

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY AND APPLICATION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Ordinary Shares in the Company, please send this document and the accompanying Form of Proxy and Application Form to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the New Ordinary Shares to trading on AIM will become effective and that dealings will commence on 15 April 2021. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with, and will rank in full for all dividends and other distributions declared, made or paid in respect of, the Existing Ordinary Shares after the date of Admission.

This document should be read in its entirety and, in particular, your attention is drawn to the section headed “Risk Factors” in Part III of this document.

Please note that Qualifying Participants wishing to participate in the Offer must complete and return their Application Form(s) with the appropriate remittance in accordance with the instructions set out in this document and in the Application Form itself as soon as possible and in any event by no later than 10.00 a.m. on 12 April 2021.

JERSEY OIL AND GAS PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with company number 07503957)

Proposed Placing and Subscription of 9,090,909 new Ordinary Shares at 165 pence per share to raise £15 million (gross)

Proposed Offer of up to 1,212,121 new Ordinary Shares to Qualifying Participants at 165 pence per share to raise up to £2 million (gross)

Notice of General Meeting

Nominated Adviser
Strand Hanson Limited

Joint Brokers
Arden Partners plc
finnCap Ltd

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company explaining the background to, and reasons for, the Fundraising which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of the Company to be held at Ground Floor, 5 St Andrew's Place, St Helier, Jersey, Channel Islands JE2 3RP at 10.00 a.m. on 14 April 2021, is set out in Part V of this document. Shareholders will find enclosed with this document a Form of Proxy for use in relation to the General Meeting. To be valid, Forms of Proxy should be completed, signed and returned to the Company's Registrars, Equiniti Limited, in accordance with the instructions printed on it as soon as possible, but in any event so as to be received not later than 48 hours (excluding non-working days) before the time of the General Meeting, being 10.00 a.m. on 12 April 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

The Company continues to monitor the COVID-19 situation, including UK Government legislation and guidance, and will continue to do so in the lead up to the General Meeting. The health of our Shareholders, employees and stakeholders is extremely important to us. Given this, the Board has taken the decision that Shareholders, advisers and other guests will not be allowed to attend the General Meeting in person and anyone seeking to attend the General Meeting will be refused entry. The Company will arrange for the minimum quorum of two Shareholders necessary to conduct the business of the General Meeting to be present in person at the General Meeting and social distancing guidelines will be observed.

Shareholders are strongly encouraged therefore to appoint the chairman of the General Meeting as their proxy with directions as to how to cast their vote on the Resolutions proposed. If a Shareholder appoints someone else as their proxy, that proxy will not be able to attend the General Meeting in person or cast that Shareholder's vote. Please refer to the detailed notes contained in the Notice of General Meeting and the Form of Proxy.

Should members wish to ask any questions which they may have otherwise asked at the General Meeting had they been in attendance regarding the Resolutions, they are encouraged to contact the Company prior to the General Meeting by email at Questions@jerseyoilandgas.com.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrars (under CREST Participation ID RA19) by no later than 10.00 a.m. on 12 April 2021. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

The current situation is evolving and the UK Government may change current restrictions or implement further measures relating to the holding of general meetings during the affected period. The Company will make any further announcements that may be required by way of a Regulatory Information Service and on the Company's website.

IMPORTANT INFORMATION

The distribution of this document and/or the accompanying Form of Proxy and Application Form in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Company and the Directors accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (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 makes no omission likely to affect the import of such information.

The total consideration under each of the Offer and the Subscription shall be less than €8 million (or an equivalent pounds sterling amount) in aggregate and so, in accordance with section 85 of FSMA, neither the Offer nor the Subscription requires the issue of a prospectus for the purposes of the Prospectus Rules. The Placing Shares are only available to qualified investors for the purposes of the Prospectus Regulation or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Therefore, none of the Placing, the

Subscription or the Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules. It is emphasised that no application is being made for the admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the United Kingdom Listing Authority.

This document should be read in its entirety and, in particular, your attention is drawn to the section headed “Risk Factors” in Part III of this document.

This document does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) or qualified for sale under the laws of any state of the United States of America or under the applicable laws of any of Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

No person has been authorised to give any information or to make any representation about the Company and about the matters the subject of this document other than those contained in this document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this document shall not imply that no change has occurred in the Company’s affairs since the date of issue of this document or that the information in this document is correct as at any time after the date of this document, save as shall be required to be updated by law or regulation.

Strand Hanson Limited (“**Strand Hanson**”), which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company’s nominated adviser for the purposes of the AIM Rules. Strand Hanson is acting exclusively for the Company and will not regard any other person (whether or not a recipient of this document) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. Strand Hanson’s responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and not to any other person in respect of their decision to acquire New Ordinary Shares in reliance on any part of this document. Strand Hanson has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by Strand Hanson nor does it make any representation or warranty, express or implied, as to the accuracy of any information or opinion contained in this document or for the omission of any information. Strand Hanson expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

Arden Partners plc (“**Arden Partners**”), which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company’s joint broker for the purposes of the AIM Rules. Arden Partners is acting exclusively for the Company in connection with the Placing only and will not regard any other person (whether or not a recipient of this document) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. Arden Partners has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by Arden Partners nor does it make any representation or warranty, express or implied, as to the accuracy of any information or opinion contained in this document or for the omission of any information. Arden Partners expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

finnCap Ltd (“**finnCap**”), which is authorised and regulated in the United Kingdom by the FCA, is the Company’s joint broker for the purposes of the AIM Rules. finnCap is acting exclusively for the Company in connection with the Placing only and will not regard any other person (whether or not a

recipient of this document) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. finnCap has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by finnCap nor does it make any representation or warranty, express or implied, as to the accuracy of any information or opinion contained in this document or for the omission of any information. finnCap expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

The release, publication or distribution of this document and the accompanying Form of Proxy and Application Form in or into, jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes who are not resident in the United Kingdom should inform themselves about, and observe, any applicable restrictions. Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly, in or into the United States of America, Canada, the Republic of South Africa, Australia or Japan. Overseas Shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

This document has been prepared for the purposes of complying with the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws or regulatory requirements of jurisdictions outside the United Kingdom. The statements contained in this document are not to be construed as legal, business, financial or tax advice.

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

In accordance with the AIM Rules, this document will be available on the Company’s website (www.jerseyoilandgas.com) from the date of this document, free of charge, subject to certain restrictions relating to persons in any jurisdiction where release, publication or distribution of this document would constitute a violation of the securities law of such jurisdiction. Neither the content of the Company’s website nor any website accessible by hyperlinks to or on the Company’s website is incorporated in, or forms part of, this document.

The technical information contained in this document has been reviewed and approved by Ronald Lansdell, Chief Operating Officer of the Company, a qualified Geologist and Fellow of the Geological Society, who has over 40 years’ relevant experience within the sector.

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FUNDRAISING STATISTICS

Issue Price	165 pence
Number of Existing Ordinary Shares in issue as at the date of this document	21,829,227
Number of New Ordinary Shares*	10,303,030
Number of Placing Shares	9,054,548
Number of Subscription Shares	36,361
Maximum number of Offer Shares being offered pursuant to the Offer	1,212,121
Enlarged Share Capital immediately following completion of the Fundraising*	32,132,257
Market capitalisation at the Issue Price*	£53.0 million
New Ordinary Shares as a percentage of the Enlarged Share Capital*	32.1 per cent.
Estimated gross proceeds of the Fundraising*	£17 million
<u>Estimated net proceeds of the Fundraising*</u>	<u>£16.2 million</u>

Note:

* – Assuming all the New Ordinary Shares (i.e. the Placing Shares, the Subscription Shares and the maximum number of Offer Shares) are issued and that (save for the Placing Shares, the Subscription Shares and the Offer Shares) no other Ordinary Shares are issued following the date of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2021
Record Date for the Offer	25 March
Publication of this Circular and the accompanying Form of Proxy and Application Form	29 March
Latest time and date for receipt of completed Forms of Proxy and receipt of electronic proxy appointments via the CREST system for the General Meeting	10.00 a.m. on 12 April
Latest time for receipt of completed Application Forms and payment in full under the Offer	10.00 a.m. on 12 April
General Meeting	10.00 a.m. on 14 April
Announcement of result of General Meeting	14 April
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 15 April
CREST accounts expected to be credited for the Placing Shares, Subscription Shares and Offer Shares	8.00 a.m. on 15 April
Latest date for posting of share certificates for the New Ordinary Shares in certificated form (if applicable)	22 April

Each of the times and dates referred to above, and where used elsewhere in this Circular, refer to London time and are subject to change by the Company (with the agreement of the Joint Brokers), in which case details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement through a Regulatory Information Service.

The Company's SEDOL code is BYN5YK7 and ISIN code is GB00BYN5YK77.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Marcus Stanton (<i>Non-Executive Chairman</i>) Andrew Benitz (<i>Chief Executive Officer</i>) Ronald Lansdell (<i>Chief Operating Officer</i>) Vicary Gibbs (<i>Chief Financial Officer</i>) Frank Moxon (<i>Non-Executive Director</i>)
Company Secretary	MSP Secretaries Limited Eastcastle House 27/28 Eastcastle Street London W1W 8DH
Registered Office	10 The Triangle NG2 Business Park Nottingham NG2 1AE
Nominated & Financial Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Joint Brokers	Arden Partners plc 5 George Road Edgbaston Birmingham B15 1NP finnCap Ltd 1 Bartholomew Close London EC1A 7BL
Legal Advisers to the Company	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Legal Advisers to the Joint Brokers	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Registrars and Receiving Agent to the Offer	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

DEFINITIONS

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

“Act”	the Companies Act 2006, as amended
“Admission”	in the case of: <ul style="list-style-type: none">– the Offer Shares, admission to trading on AIM of the Offer Shares (the “Offer Admission”) becoming effective in accordance with the AIM Rules;– the Placing Shares, admission to trading on AIM of the Placing Shares (the “Placing Admission”) becoming effective in accordance with the AIM Rules; and– the Subscription Shares, admission to trading on AIM of the Subscription Shares (the “Subscription Admission”) becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange as amended from time to time
“Applicant”	a Qualifying Participant who lodges an Application Form under the Offer
“Application Form”	the application form for use by Qualifying Participants to apply for Offer Shares pursuant to the Offer
“Arden Partners”	Arden Partners plc, the Company’s bookrunner and joint broker for the purposes of the Placing and Placing Admission
“Articles”	the articles of association of the Company in force at the date of this document
“Board” or the “Directors”	the directors of the Company, as at the date of this document, whose names are set out on page 7 of this document
“certificated” or “in certificated form”	an Ordinary Share recorded on the Company’s share register as being held in certificated form (namely, not in CREST)
“Circular” or “document”	this circular, dated 29 March 2021
“Company” or “JOG”	Jersey Oil and Gas plc a company incorporated in England and Wales with company number 07503957 whose registered office is at 10 The Triangle, NG2 Business Park, Nottingham, NG2 1AE
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear, in accordance with the same regulations
“CREST Manual”	the rules governing the operation of CREST, as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3875), as amended
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)

“Enlarged Share Capital”	the issued Ordinary Share capital of the Company immediately following the issue of the New Ordinary Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the 21,829,227 Ordinary Shares in issue as at the date of this document being the entire issued share capital of the Company as at the date of this document
“FCA”	the Financial Conduct Authority of the UK
“finnCap”	finnCap Ltd, the Company’s joint broker for the purposes of the Placing and Placing Admission
“Financial Promotion Order”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)
“Form of Proxy”	the form of proxy enclosed with this document for use in relation to the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	together, the Placing, the Subscription and the Offer
“General Meeting”	the general meeting of the Company, convened for 10.00 a.m. on 14 April 2021 or any adjournment thereof
“GBA”	Greater Buchan Area
“Group”	together the Company and its subsidiary undertakings
“ISIN”	International Securities Identification Number
“Issue Price”	165 pence per New Ordinary Share
“Joint Brokers”	Arden Partners and finnCap
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	together, the Placing Shares, the Subscription Shares and the Offer Shares
“Notice of General Meeting”	the notice convening the General Meeting, as set out in Part V of this document
“Offer”	the conditional invitation to Qualifying Participants to apply for the Offer Shares at the Issue Price on the terms and conditions set out in this document and the Application Form
“Offer Maximum”	the aggregate maximum subscription under the Offer for up to 1,212,121 new Ordinary Shares to raise up to £2 million (gross)
“Offer Shares”	up to 1,212,121 new Ordinary Shares conditionally offered to Qualifying Participants pursuant to the Offer
“Official List”	the Official List of the UKLA
“Ordinary Shares”	ordinary shares of 1 penny each in the capital of the Company having the rights and being subject to the restrictions contained in the Articles
“Overseas Shareholders”	Shareholders with registered addresses, or who are citizens or residents of, or incorporated in, countries outside of the United Kingdom
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placees”	persons who have agreed to subscribe for Placing Shares under the Placing

“Placing”	the conditional placing by the Joint Brokers, each as agent of and on behalf of the Company, of the Placing Shares at the Issue Price on the terms and subject to the conditions of the Placing Agreement
“Placing Agreement”	the conditional agreement dated 17 March 2021 between the Company and the Joint Brokers, relating to the Placing, a summary of which is set out in the letter from the Chairman of the Company set out in this document
“Placing Shares”	the 9,054,548 new Ordinary Shares which are to be issued under the Placing
“Prospectus Rules”	the prospectus rules published by the FCA pursuant to section 73A of FSMA (as amended from time to time)
“Prospectus Regulation”	EU Regulation 2017/1129 (which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018) on the requirements for a prospectus to be published when securities are offered to the public or admitted to trading
“Qualifying Participants”	subject to any restrictions imposed on Overseas Shareholders, holders of Existing Ordinary Shares whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Offer Shares under the Offer in accordance with the terms and conditions set out in this document and the Application Form and for the avoidance of doubt the Offer is not being made to persons in Restricted Jurisdictions
“Record Date”	25 March 2021
“Registrars”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
“Regulatory Information Service”	a service approved by the London Stock Exchange for the distribution to the public of regulatory announcements and included within the list on the website of the London Stock Exchange
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
“Restricted Jurisdictions”	the United States of America, Australia, Canada, Japan, the Republic of South Africa and any other jurisdiction where the extension or availability of the Offer would breach any applicable law
“Securities Act”	the United States Securities Act of 1933, as amended
“Shareholders”	registered holders of Ordinary Shares
“Strand Hanson”	Strand Hanson Limited, the Company’s nominated adviser
“Subscribers”	Marcus Stanton, Andrew Benitz, Ronald Lansdell and Vicary Gibbs, being certain of the Directors
“Subscription”	the conditional subscription for the Subscription Shares by the Subscribers at the Issue Price pursuant to the terms of the Subscription Agreements
“Subscription Agreements”	the subscription agreements entered into between the Company and each of the Subscribers in respect of the Subscription for Subscription Shares
“Subscription Shares”	the 36,361 new Ordinary Shares to be issued pursuant to the Subscription

“UK”	the United Kingdom of Great Britain and Northern Ireland
“UKCS”	the UK Continental Shelf
“UKLA”	the UK Listing Authority, being the FCA acting as the competent authority for the purposes of Part VI of FSMA
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

A reference to £ is to pounds sterling, being the lawful currency of the UK.

A reference to US\$ is to US dollars, being the lawful currency of the United States of America.

GLOSSARY

The following glossary of terms applies throughout this document, unless the context otherwise requires:

“2C”	denotes a mid or best estimate scenario of contingent resources
“boe”	barrels of oil equivalent
“bopd”	barrels of oil per day
“contingent resources”	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies
“discovery”	an exploration well which has encountered oil and gas for the first time in a structure
“exploration”	the phase of operations which covers the search for oil or gas by carrying out detailed geological and geophysical surveys followed up where appropriate by exploratory drilling
“FEED”	Front End Engineering and Design
“kg”	kilogramme
“MMboe”	million barrels of oil equivalent
“NPV”	net present value, discounted at a ten per cent. discount rate
“prospect”	an identified trap that may contain hydrocarbons. A potential hydrocarbon accumulation may be described as a lead or prospect depending on the degree of certainty in that accumulation. A prospect is generally mature enough to be considered for drilling
“prospective resource”	are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled. This class represents a higher risk than contingent resources since the risk of discovery is also added. For prospective resources to become classified as contingent resources, hydrocarbons must be discovered, the accumulations must be further evaluated and an estimate of quantities that would be recoverable under appropriate development projects prepared
“P50”	at least a 50 per cent. probability that the quantities of estimated contingent recoverable resources and in the case of exploration, prospective resources, will equal or exceed the best estimate
“reservoir”	an underground porous and permeable formation where oil and gas has accumulated

PART I

LETTER FROM THE CHAIRMAN

JERSEY OIL AND GAS PLC

(Incorporated and registered in England and Wales with company number 07503957)

Directors:

Marcus Stanton (*Non-Executive Chairman*)
Andrew Benitz (*Chief Executive Officer*)
Ronald Lansdell (*Chief Operating Officer*)
Vicary Gibbs (*Chief Financial Officer*)
Frank Moxon (*Non-Executive Director*)

Registered office:

10 The Triangle
NG2 Business Park
Nottingham
NG2 1AE

29 March 2021

To: Holders of Ordinary Shares and, for information only, to holders of options over Ordinary Shares and persons with information rights

Dear Shareholder,

Proposed Placing and Subscription of 9,090,909 new Ordinary Shares at 165 pence per share to raise £15 million (gross)

Proposed Offer of up to 1,212,121 Offer Shares to Qualifying Participants at 165 pence per share to raise up to £2 million (gross)

Notice of General Meeting

1. Introduction

On 17 March 2021, the Company announced that it had conditionally raised £15 million (before expenses) through:

- a conditional placing of 9,054,548 new Ordinary Shares to certain existing and new institutional and other investors; and
- a conditional subscription for 36,361 new Ordinary Shares by certain of the Directors.

All such shares are to be issued at the Issue Price.

The Board considers it important to allow existing Shareholders the opportunity to participate in the Fundraising on the same terms as investors who are participating in the Placing and the Subscription. To that end, the Board is providing Qualifying Participants with the opportunity to subscribe for the Offer Shares under the Offer. In connection with the Offer the Company will allot (at the Board's discretion and conditional on Offer Admission) up to 1,212,121 Offer Shares and will make an announcement in due course once the total number of Offer Shares subscribed for is known. Application will be made for all the New Ordinary Shares (comprising the Placing Shares, the Subscription Shares and the Offer Shares) to be admitted to trading on AIM which is expected to occur at 8.00 a.m. on 15 April 2021. The aggregate maximum subscription under the Offer is capped at £2 million.

Information about the Offer, the Company's business and the risks of investing in the Company, are set out in this document, which you are encouraged to read carefully.

In summary, the Fundraising comprises:

- a placing of 9,054,548 Placing Shares at the Issue Price to raise approximately £14.9 million (before expenses);
- a subscription for 36,361 Subscription Shares by the Subscribers at the Issue Price to raise £59,995.65 (before expenses); and

- an Offer to Qualifying Participants to subscribe for up to 1,212,121 Offer Shares at the Issue Price to raise up to £2 million (before expenses).

The Issue Price of 165 pence per share represents a premium of approximately 1.23 per cent. to the closing mid-market price of 163 pence per share on 16 March 2021, being the latest practicable date prior to the date of the Fundraising announcement made on 17 March 2021.

Each of the Placing, the Subscription and the Offer is conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting that will grant to the Directors the authority to allot the New Ordinary Shares for cash on a non-pre-emptive basis. The Resolutions are contained in the Notice of General Meeting set out in Part V of this document. Admission of the New Ordinary Shares is expected to occur no later than 8.00 a.m. on 15 April 2021 or such later time and/or date as the Joint Brokers and the Company may agree. The Fundraising is not underwritten.

The purpose of this document is to provide you with details of and the background to and reasons for the Fundraising and to explain why the Directors believe that the Fundraising is in the best interests of the Company and its Shareholders as a whole.

The action that you should take to vote on the Resolutions, and the recommendation of the Board, are set out in paragraphs 8 and 11, respectively, of this letter.

2. Background to and reasons for the Fundraising

On 3 March 2021, the Company announced the key findings of its Concept Select Report in respect of its Greater Buchan Area (“GBA”) development project, which set out a three-phase development approach centred around a single integrated wellhead, production, utilities and quarters platform located at the Buchan field – the GBA hub. The development concept is based on P50 technically recoverable resource estimates of, in aggregate, 172 MMboe of light sweet crude and associated gas within the core GBA, which includes the Buchan oil field and J2 and Verbier oil discoveries.

JOG aims to deliver production from the planned GBA development project at an industry leading carbon intensity level due to platform electrification, as seen in certain fields in the Norwegian sector. Overall carbon emissions from the proposed GBA development with platform electrification are estimated by management at < 1kg/boe.

The project economic estimates by management for the core GBA development selecting platform electrification as the preferred low carbon power solution, are as follows:

- Pre-tax free cashflow of US\$6.4 billion with an NPV (pre-tax) of US\$1.7 billion;
- Payback period under 3 years; and
- Project internal rate of return greater than 25%.

The development costs (Capex and Opex) based on current day values are estimated by management to be approximately US\$30/boe:

- Capex estimate for Phase 1 of approximately £1 billion (including 20% contingency);
- Opex estimate during plateau production of US\$8/boe to US\$9/boe.

The GBA hub nameplate capacity has been set at 40,000 bopd, with expected plateau production of more than three years. There is significant upside potential from four drill ready exploration prospects within the GBA that have combined prospective resource estimates totalling an additional 219 MMboe:

- The close proximity of the GBA exploration prospects will enable their development, on discovery, as low cost subsea tie-backs to the planned GBA hub;
- A discovery in line with P50 estimates at any of the drill ready exploration prospects has the potential to extend plateau production significantly and materially increase project economics.

With the preferred development concept identified, as announced on 3 March 2021, JOG has recently formally launched its planned and previously announced farm-out process seeking to secure an industry partner for the GBA development project.

The Directors believe that, upon successful completion of the farm-out process, the market may value the Company at a premium relative to its current share price.

3. Estimated use of proceeds from the Fundraising

The net proceeds from the Fundraising, together with the Company's existing cash reserves, will be used to strengthen the Company's balance sheet ahead of anticipated commercial negotiations for the GBA development project during the farm-out process and to maintain momentum and ensure that time and funding pressures do not interfere in the efficient delivery of the overall project. Costs for the next stages of the GBA development project will include surveys, license fees, pre-FEED and FEED work and project management.

In summary, the net proceeds of the Fundraising will be utilised as follows:

- To maintain the momentum of the GBA development project's workstreams, namely:
 - To ensure that progress is maintained into the FEED phase until the farm-out process has been concluded, currently anticipated to occur during 2021;
 - To preserve the value of a 2025 start-up date, with marine surveys to support the Environmental Statement required for the Field Development Plan required to be initiated imminently; and
- The balance of the net Fundraising proceeds not required for specific operational expenses will be utilised to provide general working capital for the Group and strengthen the Company's balance sheet ahead of anticipated commercial farm-out negotiations, thereby providing more time and flexibility to seek to deliver the optimum result for Shareholders.

Further information on the GBA development project is available in the Company's recently published and announced corporate presentations, which can be found on the Company's website at: www.jerseyoilandgas.com.

4. Current trading

The Group does not currently generate any revenue from any producing assets and continues to maintain a strong control over its costs. Further details of the Group's results for the year to 31 December 2019 are set out in the Company's audited final results which were released on 6 May 2020 and details of trading in the six month period to 30 June 2020 are set out in the interim results which were released on 29 September 2020.

On 3 March 2021, the Company announced the key findings of the Concept Select phase of its flagship GBA development project and has recently launched a farm-out process seeking to secure an industry partner for the project. The Group continues to trade in line with the Directors' expectations.

5. Director participation

Certain of the Directors have agreed to subscribe for 36,361 New Ordinary Shares at the Issue Price. Such Directors may wish, following allotment of these New Ordinary Shares, to transfer them to their respective self-invested personal pensions.

<i>Name</i>	<i>Amount (£)</i>	<i>No. of New Ordinary Shares Subscribed for</i>	<i>No. of Ordinary Shares to be held immediately following Admission</i>	<i>Percentage of Enlarged Share Capital Immediately following Admission*</i>
Marcus Stanton	9,999	6,060	106,060	0.33%
Andrew Benitz	14,998.50	9,090	651,032	2.03%
Ronald Lansdell	24,999.15	15,151	1,028,741	3.20%
Vicary Gibbs	9,999	6,060	22,560	0.07%
Total:	59,995.65	36,361	1,808,393	5.63%

Note:

* – Assuming Admission of the Placing Shares, the Subscription Shares and the maximum number of Offer Shares and that (save for the Placing Shares, the Subscription Shares and the Offer Shares) no other Ordinary Shares are issued following the date of this document.

Participation by the abovementioned Directors (the “**Participating Directors**”) in the Subscription element of the Fundraising as stated above is considered to be a “related party transaction” pursuant to Rule 13 of the AIM Rules. Accordingly, Mr Moxon, being the sole independent director considers, having consulted with the Company’s Nominated Adviser, Strand Hanson, that the terms thereof are fair and reasonable insofar as Shareholders are concerned.

6. Details of the Placing, the Subscription and the Offer

The Company announced the Fundraising on 17 March 2021.

Pursuant to the Fundraising the Company has conditionally raised approximately £14.9 million (before expenses) through the proposed issue to certain existing and new institutional and other investors of, in aggregate, 9,054,548 Placing Shares at the Issue Price of 165 pence per share.

The Company has also conditionally raised £59,995.65 (before expenses) through the proposed issue to the Subscribers (comprising certain of the Directors) of, in aggregate, 36,361 Subscription Shares at the Issue Price of 165 pence per share.

The Board considers it important that Qualifying Participants have an opportunity to participate in the Fundraising on the same terms as investors in the Placing and the Subscription. Subject to certain conditions, the Company invites Qualifying Participants to subscribe for, in aggregate, up to 1,212,121 Offer Shares. The Directors may use their absolute discretion (with the agreement of the Joint Brokers) to scale back applications under the Offer as they see fit. For further information on the Offer, your attention is drawn to Part II of this document and the Application Form. **In order to apply for Offer Shares, Qualifying Participants should complete the Application Form in accordance with the instructions set out in Parts II and IV of this document and on the Application Form itself and return the Application Form together with the appropriate remittance, by post, to Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or by hand (during normal business hours only) using the enclosed business reply envelope to Equiniti Limited at that address together, in each case, with payment in full, so as to be received by not later than 10.00 a.m. on 12 April 2021.**

The Issue Price of 165 pence per share represents a premium of approximately 1.23 per cent. to the closing mid-market price of 163 pence per share on 16 March 2021, being the latest practicable date prior to the date of the Fundraising announcement made on 17 March 2021. The Fundraising is not underwritten by the Joint Brokers or any other person.

The Placing is conditional, amongst other things, on the following:

- the passing of the Resolutions at the General Meeting;
- the Placing Agreement not being terminated prior to Admission and otherwise becoming unconditional in all respects (save for Admission); and
- Placing Admission becoming effective on or before 8.00 a.m. on 15 April 2021 (or such later date and/or time as the Company and the Joint Brokers may agree, being no later than 8.00 a.m. on 29 April 2021).

The Placing is not conditional on either the Subscription or the Offer completing or on the Subscription Admission or the Offer Admission.

The Placing Agreement contains certain warranties and an indemnity from the Company in favour of each of the Joint Brokers. The Joint Brokers are entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Placing Admission and to the payment of outstanding expenses on such termination.

The Subscription is conditional, amongst other things, on the following:

- the passing of the Resolutions at the General Meeting;
- the Placing Agreement not being terminated prior to Admission and otherwise becoming unconditional in all respects (save for Admission); and
- Placing Admission and Subscription Admission becoming effective on or before 8.00 a.m. on 15 April 2021 (or such later date and/or time as the Company and the Joint Brokers may agree, being no later than 8.00 a.m. on 29 April 2021).

The Subscription is not conditional on the Offer completing or on the Offer Admission.

Pursuant to the Subscription Agreements, the Subscribers have agreed to subscribe for the Subscription Shares at the Issue Price. Each of the Subscription Agreements contains certain limited warranties from the Subscribers in favour of the Company.

The Offer is conditional, amongst other things, on the following:

- the passing of the Resolutions at the General Meeting; and
- Offer Admission becoming effective on or before 8.00 a.m. on 15 April 2021 (or such later date and/or time as the Company and the Joint Brokers may agree, being no later than 8.00 a.m. on 29 April 2021).

Offer Admission is not conditional on the Placing Admission or the Subscription Admission.

The New Ordinary Shares to be issued pursuant to the Fundraising will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission.

7. General Meeting

The General Meeting of the Company, notice of which is set out in Part V of this document, is to be held at 10.00 a.m. on 14 April 2021 at Ground Floor, 5 St Andrew's Place, St Helier, Jersey, Channel Islands JE2 3RP. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions which are summarised below:

1. Resolution 1 is proposed as an ordinary resolution, to authorise the Directors to allot the New Ordinary Shares pursuant to the Fundraising and, to be passed, more than half of the votes cast must be in favour of the resolution; and
2. Resolution 2 is proposed as a special resolution to authorise the Directors, under section 570(1) of the Act, to allot the New Ordinary Shares pursuant to the Fundraising for cash on a non-pre-emptive basis and, to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Save in respect of the allotment of the New Ordinary Shares, the Directors have no current intention to allot new Ordinary Shares, or rights to subscribe for or convert into Ordinary Shares, in the capital of the Company.

8. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use in relation to the General Meeting together with an Application Form.

To be valid, Forms of Proxy should be completed, signed and returned to the Company's Registrars, Equiniti Limited, in accordance with the instructions printed on it as soon as possible, but in any event so as to be received not later than 48 hours (excluding non-working days) before the time of the General Meeting, being 10.00 a.m. on 12 April 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

The Company continues to monitor the COVID-19 situation, including UK Government legislation and guidance, and will continue to do so in the lead up to the General Meeting. The health of our Shareholders, employees and stakeholders is extremely important to us. Given this, the Board has taken the decision that Shareholders, advisers and other guests will not be allowed to attend the General Meeting in person and anyone seeking to attend the General Meeting will be refused entry. The Company will arrange for the minimum quorum of two Shareholders necessary to conduct the business of the General Meeting to be present in person at the General Meeting and social distancing guidelines will be observed.

Shareholders are strongly encouraged therefore to appoint the chairman of the General Meeting as their proxy with directions as to how to cast their vote on the Resolutions proposed. If a Shareholder appoints someone else as their proxy, that proxy will not be able to attend the General Meeting in person or cast that Shareholder's vote.

Qualifying Participants wishing to participate in the Offer should carefully read the Application Form and accompanying instructions and send their completed Application Form along with the appropriate remittance to Equiniti Limited in accordance with the instructions set out in the Application Form as soon as possible and in any event so as to be received by not later than 10.00 a.m. on 12 April 2021.

9. Admission, settlement and CREST

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective at 8.00 a.m. on 15 April 2021 and that dealings in the New Ordinary Shares will commence at that time.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. The Existing Ordinary Shares are already admitted to CREST and therefore the New Ordinary Shares will also be eligible for settlement in CREST. CREST is a voluntary system and Placees who wish to retain certificates will be able to do so upon request. It is expected that the Placing Shares, Subscription Shares and Offer Shares due to uncertificated holders will be delivered in CREST on 15 April 2021.

10. Overseas Shareholders

The distribution of this document, the Form of Proxy and the Application Form to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions.

Accordingly, any persons into whose possession this document comes should inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company that would permit possession or distribution of this document in any jurisdiction where action for that purpose is required. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

11. Recommendation

The Directors believe that the passing of the Resolutions is in the best interests of the Company and Shareholders, taken as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions, as they will so do in respect of their holdings of Ordinary Shares in the Company, representing approximately 8.51 per cent., in aggregate, of the Existing Ordinary Shares.

Each element of the Fundraising (comprising the Placing, the Subscription and the Offer) is conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, neither the Placing nor the Subscription nor the Offer will proceed and the Company will not receive the net proceeds of the Fundraising.

Yours faithfully

Marcus Stanton

Non-Executive Chairman

for and on behalf of

Jersey Oil and Gas plc

PART II

FURTHER DETAILS OF THE OFFER

1. The Offer

The Offer comprises a conditional offer to Qualifying Participants of up to 1,212,121 Offer Shares with the aggregate consideration to be received by the Company limited to £2 million, the Offer Maximum. Qualifying Participants can apply for as many Offer Shares as they wish. However, the Directors reserve the right to exercise their absolute discretion, with the agreement of the Joint Brokers, in the allocation of successful applications, including, without limitation, to ensure that no Offer Shares are issued so as to exceed the Offer Maximum.

The Offer is only open to Qualifying Participants and, save as set out in the preceding paragraph, there is no maximum or minimum subscription per Applicant. No Qualifying Participant may subscribe for Offer Shares in excess of the Offer Maximum. Multiple applications may be submitted. Qualifying Participants who are joint Shareholders may only apply for Offer Shares as joint Applicants.

The Offer is conditional on, *inter alia*, the Placing not being terminated prior to Admission and Admission of the Offer Shares occurring on 15 April 2021 (or such later date, being not later than 8.00 a.m. on 29 April 2021, as the Company and the Joint Brokers may decide). If Admission of the Offer Shares has not occurred by such time and date, applications are expected to be returned without interest by crossed cheque in favour of the Applicant(s) (at the Applicant's risk) through the post or payment will be returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, as soon as reasonably practicable. Any interest earned on the application monies will be retained for the benefit of the Company. The Offer will close at 10.00 a.m. on 12 April 2021 unless previously closed or extended. The Offer is not being underwritten. This document and the Application Form set out, in detail, how Qualifying Participants may participate under the Offer.

Applications must be made on the terms and conditions set out in Part IV of this document and in the Application Form and by duly completing and returning the Application Form and appropriate remittance.

The Offer Shares will be allotted and issued fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. Admission of the Offer Shares to trading on AIM is expected to occur at 8.00 a.m. on 15 April 2021 with CREST accounts to be credited on 15 April 2021 and share certificates to be issued by 22 April 2021.

The limited size of the Offer means that it falls within an exemption in section 86 of FSMA. In addition, since the Placing is with UK subscribers and directed at qualified investors only, the Placing falls within an exemption in Section 86 of FSMA. As such this document does not constitute a prospectus.

Furthermore, this document is exempt from the general restriction contained in section 21 of FSMA relating to the communication of invitations or inducements to engage in investment activity on the grounds that it is being made available by the Company only to Qualifying Participants. Accordingly, the Offer is only capable of being accepted by Qualifying Participants. As this document relies on the exemption set out in paragraph 43 of the Financial Promotion Order (non-real time communications by or on behalf of a body corporate to members of that body corporate) and paragraph 60 of the Financial Promotion Order (participation in employee share schemes), it has not been drawn up in accordance with the FCA's Handbook or its Conduct of Business Sourcebook.

PART III

RISK FACTORS

Shareholders should be aware that an investment in the Company is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below, which are not presented in any order of priority and may not be exhaustive.

The following risk factors are all those known by the Directors which are considered to be material in their opinion. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group's business, financial condition and results of operations.

An investment in the Company may not be suitable for all recipients of this document. Qualifying Participants are advised to consult an independent financial adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

It should be noted that the Company is relying on an exemption from issuing a prospectus in section 86 of the FSMA (as amended) resulting in this document not being considered to be a prospectus. Consequently, this document does not include all information that an investor would receive if it were a prospectus.

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

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

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

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

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

material adverse effect on its business, results of operations and financial condition, as well as its ability to service any future indebtedness.

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

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

Early stage of operations

The Group's operations are at an early stage of development and future success will depend on the Directors' ability to successfully manage and exploit the Group's current asset portfolio and to take advantage of further opportunities which may arise. There can be no guarantee that the Group can or will be able to, or that it will be commercially advantageous for the Group to, develop the blocks in the UKCS in which the Group currently holds an interest.

Further, the Group currently has no assets producing positive cash flow and its ultimate success will depend on the Directors' ability to implement their strategy for the Group, farm-out a share of its GBA licence interests and generate cash flow from economically viable projects and access equity markets. Whilst the Directors are optimistic about the Group's prospects, there is no certainty that sustainable revenue streams and sustainable profitability will be achieved. The Group will not generate any material income until production has successfully commenced or producing assets have been acquired and in the meantime the Group will continue to expend its cash reserves and may, in due course, need to raise debt or additional equity capital.

The Group's estimates of future cash operating costs are based on operating history and related field information. The Group has used this operating history, in the case of the Buchan field, together with recent analysis as the basis for estimates of future production and future cash operating costs. For early stage projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data and feasibility studies which derive estimates of cash operating costs based upon anticipated recoveries, expected recovery rates, comparable facility and equipment operating costs, anticipated environmental and climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns may differ materially from those estimated.

General development and production risks

There can be no guarantee that the hydrocarbons currently discovered will be developed into profitable production, or that additional hydrocarbons will be discovered in commercial quantities or developed to profitable production. The business of exploration for, and development and exploitation of, hydrocarbon deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Hydrocarbon deposits assessed by the Group may not ultimately contain economically recoverable volumes of resources and, even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

As is common with many developments, there is uncertainty and therefore risk associated with the Group's operating parameters and costs which can be difficult to predict and are often affected by factors outside of the Group's control. Few exploration assets are ultimately developed into producing assets. There can be no guarantee that any estimates of quantities of hydrocarbons discovered by the Group will be available to exploit or extract. If reserves are developed, it can take significant expenditure and a number of years from the initial phases of drilling and identification of hydrocarbons until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish hydrocarbon reserves through

drilling and, in the case of new properties, to construct processing facilities and other relevant infrastructure. With many natural resources operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

Hydrocarbon resource and reserve estimates

No assurance can be given that hydrocarbon resources and reserves reported by the Group in the future are present as estimated, will be recovered at the rates estimated or that they can be brought into profitable production. Hydrocarbon resource and reserve estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of oil and gas. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources.

There are uncertainties inherent in estimating the quantity of resources and reserves and in projecting future rates of production, including factors beyond the Group's control. Estimating the amount of hydrocarbon resources and reserves is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates.

The hydrocarbon resources data contained in this document are estimates only and should not be construed as representing exact quantities. The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Therefore, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. Any reserves estimates contained in this document are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by the Group (which it may not necessarily have produced). The estimates may prove to be incorrect and potential investors should not place reliance on the forward-looking statements contained in this document.

Hydrocarbon resources and reserves estimates are expressions of judgement based on knowledge, experience and industry practice. They are therefore imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate. Accordingly, two different independent parties may not necessarily arrive at the same conclusions. The views of the Directors as set out in this document could ultimately prove to be incorrect. Estimates that were reasonable when made may change significantly when new information from additional analysis and drilling becomes available.

This may result in alterations to development and production plans which may, in turn, adversely affect operations.

If the assumptions upon which the estimates of the Group's hydrocarbon resources have been based prove to be incorrect, the Group (or the operator of an asset in which the Group has an interest) may be unable to recover and produce the estimated levels or quality of hydrocarbons set out in this document and the Group's business, prospects, financial condition or results of operations could be materially and adversely affected.

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

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

The Group's development projects require substantial capital expenditures

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

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

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

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

The Group's anticipated future offshore operations are subject to all the risks common in its industry, including, *inter alia*, encountering unexpected rock formations or pressures, seismic events, blowouts, pollution, explosions, fires and equipment damage or failure. The Group's future facilities are also subject to the hazards inherent in marine operations, such as, *inter alia*, capsizing, sinking, grounding and damage from severe weather conditions. If any of these events were to occur, they could, among other adverse effects, result in environmental damage, injury to persons, loss of life, a failure to produce oil and/or gas in commercial quantities, delays, shut-down of operations or other damage. Although precautions to minimise risk are taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. In addition, not all of these risks are insurable. Even if the financial impact is mitigated by appropriate insurance, these events can also put at risk some or all of the Group's licences and could result in the Group incurring significant civil liability, fines or criminal sanctions. In the Group's capacity as licensee and operator, it is subject to liability provisions under health, safety and environmental ("HSE") regulations which may result in suspension and revocation of licences, civil liability for pollution damage and the imposition of fines and penalties which may be material.

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

The Group's anticipated hydrocarbon development and production activities may be restricted, delayed or terminated due to a number of internal or external factors, including failure of hydrocarbon wells, production facility malfunctions, third party operational interference, transport facility malfunctions, administrative delays (particularly in the approval of development projects by public authorities), shortages or delays in the availability of drilling and/or production rigs and delivery of equipment and materials, pressure or irregularities in geological formations, equipment failures or accidents or adverse weather conditions or malicious actions. These factors may have a material adverse effect on the Group's cash flow as well as on its business, prospects, financial

condition or results of operations and consequently affect the Group's ability to service its debts and fulfil its obligations.

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

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

The market in which the Group operates is highly competitive

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

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

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

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

The Group holds a relatively small number of oil and gas licences, all of which are located in the Central North Sea. If mechanical or technical problems, storms, shutdowns or other events affect future production from fields in this area, it could have a direct and significant impact on a substantial portion of the Group's future production. If the actual reserves associated with any one of the Group's fields are less than anticipated, this may result in material adverse effects to the Group's business, results of operations, financial condition and/or prospects.

Risk relating to future transportation of hydrocarbons

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

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

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

Risk of liability from contractors' operations

The Group carries out the majority of its activities through the use of contractors. Contractors and other service providers may cause third party liability or other losses for the Group. The Group may be subject to liability claims due to the inherently hazardous nature of its business or for acts and

omissions of contractors and other service providers. The Group may also be liable to governmental authorities or other third parties for the operations of its contractors. Any indemnities the Group may receive from its contractors may be inadequate and/or difficult to enforce, which could have a material adverse effect on the Group's financial condition, business, prospects and results.

The Group will have guarantee obligations

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

Political and regulatory risks

The Group faces varying degrees of political and governmental risk including the risk of changes in government policy, regulation, and fiscal terms, the risk of changes in conditions under which exploration licences are awarded, including related work commitments, the risks of required government approvals or permits being delayed or withheld or cancelled. If any of the above risks were to materialise, it could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

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

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

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

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

credit, which may leave the Group having to provide cash as security or potentially being unable to meet its security obligations under the decommissioning arrangements. Decommissioning obligations for previously owned assets should be met by the owners of those assets at the time of decommissioning, but if those owners are unable to pay for that decommissioning the liability may have to be met by other former owners, including the Group.

The Group is subject to production risks

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

The Group is subject to infrastructure risks

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

The Group is subject to risks related to the evacuation of oil and gas

The Group's business plan depends in part on its ability to deliver its future production to on-shore processing facilities via, as yet non-negotiated pipeline usage agreements for access to and the use of a subsea transportation pipeline(s). Failure to negotiate commercially viable agreements and subsequently prolonged shutdown or failure of the pipeline(s) could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

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

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

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

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

The Group cannot completely protect itself against title disputes

Although the Group believes that it has good title to its oil and gas properties, it cannot control or completely protect itself against the risk of title disputes or challenges. The Group holds rights to explore its various oil and gas properties, but no assurance can be given that governmental

authorities will not revoke, or significantly alter the conditions of, the applicable exploration and development authorisations, licences, permits, approvals and consents or that such exploration and development authorisations, licences, permits, approvals and consents will not be challenged or impugned by third parties.

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

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

The Group may be subject to risks relating to its acquisitions

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

The Group is dependent on its reputation

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

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

The government of the United Kingdom exercises significant influence over its oil and gas industry. Any government action concerning the oil and gas industry, such as a change in oil or gas pricing policy (including royalties), exploration and development policy, or taxation rules or practice, or renegotiation or nullification of existing concession contracts could have a material effect on the Group. Furthermore, there can be no assurance that applicable governments will not postpone or review projects or will not make any changes to laws, rules, regulations or policies, in each case, which could materially and adversely affect the Group's financial position, results of operations or prospects.

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

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

Risk related to attracting and retaining executive management and other personnel

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

Risk of insufficient insurance coverage

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

The Group faces risks relating to the continued membership of Scotland in the UK

A referendum was held in Scotland on 18 September 2014 on Scottish independence, the result of which was a vote for Scotland not to become an independent country. The Group faces risks associated with both the potential for an as yet un-approved referendum, for Scotland to vote in favour of independence and then become an independent nation state and of the consequences of such independence. For example, the regulatory and tax regimes applicable to the Group's operations may change in ways that cannot be predicted. This could increase operating costs as well as restrict the movement of capital and mobility of personnel for the Group and have a material effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to cyber risks

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

Labour issues

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

COVID-19 Pandemic

To date, the Group has not been materially adversely affected by the COVID-19 pandemic. However, the ongoing nature and uncertainty of the pandemic in many countries including the measures and restrictions put in place (travel bans and quarantining in particular) continue to have

the ability to impact the Group's business continuity, workforce, supply-chain, business development and, consequently, future revenues.

In addition, any infections occurring on the Group's premises could result in the Group's operations being suspended, which may have an adverse impact on the Group's operations as well as adverse implications on the Group's future cash flows, profitability and financial condition. Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Group's operations, financial position and prospects.

Risks related to the Group's financial position and liquidity

The Group is exposed to credit risk

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

Risk relating to obtaining further financing

If additional financing is not available when required, or is only available on unattractive commercial terms, the Group may not be able to undertake or complete future activities, including appraisal, development or production programmes. In addition, neither the shareholders of the Company nor any other entity are under any obligation to provide additional equity or debt to the Company.

The Group may be exposed to liquidity risks

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

The Group may be exposed to interest rate risks

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

Risk related to exchange rates

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

Risks relating to the Fundraising

Conditional nature of the Fundraising and Fundraising not underwritten

The Fundraising is conditional and there is no guarantee that the conditions of any element of the Fundraising will be satisfied. The Fundraising is not underwritten. If any element of the Fundraising does not proceed then the Company will not receive the proceeds in respect of that element of the Fundraising.

Investment in AIM securities

An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

AIM Rules

The AIM Rules are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Shareholders and

prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Dilution of ownership of Ordinary Shares

Shareholders' proportionate ownership and voting interest in the Company may be reduced pursuant to the Fundraising. Subject to certain exceptions, Shareholders in the United States of America and other Restricted Jurisdictions will not be able to participate in the Offer.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

The following factors, in addition to the other risks described in this document, may have a significant effect on the market price of the Ordinary Shares:

- variations in operating results;
- actual or anticipated changes in the estimates of operating results or changes in stock market analyst recommendations regarding the Ordinary Shares, other comparable companies or the industry generally;
- macro-economic conditions in the countries in which the Group may do business;
- foreign currency exchange fluctuations and the denominations in which the Group may conduct business and holds cash reserves;
- market conditions in the industry, the industries of customers and the economy as a whole;
- actual or expected changes in the Group's growth rates or competitors' growth rates;
- changes in the market valuation of similar companies;
- trading volume in the Ordinary Shares;
- sales of Ordinary Shares by the Directors or other Shareholders; and
- adoption or modification of regulations, policies, procedures or programmes applicable to the Group's business.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

Future capital raisings may not be successful

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume in the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Group or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage on the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Group obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about

the Group's business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

Future payment of dividends

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and Shareholders and will depend upon, *inter alia*, the Company's earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

Valuation of shares

The Issue Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Market perception

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

Suitability

A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA (or, if outside the UK, another appropriate regulatory body) before making their decision.

PART IV

TERMS AND CONDITIONS OF THE OFFER

- (a) The contract created by the acceptance by the Company (at the absolute discretion of the Directors with the agreement of the Joint Brokers) of applications from Qualifying Participants under the Offer is conditional upon, *inter alia*, Admission of the Offer Shares occurring on 15 April 2021 (or such later date, being not later than 8.00 a.m. on 29 April 2021, as the Company and the Joint Brokers may decide).
- (b) The right is reserved by the Company to present all cheques and bankers' drafts for payment on receipt (on which no interest will be payable) from the Applicant and to retain surplus application monies pending clearance of successful Applicants' cheques. The Company also reserves the right to reject, in whole or in part, any application. If any application is not accepted in full, or if any contract created by acceptance does not become unconditional, the application monies or as the case may be the balance thereof, will be returned (at the sole risk of the person entitled thereto) by crossed cheque in favour of the Applicant through the post or payment will be returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn (on which no interest will be payable), within 14 days of the closing of the Offer.
- (c) By completing and delivering an Application Form each Qualifying Participant who applies for Offer Shares:
- i. offers to subscribe for the amount of Offer Shares specified in such Applicant's Application Form (or such lesser amount for which such Applicant's application is accepted) on the terms of, and subject to, this document, including (without limitation) these terms and conditions, the Articles and the terms and conditions set out in the Application Form;
 - ii. represents and agrees that such Applicant's application shall not be revoked and this paragraph shall constitute a collateral contract between such Applicant and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Registrars of such Applicant's Application Form;
 - iii. represents and warrants that such Applicant's remittance will be honoured on first presentation and agrees that, if it is not so honoured, such Applicant will not be entitled to receive a share certificate for the Offer Shares applied for unless and until such Applicant makes payment in cleared funds for such Offer Shares and such payment is accepted by the Company in its absolute discretion with the agreement of the Joint Brokers (which acceptance will be on the basis that such Applicant indemnifies the Company and the Joint Brokers against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of such Applicant's remittance to be honoured on first presentation) and such Applicant agrees that, at any time prior to the unconditional acceptance(s) by the Company, the Company may (without prejudice to any other rights(s)) avoid the agreement to issue such Offer Shares and may issue such Offer Shares to some other person, in which case such Applicant will not be entitled to any payment in respect of such Offer Shares;
 - iv. agrees that, in respect of those Offer Shares for which such Applicant's application has been received and is not rejected, acceptance of such Applicant's application shall be constituted, at the election of the Company by notification of acceptance thereof to the Registrars;
 - v. agrees that Offer Shares will be credited to CREST accounts or issued in certificated form only when the remittance has been received in cleared funds;
 - vi. agrees that any monies returnable to such Applicant may be retained by the Registrars pending clearance of such Applicant's remittance and the completion of any verification of identity required by the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and/or any amendment, modification, and/or re-enactment of the same (the "**Regulations**") and that such monies will not bear interest;

- vii. authorises the Registrars to send a share certificate in respect of the number of Offer Shares for which such Applicant's application is accepted and/or to send a crossed cheque for any monies returnable, at the sole risk of the person entitled thereto, by post to the address of the person named as the Applicant in the Application Form or payment will be returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn;
 - viii. represents and warrants that, if such Applicant signs an Application Form on behalf of somebody else, such Applicant has due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, representations, warranties and undertakings contained herein and such Applicant further undertakes to enclose such Applicant's power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
 - ix. agrees that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that such Applicant submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
 - x. confirms that, in making such application, such Applicant is not relying on any information, representation and/or warranty in relation to the Company other than the information contained in this document and, accordingly, such Applicant agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information, representation and/or warranty;
 - xi. agrees that, having had the opportunity to read this document, such Applicant shall be deemed to have had notice of all information concerning the Company contained herein including, without limitation, the Risk Factors set out in Part III of this document;
 - xii. in the case of any Qualifying Participant who is a joint Shareholder, agrees that such joint Shareholder Applicants may only apply for Offer Shares as joint Applicants;
 - xiii. confirms, represents and warrants that such Applicant has read and complied with paragraph (f) below;
 - xiv. represents and warrants that such Applicant is not a person who, by virtue of being resident in, or a citizen of, any country outside the United Kingdom, is prevented by the law of any relevant jurisdiction from lawfully applying for Offer Shares;
 - xv. represents and warrants that such Applicant is a Qualifying Participant;
 - xvi. confirms, represents and warrants that such Applicant has read the restrictions contained in paragraph (g) below and represents and warrants as provided therein;
 - xvii. represents and warrants that such Applicant is not under the age of 18;
 - xviii. represents and warrants that such Applicant is a person of the kind described in Article 43 or Article 60 of the Financial Promotion Order, being a Shareholder or employee of the Group at the Record Date; and
 - xix. agrees that all documents and cheques sent by post, by or on behalf of the Company or the Registrars, will be sent at the risk of the person(s) entitled thereto.
- (d) Except as provided below, all payments must be in pounds sterling and made by cheque or banker's draft made payable to "Equiniti Limited re: Jersey Oil and Gas plc Offer for Subscription" and crossed "A/C Payee Only". Cheques should be drawn on the personal account to which the Applicant has sole or joint title to such funds. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right hand corner

and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt.

The Company reserves the right to instruct the Registrars to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances of applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender.

If cheques or banker's drafts are presented for payment before all of the conditions of the Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account.

Payments by electronic transfer

For Applicants who wish to pay by electronic transfer, payments must be made by CHAPS or SWIFT in Sterling. Payments must be made for value by 10.00 a.m. on 12 April 2021. Please contact the Registrars by email at offer@equiniti.com for full bank details. The Registrar will then provide the Applicant with a unique reference number which must be quoted by the Applicant's bank when sending payment. The reference number must also be inserted in Section 7(b) of the Application Form. By clearly writing the reference number on the Application Form, this will enable the Registrars to link the payments. For any payments made by electronic transfer, a copy of the bank statement showing the transaction will be required by the Registrars. Bank statements must show the same name as the Applicant and Offer Shares will not be credited until such documentation is received.

If the Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the Applicant's sole risk), without payment of interest either as a cheque by first class post to the address completed in Box 1 on the Application Form, or to the agent whose name is completed in Box 1 on the Application Form, or directly to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, as soon as reasonably practicable following the lapse of the Offer.

(e) CREST settlement

Applicants choosing to settle via CREST will need to provide the information requested within the Application Form. Applicants will need to input the delivery versus payment method (DvP) instructions into the CREST system in accordance with their Application Form. The input returned by the Registrars of a matching or acceptance instruction to the Applicant's CREST input will then allow the delivery of their Offer Shares to their CREST account against payment of the Issue Price per Offer Share through the CREST system. The Registrars will contact the Applicant via email to confirm their allocation and provide them with the relevant details which they will need to input by no later than 3.00 p.m. on 14 April 2021.

If an Applicant chooses to settle their application within CREST, that is by DvP, they or their settlement agent/custodian's CREST account must allow for the delivery and acceptance of Offer Shares to be made against payment of the Issue Price per Offer Share using the CREST matching criteria set out in the Application Form. Applicants choosing to settle via CREST, must also ensure that they or their settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to their own daily trading and settlement requirements. In the event of: (i) late/non settlement; (ii) no CREST account details being entered on the Application Form; or (iii) if the CREST account details entered on the Application Form are incorrect, the Company reserves the right to deliver the Offer Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer have been satisfied.

- (f) To ensure compliance with the Regulations, the Registrars may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”).

The Registrars may therefore undertake electronic searches for the purposes of verifying identity. To do so, the Registrars may verify the details against the Applicant’s identity, but also may request further proof of identity. The Registrars reserve the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to the Registrars’ satisfaction.

If the Registrars determine that the verification of identity requirements apply to any application, the relevant Offer Shares (notwithstanding any other term of the Offer) will not be issued to the relevant Applicant unless and until the verification of identity requirements have been satisfied in respect of that Applicant or application. The Registrars are entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any application and whether such requirements have been satisfied, and neither the Registrars nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates. If, within a reasonable time following a request for verification of identity, the Registrars have not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Offer will be returned (at the Applicant’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

The verification of identity requirements will not usually apply:

- if the Applicant is an organisation required to comply with Regulations and/or the EU Money Laundering Directive(s) including without limitation the European Union Fourth Anti-Money Laundering Directive on, *inter alia*, the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; and
- if the Applicant (not being an Applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the Applicant’s name; or
- if the aggregate subscription price for the Offer Shares is less than €15,000.

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- i. if payment is made by cheque or banker’s draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to “Equiniti Limited re: Jersey Oil and Gas plc Offer for Subscription” in respect of an application by a Qualifying Participant and crossed “A/C Payee Only”. Third party cheques may not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker’s draft to such effect. However, third party cheques will be subject to the Regulations which would delay Applicants receiving their Offer Shares. The account name should be the same as that shown on the Application Form; or
- ii. if the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of €15,000 or more and is/are lodged by hand by the Applicant in person, or if the Application Form(s) in respect of Offer Shares is/are lodged by hand by the Applicant and the accompanying payment is a banker’s draft or building society cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of identity of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case, the Registrars have not received evidence satisfactory to it as aforesaid, the Registrars may, at their absolute discretion, as agent of the Company,

reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid); or

- iii. if the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of £50,000 or more the Registrars require certified copy verification of identity comprising photographic ID such as passport or driving licence and certified copy proof of address such as a utility bill or bank statement (not less than three months old). Certification can be by a bank, a solicitor or other professional person; and
 - iv. if none of the above documents show the Applicant's date and place of birth, the Applicant should provide a note of such information.
- (g) No person receiving a copy of this document and/or any Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including (without limitation) obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- (h) The Offer Shares have not been and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States of America or any other United States of America regulatory authority, nor have any of the foregoing authorised, passed upon or endorsed the merit of the Offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States of America. The Offer Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction in the United States of America, neither do they qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan.

Persons subscribing for Offer Shares shall be deemed and shall be required to represent and warrant to the Company that they are not a person in the United States of America, Canada, Australia, the Republic of South Africa and/or Japan and that they are not subscribing for such Offer Shares for the account of any such person and will not offer, sell, renounce, take up, transfer or deliver, directly or indirectly, such Offer Shares in the United States of America or to any such person or into Canada, Australia, the Republic of South Africa and/or Japan.

- (i) Applicants are encouraged to submit their Application Forms early. In the event that applications are received for an amount, in aggregate, in excess of £2 million, the Directors reserve the right to exercise their absolute discretion, with the agreement of the Joint Brokers, in the allocation of successful applications. The right is also reserved to reject in whole or in part any application or any part thereof for any reason whatsoever, including (without limitation) a breach of any of the terms, conditions, representations and/or warranties set out in this document and/or the Application Form and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form.
- (j) Save where the context otherwise requires, words and expressions defined in this document have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

PART V

NOTICE OF GENERAL MEETING

JERSEY OIL AND GAS PLC

(Incorporated and registered in England and Wales with company number 07503957)

NOTICE IS HEREBY GIVEN that a General Meeting of Jersey Oil and Gas plc (the “**Company**”) will be held at Ground Floor, 5 St Andrew’s Place, St Helier, Jersey, Channel Islands JE2 3RP at 10.00 a.m. on 14 April 2021 for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. THAT, in addition to all existing authorities granted pursuant to section 551 of the Companies Act 2006 (the “**Act**”), the Directors be and are hereby generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any securities into, shares in the Company up to a nominal amount of £103,030.30 in connection with the Fundraising (as such term is defined in the circular to shareholders issued by the Company dated 29 March 2021, containing this Notice of General Meeting (the “**Circular**”)) provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2021 or on 30 June 2021, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted, or rights to be granted, after such expiry and the Directors may allot shares or grant rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

2. THAT, in addition to all existing authorities granted pursuant to section 570(1) of the Act, the Directors be and are hereby generally and unconditionally empowered pursuant to section 570(1) of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by resolution 1, as if section 561(1) of the Act did not apply to such allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities for cash up to a maximum nominal amount of £103,030.30 in connection with the Fundraising (as such term is defined in the Circular) and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2021 or on 30 June 2021, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted, or rights to be granted, after such expiry and the Directors may allot shares or grant rights in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Dated: 29 March 2021

MSP Secretaries Limited
Company Secretary

Registered office of the Company:

10 The Triangle
NG2 Business Park
Nottingham
NG2 1AE

Notes:

1. **The Company continues to monitor the COVID-19 situation, including UK Government legislation and guidance, and will continue to do so in the lead up to the General Meeting. The health of our Shareholders, employees and stakeholders is extremely important to us. Given this, the Board has taken the decision that Shareholders, advisers and other guests will not be allowed to attend the General Meeting in person and anyone seeking to attend the General Meeting will be refused entry. The Company will arrange for the minimum quorum of two Shareholders necessary to conduct the business of the General Meeting to be present in person at the General Meeting and social distancing guidelines will be observed.**
2. A member entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the General Meeting. A proxy need not be a member of the Company, but, **given the restrictions on attendance detailed above, Shareholders are strongly encouraged to appoint the chairman of the General Meeting as their proxy.** Appointment of any person other than the chairman of the General Meeting may result in your votes not being cast. **References in these notes to "attend" should be construed in light of the COVID-19 restrictions, as summarised above, which will restrict physical attendance at the General Meeting. Shareholders and other named proxies will not be permitted to attend the General Meeting.** If a member appoints more than one proxy in relation to the General Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.
3. A member which is a corporation is entitled to appoint one or more corporate representatives to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member. If a member which is a corporation appoints more than one corporate representative in relation to the General Meeting, each representative must exercise the rights attached to a different share or shares held by that member. However, in line with the COVID-19 restrictions all Shareholders should appoint the chairman of the General Meeting as their proxy so that their votes are counted at the General Meeting. In the case of a member which is a corporation, the proxy form must be executed under the corporation's common seal or signed on its behalf by a duly authorised officer of the corporation or an attorney for the corporation.
4. A Form of Proxy is enclosed. To be valid, the Form of Proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and delivered to the Company's Registrars, Equiniti Limited either in hard copy at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or in electronic form by email to proxyvotes@equiniti.com, so as to arrive not less than 48 hours (excluding non-working days) before the time for holding the General Meeting (or any adjourned meeting). As the government restrictions relating to the COVID-19 pandemic mean that a closed General Meeting will be held, with no external parties being admitted, you are strongly advised to appoint the chairman of the General Meeting as your proxy to ensure that your vote is counted.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered in the Company's register of members at 6.30 p.m. on 12 April 2021 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their names at that time. Changes in the Company's register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the General Meeting. If the General Meeting is adjourned, only those members entered in the Company's register of members 48 hours (excluding non-working days) before the time and date of the adjourned meeting shall be entitled to attend and vote at the adjourned meeting. However as explained above, in line with the COVID-19 restrictions, in person attendance by Shareholders at the General Meeting will not be possible.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's Registrars, Equiniti Limited (CREST Participant ID: RA19), no later than 48 hours (excluding non-working days) before the time appointed for the General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.
11. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its Registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's Registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.
12. As at 25 March 2021 (being the last practicable date prior to the publication of this notice), the Company's issued share capital consisted of 21,829,227 Ordinary Shares, carrying one vote per share. Therefore, the total voting rights in the Company as at 25 March 2021 (being the latest practicable date prior to the posting of this document) were 21,829,227.

