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6 March 2019

## **Victoria Oil & Gas Plc**

("VOG" or the "Company")

### **Subscription and Placing to raise up to approximately £12.6 million and Proposed Board Changes**

Victoria Oil & Gas Plc, the integrated natural gas producing utility company in Cameroon, is pleased to announce a £12.6 million (c.US\$16.5 million) equity fundraise.

#### **Highlights:**

- Binding conditional direct share subscription by YF Finance Limited to raise £6.5 million
- Proposed Placing to raise up to £6.1 million
- Fundraising to be conducted at an issue price of 13 pence per share
- The Placing is being conducted by way of an accelerated book build process which will open with immediate effect following this announcement
- On completion of the Fundraising, Kevin Foo will retire as Director and Executive Chairman
- Roger Kennedy, currently Senior Non-Executive Director, will assume the role of Executive Chairman
- Two additional independent non-executive directors will be appointed to the Board

**Fundraising Details:**

The Company has entered into a conditional agreement for a subscription of 50,000,000 new Ordinary Shares, at an issue price of 13 pence per share (the "Issue Price"), by YF Finance Limited ("YF Finance" or the "Subscriber") to raise £6.5 million, before expenses (the "Subscription"). YF Finance is the Company's largest shareholder and is currently interested in 11,085,239 ordinary shares, representing approximately 7.37 per cent. of the Company's existing issued share capital. YF Finance is wholly owned by Mr Askar Alshinbayev and has investments in several other international oil & gas companies.

In addition, the Company is seeking to raise an additional £6.1 million, before expenses, by way of a proposed placing to certain new and existing institutional and sophisticated investors via its joint brokers, Shore Capital Stockbrokers Limited ("Shore Capital") and FirstEnergy Capital LLP ("GMP FirstEnergy"), at the Issue Price (the "Placing"). The maximum targeted amount for the fundraising, comprising the Subscription and the Placing, is approximately £12.6 million (approximately US\$16.5 million) (the "Fundraising"). The Subscription is not conditional on any minimum amount being raised in the Placing.

The Placing is being conducted as an accelerated book build process which will open with immediate effect following this announcement.

The Fundraising is subject to the requisite shareholder approval and, accordingly, the issue of the New Ordinary Shares is conditional on, *inter alia*, the passing of certain resolutions by Shareholders (the "Resolutions") at a duly convened general meeting of the Company (the "General Meeting"), notice of which, together with full details of the Fundraising, will be set out in the circular to be posted to Shareholders shortly.

**Ahmet Dik, CEO of VOG, commented:**

*"This morning's announcement to raise up to £12.6 million in conjunction with the proposed Board changes is a new beginning for VOG. The Fundraising will strengthen the Company's financial position and provide the necessary support for the new Board and Senior Management to take the Company to the next level. Given the gas demand in the industrial city of Douala Cameroon, and the Company's strategic position of being the only onshore gas supplier and operator of the gas pipeline network, the Company can now look to develop its Matanda project and optimise its Logbaba operations with a view to becoming cashflow positive in the near term.*

*"Finally, a reduction of director salaries, which I welcome, is evidence of the new Board's focus to drive the Company to ensure Shareholder returns."*

## **Background to and reasons for the Fundraising**

The Fundraising serves to demonstrate the strong financial support and interest in the Company's activities from the Subscriber and other new and existing institutional shareholders and recognises both the achievements to date of the Company's business model as well as the changes required to ensure that the business can maximise its full growth potential and value creation for all Shareholders.

The period from December 2017 to December 2018 was particularly challenging for the Company. Following completion of an expensive drilling programme in December 2017, the Company experienced the non-renewal on 1 January 2018 of a key gas sales agreement with Eneo Cameroon S.A. ("ENEО"), its major grid-power customer. Consequently, with significantly reduced revenues in 2018, the Company immediately took steps to reduce its operating costs and restructure certain bank debt obligations.

On 22 December 2018, the Company announced an agreement, subject to documentation, with ENEO to resume gas supply for a period of three years to the Logbaba 30MW Power Station on a take or pay basis with a minimum load of 80 per cent., thereby securing significant revenues. The Company welcomes the resumption of its gas supply to ENEO, which will add significant revenues to the Company from January 2019; however, the Company requires an injection of new equity to satisfy its working capital requirements and planned capital expenditure on its projects.

Reflecting the support from the Subscriber and new and existing Shareholders, the Company will continue to cut costs in its London and Cameroon operations. This includes a reduction of 41% in the cash cost of salaries of directors, comprising a 33% reduction in the CEO's salary and a 50% reduction of the Executive Chairman's salary. To further align the interests of the Directors with Shareholders, it is proposed, subject to Board approval, to grant options to Directors and senior management over a number of Ordinary Shares equivalent to 6% of the enlarged issued capital of the Company with an exercise price of 14p and exercise period of 5 years.

The changes to the Board will rejuvenate and energise the management team, paving the way for the Company to achieve its targets with a view to providing positive returns to Shareholders. The Company will use the proceeds of the Fundraising to continue to invest in its Logbaba and Matanda projects in Cameroon with a focus on connecting new customers; to execute the cost reduction plans; to re-pay certain debt and outstanding creditors obligations; and to improve the Group's general working capital (see "Use of Proceeds" section below)

By way of a financial update, the Company notes:

- Unaudited net revenue for 2018 was US\$10.6 million (2017: US\$23.5 million), reflecting the loss of revenue from the Company's grid-power business.
- Unaudited cash and cash equivalents as at 31 December 2018 were US\$3.6 million (2017: US\$11.5 million).
- Trade receivables were US\$2.7 million (2017: US\$6.2 million) and trade payables were US\$5.5 million (2017: US\$8.8 million).
- Total borrowings were US\$20.9 million (2017: US\$24.5 million).
- Net debt was US\$17.3 million (2017: US\$13.1 million).

## Use of Proceeds

The net proceeds of the Fundraising will enable the Company to:

- maintain and expand its existing operations in Cameroon, with a focus on securing new customers and increasing revenue;
- complete Well LA 108 at Logbaba and fund the ongoing development of the Matanda project, a key focus for the Company;
- continue to implement its cost reduction programme in both the London and Cameroon operations;
- restructure and reduce the Group's existing bank and trade indebtedness; and
- fund its working capital requirements.

Additional information on the Fundraising is set out below. Attention is also drawn to the section headed 'Important Notice' and to the Appendix to this Announcement containing, *inter alia*, the terms and conditions of the Placing (representing important information for Placées only). The final number of Placing Shares to be issued in connection with the Placing will be determined by GMP FirstEnergy and Shore Capital at the close of the book build process, and the results of the Placing will be announced as soon as practicable thereafter. The timing of the closing of the book, pricing and allocations is at the absolute discretion of the Company, GMP FirstEnergy and Shore Capital.

**For further information, please visit [www.victoriaoilandgas.com](http://www.victoriaoilandgas.com) or contact:**

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*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.*

## **Introduction**

The Company intends to raise up to approximately £12.6 million (approximately US\$16.5 million) by way of the Fundraising, although it reserves the right to increase or reduce the amount being raised via the Placing based on investor demand. The book build will open with immediate effect following this announcement. The timing of the closing of the book build, the number of Placing Shares and allocations are at the sole discretion of the Company and the joint brokers.

A further announcement will be made on the closing of the book build process in due course.

The Placing is conditional, amongst other things, upon:

- the passing of the Resolutions relating to the Fundraising at the General Meeting expected to be held on or around 3 April 2019;
- the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by no later than 8.00 a.m. on 4 April 2019 or such later time and/or date (being no later than 8.00 a.m. on 18 April 2019) as Shore Capital, GMP First Energy and the Company may agree.

The New Ordinary 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.

Shareholders are reminded that the Fundraising is conditional, amongst other things, on the passing of the Resolutions to be proposed at the General Meeting. Shareholders should be aware that if those Resolutions are not approved at the General Meeting, neither the Placing nor the Subscription will proceed. The Placing is not underwritten.

Application will be made to the London Stock Exchange for the admission of the New Ordinary Shares to trading on AIM. Subject to Shareholder approval of the Resolutions at the General Meeting, it is expected that Admission will occur and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 4 April 2019 at which time it is also expected that the New Ordinary Shares will be enabled for settlement in CREST.

## **Principal terms of the Subscription**

The Subscription Shares are being subscribed for directly by the Subscriber at the Issue Price, pursuant to a subscription agreement between the Subscriber and the Company dated 6 March 2019 (the "Subscription Agreement").

Upon completion of the Fundraising, assuming the maximum amount of £6.1 million is raised pursuant to the Placing, the Subscriber will hold approximately 24.7 per cent. of the Company's ordinary share capital, as enlarged by the Fundraising. The Subscription Shares are not subject to claw back. In the unlikely event that the Placing does not proceed, the Subscriber will reduce the number of Subscription Shares subscribed for such that its holding in the Company does not exceed 29.9 per cent. of the Company's enlarged issued ordinary share capital.

The Fundraising is conditional on, *inter alia*, the receipt of Shareholder approval of the Resolutions (as set out below) at a duly convened General Meeting. It is expected that the Subscription Shares and the Placing Shares will be admitted to trading on AIM (“Admission”) on or around 4 April 2019 (the “Admission Date”). A circular to Shareholders (the “Circular”), incorporating a notice of the General Meeting containing the requisite Resolutions will be issued shortly.

The New Ordinary Shares to be issued pursuant to the Fundraising will be fully paid and will rank *pari passu* in all respects with the Company’s existing ordinary shares. The Issue Price represents a discount of approximately 13.6 per cent. to the closing mid-market price of 15.04 pence per ordinary share on 5 March 2019, being the latest practicable Business Day prior to the date of this announcement.

The Subscription is conditional upon the following:

- (a) the Circular being published in accordance with the AIM Rules for Companies and the Companies Act 2006 (the “2006 Act”), to include a notice of the General Meeting containing the Resolutions;
- (b) the passing of the Resolutions at the General Meeting;
- (c) Admission occurring no later than 8.00 a.m. on the Admission Date;
- (d) the value of the total Fundraising being no more than £12.6 million;
- (e) Mr Kevin Foo retiring as Executive Chairman and Director of the Company with effect from no later than Admission;
- (f) Mr Roger Kennedy being appointed as Executive Chairman with effect from no later than Admission; and
- (g) two new independent non-executive directors of the Company being appointed with effect from no later than Admission.

(together, the “Conditions”).

The Conditions are not capable of waiver except by written agreement by each of the Subscriber and the Company (subject to advice from Strand Hanson).

The Subscription Agreement will terminate if:

- (a) the Conditions are not satisfied by 4 June 2019, being the 90th day following the date of the Subscription Agreement (or such later date as may be agreed between the Subscriber and the Company); or
- (b) a Material Adverse Change shall occur before the date that the Circular is published. With certain exceptions, a “Material Adverse Change” is an event that causes a material adverse effect on the Group, taken as a whole.

The following Resolutions are to be put to the General Meeting:

- (a) an ordinary resolution of the Company to authorise the directors of the Company to issue the New Ordinary Shares under section 550 of the 2006 Act; and
- (b) a special resolution under section 570 of the 2006 Act to disapply pre-emption rights in relation to the issue of the New Ordinary Shares.

Following Admission, the Subscriber shall, for such time as it holds (i) 10 per cent. or more of the Company's issued share capital, have the right to appoint a non-executive director to the Board, or (ii) 20 per cent. or more of the Company's issued share capital, have the right to appoint two non-executive directors to the Board; provided, however, that the Subscriber's right to appoint such second non-executive director shall be subject to an additional independent non-executive director being appointed to the Board at the same time.

In the event that the Resolutions are not passed at the General Meeting, then the Subscriber shall have the option (but no obligation), within five Business Days after the date of the General Meeting, to elect by written notice to the Company to subscribe for the maximum number of such shares at the Issue Price as would be permitted within the Company's existing share capital authorities.

For a period of two years following the Admission Date, if the Company decides to issue new ordinary shares (other than under the Company's share option and incentive schemes) it shall first give notice to the Subscriber of the proposed terms of such issue (the "Pre-Emption Notice") and the Subscriber may, at any time within five Business Days from receipt of the Pre-Emption Notice, notify the Company, in writing, that it wishes to participate in such share issue by subscribing for such amount of shares as is required so that the Subscriber's interest in the Company is not diluted by the proposed share issue (the "Equal Subscription"). If the Subscriber elects to participate in the proposed share issue, the share issue may only proceed on the basis that the Subscriber is able to subscribe for the Equal Subscription.

### **Relationship and Lock-in and Orderly Marketing Agreements**

The Subscriber has agreed to enter into, no later than the Admission Date, a relationship agreement (the "Relationship Agreement") and a Lock-in and Orderly Marketing Agreement (the "Lock-in Agreement"), each with the Company and the Company's Nominated Adviser, Strand Hanson Limited.

The Relationship Agreement is conditional upon the Subscriber holding 25 per cent. or more of the Ordinary Shares or voting rights in the Company including any ordinary shares or voting rights of any party acting in concert with the Subscriber ("Controlling Interest").

Pursuant to the Relationship Agreement, the parties have agreed to manage the relationship between the Subscriber and the Company to ensure that, among other things: (i) the Group will at all times be capable of carrying on its business independently of the Subscriber and its affiliates for the benefit of shareholders as a whole; (ii) all future transactions and arrangements between the Company and the Subscriber and its affiliates will be at arm's length and on normal commercial terms; (iii) the Subscriber will not use its Voting Rights (as defined therein) to prevent the Company from complying with applicable laws and regulations; and (iv) to ensure that the Company shall be managed in accordance with the QCA Corporate Governance Code 2018 published by the Quoted Companies Alliance to the extent practicable for the size, stage of development and operations of the Group at the relevant time or any other corporate governance regime adopted by the Board from time to time.

More specifically, the Subscriber has agreed to exercise its Voting Rights in compliance with the AIM Rules and in a way to ensure that the independence of the Board is maintained. Furthermore, the Subscriber will agree not to exercise its Voting Rights in respect of any resolution to approve a transaction with the Subscriber or any affiliate of the Subscriber.

The obligations of the Subscriber under the Relationship Agreement shall automatically be suspended upon the Subscriber (or any of its affiliates) ceasing to hold a Controlling Interest in the Company for a period of 56 days, with such suspension to be lifted if the Subscriber regains a Controlling Interest.

Pursuant to the Lock-in Agreement, the Subscriber undertakes (subject to certain limited exceptions, including by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company), not to dispose of the Subscription Shares, (with the exception of 2,800,000 shares excluded from such lock-up), held by it following Admission at any time prior to the six month anniversary of the Admission Date (the "Lock-up Period").

Furthermore, for a further period of six months from the end of the Lock-up Period, the Subscriber undertakes not to dispose of its Subscription Shares otherwise than through the Company's joint brokers with a view to maintaining an orderly market in the Ordinary Shares.

### **About the Subscriber**

YF Finance Limited is wholly owned by Mr Askar Alshinbayev.

### **Details of the Placing**

The Company is seeking to raise up to approximately £6.1 million (approximately US\$8.0 million) by way of the Placing through the issue of the Placing Shares at the Issue Price. The Placing Shares will be offered by way of an accelerated book building process which will launch immediately following this announcement.

#### *Placing Agreement*

The Company, GMP FirstEnergy and Shore Capital have today entered into the Placing Agreement, pursuant to which the Company appointed GMP FirstEnergy and Shore Capital as the Company's agents to use their reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing is not being underwritten by GMP FirstEnergy and/or Shore Capital. The Company has agreed to pay GMP FirstEnergy and Shore Capital certain commissions and fees in connection with the Placing.

The Placing is conditional, amongst other things, on:

- the passing of the Resolutions to be proposed at the General Meeting;
- the Subscription Agreement becoming unconditional in all respects (save for any condition relating to the Placing Agreement or Admission) and such agreement not having been terminated; and
- Admission of the New Ordinary Shares occurring on or before 8.00 a.m. on 4 April 2019 (or such later time and/or date as the Company, GMP FirstEnergy and Shore Capital may agree, being not later than 8.00 a.m. on 18 April 2019).

The Placing Agreement contains certain customary warranties given by the Company concerning the accuracy of the information in this announcement as well as other matters relating to the Group and its business. The Placing Agreement is terminable by GMP FirstEnergy and Shore Capital in certain circumstances prior to Admission, including for *force majeure* or in the event of a material adverse change to the business of the Company or the Group. The Company has also agreed to indemnify GMP FirstEnergy and Shore Capital against all losses,

costs, charges and expenses which they may suffer or incur as a result of, occasioned by or attributable to the carrying out of their duties under the Placing Agreement in respect of the Placing Shares.

The Placing Shares will, when issued, be subject to the Articles, be credited as fully paid and rank *pari passu* in all respects with each other and with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after the date of issue of the Placing Shares.

#### **Admission, settlement and CREST**

Application will be made to the London Stock Exchange for Admission of the New Ordinary Shares to trading on AIM. It is expected that, subject to the passing of the Resolutions at the General Meeting, Admission will become effective at 8.00 a.m. on 4 April 2019 (or such later date as the Company, GMP FirstEnergy, Shore Capital and the Subscriber (to the extent applicable) may agree, being not later than 8.00 a.m. on 18 April 2019) and that dealings in the New Ordinary Shares will also commence at that time.

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

#### **DEFINITIONS**

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

<b>Admission</b>	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
<b>Admission Date</b>	the date on which Admission occurs, which is expected to be 4 April 2019 (or such later date as the Company, GMP FirstEnergy, Shore Capital and the Subscriber (to the extent applicable) may agree)
<b>AIM</b>	the market of that name operated by the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time
<b>Articles</b>	the articles of association of the Company
<b>Board or Directors</b>	the board of directors of the Company or any duly authorised committee thereof

<b>Business Day or Business Days</b>	any day on which banks are open in London for normal banking business and the London Stock Exchange is open for trading
<b>Circular</b>	the circular to be sent to Shareholders, setting out details of the Fundraising, and containing the Notice of General Meeting
<b>Company or VOG</b>	Victoria Oil & Gas Plc a company incorporated in England and Wales with company number 05139892
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001, as amended
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>Existing Ordinary Shares</b>	the 150,446,457 Ordinary Shares in issue at the date of this announcement
<b>FCA</b>	the Financial Conduct Authority in the UK or its successor from time to time
<b>Form of Proxy</b>	the form of proxy which will accompany the Circular relating to the General Meeting
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>Fundraising</b>	together the Placing and the Subscription
<b>General Meeting</b>	the general meeting of the Company, notice of which will be set out at the end of the Circular, and including any adjournment(s) thereof
<b>GMP FirstEnergy</b>	FirstEnergy Capital LLP, joint broker to the Company
<b>Group</b>	the Company and its subsidiaries and subsidiary undertakings from time to time
<b>Issue Price</b>	13 pence per New Ordinary Share
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>MAR</b>	the Market Abuse Regulation (EU/596/2014)
<b>New Ordinary Shares</b>	together, the Placing Shares and the Subscription Shares
<b>Notice of General Meeting</b>	the notice of General Meeting, to be set out at the end of the Circular

<b>Ordinary Shares</b>	ordinary shares of 0.5 pence each in the capital of the Company
<b>Placees</b>	those persons who subscribe for Placing Shares pursuant to the Placing
<b>Placing</b>	the conditional placing of the Placing Shares pursuant to the terms and conditions of the Placing Agreement
<b>Placing Agreement</b>	the conditional agreement dated 6 March 2019 and entered into between the Company, GMP FirstEnergy and Shore Capital relating to the Placing
<b>Placing Shares</b>	the New Ordinary Shares to be issued to Placees pursuant to the Placing
<b>Prospectus Rules</b>	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
<b>Registrars</b>	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE
<b>Regulation S</b>	Regulation S under the Securities Act
<b>Regulatory Information Service</b>	has the meaning given in the AIM Rules
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting will be set out in full in the Notice of General Meeting
<b>Securities Act</b>	the US Securities Act of 1933, as amended
<b>Shareholders</b>	holders of Ordinary Shares
<b>Shore Capital</b>	Shore Capital Stockbrokers Limited, joint broker to the Company
<b>Strand Hanson</b>	Strand Hanson Limited, nominated and financial adviser to the Company
<b>Subscription</b>	the conditional subscription of the Subscription Shares
<b>Subscription Shares</b>	the New Ordinary Shares to be issued to the Subscriber pursuant to the Subscription
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia and all other areas subject to its jurisdiction

<b>£ or Sterling</b>	pounds sterling, the basic currency of the United Kingdom
<b>US\$</b>	United States dollar, the legal currency of the United States

## APPENDIX - TERMS AND CONDITIONS OF THE PLACING

### IMPORTANT INFORMATION FOR INVITED PLACES ONLY REGARDING THE PLACING.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX AND THE INFORMATION CONTAINED HEREIN (TOGETHER THE "ANNOUNCEMENT") IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("EEA") WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA"), AS AMENDED ("QUALIFIED INVESTORS"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "PROSPECTUS DIRECTIVE"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) (*INVESTMENT PROFESSIONALS*) OF THE FSMA (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (*HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.*) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN VICTORIA OIL & GAS PLC.

THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, 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. SUBJECT TO CERTAIN EXCEPTIONS AND AT THE SOLE DISCRETION OF THE COMPANY, THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATIONS UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT, WILL NOT BE ACCEPTED.**

**EACH PLACEE SHOULD CONSULT WITH ITS ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES. THE DISTRIBUTION OF THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.**

No action has been taken by either the Company or by GMP FirstEnergy or Shore Capital (together, the "**Brokers**") or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the FSMA does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Fundraising or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission, the Financial Markets Authority of New Zealand or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offering in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan, New Zealand or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in this "Important Information" section of this Announcement.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

- 1 it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- 2 in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Placing Shares pursuant to the Placing:
  - 2.1 it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive;
  - 2.2 in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:
    - 2.2.1 the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Brokers has been given to the offer or resale; or
    - 2.2.2 where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 3 it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement;
- 4 it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and
- 5 except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 3 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

#### **No prospectus**

No prospectus or other offering document has been or will be submitted to be approved by the Financial Conduct Authority ("**FCA**") in relation to the Fundraising or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information publicly announced through a Regulatory Information

Service (as defined in the AIM Rules for Companies) by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth in the form of confirmation to be sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of the Company or the Brokers or any other person and none of the Company, the Brokers or any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Details of the Placing Agreement and the Placing Shares**

The Brokers have today entered into a placing agreement (the "**Placing Agreement**") with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, the Brokers, as agents for and on behalf of the Company, have agreed to use their respective reasonable endeavours to procure Placees for the Placing Shares at the Issue Price.

The Placing Shares will, when issued, be subject to the articles of association of the Company (the "**Articles**") and credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

### **Application for admission to trading**

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

It is expected that Admission will take place no later than 8.00 a.m. on 4 April 2019 and that dealings in the Placing Shares on AIM will commence at the same time.

### **Principal terms of the Placing**

1. The Brokers are acting as joint placing agents and brokers to the Fundraising, as agents for and on behalf of the Company. The Brokers are authorised and regulated in the United Kingdom by the FCA and are acting exclusively for the Company and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of the Brokers or for providing advice in relation to the matters described in this Announcement.
2. Participation in the Placing will only be available to persons who may lawfully be, and are invited by the Brokers to participate. The Brokers and any of their respective affiliates are entitled to participate in the Placing as principal.
3. The price per Placing Share (the "**Issue Price**") is 13 pence and is payable to the Brokers (as agents of the Company) by all Placees.
4. Each Placee's allocation is determined by the Brokers in their discretion following consultation with the Company and has been or will be confirmed orally by the Brokers, as

applicable, and a form of confirmation will be dispatched as soon as possible thereafter. That oral confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of the Brokers and the Company, under which it agrees to acquire the number of Placing Shares allocated to the Placee at the Issue Price and otherwise on the terms and subject to the conditions set out in this Appendix and in accordance with the Articles. Except with the prior written consent of the Brokers, such commitment will not be capable of variation or revocation at the time at which it is submitted.

5. Each Placee's allocation and commitment will be evidenced by a form of confirmation issued to such Placee by the Brokers. The terms of this Appendix will be deemed incorporated in that form of confirmation.
6. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Brokers (as agents for the Company), to pay to them (or as they may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
7. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "**Registration and Settlement**".
8. All obligations of the Brokers under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing".
9. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
10. To the fullest extent permissible by law and applicable FCA rules, none of (a) the Brokers, (b) any of their affiliates, agents, directors, officers, consultants, (c) to the extent not contained within (a) or (b), any person connected with the Brokers as defined in the FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of the Brokers), (d) any person acting on behalf of the Brokers, shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither of the Brokers nor any of their respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Fundraising or of such alternative method of effecting the Fundraising as the Brokers and the Company may agree.

### **Registration and Settlement**

If Placees are allocated any Placing Shares in the Placing they will be sent a form of confirmation or electronic confirmation by the Brokers (or either one of them), as soon as it is able which will confirm the number of Placing Shares allocated to them, the Issue Price and the aggregate amount owed by them to the Brokers.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by the Brokers.

Settlement of transactions in the Placing Shares (ISIN: GB00BRWR3752) following Admission will take place within the CREST system, subject to certain exceptions.

Settlement through CREST is expected to take place on 4 April 2019 unless otherwise notified by the Brokers and Admission is expected to occur no later than 8.00 a.m. on 4 April 2019 unless otherwise notified by the Brokers. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Brokers may agree that the Placing Shares should be issued in certificated form. The Brokers reserve the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by the Brokers.

Each Placee agrees that if it does not comply with these obligations, the Brokers may sell, charge by way of security (to any funder of the Brokers) or otherwise deal with any or all of their Placing Shares on their behalf and retain from the proceeds, for either of the Broker's own accounts and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due and any costs and expenses properly incurred by the Brokers as a result of the Placee's failure to comply with its obligations. The relevant Placee will, however, remain liable for any shortfall below the amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until such time as it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional form of confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of the Brokers under the Placing Agreement are, and the Placing is, conditional upon, *inter alia*:

- (a) each of the warranties contained in the Placing Agreement being and remaining true, accurate and not misleading until Admission;
- (b) the Company having complied in all material respects with its obligations and having satisfied the conditions under the Placing Agreement which fall to be performed or satisfied prior to Admission;
- (c) the Placing Agreement not having been terminated by the Brokers in accordance with its terms;

- (d) the Subscription Agreement having become unconditional in accordance with the terms thereof (save only for any condition in relation to the Placing Agreement of Admission) and not having been terminated;
- (e) the Company procuring that the Circular and Form of Proxy are sent to shareholders by no later than 13 March 2019;
- (f) the passing of the Resolutions (without any amendment which has not been previously approved by GMP FirstEnergy and Shore Capital) at the General Meeting (or any adjournment thereof); and
- (g) Admission occurring by not later than 8.00 a.m. on 4 April 2019 (or such later date as the Company and the Brokers may agree in writing, in any event being not later than 18 April 2019),

(all conditions to the obligations of the Brokers included in the Placing Agreement being together, the "**conditions**").

If any of the conditions set out in the Placing Agreement are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and the Brokers may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "Termination of the Fundraising" below and will not be capable of rescission or termination by it.

Certain conditions may be waived in whole or in part by the Brokers, in their absolute discretion, by notice in writing to the Company and the Brokers may also agree in writing with the Company to extend the time for satisfaction of any condition. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

The Brokers may terminate the Placing Agreement in certain circumstances, details of which are set out below.

Neither the Brokers, the Company nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Brokers.

#### **Termination of the Fundraising**

The Brokers may terminate the Placing Agreement, in accordance with its terms, at any time prior to Admission if, *inter alia*:

1. any of the warranties and undertakings in the Placing Agreement were untrue or inaccurate in any material aspect, or were misleading in any material respect when given or deemed given; or
2. the Company fails to comply with its obligations under the Placing Agreement in any material respect; or

3. any statement contained in this Announcement or the Circular (the “**Placing Documents**”) is or has become untrue, inaccurate or misleading in any material respect or a matter has arisen which would constitute a material omission from the Placing Documents; or
4. there has occurred a force majeure event, or any material adverse change has occurred in the condition, earnings, business affairs or business prospects of the Company and its subsidiary undertakings (taken as whole).

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company and the Brokers that the exercise by the Company or the Brokers of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Brokers and that none of the Company nor the Brokers need make any reference to such Placee and that none of the Company, the Brokers nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "Conditions of the Fundraising" section above and will not be capable of rescission or termination by it after the issue by the Brokers of a form of confirmation confirming each Placee's allocation and commitment in the Placing.

#### **Representations, warranties and further terms**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) irrevocably represents, warrants, acknowledges, undertakes and agrees (for itself and for any such prospective Placee) that in each case as a fundamental term of such Placee's application for Placing Shares (save where the Brokers expressly agree in writing to the contrary):

1. it has read and understood this Announcement in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Fundraising, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information;
2. it has not received a prospectus or other offering document in connection with the Fundraising and acknowledges that no prospectus or other offering document: (a) is required under the Prospectus Directive; and (b) has been or will be prepared in connection with the Fundraising;
3. the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;

4. it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and none of the Brokers, the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement, or the Publicly Available Information; nor has it requested any of the Brokers, the Company, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
5. neither of the Brokers nor any person acting on behalf of them or any of their respective affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
6. the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information;
7. none of the Company, the Brokers nor any of their respective affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information;
8. it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;
9. it has not relied on any investigation that the Brokers or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
10. the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither of the Brokers nor any persons acting on behalf of them are responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
11. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within

the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or in any country or jurisdiction where any such action for that purpose is required;

12. it and/or each person on whose behalf it is participating:
  - a. is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
  - b. has fully observed such laws and regulations;
  - c. has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
  - d. has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges that it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;
13. it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed will not be, a resident of, or with an address in, or subject to the laws of, the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
14. the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
15. it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;
16. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
17. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Fundraising in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;

18. neither of the Brokers, nor their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Fundraising and that participation in the Fundraising is on the basis that it is not and will not be a client of the Brokers and the Brokers have no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Fundraising nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
19. it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees that it will make payment to the Brokers for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as the Brokers may, in their absolute discretion determine without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
20. no action has been or will be taken by any of the Company, the Brokers or any person acting on their behalf that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
21. the person who it specifies for registration as holder of the Placing Shares will be: (a) the Placee; or (b) a nominee of the Placee, as the case may be. None of the Company or the Brokers will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Fundraising and agrees to pay the Company and the Brokers in respect of the same (including any interest or penalties) on the basis that the Placing Shares will be allotted to a CREST stock account of the Brokers (or either one of them) or transferred to a CREST stock account of the Brokers (or either one of them) who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
22. it is acting as principal only in respect of the Placing or, if it is acting for any other person, (a) it is duly authorised to do so and has full power to make the acknowledgments, representations and agreements herein on behalf of each such person and (b) it is and will remain liable to the Company and the Brokers for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
23. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;

24. it will not make an offer to the public of the Placing Shares and it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any other member state of the EEA within the meaning of the Prospectus Directive;
25. it is a person of a kind described in: (a) Article 19(5) (Investment Professionals) and/or 49(2) (High net worth companies etc.) of the Order, and/or an authorised person as defined in section 31 of FSMA; and (b) section 86(7) of FSMA ("**Qualified Investor**"), being a person falling within Article 2.1(e) the Prospectus Directive. For such purposes, it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
26. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges that this Announcement is not being issued by the Brokers as an authorised person under Section 21 of FSMA and therefore is not subject to the same controls applicable to a financial promotion made by an authorised person;
27. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);
28. if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of the Brokers has been given to the offer or resale;
29. it has neither received nor relied on any confidential price sensitive information about the Company in accepting this invitation to participate in the Placing;
30. neither of the Brokers nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in this Announcement or for any information previously published by or on behalf of the Company or any other written or oral information made available to or publicly available or filed information or any representation, warranty or undertaking relating to the Company, and will not be liable for its decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement or elsewhere, provided that nothing in this paragraph shall exclude any liability of any person for fraud;

31. acknowledges and accepts that the Brokers may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise and, except as required by applicable law or regulation, the Brokers will not make any public disclosure in relation to such transactions;
32. the Brokers and each of their affiliates, each acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by the Brokers and/or any of their respective affiliates, acting as an investor for its or their own account(s). None of the Company or the Brokers intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;
33. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
34. it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, FSMA, the EU Market Abuse Regulation No. 596 of 2014 and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
35. in order to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Brokers (each for itself and as agent on behalf of the Company) or the Registrars may, in their absolute discretion, require verification of its identity. Pending the provision to the Brokers or the Registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at the Brokers' absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at the Brokers' or the Registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity the Brokers' (each for itself and as agent on behalf of the Company) or the Registrars have not received evidence satisfactory to them, the Brokers and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
36. acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement and in the form of confirmation will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Brokers' (or either of their) conduct of the Placing;
37. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares.

It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Fundraising. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Fundraising, including the merits and risks involved;

38. it irrevocably appoints any duly authorised officer of the Brokers as its agent for the purpose of executing and delivering to the Company and/or its Registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Announcement;
39. the Company, the Brokers and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to the Brokers, on their own behalf and on behalf of the Company and are irrevocable;
40. if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
41. time is of the essence as regards its obligations under this Appendix;
42. any document that is to be sent to it in connection with the Fundraising will be sent at its risk and may be sent to it at any address provided by it to the Brokers;
43. the Placing Shares will be issued subject to the terms and conditions of this Appendix; and
44. these terms and conditions in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Brokers in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, the Brokers and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by the Company, the Brokers or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their

agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and none of the Company or the Brokers shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify the Brokers accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Brokers in the event that any of the Company and/or the Brokers has incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to the Brokers for themselves and on behalf of the Company and are irrevocable.

Each Placee and any person acting on behalf of the Placee acknowledges that the Brokers do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that the Brokers may (at their absolute discretion) satisfy their obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with the Brokers, any money held in an account with the Brokers on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence this money will not be segregated from the Brokers' money (as applicable) in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this Announcement are to London time, unless otherwise stated.

All times and dates in this Announcement may be subject to amendment.

No statement in this Announcement is intended to be a profit forecast, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

### **Important Notice**

Market soundings, as defined in MAR, were taken in respect of the Placing with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this Announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

This Announcement does not constitute a prospectus for the purposes of the Prospectus Rules of the Financial Conduct Authority, nor does it comprise an admission document prepared in accordance with the AIM Rules. Accordingly, this Announcement has not been approved by or filed with the Financial Conduct Authority.

This Announcement must not be distributed to a US Person (as such term is defined in Rule 902 of Regulation S under the US Securities Act of 1933, as amended (the "**Securities Act**")) or within or into the United States, Canada, Japan, South Africa, New Zealand or Australia. The Ordinary Shares have not nor will be registered under the Securities Act, and may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, South Africa, New Zealand or Australia or to or by any US Person or any national, resident or citizen of Canada, Japan, the Republic of South Africa, New Zealand or Australia or any corporation, partnership or other entity created or organised under the laws thereof.

Strand Hanson Limited ("**Strand Hanson**"), which is regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated and financial adviser to the Company and is acting for no-one else in connection with the matters referred to in this Announcement, and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Strand Hanson nor for providing advice to any other person in relation to the matters referred to in this Announcement. Strand Hanson is not making any representation or warranty, express or implied, as to the contents of this Announcement, including the accuracy, verification or completeness of any information contained in this Announcement or for any other statement made or purported to be made by the Company, or on the Company's behalf, or by them or on their behalf, and nothing in this Announcement shall be relied upon as a promise or representation in this respect, whether as to the past or future. The responsibilities of Strand Hanson as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person. Strand Hanson has not approved the contents of, or any part of, this Announcement and no liability whatsoever is accepted by Strand Hanson for the accuracy of any information or opinions contained in this Announcement or for the omission of any information from this Announcement, and accordingly Strand Hanson disclaims to the fullest extent permitted by law all and any liability whatsoever whether arising in tort, contract or otherwise which it might otherwise have to any person, other than the Company, in respect of this Announcement or any such statement.

FirstEnergy Capital LLP ("**GMP FirstEnergy**") and Shore Capital Stockbrokers Limited ("**Shore Capital**"), which are authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting as joint brokers exclusively for the Company and no one else in

connection with the matters referred to in this Announcement, and will not be responsible to anyone other than the Company for providing the protections afforded to their clients, for the contents of this Announcement or for providing any advice in relation to this Announcement. Apart from the responsibilities and liabilities, if any, which may be imposed by the FCA or the FSMA or the regulatory regime established thereunder, neither GMP FirstEnergy nor Shore Capital, or any person affiliated with them, accepts any responsibility whatsoever and neither makes any representation or warranty, express or implied, in respect of the contents of this Announcement including its accuracy or completeness or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company or any matter described in this Announcement and nothing in this Announcement is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Neither GMP FirstEnergy nor Shore Capital has approved the contents of, or any part of, this Announcement and no liability whatsoever is accepted by GMP FirstEnergy or Shore Capital for the accuracy of any information or opinions contained in this Announcement or for the omission of any information from this Announcement and accordingly, GMP FirstEnergy and Shore Capital disclaim all liability to the fullest extent permitted by law, all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have to any person, other than the Company, in respect of this Announcement or any such statement.

Past performance is not a guide to future performance.

#### **Forward Looking Statements**

This Announcement contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "potential", "estimate", "expect", "may", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this Announcement are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. These forward-looking statements speak only as at the date of this Announcement. No statement in this Announcement is intended to constitute a profit forecast or profit estimate for any period. Neither the Directors nor the Group undertake any obligation to update forward-looking statements other than as required by the AIM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.