be defined at various levels and stages of maturity; it may include one or many wells and associated production and processing facilities. One project may develop many reservoirs, or many projects may be applied to one reservoir.
- The Property (lease or license area): Each property may have unique associated contractual rights and obligations including the fiscal terms. Such information allows definition of each participant's share of produced quantities (entitlement) and share of investments, expenses, and revenues for each recovery project and the reservoir to which it is applied. One property may encompass many reservoirs, or one reservoir may span several different properties. A property may contain both discovered and undiscovered accumulations.

In context of this data relationship, "project" is the primary element considered in this resources classification, and net recoverable resources are the incremental quantities derived from each project. Project represents the link between the petroleum accumulation and the decision-making process. A project may, for example, constitute the development of a single reservoir or field, or an incremental development for a producing field, or the integrated development of several fields and associated facilities with a common ownership. In general, an individual project will represent the level at which a decision is made whether or not to proceed (i.e., spend more money) and there should be an associated range of estimated recoverable quantities for that project.

An accumulation or potential accumulation of petroleum may be subject to several separate and distinct projects that are at different stages of exploration or development. Thus, an accumulation may have recoverable quantities in several resource classes simultaneously.

In order to assign recoverable resources of any class, a development plan needs to be defined consisting of one or more projects. Even for Prospective Resources, the estimates of recoverable quantities must be stated in terms of the sales products derived from a development program assuming successful discovery and commercial development. Given the major uncertainties involved at this early stage, the development program will not be of the detail expected in later stages of maturity. In most cases, recovery efficiency may be largely based on analogous projects. In-place quantities for which a feasible project cannot be defined using current, or reasonably forecast improvements in, technology are classified as Unrecoverable.

Not all technically feasible development plans will be commercial. The commercial viability of a development project is dependent on a forecast of the conditions that will exist during the time period encompassed by the project's activities (see Commercial Evaluations, section 3.1). "Conditions" include technological, economic, legal, environmental, social, and governmental factors. While economic factors can be summarized as forecast costs and product prices, the underlying influences include, but are not limited to, market conditions, transportation and processing infrastructure, fiscal terms, and taxes.

The resource quantities being estimated are those volumes producible from a project as measured according to delivery specifications at the point of sale or custody transfer (see Reference Point, section 3.2.1). The cumulative production from the evaluation date forward to cessation of production is the remaining recoverable quantity. The sum of the associated annual net cash flows yields the estimated future net revenue. When the cash flows are discounted according to a defined discount rate and time period, the summation of the discounted cash flows is termed net present value (NPV) of the project (see Evaluation and Reporting Guidelines, Section 3.0).

The supporting data, analytical processes, and assumptions used in an evaluation should be documented in sufficient detail to allow an independent evaluator or auditor to clearly understand the basis for estimation and categorization of recoverable quantities and their classification.

2.0 Classification and Categorization Guidelines

To consistently characterize petroleum projects, evaluations of all resources should be conducted in the context of the full classification system as shown in Figure 1-1. These guidelines reference this classification system and support an evaluation in which projects are “classified” based on their chance of commerciality (the vertical axis) and estimates of recoverable and marketable quantities associated with each project are “categorized” to reflect uncertainty (the horizontal axis). The actual workflow of classification vs. categorization varies with individual projects and is often an iterative analysis process leading to a final report. “Report,” as used herein, refers to the presentation of evaluation results within the business entity conducting the assessment and should not be construed as replacing guidelines for public disclosures under guidelines established by regulatory and/or other government agencies.

Additional background information on resources classification issues can be found in Chapter 2 of the 2001 SPE/WPC/AAPG publication: “Guidelines for the Evaluation of Petroleum Reserves and Resources,” hereafter referred to as the “2001 Supplemental Guidelines.”

2.1 Resources Classification

The basic classification requires establishment of criteria for a petroleum discovery and thereafter the distinction between commercial and sub-commercial projects in known accumulations (and hence between Reserves and Contingent Resources).

2.1.1 Determination of Discovery Status

A discovery is one petroleum accumulation, or several petroleum accumulations collectively, for which one or several exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially moveable hydrocarbons.

In this context, “significant” implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place volume demonstrated by the well(s) and for evaluating the potential for economic recovery. Estimated recoverable quantities within such a discovered (known) accumulation(s) shall initially be classified as Contingent Resources pending definition of projects with sufficient chance of commercial development to reclassify all, or a portion, as Reserves.

Where in-place hydrocarbons are identified but are not considered currently recoverable, such quantities may be classified as Discovered Unrecoverable, if considered appropriate for resource management purposes; a portion of these quantities may become recoverable resources in the future as commercial circumstances change or technological developments occur.

2.1.2 Determination of Commerciality

Discovered recoverable volumes (Contingent Resources) may be considered commercially producible, and thus Reserves, if the entity claiming commerciality has demonstrated firm intention to proceed with development and such intention is based upon all of the following criteria:

- Evidence to support a reasonable timetable for development.
- A reasonable assessment of the future economics of such development projects meeting defined investment and operating criteria:
- A reasonable expectation that there will be a market for all or at least the expected sales quantities of production required to justify development.
- Evidence that the necessary production and transportation facilities are available or can be made available:

- Evidence that legal, contractual, environmental and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated.

To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and there is evidence of firm intention to proceed with development within a reasonable time frame. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons, or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.

To be included in the Reserves class, there must be a high confidence in the commercial producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.

2.1.3 Project Status and Commercial Risk

Evaluators have the option to establish a more detailed resources classification reporting system that can also provide the basis for portfolio management by subdividing the chance of commerciality axis according to project maturity. Such sub-classes may be characterized by standard project maturity level descriptions (qualitative) and/or by their associated chance of reaching producing status (quantitative).

As a project moves to a higher level of maturity, there will be an increasing chance that the accumulation will be commercially developed. For Contingent and Prospective Resources, this can further be expressed as a quantitative chance estimate that incorporates two key underlying risk components:

- The chance that the potential accumulation will result in the discovery of petroleum. This is referred to as the “chance of discovery.”
- Once discovered, the chance that the accumulation will be commercially developed is referred to as the “chance of development.”

Thus, for an undiscovered accumulation, the “chance of commerciality” is the product of these two risk components. For a discovered accumulation where the “chance of discovery” is 100%, the “chance of commerciality” becomes equivalent to the “chance of development.”

2.1.3.1 Project Maturity Sub-Classes

As illustrated in Figure 2-1, development projects (and their associated recoverable quantities) may be sub-classified according to project maturity levels and the associated actions (business decisions) required to move a project toward commercial production.

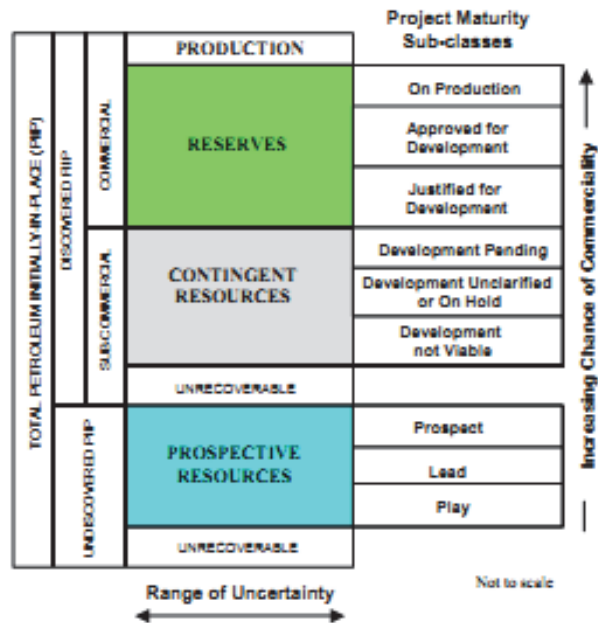


Figure 2-1: Sub-classes based on Project Maturity.

Project Maturity terminology and definitions have been modified from the example provided in the 2001 Supplemental Guidelines, Chapter 2. Detailed definitions and guidelines for each Project Maturity sub-class are provided in Table I. This approach supports managing portfolios of opportunities at various stages of exploration and development and may be supplemented by associated quantitative estimates of chance of commerciality. The boundaries between different levels of project maturity may be referred to as “decision gates.”

Decisions within the Reserves class are based on those actions that progress a project through final approvals to implementation and initiation of production and product sales. For Contingent Resources, supporting analysis should focus on gathering data and performing analyses to clarify and then mitigate those key conditions, or contingencies, that prevent commercial development.

For Prospective Resources, these potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under appropriate development projects. The decision at each phase is to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity where a decision can be made to proceed with exploration drilling.

Evaluators may adopt alternative sub-classes and project maturity modifiers, but the concept of increasing chance of commerciality should be a key enabler in applying the overall classification system and supporting portfolio management.

2.1.3.2 Reserves Status

Once projects satisfy commercial risk criteria, the associated quantities are classified as Reserves. These quantities may be allocated to the following subdivisions based on the funding and operational status of wells and associated facilities within the reservoir development plan (detailed definitions and guidelines are provided in Table 2):

- Developed Reserves are expected quantities to be recovered from existing wells and facilities.
 - Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.
 - Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.
- Undeveloped Reserves are quantities expected to be recovered through future investments.

Where Reserves remain undeveloped beyond a reasonable timeframe, or have remained undeveloped due to repeated postponements, evaluations should be critically reviewed to document reasons for the delay in initiating development and justify retaining these quantities within the Reserves class. While there are specific circumstances where a longer delay (see Determination of Commerciality, section 2.1.2) is justified, a reasonable time frame is generally considered to be less than 5 years.

Development and production status are of significant importance for project management. While Reserves Status has traditionally only been applied to Proved Reserves, the same concept of Developed and Undeveloped Status based on the funding and operational status of wells and producing facilities within the development project are applicable throughout the full range of Reserves uncertainty categories (Proved, Probable and Possible).

Quantities may be subdivided by Reserves Status independent of sub-classification by Project Maturity. If applied in combination, Developed and/or Undeveloped Reserves quantities may be identified separately within each Reserves sub-class (On Production, Approved for Development, and Justified for Development).

2.1.3.3 Economic Status

Projects may be further characterized by their Economic Status. All projects classified as Reserves must be economic under defined conditions (see Commercial Evaluations, section 3.1). Based on assumptions regarding future conditions and their impact on ultimate economic viability, projects currently classified as Contingent Resources may be broadly divided into two groups:

- Marginal Contingent Resources are those quantities associated with technically feasible projects that are either currently economic or projected to be economic under reasonably forecasted improvements in commercial conditions but are not committed for development because of one or more contingencies.
- Sub-Marginal Contingent Resources are those quantities associated with discoveries for which analysis indicates that technically feasible development projects would not be economic and/or other contingencies would not be satisfied under current or reasonably forecasted improvements in commercial conditions. These projects nonetheless should be retained in the inventory of discovered resources pending unforeseen major changes in commercial conditions.

Where evaluations are incomplete such that it is premature to clearly define ultimate chance of commerciality, it is acceptable to note that project economic status is "undetermined." Additional economic status modifiers may be applied to further characterize recoverable quantities; for example, non-sales (lease fuel, flare, and losses) may be separately identified and documented in addition to sales quantities for both production and recoverable resource estimates (see also Reference Point, section 3.2.1). Those discovered in-place volumes for which a feasible development project cannot be defined using current, or reasonably forecast improvements in, technology are classified as Unrecoverable.

Economic Status may be identified independently of, or applied in combination with, Project Maturity sub-classification to more completely describe the project and its associated resources.

2.2 Resources Categorization

The horizontal axis in the Resources Classification (Figure 1.1) defines the range of uncertainty in estimates of the quantities of recoverable, or potentially recoverable, petroleum associated with a project. These estimates include both technical and commercial uncertainty components as follows:

- The total petroleum remaining within the accumulation (in-place resources).
- That portion of the in-place petroleum that can be recovered by applying a defined development project or projects.
- Variations in the commercial conditions that may impact the quantities recovered and sold (e.g., market availability, contractual changes).

Where commercial uncertainties are such that there is significant risk that the complete project (as initially defined) will not proceed, it is advised to create a separate project classified as Contingent Resources with an appropriate chance of commerciality.

2.2.1 Range of Uncertainty

The range of uncertainty of the recoverable and/or potentially recoverable volumes may be represented by either deterministic scenarios or by a probability distribution (see Deterministic and Probabilistic Methods, section 4.2).

When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that:

- There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

When using the deterministic scenario method, typically there should also be low, best, and high estimates, where such estimates are based on qualitative assessments of relative uncertainty using consistent interpretation guidelines. Under the deterministic incremental (risk-based) approach, quantities at each level of uncertainty are estimated discretely and separately (see Category Definitions and Guidelines, section 2.2.2).

These same approaches to describing uncertainty may be applied to Reserves, Contingent Resources, and Prospective Resources. While there may be significant risk that sub-commercial and undiscovered accumulations will not achieve commercial production, it useful to consider the range of potentially recoverable quantities independently of such a risk or consideration of the resource class to which the quantities will be assigned.

2.2.2 Category Definitions and Guidelines

Evaluators may assess recoverable quantities and categorize results by uncertainty using the deterministic incremental (risk-based) approach, the deterministic scenario (cumulative) approach, or probabilistic methods. (see "2001 Supplemental Guidelines," Chapter 2.5). In many cases, a combination of approaches is used.

Use of consistent terminology (Figure 1.1) promotes clarity in communication of evaluation results. For Reserves, the general cumulative terms low/best/high estimates are denoted as 1P/2P/3P, respectively. The associated incremental quantities are termed Proved, Probable and Possible. Reserves are a subset of, and must be viewed within context of, the complete resources classification system. While the categorization criteria are proposed specifically for Reserves, in most cases, they can be equally applied to Contingent and Prospective Resources conditional upon their satisfying the criteria for discovery and/or development.

For Contingent Resources, the general cumulative terms low/best/high estimates are denoted as 1C/2C/3C respectively. For Prospective Resources, the general cumulative terms low/best/high estimates still apply. No specific terms are defined for incremental quantities within Contingent and Prospective Resources.

Without new technical information, there should be no change in the distribution of technically recoverable volumes and their categorization boundaries when conditions are satisfied sufficiently to reclassify a project from Contingent Resources to Reserves. All evaluations require application of a consistent set of forecast conditions, including assumed future costs and prices, for both classification of projects and categorization of estimated quantities recovered by each project (see Commercial Evaluations, section 3.1).

Table III presents category definitions and provides guidelines designed to promote consistency in resource assessments. The following summarizes the definitions for each Reserves category in terms of both the deterministic incremental approach and scenario approach and also provides the probability criteria if probabilistic methods are applied.

- Proved Reserves are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
- Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when

probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

- Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.

Based on additional data and updated interpretations that indicate increased certainty, portions of Possible and Probable Reserves may be re-categorized as Probable and Proved Reserves.

Uncertainty in resource estimates is best communicated by reporting a range of potential results. However, if it is required to report a single representative result, the "best estimate" is considered the most realistic assessment of recoverable quantities. It is generally considered to represent the sum of Proved and Probable estimates (2P) when using the deterministic scenario or the probabilistic assessment methods. It should be noted that under the deterministic incremental (risk-based) approach, discrete estimates are made for each category, and they should not be aggregated without due consideration of their associated risk (see "2001 Supplemental Guidelines," Chapter 2.5).

2.3 Incremental Projects

The initial resource assessment is based on application of a defined initial development project. Incremental projects are designed to increase recovery efficiency and/or to accelerate production through making changes to wells or facilities, infill drilling, or improved recovery. Such projects should be classified according to the same criteria as initial projects. Related incremental quantities are similarly categorized on certainty of recovery. The projected increased recovery can be included in estimated Reserves if the degree of commitment is such that the project will be developed and placed on production within a reasonable timeframe.

Circumstances where development will be significantly delayed should be clearly documented. If there is significant project risk, forecast incremental recoveries may be similarly categorized but should be classified as Contingent Resources (see Determination of Commerciality, section 2.1.2).

2.3.1 Workovers, Treatments, and Changes of Equipment

Incremental recovery associated with future workover, treatment (including hydraulic fracturing), re-treatment, changes of equipment, or other mechanical procedures where such projects have routinely been successful in analogous reservoirs may be classified as Developed or Undeveloped Reserves depending on the magnitude of associated costs required (see Reserves Status, section 2.1.3.2).

2.3.2 Compression

Reduction in the backpressure through compression can increase the portion of in-place gas that can be commercially produced and thus included in Reserves estimates. If the eventual installation of compression was planned and approved as part of the original development plan, incremental recovery is included in Undeveloped Reserves. However, if the cost to implement compression is not significant (relative to the cost of a new well), the incremental quantities may be classified as Developed Reserves. If compression facilities were not part of the original approved development plan and such costs are significant, it should be treated as a separate project subject to normal project maturity criteria.

2.3.3 Infill Drilling

Technical and commercial analyses may support drilling additional producing wells to reduce the spacing beyond that utilized within the initial development plan, subject to government regulations (if such approvals are required). Infill drilling may have the combined effect of increasing recovery efficiency and accelerating production. Only the incremental recovery can be considered as additional Reserves; this additional recovery may need to be reallocated to individual wells with different interest ownerships.

2.3.4 Improved Recovery

Improved recovery is the additional petroleum obtained, beyond primary recovery, from naturally occurring reservoirs by supplementing the natural reservoir performance. It includes waterflooding, secondary or tertiary recovery processes, and any other means of supplementing natural reservoir recovery processes.

Improved recovery projects must meet the same Reserves commerciality criteria as primary recovery projects. There should be an expectation that the project will be economic and that the entity has committed to

implement the project in a reasonable time frame (generally within 5 years; further delays should be clearly justified).

The judgment on commerciality is based on pilot testing within the subject reservoir or by comparison to a reservoir with analogous rock and fluid properties and where a similar established improved recovery project has been successfully applied.

Incremental recoveries through improved recovery methods that have yet to be established through routine, commercially successful applications are included as Reserves only after a favorable production response from the subject reservoir from either (a) a representative pilot or (b) an installed program, where the response provides support for the analysis on which the project is based.

These incremental recoveries in commercial projects are categorized into Proved, Probable, and Possible Reserves based on certainty derived from engineering analysis and analogous applications in similar reservoirs.

2.4 Unconventional Resources

Two types of petroleum resources have been defined that may require different approaches for their evaluations:

- Conventional resources exist in discrete petroleum accumulations related to a localized geological structural feature and/or stratigraphic condition, typically with each accumulation bounded by a downdip contact with an aquifer, and which is significantly affected by hydrodynamic influences such as buoyancy of petroleum in water. The petroleum is recovered through wellbores and typically requires minimal processing prior to sale.
- Unconventional resources exist in petroleum accumulations that are pervasive throughout a large area and that are not significantly affected by hydrodynamic influences (also called “continuous-type deposits”). Examples include coalbed methane (CBM), basin-centered gas, shale gas, gas hydrates, natural bitumen, and oil shale deposits. Typically, such accumulations require specialized extraction technology (e.g., dewatering of CBM, massive fracturing programs for shale gas, steam and/or solvents to mobilize bitumen for in-situ recovery, and, in some cases, mining activities). Moreover, the extracted petroleum may require significant processing prior to sale (e.g., bitumen upgraders).

For these petroleum accumulations that are not significantly affected by hydrodynamic influences, reliance on continuous water contacts and pressure gradient analysis to interpret the extent of recoverable petroleum may not be possible. Thus, there typically is a need for increased sampling density to define uncertainty of in-place volumes, variations in quality of reservoir and hydrocarbons, and their detailed spatial distribution to support detailed design of specialized mining or in-situ extraction programs.

It is intended that the resources definitions, together with the classification system, will be appropriate for all types of petroleum accumulations regardless of their in-place characteristics, extraction method applied, or degree of processing required.

Similar to improved recovery projects applied to conventional reservoirs, successful pilots or operating projects in the subject reservoir or successful projects in analogous reservoirs may be required to establish a distribution of recovery efficiencies for non-conventional accumulations. Such pilot projects may evaluate both extraction efficiency and the efficiency of unconventional processing facilities to derive sales products prior to custody transfer.

Appendix 2

Nomenclature

Term	Meaning
2D	Two dimensional, referring to seismic data
3D	Three dimensional, referring to seismic data
API	American Petroleum Institute
bbls	Barrels, a standard oilfield unit referring to volume of fluid (oil or water); 1 barrel equals 5.61 ft ³ , or 42 US gallons
BSCF or BCF	Billion cubic feet, referring to gas volumes at standard temperature and pressure conditions such as 14.696 psi and 60°F
bopd	Barrels of oil per day
Bpd	Barrels per day
bwpd	Barrels of water per day
CoS	Chance of success
EMV	Expected monetary value
EPF	Early Production Facility
FVF	Formation volume factor, the ratio between volume at reservoir conditions of pressure and temperature and the volume at standard (surface) conditions
GOC	Gas-oil contact
GOR	Gas oil ratio
GRV	Gross Rock Volume
km ²	Square kilometres, referring to area
M	Metre
M	Thousand
MD	Measured depth, referring to the depth along the wellbore and usually tied to a datum elevation of the kelly bushing of the drilling rig used to drill the well
mD	Permeability in millidarcies
Mean	The arithmetic average of a set of values, the expected value
MM	Million
Net sand	The thickness of sand in an interval that is deemed to be of sufficient properties (porosity, permeability, shaliness, water saturation) to contribute to reserves and production
N/G	Net to gross, the ratio between the gross thickness of an interval and the net pay or sand thickness
NGL	Natural gas liquids
NPV	Net present value
ODT	Oil down to
OWC	Oil-water contact
P10	A value that has a 10% chance of being equalled or exceeded (high value)
P50	A value that has a 50% chance of being equalled or exceeded
P90	A value that has a 90% chance of being equalled or exceeded (low value)
Phi or	Porosity
ppm	Parts per million
PRMS	Petroleum Resources Management System
PSA	Production sharing agreement
PSC	Production sharing contract
Rb	Barrels at reservoir conditions
Rcf	Cubic feet at reservoir conditions
Risk Factor	Chance of success, referring to the probability of success
RF	Recovery factor
SCF or scf	Standard cubic feet, referring to gas at standard conditions such as 14.696 psi and

	60°F such as 14.696 psi and 60°F
S _o	Oil saturation
S _s	Sub-sea, referring to depths measured below a sea level datum
Stbo	Stock tank barrels of oil
STOIP	Stock tank oil initially in place
S _w	Water saturation
TSCF or TCF	Trillions of cubic feet, referring to gas volumes at standard conditions such as 14.696 psi and 60°F such as 14.696 psi and 60°F
TD	Total depth of a well
TOC	Total organic carbon, an indicator of source rock quality
TVDSS	True vertical depth subsea
US\$	US dollars

Appendix 3

Principal terms of a PEDL – 14th UK Onshore Licensing Round³

Upland and its co-applicants have applied for a single Petroleum Exploration and Production Licence ("PEDL") covering two onshore blocks – SK46c and SK47b in the East Midlands. A total licence application fee of £1,400 has been paid by Upland and its co-applicants.

The terms of a PEDL would include the model clauses as set out in Schedule 2 to The Petroleum Licensing (Exploration and Production) (Landward Areas) Regulations 2014 (which came into force on 17 July 2014), the principal terms of which would be as set out below.

If awarded, the PEDL would be for an initial term of 5 years from the date of grant (the "Initial Term") and would confer on the licensees the exclusive rights to "search and bore for, and get, Petroleum" in the area covered by the PEDL, where 'Petroleum' as defined in the Petroleum Act 1998 equates to naturally occurring, fluid hydrocarbons. These rights include the ability to conduct seismic surveys and to drill wells, following the necessary submissions and receipt of full approvals from the Secretary of State for Energy and Climate Change (the "Minister") and other relevant entities. There are two exceptions to these exclusive rights - firstly, to undertake methane drainage from coal mines, typically undertaken to render them safe. This is covered by the award of separate Methane Drainage Licences. Secondly, the generation of methane by the process of underground coal gasification ("UCG"), for which no licence is required from the OGA. Neither activities are contemplated by Upland and its co-applicants.

During the Initial Term and subsequent terms of the PEDL, the licensees would commit to:-

- undertake the minimum work programme;
- at all times adhere to the environmental regulations in force;
- adhere to good oilfield practice;
- avoid harmful methods of working;
- pay the annual acreage fees - £25/km²/year for the Initial Term (£1,966.25/year for the 78.65 km² of Block SK46c and £2,375.00/year for the 95 km² of SK47b), escalating thereafter;
- appoint an operator;
- comply with Ministerial directions on training;
- cooperate with the Ministry in matters of joint development of reserves with adjacent licensees;
- keep records of drilling operations and produce maps and plans and deliver copies of these to the Minister if requested;
- produce and deliver to the Minister annual records of activity;
- keep full accounts of the amounts of oil and gas produced, to whom sold and at what price; and
- only assign an interest in the licence having first gained written consent from the Minister.

At any time not later than 1 month before the expiry of the Initial Term, the licensees may, having complied with the above requirements, extend the PEDL for a second term of 5 years (the "Second Term"). Prior to extension to the Second Term, the licensees are required to relinquish at least 50% of the surface area of the PEDL of their choosing, but not if the remaining area would be less than 25 km² in extent.

Extensions to the Initial Term or Second Term may be granted by the Minister if applied for up to 1 month before the expiry of the relevant Term.

At any time prior to 3 months before the end of the Second Term, the licensees may submit a development programme (including definition of the works to be undertaken and the area(s) to which they apply) to the Minister in support of an application for a continuance of the licence past the Second Term, typically when the licensees have made a commercial hydrocarbon discovery and wish to exploit it. This continuance is typically for 20 years (but this may also be extended).

Subject to the licensees' continuing commitments under the PEDL, they may at any time give the Minister 1 month's notice to determine the PEDL or surrender a part of the licensed area.

³ Source: Upland

PART XVI

ADDITIONAL INFORMATION

1 Responsibility

The Directors, whose names appear on page 34, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2 The Company

- 2.1 The Company was incorporated on 14 March 2012 under the BVI Companies Act and with the name 'Ribes Resources Limited'. On 3 September 2013, the Company changed its name to 'Upland Resources Limited'.
- 2.2 The Company is not regulated by the FCA or any financial services or other regulator. With effect from Admission, the Company will be subject to the Listing Rules and the Disclosure and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.
- 2.3 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the BVI Companies Act.
- 2.4 The Company's registered office is at Ritter House, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands. The Company's managing office is at Unit 4, The Green Man, 10 St John Street, Ashbourne, Derbyshire DE6 1GH. The Company's telephone number is 01335 300337.
- 2.5 On incorporation of the Company, 100 shares were issued to Optiva Securities Limited. On 19 July 2013 the Company issued 15,000,000 Ordinary Shares to Optiva Securities Limited and on the same date, the initial 100 shares were cancelled. Between July 2013 and April 2014, the Company issued a further 68,437,861 Ordinary Shares to shareholders for an aggregate subscription price of £416,500.
- 2.6 On 12 October 2015, the Company adopted by a Special Resolution of Members the Memorandum and Articles in substitution for and to the exclusion of the Company's then existing memorandum of association and articles of association, which were filed at the Registry of Corporate Affairs in the BVI on 13 October 2015.
- 2.7 As at 14 October 2015, being the latest practicable date prior to publication of this document, the Company had the following wholly-owned subsidiaries:

<i>Name</i>	<i>Date & Place of Incorporation</i>	<i>Registered no.</i>	<i>Principal Activities</i>
Upland Resources (UK Onshore) Limited	13 January 2014 – England & Wales	08843282	Oil and gas
Upland (N Tunisia) Limited	15 July 2014 – England & Wales	09131907	Non-trading
Upland (S Tunisia) Limited	17 July 2014 – England & Wales	09136031	Non-trading
Upland (El Fahs) Limited	15 July 2014 – England & Wales	09131981	Non-trading
Upland (Ksar Hadada) Limited	17 July 2014 – England & Wales	09136208	Non-trading

3 Shares

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

<i>Class of Share</i>	<i>Number</i>	<i>Amount paid</i>
Ordinary	83,437,861	£392,201

3.2 Assuming that the Placing is fully subscribed, the issued and fully paid shares of the Company immediately following Admission is expected to be as shown in the following table:

<i>Class of Share</i>	<i>Number</i>	<i>Amount paid</i>
Ordinary	213,437,861	£1,692,201

3.3 Pursuant to a resolution passed on 12 October 2015, the Directors resolved that subject to Admission, all pre-emption rights in the Articles (whether to issue 'Equity Securities' (as defined in section 560(1) of the UK Companies Act 2006) or sell them from treasury) be waived:

- (i) for the purposes of, or in connection with, the Placing;
- (ii) for the purposes of, or in connection with, the grant or any exercise of the warrants to subscribe for Ordinary Shares to Optiva (as referred to in paragraph 12.3 of this Part XVI of this document);
- (iii) for the purposes of, or in connection with, an Acquisition (including in respect of consideration payable for an Acquisition) or in connection with the restructuring of any debt or other financial obligation relating to an Acquisition (whether assumed or entered into by the Company or owed or guaranteed by any company or entity acquired);
- (iv) generally for such purposes as the Directors may think fit, an aggregate number of Ordinary Shares not exceeding 100 per cent of the total number of Equity Securities in issue;
- (v) for the purposes of the issue of securities offered (by way of a rights issue, open offer or otherwise) to existing holders of Ordinary Shares, in proportion (as nearly as may be) to their existing holdings of Ordinary Shares up to a number equal to the total number of the Equity Securities in issue as at the close of the first Business Day following Admission;

on the basis that the authorities in (iv) and (v) above shall expire on the earlier occurrence of either 30 October 2020 or the annual general meeting of the Company to be held in 2020, save that the Company shall be entitled to, before expiry of the authorities in (iv) or (v) above, make an offer or agreement which would or might require Equity Securities to be issued pursuant to (iv) or (v) above after the expiry of its power to do so, and the Directors shall be entitled to issue or sell from treasury the Equity Securities pursuant to any such offer or agreement after that expiry date and provided further that the Directors shall be entitled to sell, as they think fit, any Equity Securities from treasury.

3.4 Save as disclosed in this document:

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

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

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

4 Memorandum and Articles of Association of the Company

A summary of the terms of the Memorandum and Articles is set out below. The summary below is not a complete copy of the terms of the Memorandum and Articles.

4.1 *Memorandum of Association*

The memorandum of association of the Company provides that the Company has, subject to the BVI Companies Act and any other British Virgin Islands legislation from time to time in force, irrespective of corporate benefit, full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and full rights, powers and privileges for these purposes. For the purposes of Section 9(4) of the BVI Companies Act, there are no limitations on the business that the Company may carry on.

4.2 *Articles*

New Memorandum and Articles of the Company were adopted by Special Resolution of Members on 12 October 2015 and filed at the Registry of Corporate Affairs in the BVI on 13 October 2015. The Articles contain, *inter alia*, provisions to the following effect:

(a) *Variation of rights*

The rights attached to any class of shares may only, whether or not the Company is being wound up, be varied by a Special Resolution of the Members.

The rights conferred upon the holders of any shares or of any class issued with preferred, deferred or other rights shall not (unless otherwise expressly provided by the terms of issue) be deemed to be varied by the creation of or issue of further shares ranking *pari passu* therewith. There are no express provisions under the BVI Companies Act relating to variation of rights of shareholders.

(b) *Depositary Interests and uncertificated shares*

The Directors shall, subject always to any applicable laws and regulations and the facilities and requirements of any relevant system concerned and the Articles, have power to implement and/or approve any arrangement they may think fit in relation to the evidencing of title to and transfer of interest in shares in the capital of the Company in the form of depositary interest or similar interests, instruments or securities. The Board may permit shares (or interests in shares) to be held in uncertificated form and to be transferred by means of a relevant system of holding and transferring shares (or interests in shares) in uncertificated form in such manner as they may determine from time to time.

(c) *Pre-emption rights*

(i) Section 46 of the BVI Companies Act (statutory pre-emptive rights) has been disapplied in the Articles of the Company.

(ii) Unless otherwise agreed by a Special Resolution of the Members or specifically provided otherwise in the Articles, the Company shall not following Admission or prior to an Acquisition issue any 'Equity Securities' (as defined in section 560(1) of the UK Companies Act 2006) to any person unless it has made a written offer in accordance with the Articles to all Members on the date of the offer on the same terms and at the same price as those Equity Securities are proposed to be offered to other persons.

(iii) The above pre-emption rights shall not apply in relation to the issue of bonus shares, Equity Securities in the Company if they are, or are to be, wholly or partly paid up otherwise than in cash, and share options granted pursuant to any option scheme adopted by the Company from time to time over Equity Securities equivalent to up to a maximum of 10% of the issued shares.

(d) *Shareholder meetings*

Not more than 15 months shall elapse between the date of one annual general meeting and the date of the next.

Any Director may convene an annual general meeting or other meeting of members at such times and in such manner and places within or outside the British Virgin Islands as the Directors consider necessary or desirable. The Directors shall convene a meeting of members upon the written request of members entitled to exercise ten (10) per cent. or more of the voting rights in respect of the matter for which the meeting is requested.

The Directors convening: (i) an Annual General Meeting shall give at least 21 clear days' written notice (ii) all other General Meetings shall give at least 14 clear days written notice, of the relevant meeting to those members who are entitled to vote at the meeting and whose names appear in the share register on the date notice is given.

A meeting of members may be called by shorter notice if members holding at least 90 (ninety) per cent. of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting. The inadvertent failure to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.

(e) *Votes of Members*

Holders of Ordinary Shares will have the right to receive notice of and to attend and vote at any meetings of members. Each holder of Ordinary Shares being present in person or by proxy at a meeting will, upon a show of hands or on a poll, have one vote for each Ordinary Share held by him.

In the case of joint holders of a share, if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member, and if one or more joint holders are present at a meeting of members, in person or by proxy, they must vote as one.

(f) *Share rights*

(i) Pursuant to the Memorandum (which, subject to the Articles, may be amended by a Resolution of Members):

(A) the Company is authorised to issue an unlimited number of no par value shares of a single class.

(B) Each Ordinary Share confers upon the holder (in accordance with the Memorandum):

(aa) the right to one vote at a meeting of the Members of the Company or on any Resolution of the Members;

(bb) the right to an equal share in any dividend paid by the Company; and

(cc) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

(g) *Notice requiring disclosure of interest in shares*

The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required in accordance with the Articles. Such information may include, without limitation: particulars of the person's own past or present interest in any shares; the identity of any other person who has a present interest in the shares held by him; where the interest is a present interest and any other interest, in any shares, subsisted during that three year period at any time when his own

interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required by the notice; and where a person's interest is a past interest, (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.

If any member is in default in supplying to the Company the information required by the Company within the notice period prescribed in the notice, the Directors in their absolute discretion may issue a notice of disenfranchisement which shall take effect in the manner set out in the Articles.

(h) *Untraced shareholders*

The Company may sell the shares of a Shareholder or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law at the best price reasonably obtainable at the time of sale, if (and provided during the previous period of 12 years):

- (i) no communication has been received by the Company from the Shareholder or the person entitled by transmission;
- (ii) no cheque or warrant sent by the Company to the above mentioned persons have been cashed or other directed payment system has worked;
- (iii) at least three dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed.

(i) *Transfer of shares*

Subject to the BVI Companies Act and the terms of the Articles, any member may transfer all or any of his certificated shares by an instrument of transfer signed by the transferor and containing the name and address of the transferee.

Subject to the BVI Companies Act and the Articles, a transfer of shares in uncertificated form may be effected by means of a relevant system and the operator of the relevant system shall act as agent for the Shareholders for the purposes of the transfer of shares.

The Directors may refuse to register the transfer of any share which is not fully paid up or on which the Company has a lien, provided that such refusal will not disturb the market in those shares.

(j) *Redemption of shares*

The Company may, subject to the provisions of the BVI Companies Act (including satisfaction of the solvency test pursuant to Section 56 of the BVI Companies Act), purchase, redeem or otherwise acquire its own shares (with the consent of the member whose shares are to be purchased, redeemed or otherwise acquired) and may hold such shares as treasury shares.

Sections 60, 61 and 62 of the BVI Companies Act (statutory procedure for a company purchasing, redeeming or acquiring its own shares), which may be disapplied by a company's memorandum or articles of association, shall not apply to the Company.

(k) *Interests of Directors and Voting*

A Director shall forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to the other Directors, except if the relevant transaction is between the Director and the Company and is or is to be entered into in the ordinary course of business and on an arm's length basis.

Disclosure to all other Directors to the effect that a Director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date

of the entry or disclosure, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

Except as provided in the Articles, a Director may not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter:

- (a) in which he has (either alone or together with any person connected with him, as provided in section 252 of the UK Companies Act 2006) a material interest, other than an interest in shares or debentures or other securities of or in the Company; and
- (b) (subject to Regulation 15 of the Articles (which imports Chapters 22 and 3 of part 10 of the UK Companies Act 2006)) which conflicts or may conflict with the interests of the Company.

A Director is not counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Notwithstanding the foregoing provisions and Regulation 15 of the Articles, a Director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- (a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant as the holder of such shares, debentures or other securities or in its underwriting or sub-underwriting;
- (d) any contract, arrangement, transaction or other proposal concerning any other company in which he holds an interest not representing one per cent. or more of any class of the equity share capital (calculated exclusive of any shares of that class held as treasury shares) of such company, or of any third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed for the purpose of this regulation to be a material interest in all circumstances;
- (e) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HM Revenue & Customs in the United Kingdom;
- (f) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries, which does not award him any privilege or benefit not awarded to the employees to whom such scheme relates; or
- (g) any contract, arrangement, transaction or proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

(l) *Remuneration and Appointment of Directors*

- (i) The Directors may by Resolution of Directors fix the emoluments of Directors with respect to services to be rendered in any capacity to the Company.

- (ii) The minimum number of Directors shall be two and there shall be no maximum number of Directors.
 - (iii) Subject to the BVI Companies Act and the Articles, the Directors shall have power at any time, and from time to time, without sanction of the members, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not exceed any maximum number fixed by or in accordance with the Articles. Any Director so appointed shall only hold office until the vacancy is filled by the earlier of a General Meeting or an Annual General Meeting.
 - (iv) There is no maximum limit on the age of a Director.
- (m) *Retirement, Disqualification and Removal of Directors*
- (i) A Director is not required to hold a share as a qualification to office.
 - (ii) The office of a Director shall be vacated in any of the events following, namely:
 - (a) if (not being an Executive Director whose contract precludes resignation) the Director resigns his office by notice in writing delivered to the registered office or tendered at a meeting of the Board; or
 - (b) if the Board resolves that he is through physical or mental incapacity or mental disorder no longer able to perform the functions of a Director; or
 - (c) if he fails, without leave, to attend (whether or not an alternate director appointed by him attends) three successive Board meetings or four Board meetings in any consecutive period of 12 months despite a notice being given to him prior to such third or fourth meeting (as the case may be) that the provisions of this paragraph might apply and not less than two-thirds of all the other Directors (excluding the Director concerned and, in his capacity as such, any alternate director appointed by the Director concerned) resolving that his office should be vacated; or
 - (d) if he becomes bankrupt or insolvent or makes an arrangement or composition with his creditors or applies to the court for an interim order under section 253 of the United Kingdom Insolvency Act 1986 in connection with a voluntary arrangement; or
 - (e) any event analogous to those listed in Regulation 9.16(d) under the laws of any other jurisdiction occurs in relation to a Director; or
 - (f) if he is prohibited by law from being a Director; or
 - (g) if he ceases to be a Director by virtue of the Act or is removed from office pursuant to these Articles.

In the case of clauses (b) to (g) above, the Director shall be removed from office.

A Resolution of Directors declaring that a Director has vacated office under foregoing regulation shall be conclusive as to that fact and as to the ground of vacation as stated in the resolution.

- (iii) At every Annual General Meeting of the Company, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to and not exceeding one-third) shall retire from office and shall be eligible for re-election. In addition, any Director who has been appointed to the Board other than pursuant to a Resolution of Members since the last Annual General Meeting of the Company shall retire and shall be eligible for re-election.. The Directors to retire in accordance with the first sentence above shall be those subject to retirement by rotation who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by lot.

(n) *Proceedings of Directors*

(i) Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes and in the case of an equality of votes the chairman shall have a second or casting vote.

(ii) The quorum for the transaction of the business of the Directors shall be at least two Directors.

(o) *Alternate Directors*

Any Director (other than an alternate director) may appoint any other Director or any other person to be an alternate director to attend and vote in his place at any meeting of the Directors or to undertake and perform such duties and functions and to exercise such rights as he would personally.

(p) *Distributions*

The Directors may, by a Resolution of Directors, authorise a distribution if they are satisfied, on reasonable grounds, that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

(q) *Disposition of assets*

Section 175 of the BVI Companies Act (any disposition of more than fifty per cent. in value of the assets of a company (other than a transfer of assets in trust to one or more trustees pursuant to Section 28(3) of the BVI Companies Act) if not made in the usual or regular course of the business carried out by the company, requiring approval by a Resolution of Members) does not apply to the Company.

(r) *Continuation*

The Company may by Resolution of Directors or Resolution of Members continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

(s) *Indemnification and Insurance*

The Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings, any person who is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director or is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise. This indemnity only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.

The Company may purchase and maintain insurance in relation to any person who is or was a Director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

(t) *Disclosure of interests in shares*

Notwithstanding the provisions of the Articles but always subject to the requirements of the law of the BVI, the provisions of Chapter 5 of the UKLA's Disclosure and Transparency Rules

("DTRs") or any successor or other regime (whether statutory or non-statutory) governing the disclosure of interests in shares in the United Kingdom, which relates to the requirements of persons holding securities conferring voting rights to disclose their total proportion of voting rights (as defined in the DTRs) shall be deemed to be incorporated into these Articles and shall bind the Company and its Members, and references to an issuer, but (for the avoidance of doubt) not a non-UK issuer, in such provisions shall be deemed to be references to the Company.

5 Shareholder notification and disclosure requirements

- 5.1 Subject to the requirements of the law of the BVI, the provisions of Chapter 5 of the DTRs, which relate to the requirement of persons to disclose their interests in shares, will apply to the Company on the basis that its 'Home State' for the purpose of the DTRs is the United Kingdom, but that it is a 'non-UK issuer' for the purpose of Rule 5 of the DTRs.
- 5.2 Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the nominal value of the Company's share capital.
- 5.3 Under Rule 5 of the DTRs and the relevant provisions of the Articles, each Shareholder who from time to time, either to his knowledge holds, or becomes aware that he holds, voting rights (through his direct or indirect holding of shares and financial instruments) in 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the issued Ordinary Shares (or of any class of shares in the Company carrying rights to vote in all circumstances at general meetings of the Company) (the "**Relevant Share Capital**") is deemed to have a notifiable interest and must notify such interest to the Company. Notification is also required when an interest (i.e. voting rights) falls below or rises above 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75%. Each Shareholder is also required, to the extent that he is lawfully able to do so, to notify the Company if any other person acquires or ceases to have a notifiable interest in Relevant Share Capital of which he is the registered Shareholder, or, if unable lawfully to provide such notification, to use his reasonable endeavours to procure that such other person makes notification of his interest to the Company.
- 5.4 The DTRs can be accessed and downloaded from the FCA's website at <http://fshandbook.info/FS/html/FCA/DTR>. Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in, inter alia, disenfranchisement as referred to in paragraph 4.2(g) above.

6 Share Option Scheme

The key terms relating to the Unapproved Share Option Scheme (the "**Share Option Scheme**") are as follows:

- (a) Options to acquire Ordinary Shares in the Company may be granted at the discretion of the Board or the remuneration committee of the Board (the "**Board**") to directors whose services are provided to the Company or any other company in the Group either pursuant to a contract of service or a contract for services (whether entered into directly with the director or with a company able to procure the provision of the director's services)(an "**Eligible Person**").
- (b) It is not intended to obtain the approval of HM Revenue and Customs in respect of the Share Option Scheme.
- (c) Options may be granted at any time, subject to any restrictions which result from the application of the Listing Rules or, if applicable, the Model Code or any comparable code which applies to the Company at the time options are granted. Options may be granted from the date of such restrictions being lifted.
- (d) Options must be granted at a subscription price per Ordinary Share which is not less than the market value of an Ordinary Share on the date of grant, unless the Board exercises its discretion to determine otherwise. Whilst the Company's shares are admitted to the Official List, the price

used for the market value of an Ordinary Share on the date of grant shall be the average middle market quotation of an Ordinary Shares (as derived from the Daily Official List of the London Stock Exchange) over the five dealing days immediately preceding the date of grant.

- (e) No consideration is payable for the grant of an option. Options are not transferable or assignable (other than to a personal representative in the event that an option holder dies).
- (f) The exercise of an option may be made subject to the achievement of specific performance targets or other conditions to be determined by the Board or the remuneration committee.
- (g) In the event that an Eligible Person is transferred to work in another country and the Board is satisfied that due to the transfer the Eligible Person will either (i) suffer a tax disadvantage upon exercising his option or (ii) the Eligible Person will become subject to restrictions on his ability to exercise his option or deal in the shares obtained on exercise, the Eligible Person may exercise all or part of his option in the period commencing three months before and ending three months after the date of transfer (but so that any exercise before the date of transfer shall be conditional upon such transfer taking place).
- (h) The Company envisages that the number of Ordinary Shares which may be utilised under all share schemes established by the Company shall not exceed 15 per cent. of the Company's issued share capital within any 10 year period preceding the date of the grant. This does not include options which have lapsed or been surrendered or options granted prior to the date when the Ordinary Shares were first admitted to listing on the Official List.
- (i) Options will vest (become exercisable) in whole or in part in accordance with the vesting date set out in the Eligible Person's option agreement and set by the Board at the date of grant of an option.
- (j) In the event of a general offer to acquire the whole of the share capital of the Company as a result of which the offeror obtains control of the Company, an Eligible Person may, with the consent of the acquiring company, release each subsisting and unexercised option for a new right which is equivalent to his option but relates to shares in a different company (generally, the offeror). If another company obtains control of the Company, then options which are not exercised within a restricted period thereafter will lapse.
- (k) The number and/or the subscription price of the Ordinary Shares subject to an option may be varied by the Board in the event of a reorganisation of capital (such as a capitalisation or rights issue) subject to an opinion of the auditors of the Company that the variations are fair and reasonable.
- (l) Ordinary Shares allotted under the Share Option Scheme will rank equally with all other Ordinary Shares of the Company for the time being in issue.
- (m) Unapproved options are afforded no special tax treatment and an Eligible Person may be liable for any tax or social security which arises. Accordingly, the Eligible Person may be required to enter into acceptable arrangements to meet any liability for tax and social security.
- (n) The Board will administer the Share Option Scheme. The Board may from time to time amend the rules of the Share Option Scheme provided that no amendment may be made which would materially affect the existing rights of an Eligible Person unless it has been approved by a majority of option holders and no amendment may be made to certain key features of the Share Option Scheme (for example any alteration which would extend the class of person eligible for the grant of options) which is to the advantage of existing or future option holders except with the consent of the Company.
- (o) The Board may terminate the Share Option Scheme at any time with the effect that no further options may thereafter be granted although in all other respects the Share Option Scheme will remain in force.
- (p) No options may be granted under the Share Option Scheme after the seventh anniversary of the date of adoption of the Share Option Scheme.

7 Directors' and other interests

- 7.1 The interests of the Directors and members of their immediate families (all of which are beneficial), in the existing share capital of the Company as at 14 October 2015 (being the last practicable date prior to the publication of this document) and as expected to be immediately following completion of the Placing/on Admission, are as follows:

Interests immediately prior to and following completion of the Placing/on Admission

<i>Director</i>	<i>No. of Ordinary Shares as at 14 October 2015</i>	<i>Percentage of Issued Ordinary Shares as at 14 October 2015</i>	<i>No. of Ordinary Shares following completion of the Placing/on Admission</i>	<i>Percentage of Issued Ordinary Shares following completion of the Placing/on Admission</i>
Stephen Staley	16,287,564	19.52%	17,287,564	8.1%
Norza Zakaria	12,876,642	15.43%	44,876,642	21.03%

Whilst Jeremy King is a director and minority shareholder in Optiva Securities Limited which owns 15,000,000 Ordinary Shares, he is not 'interested' in such Ordinary Shares for the purposes of section 823 (Interests in shares: corporate interests) of the UK Companies Act 2006.

- 7.2 On 14 August 2014, the Company entered into an option agreement with Steve Staley pursuant to which the Company granted options under the Share Option Scheme over a maximum of 9,000,000 Ordinary Shares – 3,000,000 at the Placing Price, 3,000,000 at 50% above the Placing Price and 3,000,000 at 100% above the Placing Price. The options may be exercised at any time within 7 years of Admission (being the vesting date).
- 7.3 Save as disclosed in the table in paragraph 7.1 above and in paragraph 7.2 above, none of the Directors nor any member of immediate families has or will have on or following Admission any interests (beneficial or non-beneficial) in the shares of the Company or any of its subsidiaries.
- 7.4 In addition to their directorships of the Company and its subsidiaries, the Directors are, or have been, members of the administrative, management or supervisory bodies (“**directorships**”) or partners of the following companies or partnerships, at any time in the five years prior to the date of this document:

Stephen Staley

Current directorships and partnerships

Derwent Resources Limited
 Derwent Resources (Ksar Hadada) Limited
 Cold Gold Company Limited
 88 Energy Limited (Australia)

Former directorships and partnerships

Cove Energy plc
 Fastnet Oil & Gas plc (and predecessors)
 Fastnet Ireland Limited (Ireland)
 Shalco Energy Limited

Norza Zakaria

Current directorships and partnerships

Bintulu Port Holdings Berhad
 TH Plantations Berhad
 Samalaju Industrial Port Sdn Bhd
 THP Saribas Sdn Bhd
 Citaglobal Sdn Bhd
 Citaglobal Engineering Services Sdn Bhd
 Citaglobal Hospitality Sdn Bhd
 Citaglobal Media Sdn Bhd
 Tropicana Corporation Berhad
 National Sports Institute of Malaysia

Former directorships and partnerships

Pelikan International Corporation Berhad
 TH Heavy Engineering Berhad

Jeremy King

Current directorships and partnerships

Optiva Securities Limited
Boletus Resources Limited
Senterra Energy Limited

Former directorships and partnerships

–

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

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) has been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company for at least the previous five years; or
- (c) has (save as referred to in paragraph 7.6. below) been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

7.6 In December 2014, Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) publicly reprimanded TH Heavy Engineering Berhad (“**TH Heavy**”), a company of which Norza Zakaria was (until 7 October 2015) a director, for failing to ensure that the company’s announcement dated 28 February 2014 on the fourth quarterly report for the financial year ended 31 December 2013 took into account the adjustments which were made in the annual audited accounts for the financial year ended 31 December 2013 announced on 30 April 2014.

The failure to take into account the adjustments was in contravention of paragraph 9.16(1)(a) of the Bursa Malaysia Securities Main Market Listing Requirements (“**Bursa Malaysia Listing Requirements**”) where a listed issuer must ensure that each announcement made is factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable investors to make informed investment decisions.

The public reprimand was imposed pursuant to paragraph 16.19(1) of the Bursa Malaysia Listing Requirements after taking into consideration all facts and circumstances of the matter and upon completion of due process.

TH Heavy was also required to review and ensure the adequacy and effectiveness of its financial reporting function and carry out a limited review on its quarterly report submissions. The limited review must be performed by the Company’s external auditors for four quarterly reports commencing no later from the quarterly report for the financial period ended 31 December 2014. In addition, TH Heavy was required to ensure that all its directors and relevant personnel attended a training programme on compliance with the Bursa Malaysia Listing Requirements pertaining to financial statements.

While Bursa Malaysia Securities did not find any of TH Heavy’s directors to have caused or permitted the breach by TH Heavy, Bursa Malaysia Securities highlighted that it is the duty of the directors to maintain appropriate standards of responsibility and accountability in ensuring compliance of the Bursa Malaysia Listing Requirements.

Bursa Malaysia Securities stated that it viewed the contravention seriously and reminded TH Heavy and its Board of Directors of their obligation to uphold appropriate standards of responsibility and accountability to shareholders and the investing public.

7.7 Norza Zakaria also holds official positions in a number of sports associations/institutes in Malaysia – including the National Sports Institute of Malaysia (Ministry of Youth & Sports) (*Chairman*), the Olympic Council of Malaysia (*Deputy President*), the Badminton Association of Malaysia (*Deputy President*), the Football Association of Malaysia (*Treasurer*) and the Kuala Lumpur Badminton Association (*President*).

- 7.8 At the date of this document, each of the Directors has other private interests and duties, as detailed in section 7.4 of this Part XVI, which include, in the case of Stephen Staley and Jeremy King, directorships of other upstream oil & gas companies. In the case of Steve Staley, such directorships of other upstream oil & gas companies are of Derwent Resources (Ksar Hadada) Limited and 88 Energy Limited (Australia) – the former is a dormant, single-asset company holding an interest in the Ksar Hadada permit, Tunisia and 88 Energy Limited is active solely in Alaska. In the case of Jeremy King, his only such directorship of another upstream oil & gas company is of newly-incorporated Senterra Energy Limited, which does not intend to pursue any interest in the UK or North Africa. Given the specific geographic focus of these upstream oil & gas companies, such directorships do not therefore give rise to any conflict of interest at present for either Steve Staley or Jeremy King and it is considered unlikely that any conflict of interest will arise in the future. In relation to the Directors' private interests and duties generally, these do not give rise to any existing conflict of interest, but it is not possible to say whether any such conflict of interest will arise in the future or not given the changing strategies and goals of the Company and the other companies in which each of the Directors has other private interests and duties.
- 7.9 Save as set out below and in paragraph 7.1 above, the Directors are not aware of any person who, directly or indirectly, had an interest in 5 per cent. or more of the voting rights of the Company as at 14 October 2015 (being the last practicable date prior to the publication of this document) and immediately following completion of the Placing and Admission:

Interests immediately prior to and following completion of the Placing/on Admission

<i>Shareholder</i>	<i>No. of Ordinary Shares as at 14 October 2015</i>	<i>Percentage of issued ordinary share capital as at 14 October 2015</i>	<i>No. of ordinary shares following completion of the Placing/on Admission</i>	<i>Percentage of issued ordinary share capital following completion of the Placing/on Admission</i>
Optiva Securities Limited	15,000,000	17.98%	15,000,000	7.03%
Portmann Capital Management Limited	6,438,323	7.72%	6,438,323	3.02%
Gerard Walsh	4,506,824	5.4%	4,506,824	2.11%

- 7.10 As at 14 October 2015 (being the latest practicable date prior to the publication of this document), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 7.11 Those interested, directly or indirectly, in 5 per cent. or more of the issued Ordinary Shares of the Company (as set out in paragraphs 7.1 and 7.9 above) do not now, and, following the Placing and Admission, will not, have different voting rights from other holders of Ordinary Shares.

8 Working capital

The Company is of the opinion that the working capital available to the Company, taking into account the Net Placing Proceeds, is sufficient for the Company's present requirements, that is for at least the 12 months from the date of this document.

9 No significant or material change

- 9.1 There has been no significant change in the trading or financial position of the Company since 31 March 2015, being the date as at which the latest audited financial information contained in section B of Part X (Historical Financial Information) has been prepared.

9.2 No material changes have occurred since 16 September 2015, the date of the Competent Person's Report, the omission of which would make the Competent Person's Report misleading.

10 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) in the period of 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company or the Group.

11 Takeover Code

Although the Ordinary Shares will be admitted to the Official List by way of a Standard Listing and to trading on the London Stock Exchange's main market for listed securities, as the Company is incorporated in the British Virgin Islands (and even though its central place of management is in the UK), the Company is not considered to be resident in the UK for the purposes of the Takeover Code which does not apply to the Company. Accordingly, the Company will not be subject to takeover regulations in the UK under the Takeover Code. Investors should be aware that the protections afforded to Shareholders by the Takeover Code which are designed to regulate the way in which takeovers are conducted will not be available.

12 Material contracts

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

12.1 *Optiva engagement letter*

An engagement letter dated 29 June 2015 from Optiva to the Company confirming the appointment of Optiva as the corporate advisor and broker to the Company in anticipation of the Placing and Admission and providing advice and services in relation thereto. Pursuant to such engagement letter, the Company agreed to pay corporate advisory and broking fees comprising (i) a 5% placing commission fee of the funds raised and/or introduced by Optiva in the fundraising/Placing and (ii) the issue to Optiva of warrants in the Company exercisable at the placing price for a period of 3 years from Admission equal in value to the placing commission fee referred to in (i) above.

12.2 *Placing Agreement*

The Placing Agreement dated 14 October 2015 entered into between the Company (1) the Directors (2) and Optiva (3) pursuant to which, subject to certain conditions, Optiva has agreed to use its reasonable endeavours to procure Placees for the New Ordinary Shares to be issued pursuant to the Placing.

The Placing Agreement is conditional upon, *inter alia*, Admission occurring by 8.00 a.m. on 26 October 2015 (or such later date, not being later than 30 October 2015, as the Company and Optiva may agree).

In consideration for its services under the Placing Agreement, Optiva will receive from the Company a commission, conditional on Admission, of an amount equal to 5% of the value at the Placing Price of the 130,000,000 New Ordinary Shares (plus any applicable VAT) and will be entitled to be reimbursed by the Company for all out-of-pocket expenses incurred in connection with the Placing, together with any applicable VAT.

The Company and the Directors have, in the Placing Agreement, given customary warranties and undertakings to Optiva and the Company has agreed to provide customary indemnities to Optiva.

Under certain circumstances, including for material breach of warranty, Optiva may terminate the Placing Agreement (and any related arrangements) prior to Admission.

The Placing Agreement is governed by English law.

12.3 Warrant agreement

A warrant agreement dated 14 October 2015 entered into between the Company (1) and Optiva (2) pursuant to which the Company has granted to Optiva (conditional on Admission) 6,500,000 warrants to subscribe for new Ordinary Shares (on the basis of 1 new Ordinary Share for each warrant) at the same subscription price per share as the Placing Price and exercisable at any time during the period of 3 years from Admission (as contemplated by the Optiva engagement letter dated 29 June 2015 with the Company referred to in paragraph 12.1 above of this Part XVI).

12.4 Optiva retained broker appointment letter

An appointment letter dated 29 June 2015 from Optiva to the Company confirming the appointment of Optiva as the retained broker to the Company with effect from Admission and pursuant to which the Company agreed to pay a fee of £20,000 per annum (plus any applicable VAT) to Optiva. The appointment may be terminated by either party giving to the other not less than 3 months' notice, provided that such notice is to expire not earlier than 12 months from the effective date of the appointment.

12.5 Registrar Agreement

A registrar agreement dated 8 October 2015 entered into between the Company (1) and the Registrar (2) pursuant to which the Company has appointed the Registrar as its registrar with effect from Admission, to provide general registrar, communications, share certificate, annual general meeting and annual return, dividend, reporting and treasury share services for a set up fee of £1,500, a fixed annual fee of £5,500 and otherwise as set out in the agreement for the individual services (as required). Either party can terminate the agreement on 6 months' notice in writing (or such lesser notice period as may be reasonably agreed where a suitable replacement registrar has been found) or for a material breach of obligations by the other party (which, if capable of being remedied, has not been remedied within 30 days) or in the event of an insolvency situation in relation to the other party.

12.6 Depositary & Custody Services Agreement

An agreement dated 8 October 2015 entered into between the Depositary (1) and the Company (2) for the provision by the Depositary of depositary, custody and dividend services to the Company in respect of the Depositary Interests with effect from Admission for an annual fee of £8,000 payable quarterly in advance, a fee of £8,000 for the compilation of the initial Depositary Interests register and provision of draft documentation for the Depositary Interest arrangements and a fee of £0.50 per transfer and £3.50 for each deposit of cancellation, payable quarterly in arrears. The appointment is for a fixed term of 1 year from Admission and thereafter until terminated by either party giving to the other not less than 6 months' notice. Either party may also terminate the agreement for a material breach of obligations by the other party (which, if capable of being remedied, has not been remedied within 21 days), in the event of an insolvency situation in relation to the other party or if the other party shall cease to have the appropriate authorisations to permit it lawfully to perform its obligations under the agreement.

12.7 Lock-in Agreements

Each of the Directors has entered into a lock-in agreement with the Company pursuant to which it has agreed that it will not, offer, sell, contract to sell, pledge or otherwise dispose of any Ordinary Shares which he beneficially owns or may come to beneficially own directly or indirectly in the Company, for a period of one year following Admission.

The restrictions on the ability of each of the Directors to transfer its or his Ordinary Shares, are subject to certain usual and customary exceptions for: the acceptance of, or provision of, an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms;

transfers pursuant to an offer by or an agreement with the Company to purchase ordinary shares made on identical terms to all Shareholders; or transfers as required by an order made by a court with competent jurisdiction.

12.8 *Geological Advisor's consultancy agreement*

Upland Resources (UK Onshore) Limited ("**Upland UK Onshore**") entered into a consulting agreement dated 16 September 2014 with Highland Geology Limited ("**Highland Geology**") for the period ended on the close of the UK 14th Round of Licensing (on 28 October 2014) for the provision by Highland Geology of technical support for a period of 10 days at £1,200 (exclusive of VAT) per day.

Upland UK Onshore has agreed to pay Highland Geology a bonus if a licence or licences including the relevant Blocks are awarded in part or whole to a bidding group including Upland UK Onshore (or an affiliate) in the 14th Round and a licence is taken up. Such bonus will comprise the award to Highland Geology of 500,000 fully paid Ordinary Shares for each separate licence awarded and taken up by Upland UK Onshore. Only one of the licences (covering two Blocks) was ultimately applied for by Upland UK Onshore and the result of the application is currently awaited.

12.9 *PEDL application under 14th Onshore Licensing Round*

Upland Resources (UK Onshore) Limited, Europa Oil & Gas Limited ("**Europa**") and Shale Petroleum (UK) Limited, as co-applicants, submitted an application for a PEDL to DECC on 27 October 2014 in respect of Blocks SK46c and SK47b offered by DECC under the 14th Onshore Licensing Round now organised by the OGA, which two Blocks would be covered by a single PEDL. Each of the three co-applicants has agreed to provide technical and commercial expertise to the venture, with Upland Resources (UK Onshore) Limited having a 33.34% equity interest and each of the other co-applicants having a 33.33% equity interest in the PEDL, if awarded. Europa has been nominated as the 'Operator' in the application. The Company has provided a parent company guarantee (in the standard form required by DECC) dated 20 October 2014 in favour of the Secretary of State for DECC in respect of any funding obligations of Upland Resources (UK Onshore) Limited under the PEDL, if awarded.

13 Related party transactions

From 14 March 2012 (being the Company's date of incorporation) up to and including the date of this document, the Company has not entered into any related party transactions other than as set out in Note 12 to the historical financial information of the Company set out in section B of Part X (Historical Financial Information) and as set out below:

13.1 *Agreements in respect of the Executive Director's services*

The Company has entered into a consultancy agreement dated 12 October 2015 with Derwent Resources Limited ("**Derwent**") under which Derwent is to provide the services of Stephen Staley as Chief Executive of the Company, on a part-time basis (108 hours in each calendar month). Under the consultancy agreement, Derwent is entitled to a fee of £125,000 per annum (plus VAT, if applicable) for the basic 108 hours per calendar month, £1,200 per 8 hour day (plus VAT, if applicable) for each additional day or part day in excess of the first 108 hours in any calendar month and reimbursement of all reasonable expenses. The consultancy agreement may be terminated at any time by 3 months' prior written notice served by either party. Stephen Staley has entered into a side letter dated 12 October 2015 with the Company confirming that the terms of this consultancy agreement will be binding on him as an individual.

The Company has agreed to establish a long term incentive plan within 3 months of Admission (providing for the annual award of both cash and share options within 2 months of each anniversary of Admission) which shall include Stephen Staley as a beneficiary.

Stephen Staley has also entered into a letter of appointment dated 12 October 2015 with the Company in respect of his continued appointment as a director of the Company with effect from

Admission, but with no additional fee payable to him over and above the fee referred to in the consultancy agreement above. The continued appointment of Stephen Staley as a director of the Company on the terms of such appointment letter is (subject to limited exceptions) for an initial period of 12 months following Admission and thereafter subject to termination by either party on 3 months' written notice. In addition, the Company may forthwith terminate Stephen Staley's appointment as a director of the Company for, *inter alia*, a material breach by Derwent of its obligations under the consultancy agreement referred to above and Stephen Staley may terminate such appointment for a material breach by the Company of its obligations under the consultancy agreement referred to above.

13.2 Appointment Letters in respect of the Non-Executive Directors' services

Each of the Non-Executive Directors has entered into a Director's letter of appointment dated 12 October 2015 with the Company in respect of his continued appointment as a non-executive director of the Company with effect from Admission.

Under the terms of the appointment letters, Norza Zakaria is entitled to a fee of £25,000 per annum and Jeremy King is entitled to a fee of £20,000 per annum. Fees will accrue on a daily basis and will be payable in equal quarterly instalments in arrears on the last business day of each quarter (or as otherwise agreed).

The continued appointments of each of the Non-Executive Directors as a non-executive director of the Company on the terms of such appointment letters is (subject to limited exceptions) for an initial period of 12 months following Admission and thereafter subject to termination by either party on 3 months' written notice.

14 Accounts

14.1 The Company's annual report and accounts will be made up to 30 June in each year and the next annual report and accounts covering the financial year ending 30 June 2015. It is expected that the Company will make public its annual report and accounts within five months of each financial year end (or earlier if possible) and that copies of the annual report and accounts will be sent to Shareholders within six months of each financial year end (or earlier if possible).

14.2 The Company will also prepare its unaudited interim report for the six month period ending 31 December 2015 and for each six month period ending 31 December thereafter. It is expected that the Company will make public its unaudited interim reports within two months of the end of each such interim period.

15 General

15.1 Wilkins Kennedy LLP whose address is Bridge House, London Bridge, London SE1 9QR, are the auditors of the Group and audited the accounts of the Group for the 9 month period ended 31 March 2015 and for the year ended 30 June 2014 and the accounts of the Company for the period from incorporation to 30 June 2013. For the purposes of accountants' report set out in section A of Part X (Historical Financial Information), financial information relating to the period ended 30 June 2013 has been restated to reflect the period ended 30 June 2012 and the year ended 30 June 2013. Wilkins Kennedy LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and the Financial Reporting Council.

15.2 WK Corporate Finance LLP has given and has not withdrawn its consent to the inclusion in this document of its accountants' report in section A of Part X (Historical Financial Information) of this document and references to its name in the form and context in which they are included and has authorised the contents of that report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

15.3 Blackwatch Petroleum Services Limited has given and has not withdrawn its written consent to the inclusion in this document of its Competent Person's Report in Part XV of this document and references to its name in the form and context in which they are included and has authorised the contents of that report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

15.4 The Company has not had any employees since its incorporation and does not own any premises.

15.5 The total expenses incurred (or to be incurred) by the Company in connection with the Placing and Admission are approximately £190,000. The estimated Net Placing Proceeds, after deducting fees and expenses in connection with the Placing and Admission, are approximately £1,110,000.

16 Availability of documents

16.1 Copies of the following documents may be inspected at the offices of Optiva Securities Limited, 2 Mill Street, Mayfair, London W1S 2AT during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until Admission and completion of the Placing:

16.1.1 the memorandum and articles of association of the Company;

16.1.2 the accountants' report by WK Corporate Finance LLP on the historical financial information of the Group for the period from incorporation of the Company to 31 March 2015 set out in section A of Part X (Historical Financial Information);

16.1.3 the Competent Person's Report set out in Part XV of this document; and

16.1.4 this document.

16.2 In addition, this document will be published in electronic form and be available on the Company's website at *www.uplandres.com*, subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

Date: 15 October 2015

PART XVII

DEFINITIONS

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

“14th Onshore Licensing Round”	the 14th Onshore Oil and Gas Licensing Round opened by DECC in July 2014;
“Acquisition”	a Company/Business Acquisition or a Licence/Permit Acquisition, as the context may require;
“Admission”	admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange;
“AIM”	AIM, the market of that name operated by the London Stock Exchange;
“Articles” or “Articles of Association”	the articles of association of the Company in force from time to time;
“Blocks”	licence block areas pre-defined by DECC at the beginning of the 14th Onshore Licensing Round and based on an Ordnance Survey National Grid 10km by 10km grid squares (or part of);
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for business in London and the BVI;
“BVI”	the British Virgin Islands
“BVI Companies Act”	the BVI Business Companies Act, 2004, as amended or re-enacted from time to time;
“certificated” or “in certificated form”	in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST);
“Change of Control”	following a Company/Business Acquisition, the acquisition of Control of the Company by any person or party (or by any group of persons or parties who are acting in concert);
“Company”	Uplands Resources Limited, a company incorporated in the BVI under the BVI Companies Act on 14 March 2012, with company number 1701436;
“Company/Business Acquisition”	the acquisition by the Company or by any subsidiary (which may be in the form of a merger, capital stock exchange, asset acquisition, stock purchase, scheme of arrangement, reorganisation or similar business combination) of an interest in an operating company or business in the oil and/or gas sector as described in Part VI (The Company’s Strategy) (and, in such context, references to a company without reference to a business and references to a business without reference to a

	company shall in both cases be construed to mean both a company or a business);
“Competent Person’s Report” or “CPR”	the report by Blackwatch Petroleum Services Limited as set out in Part XV of this document;
“Control”	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, more than 50 per cent, of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the Directors or other equivalent officers of the Company are obliged to comply; and/or (ii) the holding beneficially of more than 50 per cent, of the issued shares of the Company (excluding any issued shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital), but excluding in the case of each of (i) and (ii) above any such power or holding that arises as a result of the issue of Ordinary Shares by the Company in connection with a Company/Business Acquisition;
“CREST” or “CREST System”	the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (<i>SI 2001 No. 3755</i>), as amended;
“DECC”	the UK Department of Energy & Climate Change;
“Deed Poll”	the deed dated 7 October 2015 entered into by the Depositary for the creation and issue of DIs, a summary of which is contained in Part XIV of this document;
“Depositary”	Computershare Investor Services plc of The Pavilions, Bridgwater Road, Bristol BS13 8AE;
“DIs” or “Depositary Interests”	the depositary interests representing an entitlement to Ordinary Shares, created pursuant to the Deed Poll and further details of which are contained in Part XIV of this document;
“Directors”, “Board” or “Board of Directors”	the directors of the Company, whose names appear in Part VII (The Company and the Board), or the board of directors from time to time of the Company, as the context requires, and “Director” is to be construed accordingly;
“Disclosure and Transparency Rules” or “DTRs”	the disclosure and transparency rules of the UK Listing Authority made in accordance with section 73A of FSMA as amended from time to time;
“EEA”	the European Economic Area;
“EEA States”	the member states of the European Union and the European Economic Area, each an “EEA State” ;

“EU”	the Member States of the European Union;
“Euroclear”	Euroclear UK & Ireland Limited;
“Executive Director”	Stephen Staley, the Chief Executive of the Company;
“Existing Funds”	the proceeds of subscription of Ordinary Shares prior to the date of this document (after payment of expenses incurred prior to the date of this document);
“FCA”	the UK Financial Conduct Authority;
“FSMA”	the Financial Services and Markets Act 2000 of the UK, as amended;
“general meeting”	a meeting of the Shareholders of the Company or a class of Shareholders of the Company (as the context requires);
“Group”	the Company and its subsidiaries from time to time;
“IFRS”	International Financial Reporting Standards as adopted by the European Union;
“Licence/Permit Acquisition”	the acquisition by the Company or by any subsidiary, or the award to the Company or to any subsidiary, of a licence or permit (which may be on a sole or joint bidder basis) or the conclusion of a farm-in arrangement to any existing licence or permit, in any such case to explore, appraise and/or develop oil and/or gas assets, as described in Part VI (The Company’s Strategy);
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA as amended from time to time;
“London Stock Exchange”	London Stock Exchange plc;
“Memorandum”	the memorandum of association of the Company in force from time to time;
“Model Code”	the Model Code on directors’ dealings in securities set out in Annex 1 R of Chapter 9 of the Listing Rules;
“Net Placing Proceeds”	the funds received on closing of the Placing less any expenses paid or payable in connection with the Placing and Admission;
“New Ordinary Shares”	the 130,000,000 new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing;
“Non-Executive Directors”	Norza Zakaria and Jeremy King;
“Official List”	the official list maintained by the UK Listing Authority;
“OGA”	the UK Oil and Gas Authority, the executive agency of DECC;
“Optiva”	Optiva Securities Limited, financial adviser, broker and placing agent to the Company, which is authorised and regulated by the FCA;

“Ordinary Shares”	no par value shares of the Company including, if the context requires, the New Ordinary Shares;
“PEDL”	a UK petroleum exploration and development licence granted by the OGA;
“Placees”	those persons who have signed forms of confirmation attached to Placing Letters;
“Placing”	the conditional placing of the New Ordinary Shares by Optiva at the Placing Price pursuant to the Placing Agreement;
“Placing Agreement”	the conditional agreement dated 14 October 2015 between the Company, the Directors and Optiva, a summary of which is set out in paragraph 12.2 of Part XVI of this document;
“Placing Letters”	the letters dated on or about 13 October 2015 from Optiva (as placing agent on behalf of the Company) to Placees inviting irrevocable conditional applications for subscription for New Ordinary Shares;
“Placing Price”	£0.01 per New Ordinary Share;
“Premium Listing”	a premium listing under Chapter 6 of the Listing Rules;
“Prospectus Directive”	Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state), and includes any relevant implementing measures in each EEA State that has implemented Directive 2003/71/EC;
“Prospectus Rules”	the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA, as amended from time to time;
“Registrar”	Computershare Investor Services (BVI) Limited or any other registrar appointed by the Company from time to time;
“Resolution of Directors”	has the meaning specified in the Articles;
“Resolution of Members”	has the meaning specified in the Articles;
“Reverse Takeover”	a transaction defined as a ‘reverse takeover’ under section 5.6 of Chapter 5 of the Listing Rules;
“Securities Act”	the U.S. Securities Act of 1933, as amended;
“share register”	the register of members of the Company;
“Shareholder”	a holder of Ordinary Shares and/or New Ordinary Shares (including Depositary Interests), as the context requires;
“Share Option Scheme”	the Upland Resources Limited unapproved share option scheme adopted by the Board in August 2014 (as adopted in restated form on 12 October 2015), a summary of the rules of which Scheme are set out in paragraph 6 of Part XVI of this document;

“Special Resolution of Members”	has the meaning specified in the Articles;
“Standard Listing”	a standard listing under Chapter 14 of the Listing Rules;
“Takeover Code”	the UK City Code on Takeovers and Mergers;
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time;
“UK Listing Authority” or “UKLA”	the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA;
“uncertificated” or “uncertificated form”	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “U.S.”	the United States of America;
“VAT”	(i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition;
“£” or “UK Sterling”	pounds sterling, the lawful currency of the UK.

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

