

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please send this Document, together with its accompanying documents, 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. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form. However, the distribution of this Document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, New Zealand, Japan, the Republic of South Africa or the Republic of Ireland, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation.

The total consideration under the Open Offer shall be less than €5 million (or an equivalent amount) in aggregate. Therefore, in accordance with Section 85 and Schedule 11A of FSMA, this Document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body.

The Existing Ordinary Shares are currently admitted to trading on the AIM market of the London Stock Exchange ("AIM"). Application will be made for the New Ordinary Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. **This Document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this Document. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List. The New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made.** It is anticipated that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 12 May 2017. The New Ordinary Shares will, on their respective admission, rank pari passu in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company by reference to a record date falling after Admission.

Empyrean Energy Plc

(Incorporated and registered in England and Wales under number 05387837)

Open Offer of up to 77,458,463 new Ordinary Shares at a price of 3.5 pence per share

This Document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this Document and, in particular, to the Risk Factors in Part II of this Document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 10 May 2017. The procedure for application is set out in Part III of this Document and the Application Form.

Qualifying Non-CREST Shareholders will find an Application Form accompanying this Document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 25 April 2017. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked 'ex-entitlement' by the London Stock Exchange. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this Document and the Open Offer.

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

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares and/or the Open Offer Entitlements to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, New Zealand, Japan, the Republic of South Africa or the Republic of Ireland or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares and/or Open Offer Entitlements may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, New Zealand, Japan, the Republic of South Africa or the Republic of Ireland or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The New Ordinary Shares, the Open Offer Entitlements has not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, New Zealand, Japan or the Republic of Ireland and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, New Zealand, Japan, the Republic of South Africa or the Republic of Ireland or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, New Zealand, Japan or the Republic of Ireland or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

A copy of this Document will also be available from the Company's website, www.empreanenergy.com.

No person has been authorised to make any representations on behalf of the Company concerning the Open Offer which are inconsistent with the statements contained in this Document and any such representations, if made, may not be relied upon as having been authorised. No person should construe the contents of this Document as legal, tax or financial advice and recipients of this Document should consult their own advisers as to the matters described in this Document.

FORWARD LOOKING STATEMENTS

This Document contains statements about the Company that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, inter alia, the risk factors described in Part III of this Document. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of the Company. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules and/or applicable law), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors of the Company at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

CONTENTS

Expected Timetable of Principal Events	<i>Page</i>
	1
Open Offer Statistics	2
Definitions	3
PART I	
Letter from the Chairman of Empyrean Energy Plc	8
PART II	
Risk Factors	12
PART III	
Terms and Conditions of the Open Offer	18

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2017
Record Date and time for entitlements under the Open Offer	5.00 p.m. on 20 April
Announcement of the Open Offer	24 April
Posting of this Document, and to Qualifying Non-CREST Shareholders only, the Application Form	24 April
Existing Ordinary Shares marked 'ex' by London Stock Exchange	8.00 a.m. on 24 April
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	as soon as practicable on 25 April
Recommended latest time for requesting withdrawal of CREST Open Offer Entitlements from CREST	4.30 p.m. on 3 May
Recommended latest time for depositing CREST Open Offer Entitlements into CREST	3.00 p.m. on 4 May
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 5 May
Latest time and date for acceptance of the Open Offer, receipt of completed Application Forms from Qualifying Shareholders and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 10 May
Results of the Open Offer announced through an RIS	11 May
Admission and commencement of dealings in the New Ordinary Shares	12 May
New Ordinary Shares credited to CREST stock accounts	12 May
Despatch of definitive share certificates for New Ordinary Shares held in certificated form	19 May

Notes:

- (1) References to times in this Document are to London time, England (unless otherwise stated).
- (2) The timing of the events in the above timetable and in the rest of this Document is indicative only and may be subject to change.
- (3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through an RIS.
- (4) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries or questions relating to this Document, the completion and return of the Application Form, or the procedure for acceptance and payment, or wish to request another Application Form, they should contact Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The shareholder helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

OPEN OFFER STATISTICS

Closing Price per Existing Ordinary Share ⁽¹⁾	3.75 pence
Issue Price of each New Ordinary Share	3.5 pence
Number of Existing Ordinary Shares in issue ⁽²⁾	309,833,853
Maximum number of Open Offer Shares available pursuant to the Open Offer ⁽³⁾	77,458,463
Maximum proceeds of the Open Offer (before expenses)	£2,711,046
Enlarged Share Capital on Admission following the Open Offer ⁽⁴⁾	387,292,316
Open Offer Shares as a percentage of the Enlarged Share Capital ⁽⁴⁾	19.99 per cent.
Market capitalisation of the Company immediately following the Open Offer at the Issue Price ^{(1) (4)}	£13,555,231
SEDOL code	B09G235
ISIN code for CREST Open Offer Entitlements	GB00BDHYSS99
ISIN code for Excess CREST Open Offer Entitlements	GB00BDHYST07

Notes:

- (1) Closing Price on AIM on 21 April 2017, being the last Business Day prior to the publication of this Document.
- (2) As at 21 April 2017, being the last Business Day prior to the publication of this Document.
- (3) The actual number of Open Offer Shares to be issued under the Open Offer will be subject to rounding down to eliminate fractions.
- (4) Assuming the Open Offer is fully subscribed and for the purpose of this calculation it is assumed that no further Ordinary Shares will be issued as a result of the exercise of any options or warrants between the date of this Document and Admission.

DEFINITIONS

“Act”	the Companies Act 2006 (as amended)
“Acquisition”	the acquisition by the Company of up to a 20 per cent. shareholding in West Natuna Exploration Ltd
“Admission”	the admission of the New Ordinary Shares to trading on AIM 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' published by the London Stock Exchange (as amended from time to time) governing the admission to and the operation of AIM
“Application Form”	the application form accompanying this Document on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares in respect of the Open Offer
“Articles”	the articles of association of the Company (as in force from time to time)
“Australia”	the Commonwealth of Australia, its states, territories or possessions
“Bcf”	Billions of cubic feet
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-divisions thereof
“Capita Asset Services”	a trading name of Capita Registrars Limited
“certificated form”	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST)
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange
“Company” or “Empyrean”	Empyrean Energy Plc (incorporated in England and Wales with registered number 05387837)
“Conrad”	Conrad Petroleum Pte Ltd
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended)
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)

“CREST member account ID”	the identification code or number attached to a member account in CREST
“CREST Open Offer Entitlements”	the entitlement of a Qualifying CREST Shareholder, pursuant to the Open Offer, to apply to acquire Open Offer Shares pursuant to the Open Offer
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST regulations)
“CREST participant ID”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Directors” or “Board”	the directors of the Company as at the date of this Document
“Document”	this document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“Duyung PSC”	Duyung Production Sharing Contract
“Enlarged Share Capital”	the issued ordinary share capital of the Company as enlarged following the issue of the Open Offer Shares assuming full subscription of the Open Offer Shares
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, their entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on them taking up their Open Offer Entitlement in full
“Excess Open Offer Shares”	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility in addition to their Open Offer Entitlements
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked 'ex' for entitlement under the Open Offer, being 24 April 2017

“Existing Ordinary Share”	each Ordinary Share in issue; and taken together the “Existing Ordinary Shares”
“Existing Shareholders”	the holders of the Existing Ordinary Shares at the date of this Document
“FCA”	the Financial Conduct Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Further Consideration”	the further payment of US\$2 million payable by the Company to Conrad on or before 12 May 2017 pursuant to the terms of the Acquisition
“Initial Consideration”	the initial cash consideration of US\$2 million payable by the Company to Conrad pursuant to the terms of the Acquisition immediately upon signing of a shareholders’ agreement with Conrad in connection with WNEL
“ISIN”	International Securities Identification Number
“Issue Price”	3.5 pence per New Ordinary Share
“Japan”	Japan, its cities, prefectures, territories and possessions
“LEAP CPR”	a competent person’s report completed in 2017 by LEAP Energy, the international subsurface consulting and technology delivery group, on the Mako shallow gas discovery, which attributed 2C and 3C Resources of 433 Bcf and 646 Bcf recoverable gas respectively
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FCA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006
“New Ordinary Shares”	as the case may be, the new Ordinary Shares to be issued pursuant to the Open Offer
“Open Offer”	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the terms and conditions set out in Part III of this Document and in the Application Form
“Open Offer Entitlement”	the entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply to acquire Open Offer Shares pursuant to, and subject to the terms and conditions of, the Open Offer
“Open Offer Shares”	the 77,458,463 New Ordinary Shares which Qualifying Shareholders will be invited to subscribe for pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 0.2p each in the capital of the Company

“Overseas Shareholders”	a Shareholder on the Record Date with a registered address, or who is a citizen or resident of, or incorporated in jurisdictions outside the United Kingdom
“Prospectus Rules”	the Prospectus Rules made by the FCA under Part VI of the FSMA
“Publicly Available Information”	any information published by the Company using a RIS
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in any Restricted Jurisdiction)
“Receiving Agent”	Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
“Record Date”	5.00 p.m. on 20 April 2017 in respect of the entitlements of Qualifying Shareholders under the Open Offer
“Restricted Jurisdiction”	the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa, the Republic of Ireland and any other jurisdiction in which it would be unlawful to offer the Open Offer Shares or where the Open Offer would be required to be approved by a regulatory body
“Registrar”	Capita Asset Services of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
“RIS”	a regulatory information service approved the London Stock Exchange for the distribution of announcements to the public
“Securities Act”	the US Securities Act of 1933, as amended
“Shareholders” or “Empyrean Shareholders”	the registered holders of Existing Ordinary Shares
“Sterling”, “£” or “pounds”	pounds sterling, the basic unit of currency in the UK
“Tcf”	Trillion cubic feet
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part V of FSMA

“uncertificated form”	an ordinary share recorded on a company’s share register 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
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction
“US\$”	the United States dollar, the basic unit of currency of the United States of America
“USE”	unmatched stock event
“VAT”	UK value added tax
“WNEL”	West Natuna Exploration Ltd

PART I

LETTER FROM THE CHAIRMAN OF EMPYREAN ENERGY PLC

Empyrean Energy Plc
200 Strand
London WC2R 1DJ
Registered Number: 05387837

24 April 2017

*To Shareholders and, for information purposes only, to holders of options and warrants
to subscribe for Ordinary Shares*

Dear Shareholder

Proposed Open Offer of up to 77,458,463 New Ordinary Shares at 3.5 pence per share

1. Introduction

On 4 April 2017, the Company announced that it had entered into a sale and purchase agreement to conditionally acquire up to a 20 per cent. shareholding in West Natuna Exploration Ltd, from Conrad Petroleum Pte Ltd, for a total cash consideration of US\$4 million to be made in two tranches. Conrad is the registered and beneficial owner of WNEL, which holds a 100 per cent. participating interest in the highly prospective Duyung Production Sharing Contract in Indonesia.

To support the Acquisition, the Company announced its intention to raise up to a further £2.7 million (before expenses) pursuant to the launch of an Open Offer to all Qualifying Shareholders. This will provide Qualifying Shareholders with an opportunity to subscribe at the Issue Price for an aggregate of 77,458,463 Open Offer Shares, on the basis of 1 Open Offer Share for every 4 Existing Ordinary Shares held on the Record Date, at 3.5 pence per share.

Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares through the Excess Application Facility. Any allotment of New Ordinary Shares pursuant to the Excess Application Facility will be at the sole discretion of the Board. In the event that the Open Offer is not fully subscribed, it is intended that the Board will reserve the right to use reasonable endeavours to place the excess shares available under the Open Offer, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Open Offer.

The purpose of this Document is to outline the reasons for, and to explain the terms of, the Open Offer and to set out the reasons why your Board believes that the Open Offer is in the best interests of the Company and its Shareholders as a whole.

2. Information on Duyung PSC

The Duyung PSC is an offshore permit of over 1,100 km² in the West Natuna Basin and is located in water depths of 60-110 metres and close to existing pipeline infrastructure owned by the Indonesian Government. The Duyung PSC includes the Mako shallow gas discovery which, according to the LEAP CPR, is estimated to contain 400 Bcf to 1.3 Tcf of gas in place.

Three previous wells drilled at Mako in 1975, 1996 and 1999 intersected the gas zones but were not flow tested. Two of these wells were targeting deeper oil and the third well, targeting gas, encountered technical difficulties and so no flow test was completed. A new well on the Mako discovery, the Mako South-1 Well, is planned to spud in late Q2 / early Q3 2017 targeting the Intra-Muda sands. The objective of the well is to flow test the gas sands and provide key data on the permeability and gas saturation properties of the reservoir.

In addition, the permit contains a number of drilling opportunities in a proven basin with nearby infrastructure to support any development and production. The permit benefits from its proximity to key energy markets in Singapore, Malaysia and Indonesia (including both Batam Island and Sumatra), where there is a favourable domestic gas outlook.

3. Details of the Acquisition and reasons for the Open Offer and use of proceeds

As announced on 4 April 2017, the Company entered into a sale and purchase agreement to conditionally acquire up to a 20 per cent. shareholding in West Natuna Exploration Ltd from Conrad Petroleum Pte Ltd. Conrad is the registered and beneficial owner of WNEL, which holds a 100 per cent. participating interest in the highly prospective Duyung Production Sharing Contract in Indonesia. Following completion of the Acquisition, Conrad will retain an 80 per cent. shareholding in WNEL and will remain operator of the Duyung PSC.

Under the terms of the Acquisition, the Company will pay Conrad an initial cash consideration of US\$2 million immediately upon signing of the shareholders' agreement that is required to be negotiated and agreed between the Company and Conrad before completion of the Acquisition and, conditional on completion, the Company has agreed to pay a further US\$2 million on or before 12 May 2017. It is intended that the initial cash consideration of US\$2 million will be paid from the Company's existing cash resources for an initial 10 per cent. shareholding in WNEL. In the event that the further tranche of the consideration of US\$2 million is not paid pursuant to the terms of the Acquisition then the Company's interest in WNEL will remain at 10 per cent.

The total costs of the Mako South-1 Well are estimated at US\$6.5 million. Following the payment of the Initial Consideration and, if applicable, the Further Consideration, these amounts will be applied against the cost of the Mako South-1 Well and any well costs exceeding these payments will be shared by the Company and Conrad, proportionally to their shareholdings in WNEL.

Taking into account the Company's existing cash resources, following the payment of the Initial Consideration, the Company has sufficient available cash resources to satisfy the Further Consideration. However, the amount of US\$3 million of the existing cash resources has been earmarked for the proposed 3D seismic programme on Block 29/11 in the Pearl River Mouth Basin, offshore China which is scheduled to take place later in 2017. Accordingly, the Company proposes to raise up to a further £2.7 million (before expenses) by way of an Open Offer.

The Board feels strongly that our existing Shareholders should, where it is practical for them to do so, have the first opportunity to participate in an issue of New Ordinary Shares at the Issue Price. Therefore, on behalf of the Directors, it is my pleasure to offer Qualifying Shareholders an opportunity to participate in the Open Offer, by making available up to 77,458,463 New Ordinary Shares to Qualifying Shareholders at the Issue Price. The Open Offer provides an opportunity for all Qualifying Shareholders to participate in a fundraising by subscribing for Open Offer Shares *pro rata* to their current holding of Ordinary Shares.

Qualifying Shareholders may subscribe for Open Offer Shares above their basic entitlement under the Open Offer if they so wish by use of the Excess Application Facility. Further details of the Excess Application Facility are given in Part III of this Document. In the event that the Open Offer is not fully subscribed, it is intended that the Board reserves the right to use reasonable endeavours to place the balance of the Open Offer Shares, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Open Offer.

Subject to the amount of funds raised through the Open Offer, it is intended that the net proceeds will be used to fund:

- the Company's payment of the Further Consideration;
- the Company's share of any costs on the Mako South-1 Well over and above the Initial Consideration and the Further Consideration (as appropriate); and
- the Company's general working capital purposes.

4. Details of the Open Offer

On, and subject to, the terms and conditions of the Open Offer, the Company invites all Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full on application and free of all expenses, on the following basis:

1 Open Offer Share for every 4 Existing Ordinary Shares

held on the Record Date and so in proportion to the number of Existing Ordinary Shares then held. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be added to the number of Excess Open Offer Shares (if any).

Once subscriptions under the Open Offer Entitlements have been satisfied, the Board shall, in its absolute discretion, determine whether to meet any excess applications in full or in part, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. To the extent that additional Open Offer Shares are not subscribed by existing Shareholders, Open Offer entitlements will lapse and the Board reserves the right to use reasonable endeavours to place the balance of shares available under the Open Offer, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Open Offer. Further details of the Open Offer and the Excess Application Facility are given in Part III of this Document

Not all Shareholders will be Qualifying Shareholders. In particular, Overseas Shareholders who are located in, or are citizens of, or have a registered office address in a Restricted Jurisdiction will not qualify to participate in the Open Offer. The attention of Qualifying Shareholders and in particular Overseas Shareholders is drawn to paragraph 6 of Part III of this Document.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Qualifying Shareholders can apply for less or more than their entitlements under the Open Offer.

Open Offer Entitlements set out in an Application Form may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result or a renunciation of those rights or otherwise). Similarly, CREST Open Offer Entitlements held in CREST may be withdrawn from CREST and an Application Form used instead.

Application will be made for the Open Offer Entitlements to be admitted to CREST. It is expected that such CREST Open Offer Entitlements will be credited to CREST on 25 April 2017. The CREST Open Offer Entitlements will be enabled for settlement in CREST until 11:00 a.m. on 10 May 2017. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of bona fide market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST application and payment in respect of the Open Offer is 11:00 a.m. on 10 May 2017.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer, but will be made available under the Excess Application Facility and the net proceeds will be retained for the benefit of the Company. The Application Form is not a document of title and cannot be traded or otherwise transferred.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue. Application will be made to the London Stock Exchange for the admission of the Open Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on or about 12 May 2017, at which time it is also expected that the Open Offer Shares will be enabled for settlement in CREST.

Details of the further terms and conditions of the Open Offer, including the procedure for application and payment, are contained in Part III of this Document and on the Application Form enclosed with this Document.

If a Qualifying Shareholder does not wish to apply for Open Offer Shares, he or she should not complete or return the Application Form or send a USE message through CREST.

Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this Document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part III of this Document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation any Restricted Jurisdiction), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements.

5. Action to be taken

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares must complete the Application Form, which accompanies this Document, in accordance with the instructions set out in paragraph 4 of Part III of this Document and on the accompanying Application Form and return it with the appropriate payment in the envelope addressed to the Receiving Agent by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, so as to arrive no later than 11.00 a.m. on 10 May 2017.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 5 of Part III of this Document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 5 of Part III of this Document by no later than 11:00 a.m. on 10 May 2017.

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

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form or send a USE message through CREST.

6. Risk Factors

Your attention is drawn to the Risk Factors set out in Part II of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

Yours faithfully

Dr Patrick Cross
Chairman

PART II RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this Document before investing in the Ordinary Shares. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not purport to comprise all those risks associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following occur, the Company's business, financial condition, capital resources, results and/or future operations could be materially and adversely affected. In this event, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

The investment offered in this Document may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

1. General Risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Ordinary Shares will occur or that the objectives of the Company will be achieved. Investors may not get back the full or any amount initially invested.

The prices of shares and the income (if any) derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Changes in economic conditions including, for example, exchange rates, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Company's prospects. The global economy has experienced difficulties in recent years. If these levels of market disruption and volatility recur, the Company is likely to experience difficulty in securing finance to fund its long term development strategy. The Company may be exposed to increased counterparty risk as a result of business failures in the countries in which it operates and will continue to be exposed if counterparties fail or are unable to meet their obligations to the Company. The precise nature of all the risks and uncertainties the Company faces as a result of the global economic outlook cannot be predicted and many of these risks are outside of the Company's control.

2. Risks Relating to the Company and its operations

(a) *Exploration, Development and Production Risks*

The exploration for, and production of, hydrocarbon reserves is inherently speculative and involves a high degree of risk. The techniques available presently available to geophysicists, petro-physicists, reservoir and petroleum engineers, and other technical specialists to identify the existence and location of accumulations of hydrocarbons are indirect and subject to a wide variety of variables which are subjective in nature with respect to the environment in which they exist and are not precise on their application, and therefore, a considerable amount of personal judgment is involved in the selection of any prospect for drilling or identifying potentially profitable producing hydrocarbon accumulation. In addition, even when drilling successfully and a well is completed as a producing gas well, unforeseeable operating problems may arise which

render it uneconomical to produce such gas. The LEAP CPR has identified that reservoir quality is a major potential risk factor for the Mako project. This includes the risk that the reservoir may not allow gas to flow at commercially viable rates or at all.

Exploration, development and production activities may be delayed or adversely affected by factors outside the Company's control, in particular, climatic conditions; accidents; acts of God; performance of joint venture partners or suppliers; availability, delays or failures in commissioning or installing plant and equipment; unknown geological conditions resulting in uneconomic or dry wells; remoteness of location; failure to achieve estimate capital costs, operating costs, reserves, recovery and production levels; actions of host governments or other regulatory authorities, failure to find a hydrocarbon or finding uneconomic hydrocarbons.

The Company is exposed to financial and operational risks inherent in joint operating projects. A failure of any of the Company's joint operating partners to meet its obligations may materially and adversely affect the Company's business, cash flow, financial condition and operations and may, in particular, adversely affect the implementation of the Company's development plans.

(b) *Commodity risk*

Commodity risk is the risk that the price earned for oil and gas will fall to a point where it becomes uneconomic to extract them from the ground. The commodities in the Company's portfolio are oil and gas. The demand for, and pricing of, oil and gas is affected by numerous factors outside the Company's control such as global and local supply and demand, weather conditions, availability of alternative fuels, hedging, actions of governments or cartels and general economic and political developments.

(c) *General and Economic risks*

As a consequence of activities in different parts of the world, the Company may be subject to political, economic and other uncertainties, both locally and internationally, including but not limited to inflation, interest rates, market sentiments, equity and financing market conditions.

(d) *Funding risks*

Future investment is dependent on having sufficient funds to enable the exploration and development of projects whether through debt or equity funding. There can be no assurance that adequate funding will be available when required to finance the Company's activities, nor that the estimated costs of the Company will not be exceeded.

(e) *Market risk*

The availability of a ready market for oil and hydrocarbon products which may be sold by the Company depends upon numerous factors beyond its control, the exact effects of which cannot be accurately predicted. These factors (the list of which is not exhaustive) include: general economic activity, the world oil price, the marketability of the hydrocarbons produced, action taken by other producing nations, the availability of transportation capacity, the availability and pricing of competitive fuels, and the extent of governmental regulation and taxation.

The Company's exploration project in California, the Eagle Oil Pool Development Project is currently subject to the renewal of certain leases. Whilst the lease program is underway, and notwithstanding that a portion of the leases have already been successfully re-negotiated, there is some risk that some leases may not be able to be re-negotiated or that the proposed terms may be onerous.

(f) *Environmental risk*

The Company's exploration, development and production activities are subject to extensive laws and regulations governing environmental impact and protection. A failure to comply with environmental laws and regulations (including as a result of technical failures) may result in enforcement actions causing operations to cease or be curtailed, the imposition of fines and

penalties, and may include corrective measures requiring significant capital expenditures. In addition, certain types of operations require the submission and approval of environmental impact assessments. For some assets, the Company is dependent on other operators for performance of exploration and production activities and will be largely unable to direct, control or influence the activities and costs of these operators.

(g) *Compliance risk*

In common with all companies and employers, the Company and its Directors are subject to risk of liability for fines and imprisonment for applicable legislation and regulations including breaches of health & safety, employment, anti-corruption, environmental and taxation legislation.

(h) *Contractual disputes and litigation risk*

The Company is exposed to possible litigation risks including contractual and property/planning disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in future which may result in litigation.

Any such claim or dispute, if proven, may impact adversely on the Company's operations, financial performance and financial position. Information about any dispute that comes into the public domain could cause reputational damage to the Company.

(i) *Scale of Competition*

The Company's competitors include the major oil and gas companies and independent oil and gas companies. The oil and gas business is highly competitive in the search for and acquisition of reserves and in the gathering and marketing of oil and gas production and in the recruitment and employment of qualified personnel. Some of the Company's competitors have significantly greater financial, technical and other resources than the Company and are able to devote greater resources to the development of their businesses.

The increasing competitiveness of alternative energy sources, including solar and wind power, may lead to reduced demand for oil and gas in the medium to long term, and therefore the Company's production. Without the benefit of government subsidies or mandates, historically alternative energy sources have generally not been competitive with oil and gas. However, changes in technology and consumer preferences have begun to alter fuel choices, an example being the growing popularity of alternatively fuelled vehicles.

(j) *Dependency on key people*

The Company's success depends in large part on the ability of its executive management team to deal effectively with complex risks and relationships and execute the Company's exploration and development plan. The members of the management team contribute to the Company's ability to obtain, generate and manage opportunities. The Company's prospects also depend upon the continued service of its technical employees and consultants. There can be no assurance that the Company's present Directors, advisers, officers, employees, representatives or consultants will remain with the Company. The loss of the services of certain of these personnel could have a material adverse effect on the financial position, financial performance, cash flows, growth prospects, ability to pay dividends and the share price of the Company.

(k) *Insurance risks*

Insurance against all risks associated with gas exploration and production is not always available and, where available, the costs may be prohibitive. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(l) *Changes in legislation*

The Company's activities are subject to local laws and regulations governing exploration, development, production, exports, taxes, employment standards, environmental impact, occupational health and safety and other matters. Such laws and regulations are subject to change and can become more stringent, and compliance can therefore become more costly. The Company applies the expertise of its management, its advisors, its employees and contractors to ensure compliance with current laws.

(m) *Reserve and Resource Estimates*

Reserve estimates are expressions of judgement based on knowledge, experience, industry practice and published guidelines. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. The actual reserves may differ from those estimated which may result in the Company altering its plans which could have either a positive or negative effect on the Company's operations and plans, thereafter. In addition of resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves.

3. Risks Relating to the Ordinary Shares

(a) *Suitability*

An investment in the Company involves a high degree of risk and may not be suitable for all readers of this Document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

(b) *Investment in AIM-traded securities*

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those rules that govern companies admitted to the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List or to any other investment exchange other than AIM. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

(c) *Share price volatility and liquidity*

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and others which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions. The price of the Ordinary Shares may go down as well as up and investors may realise less than the original sum invested.

(d) *Access to further capital*

The Company may require additional funds to respond to business challenges, enhancing existing products and services and further developing its sales and marketing channels and capabilities. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities or convertible debt securities could have rights, preferences and privileges

superior to those of current shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

(e) *Dilution*

If available, future financings to provide required capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by issuing debt securities convertible into Ordinary Shares, or rights to acquire these securities (which, in any such case, may not be made available to existing holders of Ordinary Shares). If the Company raises significant amounts of capital by these or other means, that could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

(f) *Future sale of Ordinary Shares*

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. The Company may require additional capital in the future which may not be available to it.

(g) *Exchange rate risk to investors*

The Company's functional currency is the US dollar. Fluctuations in currency could have an adverse effect on the value of an investor's holdings in the Company where the principal accounting currency of the investor is not US dollars.

(h) *Dividends*

There can be no assurance as to the level of future dividends. Subject to compliance with the Act and the Articles, the declaration, payment and amount of any future dividends are subject to the discretion of the Directors, and will depend on, inter alia, the Company's earnings, financial position, cash requirements, cash flow and availability of profits. A dividend may never be paid and, at present, there is no intention to pay a dividend in the short to medium term.

In forming the Company's dividend policy, the Directors have taken into account *inter alia* the trading outlook for the foreseeable future, recent operating results, budgets for the following financial year, financial gearing, banking covenants and current capital requirements of the Company. Any material change or combination of changes to these factors may require a revision of this policy.

(i) *Financial markets and global economic outlook*

The performance of the Company will be influenced by global economic conditions and, in particular the conditions prevailing in the United Kingdom and the United States of America. The global economy has experienced difficulties in recent years. If these levels of market disruption and volatility recur, the Company is likely to experience difficulty in securing finance, if required, to fund its long term strategy. The Company may be exposed to counterparty risk as a result of business failures in the countries in which it operates and will continue to be exposed if counterparties fail or are unable to meet their obligations to the Company. The precise nature of

all the risks and uncertainties the Company faces as a result of the global economic outlook cannot be predicted and many of these risks are outside the Company's control.

The risks noted above do not necessarily comprise all of the risks potentially faced by the Company and are not intended to be presented in any assumed order of priority. This Document contains forward-looking statements that involve unknown risks, uncertainties and other factors that may cause the actual results, financial condition, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in this Part II.

Although the Company will seek to minimise the impact of the risk factors set out above, investment in the Company should only be made by investors able to sustain a total loss of their investment. Potential investors are strongly recommended to seek their own financial advice from their stockbroker, bank manager, solicitor or other independent adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the FSMA if they are resident in the UK, or, if not resident in the UK, from another authorised independent financial adviser, before making any decision to invest.

PART III

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

The Open Offer is an opportunity for Qualifying Shareholders to apply for in aggregate 77,458,463 Open Offer Shares pro rata to their current holdings at the issue price of 3.5 pence. To the extent that Open Offer Shares are not subscribed by Qualifying Shareholders, the Open Offer Entitlements will lapse.

The Open Offer Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and, on Admission, will represent approximately 19.99 per cent. of the Enlarged Share Capital assuming full subscription. The Open Offer has been structured such that the maximum that can be raised by the Company is approximately £2.7 million (before expenses). The issue of the Open Offer Shares will have no effect on the Company's earnings, save for interest earned on the net proceeds of the Open Offer.

The Open Offer Shares will be created under the Act. Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Open Offer will commence on AIM at 8.00 a.m. on 12 May 2017.

Further details of the Open Offer are set out in paragraphs 2 to 12 of this Part III.

2. Terms and conditions of the Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, the Application Form), each Qualifying Shareholder (other than Shareholders in Restricted Jurisdictions) is being given an opportunity to apply for the Open Offer Shares at the Issue Price (payable in full and free of all expenses) on the following pro rata basis:

1 Open Offer Share at 3.5 pence each for every 4 Existing Ordinary Shares

held and registered in their name at 5.00 p.m. on 20 April 2017 (the "Record Date") and so on in proportion to any other number of Existing Ordinary Shares then held. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' entitlement and will be added to the Excess Open Offer Shares. Accordingly, Qualifying Shareholders with fewer than 4 Existing Ordinary Shares will not be entitled to take up any Open Offer Shares, but can apply under the Excess Application Facility.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details of the Excess Application Facility are given in paragraph 5 of this Part III.

In the event that the Open Offer is not fully subscribed, the Board reserves the right to use reasonable endeavours to place the balance of the New Ordinary Shares available under the Open Offer at not less than the Issue Price.

The Issue Price represents a discount of approximately 6.67 per cent. to the Closing Price for an Ordinary Share of 3.75 pence on 21 April 2017 (being the latest practicable date prior to the date of this Document).

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

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer, and Qualifying Shareholders who do not apply to take up their entitlements will have no rights nor receive any benefit under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred. Any Open Offer Shares which are not applied for under the Open Offer shall be Excess Open Offer Shares. In the event that the Open Offer is not fully subscribed, the Board reserves the right to use reasonable

endeavours to place the balance of the Open Offer Shares and/or the Excess Open Offer Shares (as the case may be), at not less than the Issue Price, in order to raise up to the maximum proceeds under the Open Offer.

The attention of Qualifying Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Document or an Application Form into a jurisdiction other than the UK is drawn to paragraph 6 of this Part III ('Overseas Shareholders'). In particular, Shareholders in a Restricted Jurisdiction will not be sent this Document or the Application Form, and will not have their CREST stock accounts credited with Open Offer Entitlements.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of their issue.

Application will be made for the Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements are expected to be credited to CREST accounts by 25 April 2017.

The Open Offer has not been underwritten as at the date of this circular.

The Open Offer is subject to Admission occurring. In such circumstances, application monies will be returned without payment of interest, as soon as practicable thereafter. No temporary documents of title will be issued in respect of the Open Offer Shares held in uncertificated form.

Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to the Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form on 19 May 2017.

The Existing Ordinary Shares are already CREST enabled. No further application for admission to CREST is required for the Open Offer Shares and all of the Open Offer Shares when issued and fully paid may be held and transferred by means of CREST. Applications will be made for the Open Offer Entitlements to be admitted to CREST as participating securities.

Subject to the conditions above being satisfied and save as provided in this Part III, it is expected that:

- (A) Capita Asset Services will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than Shareholders in Restricted Jurisdictions) with such Shareholders' CREST Open Offer Entitlements and, by no later than 25 April 2017;
- (B) Open Offer Shares in uncertificated form will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders who validly take up their Open Offer Entitlements; and
- (C) share certificates for the Open Offer Shares held in certificated form will be despatched by 19 May 2017 to relevant Qualifying Non-CREST Shareholders.

Qualifying Shareholders taking up their Open Offer Entitlement will be deemed to have given the representations and warranties set out in the subparagraphs under the heading 'Effect of Application' in paragraph 4 of this Part III in the case of Qualifying Non-CREST Shareholders), and paragraph 5 of this Part III in the case of Qualifying CREST Shareholders unless, in each case, such requirement is waived by the Company. All Qualifying Shareholders taking up their rights under the Open Offer will be deemed to have given the representations and warranties set out in paragraph 6 of Part III ('Overseas Shareholders') of this Document.

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part III which forms part of the terms and conditions of the Open Offer.

References to dates and times in this Document should be read as subject to adjustment. The Company will make an appropriate announcement through an RIS giving details of any revised dates or times.

3. Action to be taken in connection with the Open Offer

The action to be taken in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has received an Application Form in respect of his entitlement under the Open Offer or has had his Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

If you are a Qualifying Non-CREST Shareholder and you are not a Shareholder in a Restricted Jurisdiction, please refer to paragraph 4 and paragraphs 6, 8 to 12 (inclusive) of this Part III.

If you are a Qualifying CREST Shareholder and you are not a Shareholder in a Restricted Jurisdiction, please refer to paragraph 5 and paragraphs 6, 8 to 12 (inclusive) of this Part III.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to apply under the CREST Open Offer Entitlements in respect of the CREST Open Offer Entitlements of such members held in CREST.

CREST members who wish to apply under the Open Offer in respect of their CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to above.

4. Action to be taken in relation to Open Offer Shares represented by Application Forms

General

Save as provided paragraph 6 of this Part III in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will have received an Application Form with this Document. The Application Forms sent to each such Qualifying Non-CREST Shareholder sets out:

- (A) in Box 3, the number of Existing Ordinary Shares registered in such person's name at the Record Date (on which a Qualifying Non-CREST Shareholder's entitlement to Open Offer Shares is based);
- (B) in Box 4, the maximum number of Open Offer Shares for which such person is entitled to apply under the Open Offer, taking into account that they will not be entitled to take up any fraction of a New Ordinary Share arising when their Open Offer Entitlement was calculated (such entitlements being aggregated constituting Excess Open Offer Shares) as fractions will be rounded down to the nearest whole number;
- (C) in Box 5, how much they would need to pay in sterling if they wish to take up their Open Offer Entitlement in full;
- (D) the procedures to be followed if such Qualifying Non-CREST Shareholder wishes to dispose of all or part of their Open Offer Entitlement, or to convert all or part of their Open Offer Entitlement into uncertificated form; and
- (F) instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation.

Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a bona fide market claim.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications in excess of what is available under the Excess Application Facility. Applications under the Excess

Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications for excess Open Offer Shares by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without the payment of interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

The instructions and other terms set out in the Application Form constitute part of the terms and conditions of the Open Offer to Qualifying Non-CREST Shareholders.

The latest time and date for acceptance of the Application Forms and payment in full will be 11.00 a.m. on 10 May 2017.

The Open Offer Shares are expected to be issued on or about 12 May 2017. After such date the Open Offer Shares will be freely transferable by written instrument of transfer, and will be either in registered (or uncertificated) form, or, if they have been issued in or converted into uncertificated form, in electronic form under the CREST system.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

Bona fide market claims

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a purchase of Ordinary Shares through the market prior to 8:00 a.m. on 24 April 2017 (being the date upon which the Ordinary Shares were marked "ex" entitlement to participate in the Open Offer). Application Forms may not be assigned, transferred or split, except to satisfy bona fide market claims prior to 3.00 p.m. on 5 May 2017.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Ordinary Shares prior to the date upon which the Ordinary Shares were marked "ex" entitlement to participate in the Open Offer (being 8.00 a.m. on 24 April 2017) should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee (a "**bona fide market claim**").

Qualifying Non-CREST Shareholders who have sold all of their registered holdings prior to 8.00 a.m. on 24 April 2017 should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee (if known). The Application Form should not, however, be forwarded to or transmitted in or into the Restricted Jurisdictions.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred part only of their registered holdings prior to 8.00 a.m. on 24 April 2017 should, if the market claim is to be settled outside CREST, complete Box 10 of the Application Form and immediately deliver to the broker, bank or other agent through whom the sale or transfer was effected (or to Capita Asset Services) the Application Form, together with a letter stating:

- (i) the number of replacement Application Forms required (being one for the Qualifying Non-CREST Shareholder in question and one for each of the purchasers or transferees);
- (ii) the total number of Existing Ordinary Shares to be included in each replacement Application Form (the aggregate of which must equal the aggregate number of Existing Ordinary Shares held by such Qualifying Non-CREST Shareholder prior to the part-transfer or disposal); and
- (iii) the total number of Open Offer Entitlements to be included in each replacement Application Form (the aggregate of which must equal the number shown in Box 6 of the original Application Form being returned with such letter),

so as to be received by 3:00 p.m. on 5 May 2017. Capita Asset Services will then create new Application Forms, mark the Application Forms 'Declaration of sale or transfer duly made' and send them by post to the person submitting the original Application Form.

Application procedures

Qualifying Non-CREST Shareholders who wish to apply to subscribe for all or any of the Open Offer Shares in respect of their Open Offer Entitlement must return the Application Form in accordance with the instructions thereon.

Completed Application Forms should be posted in the accompanying pre-paid envelope (in the UK only) or delivered by hand (during normal office hours only) to Capita Asset Services (who will act as the Company's receiving agent in relation to the Open Offer) so as to be received by Capita Asset Services by no later than 11.00 a.m. on 10 May 2017, after which time, subject to the limited exceptions set out below, Application Forms will not be valid. Applications delivered by hand will not be checked upon delivery and no receipt will be provided. Qualifying Non-CREST Shareholders should note that applications, once made, will, subject to the very limited withdrawal rights set out in this Document, be irrevocable and receipt thereof will not be acknowledged.

If an Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four working days for delivery. Completed Application Forms should be returned together with a cheque or banker's draft in sterling made payable to 'Capita Registrars Limited re: Empyrean Energy Plc Open Offer A/C' for the full amount payable on acceptance, by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 10 May 2017.

Payment in sterling

All payments must be made by cheque or banker's draft in sterling made payable to 'Capita Registrars Limited re: Empyrean Energy Plc Open Offer A/C'. Third party cheques may not be accepted except where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Cheques or banker's drafts must be drawn on an account at a bank or building society or a branch of a bank or building society which must be in the UK, the Channel Islands or the Isle of Man and which is either a settlement member of Cheque & Credit Clearing Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by either of those companies. Cheques and banker's drafts must bear the appropriate sorting code number in the top right-hand corner. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

The Company reserves the right to have cheques and banker's drafts presented for payment on receipt. It is a term of the Open Offer that cheques must be honoured on first presentation and the Company may elect to treat as invalid any acceptances in respect of which cheques are not honoured. Return of the Application Form with a cheque will constitute a warranty that the cheque will be honoured on first presentation. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a non-interest-bearing account until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable, following the lapse of the Open Offer.

If Open Offer Shares are allotted to a Qualifying Shareholder and a cheque for that allotment is subsequently not honoured, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of such Qualifying Shareholder and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholder pursuant to the provisions of this Part III in respect of the acquisition of such shares) on behalf of such Qualifying Shareholder. Neither the Company nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by any Qualifying

Shareholder as a result.

All enquires in connection with the Application Forms should be addressed to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The shareholder helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Discretion as to validity of acceptances

If payment is not received in full by 11.00 a.m. on 10 May 2017, the corresponding application to subscribe for Open Offer Shares will be deemed to have been declined and will lapse. However, the Company may, but shall not be obliged to, treat as valid (a) Application Forms and accompanying remittances that are received through the post not later than 11:00 a.m. on 10 May 2017 (the cover bearing a legible postmark not later than 11:00 a.m. on 10 May 2017); and (b) acceptances in respect of which a remittance is received prior to 11:00 a.m. on 10 May 2017 from an authorised person (as defined in section 31(2) of FSMA) specifying the number of Open Offer Shares to be acquired and undertaking to lodge the relevant Application Form, duly completed, by 11:00 a.m. on 10 May 2017 and such Application Form is lodged by that time.

The Company may also (in its absolute discretion) treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required. The Company reserves the right to treat as invalid any application or purported application for the Open Offer Shares pursuant to the Open Offer that appears to the Company to have been executed in, despatched from, or that provides an address for delivery of definitive share certificates for Open Offer Shares in a Restricted Jurisdiction.

Effect of Application

All documents and remittances sent by post by or to a Qualifying Shareholder will be sent at the Qualifying Shareholder's own risk. By completing and delivering an Application Form, a Qualifying Shareholder:

- (A) represents and warrants to the Company they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not a person otherwise prevented or restricted by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (B) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (C) confirms with the Company that in making the application they are not relying on any information or representation other than that contained in this Document or any Publicly Available Information, and the Qualifying Shareholder accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not so contained and further agrees that, having had the opportunity to read this Document, they will be deemed to have had notice of all information contained in this Document (including information incorporated by reference);
- (D) represents and warrants to the Company that they are the Qualifying Shareholder originally entitled to the Open Offer or that they received such Open Offer Entitlements by virtue of a bona fide market claim;
- (E) requests that the Open Offer Shares to which they will become entitled be issued to them on

the terms set out in this Document and the Application Form, subject to the Articles;

- (F) represents and warrants to the Company that if they have received some or all of their Open Offer Entitlement from a person other than the Company, they are entitled to apply under this Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (G) represents and warrants to the Company that they are not, nor are they applying on behalf of any person who is: (a) located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, (b) they are not applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of their application to, or for the benefit of, a person who is located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, except where proof satisfactory to the Company has been provided to the Company, in respect of (a) and (b) above, that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer. In addition, completion and delivery of an Application Form will constitute a representation and warranty that the person in whose name registration is applied for is a resident of the UK and not resident in any other territory and that they do not hold and have not acquired the Open Offer Shares comprised in the Application Form for the account or benefit of a resident of any such other territory or with a view to the offer, sale or delivery, directly or indirectly, of any Open Offer Shares or any rights in respect of such Open Offer Shares in any territory other than the UK;
- (H) represents and warrants to the Company that they are not, nor are they applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organized in or under any laws, of the United States of America or any other jurisdiction in which the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of their application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (I) represents and warrants to the Company that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (J) confirms that in making the application they are not relying and have not relied on the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this Document or their investment decision;
- (K) agrees to pay the amount payable on application in accordance with the payment procedures described in this Part III; and
- (L) represents and warrants to the Company that acceptance by them of their application for subscription under the Open Offer will not result in them and/or persons acting in concert with them obtaining an interest in greater than 29.9 per cent. of the total number of Ordinary Shares in issue following the Open Offer.

The instructions, notes and other terms set out in the Application Form, form part of the terms of the

Open Offer.

Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations, it is a term of the Open Offer that the Registrar, Capita Asset Services may require, in its absolute discretion, verification of the identity of any person completing an Application Form, the beneficial owner by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If an application is made by a UK-regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Capita Asset Services. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The applicant lodging the Application Form with payment, including any person who appears to Capita Asset Services to be acting on behalf of some other person, shall thereby be deemed to agree to provide Capita Asset Services with such information and other evidence as Capita Asset Services may require to satisfy the verification of identity requirements. Submission of an Application Form shall constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of remittance and an undertaking by the applicant to provide promptly to Capita Asset Services such information as may be specified by Capita Asset Services as being required for the purpose of the Money Laundering Regulations.

If Capita Asset Services determines that the verification of identity requirements apply to any applicant or application, the relevant Open Offer Shares (notwithstanding any other term of the Open 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. Capita Asset Services is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and neither Capita Asset Services 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 and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, Capita Asset Services has 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 application monies 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:

- (A) the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (B) the applicant is an organisation required to comply with the EU Money Laundering Directive (No. 91/308/EEC) as amended by Directives 2001/97/EC and 2005/60/EC; or
- (C) the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations; or
- (D) the applicant (not being an applicant who delivers his/her application in person) makes payment through an account in the name of such applicant with a credit institution which is subject to the Money Laundering Regulations or with a credit institution situated in a non-EEA state which imposes requirements equivalent to those laid down in that directive; or
- (E) the aggregate subscription price for the relevant Open Offer Shares is less than €15,000 (approximately £12,533).

Submission of the Application Form with the appropriate remittance will constitute a warranty to the Company from the applicant that the Money Laundering Regulations will not be breached by application

of such remittance.

Where the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements. Satisfaction of these requirements may be facilitated in the following ways:

- (i) if payment is made by cheque or banker's draft in sterling drawn on a branch of a bank or building society in the UK and bears a UK bank sort code number in the top right hand corner, the following applies. Cheques, which are recommended to be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to 'Capita Registrars Limited re: Empyrean Energy Plc Open Offer A/C'. Third party cheques may be accepted except where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque/banker's draft to such effect. The account name should be the same as that shown on the application; or
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in sub-paragraph (B) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, members of the Gulf Co-operation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, Japan, Mexico, Luxembourg, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the US), the agent should provide written confirmation that it has that status with the Application Form(s) and written assurances that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Capita Asset Services and/or any relevant regulatory or investigatory authority; or
- (iii) if an Application Form is lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address.

To confirm the acceptability of any written assurance referred to in paragraph (ii) above, or in any other case, the applicant should contact Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Capita Asset Services is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Issue of Open Offer Shares in certificated form

Definitive share certificates in respect of the Open Offer Shares to be held in certificated form are expected to be despatched by post on 19 May 2017, at the risk of the person(s) entitled to them, to accepting Qualifying Non-CREST Shareholders or their agents or, in the case of joint holdings, to the first-named Shareholder, in each case at their registered address (unless lodging agent details have been completed on the Application Form).

5. Action to be taken in relation to Open Offer Shares in CREST

General

Save as provided in paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to their CREST stock account of their CREST Open Offer Entitlements equal to the maximum number of Open Offer Shares for which they are entitled to apply to subscribe under the Open Offer. For queries on CREST Open Offer Entitlements, Qualifying CREST Shareholders should contact Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Capita Asset Services is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training

purposes.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' entitlement and will be aggregated and shall form part of Excess Open Offer Shares.

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

If for any reason it is impracticable to credit the stock accounts of Qualifying CREST Shareholders by 12 May 2017 (or such later time as the Company shall decide), Application Forms shall, unless the Company determines otherwise, be sent out in substitution for the CREST Open Offer Entitlements which have not been so credited and the expected timetable as set out in this Document may be adjusted as appropriate. References to dates and times in this Document should be read as subject to any such adjustment. The Company will make an appropriate announcement through an RIS giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

Qualifying CREST Shareholders who wish to take up all or part of their entitlements in respect of CREST Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement, as only your CREST sponsor will be able to take the necessary action to take up your entitlement in respect of Open Offer Shares. If you have any queries on the procedure for acceptances and payment, you should contact Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The shareholder helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

In accordance with the instructions of this Section 5 the CREST instruction must have been settled by 11.00 a.m. on 10 May 2017.

Bona fide market claims

The CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction.

Transactions identified by the Euroclear's Claims Processing Unit as "cum" the CREST Open Offer Entitlement will generate an appropriate market claim transaction and the relevant CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

Excess Application Facility

Qualifying CREST Shareholders at the Record Date who wish to make applications for additional Open Offer Shares (in excess of their initial pro rata entitlement) should follow the instructions below for submitting a USE in respect of the Excess Application Facility.

All enquiries in connection with the procedure for making an excess application should be addressed to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on 0371 664 0321. Calls to Capita Asset Services are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

USE Instructions

Qualifying CREST Shareholders who are CREST members and who wish to apply for Open Offer Shares in respect of all or some of their CREST Open Offer Entitlements must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to CREST which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Capita Asset Services under the CREST participant ID and CREST member account ID specified below, with a number of CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Capita Asset Services in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

Content of USE Instructions in respect of Open Offer Entitlements

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

- (i) the number of CREST Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Asset Services);
- (ii) the ISIN of the CREST Open Offer Entitlements. This is GB00BDHYSS99;
- (iii) the CREST participant ID of the CREST member;
- (iv) the CREST member account ID of the CREST member from which the CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita in its capacity as a CREST receiving agent. This is **7RA33**;
- (vi) the CREST member account ID of Capita Asset Services in its capacity as a CREST receiving agent. This is 29109EMP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 10 May 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above. In order to assist prompt settlement of the USE Instruction, CREST members may consider adding the following non-mandatory fields to the USE Instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 10 May 2017 in order to be valid is 11.00 a.m. on that day. After 12 May 2017, the Open Offer Shares will be registered and freely transferable in electronic form under the CREST system.

If the event that the Open Offer does not become unconditional on or about 8.00 a.m. on 12 May 2017, or such other time and/or date as the Company may, in their absolute discretion elect (being no later than 8.00 a.m. on 30 May 2017), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Capita Asset Services will refund the amount paid by a Qualifying CREST Shareholder or CREST sponsor by way of a CREST payment, without interest as soon as practicable thereafter.

The interest earned on such monies, if any, will be retained for the benefit of the Company.

Content of USE Instructions in respect of the Excess Application Facility

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

- (j) the number of excess Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Asset Services);
- (ii) the ISIN of the Excess CREST Open Offer Entitlements. This is GB00BDHYST07;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita Asset Services, in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Capita Asset Services, in its capacity as a CREST receiving agent. This is 29109EMP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 10 May 2017; and the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST. In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 10 May 2017.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 10 May 2017 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer does not become unconditional by 8.00 a.m. on or about 12 May 2017 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 30 May 2017), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Capita Asset Services will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

CREST procedures and timings

Qualifying CREST Shareholders who are CREST members and CREST sponsors (on behalf of CREST

sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the Qualifying CREST Shareholder concerned to take (or, if the Qualifying CREST Shareholder is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 10 May 2017. In this connection, Qualifying CREST Shareholders and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Validity of application

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by not later than 11.00 a.m. on 10 May 2017 will constitute a valid application under the Open Offer.

Incorrect or incomplete applications

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Registrar, reserves the right:

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

Effect of application

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

- (A) represents and warrants to the Company that they have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not a person otherwise prevented or restricted by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (B) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (C) confirms with the Company that in making the application they are not relying on any information or representation other than that contained in this Document or any Publicly Available Information, and the Qualifying Shareholder accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not so contained and further agrees that, having had the opportunity to read this Document, they will be deemed to have had notice of all information contained in this Document (including information incorporated by reference);
- (D) represents and warrants to the Company that they are the Qualifying Shareholder originally entitled to the Open Offer or that they received such CREST Open Offer Entitlements by virtue of a bona fide market claim;

- (E) requests that the Open Offer Shares to which they will become entitled be issued to them on the terms set out in this Document and the Application Form, subject to the Articles;
- (F) represents and warrants to the Company that if they have received some or all of their CREST Open Offer Entitlements from a person other than the Company, they are entitled to apply under this Open Offer in relation to such CREST Open Offer Entitlements by virtue of a bona fide market claim;
- (G) represents and warrants to the Company that they are not, nor are they applying on behalf of any person who is: (a) located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, (b) they are not applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of their application to, or for the benefit of, a person who is located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, except where proof satisfactory to the Company has been provided to the Company, in respect of (a) and (b) above, that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (H) represents and warrants to the Company that they are not, nor are they applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organized in or under any laws, of the United States of America or any other jurisdiction in which the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (I) represents and warrants to the Company that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (J) confirms that in making the application they are not relying and have not relied on the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this Document or their investment decision;
- (K) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Capita Asset Services' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay the Company the amount payable on application); and
- (L) represents and warrants to the Company that acceptance by them of their application for subscription under the Open Offer will not result in them and/or persons acting in concert with them obtaining an interest in greater than 29.9 per cent. of the total number of Ordinary Shares in issue following the Open Offer.

Discretion as to rejection and validity of acceptances

The Company may:

- (i) reject any acceptance constituted by a USE Instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 5 of this Part III. Where an acceptance is made as described in this paragraph 5 which is otherwise valid, and the USE Instruction concerned fails to settle by 11.00 a.m. on 10 May 2017 (or by such later time and date as the Company may determine), the Company shall be entitled to assume, for the purposes of its right to reject an acceptance as described in this paragraph 5, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 5 above unless the Company is aware of any reason outside the control of the Qualifying CREST Shareholder or CREST sponsor (as appropriate) concerned for the failure of the USE Instruction to settle;
- (ii) treat as valid (and binding on the Qualifying CREST Shareholder concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 5;
- (iii) accept an alternative properly authenticated dematerialised instruction from a Qualifying CREST Shareholder or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, a USE Instruction and subject to such further terms and conditions as the Company may determine;
- (iv) treat a properly authenticated dematerialised instruction (in this sub-paragraph (iv), the “first instruction”) as not constituting a valid application if, at the time at which Capita Asset Services receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Capita Asset Services has received actual notice from Euroclear of any of the matters specified in CREST Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (v) accept an alternative instruction or notification from a Qualifying CREST Shareholder or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of a USE Instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any Qualifying CREST Shareholder or (where applicable) CREST sponsor or Qualifying CREST Shareholder is unable validly to take up all or part of his CREST Open Offer Entitlements by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by Capita Asset Services in connection with CREST.

Money Laundering Regulations

If you hold your Open Offer Shares in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a bank, a broker or another UK financial institution), then, irrespective of the value of the application, Capita Asset Services is required to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. Such Qualifying CREST Shareholders must therefore contact Capita Asset Services before sending any USE Instruction or other instruction so that appropriate measures may be taken.

Submission of an USE Instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to the Company, and Capita Asset Services to provide promptly to Capita Asset Services any information Capita Asset Services may specify as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Capita Asset Services as to identity, Capita Asset Services, having consulted with the Company, may take, or omit to take, such action as it may determine to prevent or delay settlement of the USE Instruction. If satisfactory evidence of identity has not been provided within a reasonable time, Capita Asset Services will not permit the USE

Instruction concerned to proceed to settlement (without prejudice to the right of the Company to take proceedings to recover any loss suffered by it/them as a result of failure by the applicant to provide satisfactory evidence).

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

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

A Qualifying Non-CREST Shareholder who wishes to make such a deposit should sign and complete Box 13 of their Application Form, and then deposit their Application Form with the CREST Courier and Sorting Service. In addition, the normal CREST stock deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST transfer form (as prescribed under the Stock Transfer Act 1963) with the CREST Courier and Sorting Service and (b) only the Open Offer Entitlement shown in Box 3 of the Application Form.

If you have received your Application Form by virtue of a bona fide market claim, the declaration in Box 11 must be completed or (in the case of an Application Form which has been split) marked 'Declaration of sale or transfer duly made'. If you wish to take up your Open Offer Entitlement, the CREST Deposit Form in Box 13 of your Application Form must be completed and deposited with the CREST Courier and Sorting Service in accordance with the instructions above. A holder of more than one Application Form who wishes to deposit Open Offer Entitlements shown on those Application Forms into CREST must complete Box 13 of each Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlement following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 10 May 2017.

In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as an Open Offer Entitlement, is 3.00 p.m. on 4 May 2017, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of an Open Offer Entitlement from CREST is 4.30 p.m. on 3 May 2017 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlement, following the deposit or withdrawal (whether as shown in an Application Form or held in CREST), to take all necessary steps in connection with applying in respect of the Open Offer Entitlement prior to 11.00 a.m. on 10 May 2017.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account or the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Capita Asset Services by the relevant CREST member(s) that it is/they are not in breach of the provisions on page 2 of the Application Form, and a declaration to the Company and Capita Asset Services from the relevant CREST member(s) that it/they is/are not located in, or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, and that it/they is/are not located in the United States or any other Restricted Jurisdiction and, where such deposit is made by a beneficiary or a market claim, a representation and warranty that the relevant CREST member(s) is/are are entitled to apply under the Open Offer by virtue of a bona fide market claim.

Right to allot/issue in certificated form

Despite any other provision of this Document, the Company reserves the right to allot and to issue any

Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by Capita Asset Services in connection with CREST.

6. Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

General

The distribution of this Document and the making or acceptance of the Open Offer to or by 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 organized under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, or any other person, to permit a public offering or distribution of this Document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this Document and/or an Application Form and/or a credit of a CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

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

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

Neither the Company nor any of its respective representatives is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

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

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

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

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with CREST Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this Document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this Document and/or an Application Form and/or a credit of a CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

United States

The Open Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this Document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Subject to certain exceptions, neither this Document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a

registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer may be transferred. In addition, the Company reserves the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the US Securities Act.

Restricted Jurisdictions

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with CREST Open Offer Entitlements. The Open Offer Shares have-not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption. No offer or invitation to apply for Open Offer Shares is being made by virtue of this Document or the Application Forms into any Restricted Jurisdiction.

Other overseas territories

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

Representations and warranties relating to Overseas Shareholders

(a) Qualifying Non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and the Registrars

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

(b) Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

Waiver

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. Withdrawal Rights

Shareholders wishing to exercise statutory withdrawal rights under section 87Q(4) of FSMA after publication by the Company of a prospectus supplementing this Document must do so by lodging a written notice of withdrawal (and for these purposes a written notice includes a notice sent by email to withdraw@capita.co.uk which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST member, with Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal. The Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of its subscription in full and the allotment of Open Offer Shares to such Qualifying Shareholder becoming unconditional. In such event Shareholders are advised to seek independent legal advice.

8. Times and Dates

The Company shall, after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this Document and in such circumstances shall notify the London Stock Exchange, and make an announcement through an RIS but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this Document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. Taxation

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

10. Open Offer Consideration

The maximum total consideration payable under the Open Offer is limited to an amount in Sterling which is less than €5 million (before expenses) and (if necessary) the number of Open Offer Shares actually issued shall be scaled back by the Directors.

11. Further information

Your attention is drawn to the further information set out in this Document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

12. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this Document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement, in accordance with the instructions set out in this Document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.