THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, or the contents of this document, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities. The whole of the text of this document should be read. Investment in the Company is speculative and involves a high degree of risk.

This document is an admission document in relation to AIM. It has been drawn up in accordance with the AIM Rules for Companies published by the London Stock Exchange and has been issued in connection with the proposed admission to trading on AIM of the Ordinary Shares. This document does not constitute a prospectus for the purposes of FSMA and the Prospectus Rules and has not been approved by or filed with the FCA. Any offer of Ordinary Shares is being made only to qualified investors for the purposes of and as defined in section 86 of FSMA and accordingly this document does not constitute, and the Company is not making an offer to the public within the meaning of sections 85 and 102B of FSMA.

The Directors, whose names appear on page 6 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Company are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

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 UKLA. 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 professional financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. 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 Existing Ordinary Shares, the Fee Shares, the Conversion Shares, the Brockham Shares or the Placing Shares to the Official List. None of the Existing Ordinary Shares, the Fee Shares, the Conversion Shares, the Brockham Shares or the Placing Shares will be dealt on any other recognised investment exchange and no other such application will be made.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings for normal settlement in the Enlarged Share Capital will commence on 14 November 2016.

Angus Energy Plc

(Incorporated in England and Wales under the Companies Act 2006 with registration number 09616076)

Placing of 58,333,333 new Ordinary Shares at 6 pence
Admission of the Enlarged Share Capital to trading on AIM

Nominated Adviser
Beaumont Cornish Limited

Broker
Optiva Securities Limited

Share capital immediately following completion of the Placing and Admission

	Issued	
	Number	*£*
Ordinary Shares of £0.002 each	**214,980,287**	**£429,960.57**

THE WHOLE OF THIS DOCUMENT SHOULD BE READ AND YOUR ATTENTION IS DRAWN TO THE RISK FACTORS SET OUT IN PART II OF THIS DOCUMENT.

This document does not constitute an offer to sell or the solicitation of an offer to buy shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any such distribution could result in a violation of the law of such jurisdictions. The Ordinary Shares have not been, and will not be, registered under the securities legislation of the US, Australia, Canada, Japan, the Republic of South Africa or the Republic of Ireland. Accordingly, subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold within the US, Canada, Australia, Republic of South Africa, Japan or the Republic of Ireland or to or for the account or benefit of any person resident in the U S, Canada, Australia, Japan, Republic of South Africa or Republic of Ireland.

Other than in accordance with the Company's obligations under the AIM Rules or as otherwise required by law, the Company and Directors undertake no obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company, the Directors or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this document.

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

Beaumont Cornish Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as its nominated adviser in connection with the Placing and Admission and will not be acting for any other person or otherwise be responsible to any person for providing the protections afforded to customers of Beaumont Cornish Limited or for advising any other person in respect of the Placing and Admission. Beaumont Cornish Limited's responsibilities 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 or to any other person in respect of such person's decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Beaumont Cornish Limited as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued) and Beaumont Cornish Limited has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and Directors are solely responsible.

Optiva Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as its broker in connection with the Placing and Admission and will not be acting for any other person or otherwise be responsible to any person for providing the protections afforded to customers of Optiva Securities Limited or for advising any other person in respect of the Placing and Admission. No representation or warranty, express or implied, is made by Optiva Securities Limited as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued) and Optiva Securities Limited has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and Directors are solely responsible.

Neither the Company nor the Directors is providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the new Ordinary Shares.

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

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the offices of the Company, at Beaumont Cornish Limited at 2nd Floor, Bowman House, 29 Wilson Street, London EC2M 2SJ and at Fladgate LLP at 16 Great Queen Street, London WC2B 5DG from the date of Admission until the date which is one month from the date of Admission. Additionally, an electronic version of this document will be available on the Company's website, www.angusenergy.co.uk.

IMPORTANT INFORMATION

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective investors should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see further under *Part II: Risk Factors* of this document).

Potential investors contemplating an investment in Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Company. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in Ordinary Shares.

If you are in any doubt about the contents of this document you should consult your stockbroker or your financial or other professional adviser.

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

This document should be read in its entirety before making any investment in the Company.

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of this document.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance, achievements of or dividends paid by, the Company to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as of the date of this document.

Notice to Overseas Persons

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

The Ordinary Shares have not been, nor will they be, registered under the US Securities Act, as amended and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the Placing Shares are being offered in reliance on Regulation S under the US Securities Act. The Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Ordinary Shares been lodges with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a "**Restricted Jurisdiction**") or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

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

Extraction of information from the Competent Person's Report

This document contains cross-references to information contained in the Competent Person's Report set out in Part III of this document. The Company confirms that the information which has been extracted from the Competent Person's Report has been accurately reproduced and that so far as the Company is aware and is able to ascertain from the Competent Person's Report, no facts have been omitted which would render the extracts inaccurate or misleading. The Competent Person has reviewed the information contained in this document which relates to information contained in the Competent Person's Report and has confirmed in writing to the Company, and Beaumont Cornish, that the information presented is accurate, balanced and complete and not inconsistent with the Competent Person's Report.

Figures and currency

Various figures and percentages in tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from actual arithmetical totals of such data.

In the document, references to "Pounds sterling","sterling", "GBP", "£", "pence", and "p" are to the lawful currency of the United Kingdom, and references to "$", "US$", "US dollars", "USD" or "dollars", are to the lawful currency of the USA.

Third party information

Where third party information has been used in this document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data.

References to times

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

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors	Jonathan Eldred Wilhelmus Tidswell-Pretorius (*Executive Chairman*) Paul Abram Vonk (*Managing Director*) Robert ("Rob") James Shepherd (*Non-Executive Director*) Christian ("Chris") de Goey (*Non-Executive Director*) Cameron Roy Marchand Buchanan (*Non-Executive Director*)
Company Secretary	Carlos Dos Santos Fernandes
Registered office	Building 3 Chiswick Park, 566 Chiswick High Street London W4 5YA
Company's website	www.angusenergy.co.uk
Nominated Adviser	Beaumont Cornish Limited 2nd Floor Bowman House 29 Wilson Street London EC2M 2SJ
Broker	Optiva Securities Limited 2 Mill Street London W1S 2AT
Legal Advisers to the Company	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Legal Advisers to the Nominated Adviser and Broker	Field Fisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Auditors to the Company and Reporting Accountants	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Competent Person	Xodus Group Ltd Cheapside House 138 Cheapside London EC2V 6BJ

PLACING STATISTICS

Placing Price (per Placing Share)	£0.06
Number of Existing Ordinary Shares	150,000,000
Number of Placing Shares	58,333,333
Number of Conversion Shares being issued at Admission	4,480,287
Number of Fee Shares being issued at Admission	500,000
Number of Brockham Shares being issued at Admission	1,666,667
Enlarged Share Capital on Admission	214,980,287
Placing Shares expressed as a percentage of the Enlarged Share Capital	27.13%
Conversion Shares expressed as a percentage of the Enlarged Share Capital	2.08%
Brockham Shares expressed as a percentage of the Enlarged Share Capital	0.78%
Number of Ordinary Shares under option or warrant following Admission	25,248,029
Fully diluted enlarged share capital on Admission[1]	240,228,315
Gross proceeds of the Placing	£3,500,000
Estimated net proceeds of the Placing	£3,027,500
Market capitalisation of the Company at the Placing Price on Admission	£12,899,000
ISIN	GB00BYWKC989
SEDOL	BYWKC98
TIDM	ANGS

1 Calculated on the basis that the Options and the Warrants are exercised in full.

EXCHANGE RATE

The following illustrate exchange rates are used throughout this document to assist the understanding of this document:

- £1.00 = US$1.24

All amounts in this document expressed in the above currency have, unless otherwise stated, been calculated using the above exchange rate.

Source: Bloomberg Markets

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	7 November 2016
Admission and commencement of dealings in the Enlarged Share Capital on AIM	8.00 a.m. on 14 November 2016
CREST stock accounts credited in respect of the Placing Shares, Conversion Shares, Fee Shares and Brockham Shares (where applicable)	14 November 2016
Despatch of definitive share certificates in respect of the Placing Shares, Conversion Shares, Fee Shares and Brockham Shares (where applicable)	16 November 2016

The above times are estimates and may be altered at the election of the Company, Optiva or Beaumont Cornish without notice.

DEFINITIONS

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

"Angus" or **"the Company"**	Angus Energy plc, incorporated in England and Wales on 1 June 2015 with registered number 09616076
"Act"	the Companies Act 2006, as amended
"Admission"	admission of the Existing Ordinary Shares, the Placing Shares, the Fee Shares, the Brockham Shares and the Conversion Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"AHL"	Angus Energy Holdings UK Limited, a company incorporated in Scotland with registered number SC366110, being a wholly owned subsidiary of the Company
"AHL Group"	AHL, AWB1, AWB2 and AWB3
"AHL Group Financial Information"	the audited historical financial information of the AHLGroup for the three years ended 30 September 2015 and the six-month period ended 31 March 2016, as set out in Part IV(D) of this document
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange governing admission to, and the operation of, AIM as in force as at the date of this document or, where the context so required, as amended or modified after the date of this document
"Alba"	Alba Mineral Resources plc, a company incorporated in England and Wales with registered number 5285814 and whose ordinary shares are admitted to trading on AIM
"Angus Group" or **"Group"**	Angus, AHL, AWB1, AWB2 and AWB3
"Angus Licence Partners"	the respective partners, alongside Angus, in the Brockham Licence and the Lidsey Licence
"Articles" or **"Articles of Association"**	the articles of association of the Company from time to time
"AWB1"	Angus Energy Weald Basin No. 1 Limited, a company incorporated in Scotland with registered number SC427386, being a wholly owned subsidiary of AHL
"AWB2"	Angus Energy Weald Basin No. 2 Limited, a company incorporated in England and Wales with registered number 06975039, being a wholly owned subsidiary of the Company
"AWB3"	Angus Energy Weald Basin No. 3 Limited, a company incorporated in Scotland with company number SC055329, being a wholly owned subsidiary of AWB2
"Beaumont Cornish"	Beaumont Cornish Limited, of 2nd Floor, Bowman House, 29 Wilson Street, London EC2M 2SJ, being the Company's nominated adviser under the AIM Rules
"Beaumont Fee Shares"	the 250,000 Ordinary Shares to be issued to Beaumont Cornish as referred to in paragraph 18 of Part I of this document
"Bribery Act"	the Bribery Act 2010

"Brockham Agreement"	the agreement dated 15 November 2015 between the Company, AHL, AWB3 and BCL, Brockham Energy LLP and Meredith Brodie (as landlord of the Brockham land), further details of which are set out in paragraph 13.10 of Part VII of this document
"Brockham Capital Limited" or **"BCL"**	Brockham Capital Limited, a company incorporated in England and Wales with company number 02196647, being a party to the Brockham Agreement
"Brockham Energy LLP" or **"BE LLP"**	a limited liability partnership registered in England and Wales with registered number OC381502, being a party to the Brockham Agreement
"Brockham Licence" or **"PL235"**	Production Licence PL235 granted by the Secretary of State to the original signatories thereto, dated 28 October 1983, further details of which are set out in paragraph 13.11 of Part VI of this document
"Brockham Shares"	the 1,666,667 new Ordinary Shares to be issued and allotted to Brockham Capital Limited on Admission pursuant to the Brockham Agreement
"Brockham Warrants"	warrants to subscribe for 833,333 Ordinary Shares issued to Brockham Capital Limited, details of which are set out in paragraph 13.10 of Part VII of this document
"Broker Warrants"	warrants to subscribe for 2,916,667 Ordinary Shares issued to Optiva, details of which are set out in paragraph 13.1 of Part VII of this document
"Business Day"	a day other than Saturday or Sunday or a public holiday in England and Wales
"City Code"	the City Code on Takeovers and Mergers, published by the Panel
"Company Financial Information"	the audited historical financial information of the Company for the period from incorporation on 1 June 2015 to 31 March 2016, as set out in Part IV(B) of this document
"Competent Person" or **"Xodus"**	Xodus Group Limited, the independent technical consultant appointed under the AIM guidance note for Mining, Oil and Gas Companies
"CPR" or **"Competent Person's Report"**	the competent person report set out in Part III of this document
"Conversion Shares"	the 4,480,287 new Ordinary Shares to be issued on Admission to Energists pursuant to the Convertible Loan Deed
"Convertible Loan Deed"	the $200,000 convertible loan deed between AHL and Energists, as amended, further details of which are set out in paragraph 13.21 of Part VII of this document
"CREST"	the computerised settlement system to facilitate the transfer of title in shares and the holding of shares in uncertificated form which is operated by Euroclear
"CREST Regulations"	the Uncertified Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)
"DECC"	the Department of Energy and Climate Change

"Directors" or **"Board"**	the directors of the Company as at the date of this document, being Jonathan Tidswell-Pretorius, Paul Vonk, Rob Shepherd, Chris de Goey and Cameron Buchanan
"Doriemus"	Doriemus plc, a company incorporated in England and Wales with registered number 03877125 and whose ordinary shares are admitted to trading on the ISDX Growth Market
"EA"	the Environment Agency
"Energists"	Energists Holdings, LLC, a company registered in the State of Texas, US
"Enlarged Share Capital"	the Existing Ordinary Shares together with the Placing Shares, the Conversion Shares, the Brockham Shares and the Fee Shares, being the issued ordinary share capital of the Company immediately following Admission
"Euroclear"	Euroclear UK & Ireland Limited
"Existing Ordinary Shares"	the 150,000,000 Ordinary Shares in issue as at the date of this document
"Existing Shareholders"	the shareholders as at 7 November 2016 being Jonathan Tidswell-Pretorius, Paul Vonk, Knowe, David Davies, Stuart Kilnan, UKOG, JDA and Michael Lakin
"FCA"	the Financial Conduct Authority
"Fee Shares"	the Beaumont Fee Shares and the Waldorf Fee Shares
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"HHDL"	Horse Hill Developments Ltd, a company incorporated in England and Wales with company number 08808553
"Horse Hill Licences"	PEDL137 granted by the Secretary of State on or around 1 October 2004 and PEDL246 granted by the Secretary of State on or around 1 July 2008
"HMRC"	HM Revenue & Customs
"IFRS"	International Financial Reporting Standards as adopted by the European Union
"Isle of Wight Licence"	PEDL331 granted by the Secretary of State on 20 July 2016
"JDA"	JDA Consulting Limited, a company registered in the British Virgin Islands with company registration number 144746
"Joint Operating Agreement"	an agreement relating to the conduct of operations on, and the rights and obligations of, the parties in respect of a Licence
"JVCo"	Angus Energy North America Limited, a company incorporated in England and Wales with registered number 10355604
"Knowe"	Knowe Properties Limited, a company incorporated in Scotland with registered number SC048970
"Lidsey Licence" or **"PL241"**	Production Licence PL241 granted by the Secretary of State for Energy to the original signatories thereto, dated 2 December 1983, further details of which are set out in Part VI of this document

"Licence"	Production Licence or PEDL as the context admits
"LSE" or **"London Stock Exchange"**	the London Stock Exchange plc
"MAR"	the Market Abuse Regulation (regulation 596/2014/EU).
"Model Clauses"	the model clauses for production licences in landward areas set out in Schedule 4 to the Petroleum (Production) Regulations 1982, which are incorporated into the terms of the Brockham Licence and the Lidsey Licence
"Official List"	the Official List of the UK Listing Authority
"OGA"	the Oil and Gas Authority, an independent government company established by the UK Government in its current form on 1 October 2016
"Options"	the options to subscribe for Ordinary Shares under the Share Option Scheme, details of which are set out in paragraph 4.8, 8.2 and 14 of Part VII of this document
"Optiva"	Optiva Securities Limited, of 2 Mill Street, London W1S 2AT, being the Company's broker
"Ordinary Shares"	ordinary shares of 0.2 pence each in the capital of the Company
"Panel"	the Panel on Takeovers and Mergers, which administers the City Code
"PEDL"	a United Kingdom onshore petroleum exploration and development licence issued by the Secretary of State for Trade and Industry or a successor thereto (including the Secretary of State for Energy and Climate Change), under the relevant Petroleum Act and related regulations
"Petroleum Act"	the Petroleum (Production) Act, 1934 or the Petroleum Act 1998, as appropriate
"Placees"	investors to whom Placing Shares are to be issued pursuant to the Placing
"Placing"	the conditional placing by Optiva on behalf of the Company of the Placing Shares at the Placing Price, pursuant to the Placing Agreement
"Placing Agreement"	the conditional agreement dated 7 November 2016 and made between (1) the Company (2) the Directors, (3) Optiva and (4) Beaumont Cornish, a summary of the principal terms of which is set out in paragraph 13.2 of Part VII of this document
"Placing Price"	6 pence per Placing Share
"Placing Shares"	58,333,333 Ordinary Shares to be issued and allotted by the Company pursuant to the Placing
"Production Licence" or **"PL"**	a United Kingdom onshore production licence issued by the Minster of Power, the Secretary of State for Energy or a successor thereto, under the relevant Petroleum Act and related regulations
"Pro Forma Financial Information"	the unaudited pro forma statement of net assets of the Angus Group as at 31 March 2016, as set out in Part V(A) of this document

"Prospectus Rules"	the Prospectus Rules brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004
"Regency"	Regency Mines plc, a company incorporated in England and Wales with registered number 05227458, whose ordinary shares are admitted to trading on AIM
"RNS"	Regulatory News Service
"QCA Guidelines"	the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies, as amended from time to time
"Shareholders"	the persons who are registered as the holders of Ordinary Shares from time to time
"Share Option Scheme"	the Enterprise Management Incentive share option scheme established by the Company, a summary of which is set out in paragraph 14 of Part VII of this document
"subsidiary"	as defined in the Act
"Terrain"	Terrain Energy Limited, a company incorporated in England and Wales with registered number 7004014
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the UK Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of FSMA
"UKOG"	UK Oil & Gas Investments plc, a company incorporated in England and Wales with registered number 05299925, whose ordinary shares are admitted to trading on AIM
"uncertificated" or **"in uncertificated form"**	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which by virtue of the CREST Regulations, may be transferred by means of CREST
"US" or **"United States"**	the United States of America, each State thereof (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction
"US Securities Act"	the United States Securities Act of 1933 as amended
"Waldorf Fee Shares"	the 250,000 Ordinary Shares to be issued to Waldorf & Statler Ltd as referred to in paragraph 18 of Part I of this document
"Warrants"	together, the Brockham Warrants and the Broker Warrants

GLOSSARY OF TECHNICAL TERMS

1P	Taken to be equivalent to Proved Reserves; denotes low estimate scenario of Reserves
2D	Two dimensional seismic data covering length and depth of a given geological surface
2P	Taken to be equivalent to the sum of Proved plus Probable Reserves; denotes best estimate scenario of Reserves
3P	Taken to be equivalent to the sum of Proved plus Probable plus Possible Reserves; denotes high estimate scenario of Reserves
AAPG	American Association of Petroleum Geologists
API	American Petroleum Institute gravity
AVO	Amplitude versus offset or amplitude variation with offset is often used as a direct hydrocarbon indicator
bbl	US barrel
Best Estimate	An estimate representing the best technical assessment of projected volumes. Often associated with a central, P_{50} or mean value
boepd	US barrels of oil equivalent per day
bopd	Barrel of oil per day
Brent	Brent Crude Benchmark
BS&W	Base Solids and Water
CF-1	Collendean Farm-1 well
Contingent Resources	Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterised by their economic status.
COS	Exploration or geological chance of success. The probability, typically expressed as a percentage that a given outcome will occur
CPI	Computer-processed interpretation
D	Day
discount rate	The interest rate used to discount future cash flows into a value of a reference date
expectation	The mean of a probability distribution
Ft	Foot/feet

º F / º C	Degrees Fahrenheit / Centigrade
FDP	Field Development Programme
FVF	Formation Volume Factor
FWL	Free water level
GDT	Gas Down To
GIIP	Gas Initially In Place
GR	Gamma ray
GOR	Gas Oil Ratio
GRV	Gross Rock Volume
GWC	Gas-water contact
H	Thickness
High Estimate	An estimate representing the high technical assessment of projected volumes. Often associated with a high or P_{10} value
HCIIP	Hydrocarbons Initially in Place
HH-1	Horse Hill-1 well
K	Permeability
k_a	Air permeability
Kh	Permeability-thickness
km^2	Square kilometres
Kw	Water Permeability
Lead	A feature identified on seismic data that has the potential to become a prospect. Usually a Lead is associated with poorer quality or limited 2D seismic data.
LKG	Lowest Known Gas
Low Estimate	An estimate representing the low technical assessment of projected volumes. Often associated with a low or P_{90} value.
m	Metres
MD	Measured depth
Mean	Arithmetic average of a series of values
MM or mm	Million
MDRKB	Measured Depth Rotary Kelly Bushing
MDBRT	Measured depth Below Rotary Table
MDT	Modular Dynamic Tester
Mean	The arithmetic average of a set of values
MM	Million
MMbo	Millions of barrels of oil

MMboe	Millions of barrels of oil equivalent
MMstb	Millions of barrels of stock tank oil
MSL	Mean Seal Level
N/G	Net to Gross
NPV	Net Present Value (of a series of cash flows)
OBM	Oil based mud
ODT	Oil down to
OWC	Oil water contact
P10/high estimate	There should be at least a 10 per cent. probability that the quantities actually recovered will equal or exceed the high estimate.
P50/best estimate	There should be at least a 50 per cent. probability that the quantities actually recovered will equal or exceed the best estimate
P90/low estimate	There should be at least a 90 per cent. probability that the quantities actually recovered will equal or exceed the low estimate
P_{res}	Reservoir pressure
PEDL	Petroleum Exploration and Development Licence
PL	Production Licence
Producing	Related to development projects (e.g. wells and platforms): Active facilities, currently involved in the extraction (production) of hydrocarbons from discovered reservoirs.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent viable drilling target or COS greater than 10 per cent.
Prospective Resources	Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity.
PVT	Pressure Volume Temperature: Measurement of the variation in petroleum properties as the stated parameters are varied.
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.

Seismic	Use of sound waves generated by controlled explosions to ascertain the nature of the subsurface geological structures. 2D records a cross section through the subsurface while 3Dprovides a three dimensional image of the subsurface.
Standard Rules	the standard rules made by the EA pursuant to the Environmental Permitting (England and Wales) Regulation 2010 (as amended)
stb	Stock tank barrel, a measure of the volume of treated oil stored in stock tanks
scf/d	Standard cubic feet (measured at 60 degrees F and 14.7 psia) per day
SPE	Society of Petroleum Engineers
STOIIP	Stock tank oil initially in-place

PART I

INFORMATION ON THE COMPANY

1. Introduction

The Angus Group operates a UK onshore focused oil and gas business with interests in two recently producing oil fields in southern England with development and exploration upside. The Directors' objective is to build the Angus Group into one of the leading UK onshore oil and gas production companies.

The business of the Angus Group was founded in 2009 by Jonathan Tidswell-Pretorius, a successful oil and gas drilling engineer, by the acquisition of non-producing licences onshore UK with a strategy of implementing cost efficient production techniques to revive dormant fields and provide cash flow to further grow the business.

In 2012, AHL acquired, through a subsidiary, the entire issued share capital of Key Petroleum (UK) Limited (now renamed Angus Energy Weald Basin No. 2 Limited) which indirectly holds the Group's interests in the Lidsey Licence and Brockham Licence.

The Company has now raised £3.5 million, conditional on Admission, principally to fund its share of the costs of a phased development programme on the Brockham and Lidsey Licences which is expected to bring gross production in Lidsey up to an average of 279 bopd (gross) in its first year of production and average gross production from Brockham Portland reservoir to 93 bopd (gross) in its first year of production, as assessed by independent competent person, Xodus *(Source:CPR Section 4, Table 4.5 and Section 5, Table 5.6)*. The Company sees this as a first step as it seeks further to exploit the opportunities within its existing licence portfolio. In addition to targeting an increase in production from the Portland reservoir in its Brockham Licence through the drilling of a side-track well, this side-track well will also assess the hydrocarbon potential in the Brockham Kimmeridge layers that were tested successfully in the adjacent Horse Hill Licences in the first quarter of 2016.

2. Overview of interests

Lidsey and Brockham

Angus's subsidiary AWB3 is an OGA approved operator and owns interests in, and is the sole operator of, two recently producing onshore oil fields, both located in the UK Weald Basin in southern England, that the Company believes offer significant upside production potential. These fields were producing until 31 January 2016 when they were shut in due to upgrade work at Brockham, as further detailed below. The Angus Group's interest in each Licence is as follows:

1. 55 per cent.[1] of the Brockham oil field located in Surrey in PL235; and
2. 50 per cent.[2] of the Lidsey oil field located in West Sussex in PL241.

In the year to 31 December 2015, gross production averaged 35 bopd at Brockham and 25 bopd at Lidsey (net to Angus 21 bopd and 12 bopd respectively). These figures have been negatively impacted by the low up-time rates of the sites which will be remedied as part of the surface upgrade programme.

The CPR contained in Part III of this document reports on the two fields.

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1 As per the farm-out agreement between ABW3 and Alba, dated 14 September 2016, ABW3 has agreed to assign a 5 per cent. participating interest in the Lidsey Licence to Alba on the basis of certain financial commitments from Alba (as set out in paragraph 4.3.4 of Part VI of this document). Completion of the farm-out agreement and, therefore, the assignment of the participating interest and the coming into force of Alba's financial commitments, are conditional on the satisfaction of certain conditions precedent, including the approval of the other participants and of the OGA. Under the farm-out agreement Alba has elected to be bound by its financial commitments immediately on the basis that ABW3 holds the 5 per cent. participating interest on trust for Alba pending completion. The 55 per cent. interest figure takes into account this trust arrangement.

2 As per the farm-out agreement between AWB3, Doriemus and AHL, dated 21 November 2013, Doriemus has the right to an additional 10 per cent. of production from the first additional Lidsey well, and is responsible for an additional 10 per cent. of the costs in respect thereof, reducing Angus's share of interests from the planned Lidsey well to 40 per cent.

Disposal of interests in the Horse Hill Licences and resulting interests

On 10 December 2013, HHDL was incorporated as a special purpose vehicle, initially wholly owned by the Angus Group, holding a 65 per cent. interest in the Horse Hill Licences (PEDL 137 and PEDL 246) located in the UK Weald Basin. Since such time, AHL has been a party to certain investment and disposal agreements relating to HHDL, as more particularly described in paragraph 13.15 of Part VII of this document. Pursuant to such agreements, the Angus Group received certain cash payments and consideration shares and warrants over shares in Alba, Regency and UKOG. AHL has progressively disposed of its interests in HHDL and the resulting consideration shares and warrants, such that no member of the Angus Group now holds any interest in HHDL nor in the Horse Hill Licences save through Angus' holding of shares in Doriemus.

The Company has used some of the cash raised by selling its interest in HHDL to fund the start of the surface upgrade programme at Brockham, expected to amount to a total cost of approximately £189,000 net to Angus (*Source: CPR Table 5.5*). This work is ongoing and Angus expects it to be completed shortly.

Disposal of interest in Isle of Wight licence and resulting interests

The Angus Group was granted a 5 per cent. interest in the PEDL331 licence, located in the Isle of Wight and covering blocks SZ38a, SZ47, SZ48a, S757 and SZ58a, pursuant the 14th Onshore Oil and Gas Licencing round on 17 December 2015. The Isle of Wight Licence was formally issued on 20 July 2016.

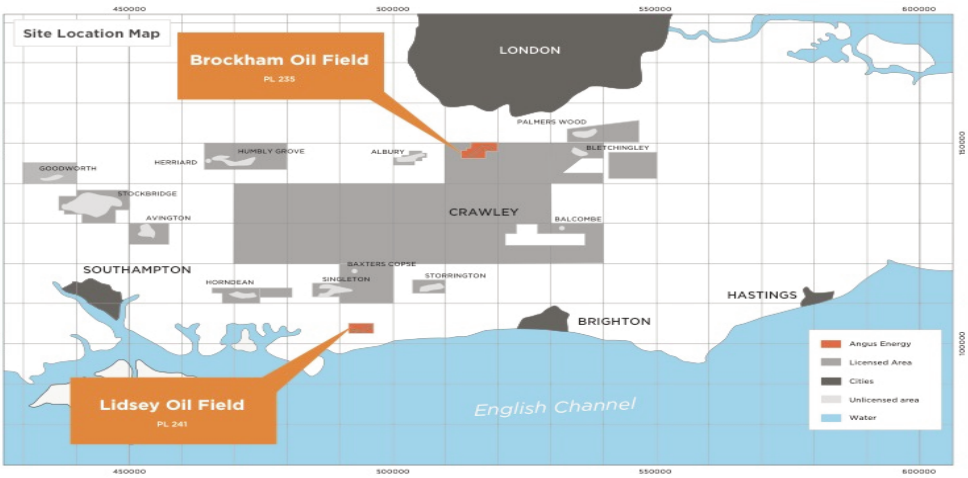
On 10 August 2016, AHL entered into binding heads of agreement, under which it agreed to dispose of this interest in the Isle of Wight Licence to Doriemus, for £200,000, satisfied by the issue and allotment of 500,000,000 ordinary shares in Doriemus. The Angus Group's holding in Doriemus as at 4 November 2016, being the latest practicable date prior to the publication of this document, remained 500,000,000 shares, representing approximately 4.7 per cent. of the issued share capital of Doriemus.

3. Overview of operations

3.1 *Summary*

The Angus Group's assets are all located in the Weald Basin in South East England as set out in Figure 1. The Weald Basin is a proven petroleum system with several commercial producing fields and discoveries, mostly on the flanks of the basin. Since the early 1980s, oil field production has been from Goodworth, Horndean, Humbly Grove, Palmers Wood, Singleton, Stockbridge and Storrington, and gas production from the Albury field. The Lidsey and Brockham fields both also produced oil until January 2016 and are currently shut in. (*Source: CPR, Section 3.3*)

Figure 1: Location map of PL241 and PL235



(*Source: CPR Section 2 Figure 2.1*)

Xodus, the Competent Person, whose full report is set out in Part III of this document, provided details on the Company's Licences, remaining reserves or contingent resources at the Lidsey oil field and remaining reserves or contingent resources at the Brockham oil field and details are summarised in Tables 1, 2 and 3 below.

Table 1: Group Petroleum Licence Interests

Asset, Country	*Operator*	*Group Interest*	*Status*	*Licence Expiry*	*Licence Area (km²)*
Brockham PL235, UK	Angus Group	55% [1,3,4]	Producing	27/10/2017	8.9
Lidsey PL241, UK	Angus Group	50% [2,3]	Producing	01/12/2017	5.3

(*Source: CPR Section 2 Table 2.1*)

1 As per the farm-out agreement between ABW3 and Alba, dated 14 September 2016, ABW3 has agreed to assign a 5 per cent. participating interest in the Lidsey Licence to Alba on the basis of certain financial commitments from Alba (as set out in paragraph 4.3.4 of Part VI of this document). Completion of the farm-out agreement and, therefore, the assignment of the participating interest and the coming into force of Alba's financial commitments, are conditional on the satisfaction of certain conditions precedent, including the approval of the other participants and of the OGA. Under the farm-out agreement Alba has elected to be bound by its financial commitments immediately on the basis that ABW3 holds the 5 per cent. participating interest on trust for Alba pending completion. The 55 per cent. interest figure takes into account this trust arrangement.

2 As per the farm-out agreement between AWB3, Doriemus and AHL, dated 21 November 2013, Doriemus has the right to an additional 10 per cent. of production from the first additional Lidsey well, and is responsible for an additional 10 per cent. of the costs in respect thereof, reducing Angus' share of interests from the planned Lidsey well to 40 per cent.

3 As per the farm-out agreement between AWB3, BE LLP and AHL dated 3 December 2013 in respect of the Lidsey Licence and 25 April 2014 in respect of the Brockham Licence, BCL's joint account costs associated with its 10 per cent. interest in both Licences are carried by Angus.

4 Under the farm-out agreement between ABW3 and Doriemus, dated 28 January 2014, Doriemus would have been required to fund £100,000 of the new well costs at Brockham; if Doriemus' participating interest share of joint account costs exceeded £100,000, AWB3 would have been responsible for the additional amount which would otherwise have been due from Doriemus; and if Doriemus' participating interest share of joint account costs did not exceed £100,000, AWB3's share of joint account costs would have been reduced by such excess. On 6 October 2016 it was agreed between the parties that Doriemus would fund its participating interest share of such costs (i.e. 10 per cent.) in full and that the provisions of the January 2014 farm-out agreement in this respect would not apply.

Table 2: Gross and Net Reserves (in '000 bbl)

Oil Reserves ('000 bbl)	*Angus Group's working interest*	*Gross Volumes*			*Net to Angus Group*		
		1P	*2P*	*3P*	*1P*	*2P*	*3P*
Brockham Field (PL235)	55%[1,3,4]	69	82	92	38	45	51
Lidsey Field (PL241)	50%[2,3]	6	6	6	3	3	3
Total		75	88	98	41	48	54

(*Source: CPR Section 1 Table 1.2*)

1. See footnote 1 to Table 1, above.
2. See footnote 2 to Table 1, above.
3. See footnote 3 to Table 1, above.
4. See footnote 4 to Table 1, above.

Table 3: Gross and Net Contingent Resource (in '000 bbl)

Oil Contingent Resources ('000 bbl)	*Angus Group's working interest*	*Gross Volumes*			*Net to Angus Group*			*RF[5]*
		1C	*2C*	*3C*	*1C*	*2C*	*3C*	
Brockham Oil Field (PL235)	55%[1,3,4]	89	237	283	49	130	156	75%
Lidsey Oil Field (PL241)	50%[2,3]	296	568	739	118	227	296	75%
Total		385	805	1022	167	358	451	

(*Source: CPR Section 1 Table 1.3*)

1. See footnote 1 to Table 1, above.
2. See footnote 2 to Table 1, above.
3. See footnote 3 to Table 1, above.
4. See footnote 4 to Table 1, above.
5. Risk Factor for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted.

3.2 ***The Brockham oil field – PL235***

The Angus Group has an effective 55 per cent. interest in the Brockham Licence which was originally granted on 28 October 1983 and is located in the Weald Basin in Surrey, southern England, which contains the Brockham oil field. The Angus Group acquired its interest and operatorship in PL235 on 6 July 2012 through the acquisition of the entire issued share capital of Key Petroleum (UK) Limited (since renamed AWB2). Figure 1 contains a location map of the PL235 Licence. AWB3, a subsidiary of the Angus Group, is the operator of the Brockham Licence.

The Brockham oil field contains a small recently producing reservoir in a footwall fault-block structure in Upper Jurassic Portland Sandstones sealed by Purbeck Anhydrites and shales. It was discovered by BP through well Brockham-X1 in 1987. Since then three further wells and several side-tracks have been drilled on the field, with mixed success. The field was producing at approximately 35 bopd through well Brockham-X2Z, which is believed to be completed in a section overlaying the reservoir itself. The well was shut in and production suspended on 31 January 2016 to allow for surface upgrades at Brockham to take place with the intention of making the production facility compliant with expected future regulatory requirements and to prepare for the planned side-track. This is expected to be completed by the end of Q4 2016. The Group intends to drill another side-track into the Portland reservoir from which it expects incremental production. (*Source: CPR Section 5.1*)

Since acquiring the field in July 2012, the Group has focused its attention on re-establishing production and acquiring a comprehensive understanding of the subsurface: additional 2D seismic was acquired, processed and interpreted, the existing wells were logged and a fault finding programme was implemented. A single well was re-perforated and has been the field's producing well and a new ten year lease from 14 August 2013 was entered into with the landowner, securing the long term production capacity of the facility.

The facilities at the Brockham oil field are a self-contained well site production facility that has been fully operational (*Source: CPR Section 5.6*) and are permitted by the relevant authorities.

Historically the Company has agreed certain arrangements with the landlord of the Brockham land, Meredith Brodie, and certain of her related parties (being BCL and BE LLP) whereby for a 10 per cent. carried interest in the Brockham Licence and the Lidsey Licence in favour of BCL and an annual cash payment of £140,000 to be paid to BCL, ABW3 was granted a lease over the Brockham land and certain other rights, such as the right to inject off-site water at Brockham. Further, the Group will be obliged to make additional payments in the event that the Group's production reaches certain levels. Further details of these arrangements are set out in paragraphs 13.10 and 13.12 of Part VII of this document.

The Directors are currently negotiating a new oil off-take contract with various off-takers. These discussions are ongoing and the Directors believe that a contract with a new off-taker will be completed before the drilling of the new Brockham sidetrack. Historically, Brockham's 28° API oil has been blended with the Lidsey 40° API oil and traded at a slight discount to the Brent oil price.

The current effective interests in the Brockham Licence are (subject to completion of the Alba transfer):

Angus Group (AWB3) (Operator)	55%
Terrain	20%
Doriemus	10%
BCL	10%
Alba	5%

BCL's interest is carried by the Angus Group, meaning that the Angus Group is responsible for BCL's proportion of any required contributions.

Pursuant to an agreement entered into on 23 October 2015, the Angus Group granted Alba an option to farm in to 5 per cent. of the Brockham Licence on a "two for one promote" basis, whereby, in order to earn its 5 per cent. interest, Alba was required to fund 10 per cent. of the cost of a new

well, from spudding to first oil. On 9 August 2016, Alba notified Angus of its intention to exercise such option, subject to certain agreed variations to Alba's financial commitments, further details of which are set out in paragraph 4.3.4 of Part VI of this document. The above interests in the Brockham Licence assume completion of the Alba farm-out pursuant to the farm-out agreement signed by AWB3 and Alba on 14 September 2016, which as at 4 November 2016 (being the latest practicable date prior to the publication of this document), remains conditional on the satisfaction of certain conditions precedent, including obtaining the consent of the OGA and all participants. As referred to in footnote 1 to Table 1 above, Alba's obligations in respect of the financing of operations at the Brockham Licence are currently in force pending formal completion of the farm-out, on the basis that AWB3 holds the 5 per cent. interest on trust for Alba.

Work Programme

Following regulatory approval from the OGA, the Environmental Agency and the Health and Safety Executive's Energy Division (as further detailed in paragraph 5 of Part VI of this document) and then agreement with the respective licence partners, the Angus Group intends to drill a side-track well into the Portland reservoir and abandon an uncased sidetrack. The side track well is expected to increase oil production from the Portland reservoir by an average of approximately 93 bopd (gross) in the first year before the onset of natural decline. (*Source: CPR Section 5 Table 5.6*). In addition to targeting the Portland reservoir the side-track will be drilled through the Kimmeridge limestone layers and Corallian.

PEDL 137, the adjacent licence to Brockham, which contains the Horse Hill-1 well (HH-1) provides a good analogue for the Brockham subsurface and the successful HH-1 well test results, as announced by UKOG in the first quarter of 2016, are very encouraging for the Kimmeridge potential in Brockham. The test results from HH-1 and subsequent subsurface studies are also discussed in the CPR (*see CPR Section 2.2*).

The original Brockham-X1 well, drilled by BP in 1987, confirms the presence of three Kimmeridge Limestone layers at Brockham; two of these limestone layers were successfully tested at the Horse Hill-1 well and proved the presence of moveable hydrocarbons in these layers. As these limestone layers have not been assessed before at Brockham, the Directors find it prudent to evaluate the hydrocarbon production potential from those and other layers while drilling the upcoming Brockham side track as these layers can be accessed in the same drilling run that will allow the Group to abandon an uncased sidetrack and improve production from the Portland reservoir as described in the CPR (*see CPR Sections 5.7 and 5.9*). Planning permits are in place and the Company has submitted the Environmental Agency application for the new well under the Standard Rules. The Directors therefore believe the side-track, subject to rig availability, can be spudded within a short timeframe after Admission.

The gross cost of the proposed new side-track production well on the Brockham oil field is estimated at approximately £1.142 million, which is a net cost to Angus of £0.685 million. (*Source: CPR Section 5 Table 5.5*)

Licence Renewal

The Brockham Licence is due to expire on 27 October 2017 but the OGA have confirmed that it intends to renew licences whenever possible, provided that all necessary consents and permits are in place and that production continues to be economically viable. Accordingly, the Directors believe that the Company will be able to renew this Licence on expiry.

3.3 ***The Lidsey oil field – PL241***

The Angus Group has a 50 per cent. interest in the Lidsey Licence which was originally granted on 2 December 1983 and is located in the Weald Basin, onshore England, which contains the Lidsey oil field. The Group acquired its interest and operatorship in PL241 on 6 July 2012 through the acquisition of the entire issued share capital of Key Petroleum (UK) Limited (since renamed AWB2). Figure 1 contains a location map of the PL241 Licence. A subsidiary of the Angus Group (AWB3) is the operator of the Lidsey Licence.

The Lidsey field was discovered in 1987 by the Lidsey-X1 well which remains the only well on the field. Oil was encountered in the Middle Jurassic Great Oolite Limestones. The field has been on production intermittently. On 6 July 2012 Angus, acquired its share in Lidsey and assumed operatorship. Last year the field produced at a rate of around 25 bopd before the well was shut-in on 31 January 2016. Angus intends to drill a new long horizontal production well, Lidsey-2, in the higher section of the Massive Oolite reservoir. (*Source: CPR Section 4.1*)

Since acquiring what was then a non-producing asset in July 2012, the Angus Group has implemented an upgrade programme and enabled production, upgraded the topside facilities, including environmental upgrades such as ground water monitoring wells, re-perforated Lidsey-1 and cleaned out the well, acquired new 2D seismic, re-processed and interpreted the subsurface and arranged a new 10-year lease as from 22 January 2013 with the landowner to enable continued long-term production at the facility.

The Lidsey surface facility currently comprises a single production well tied-in to two main separators operating alternately. Production relies on a beam pump that raises the produced fluid to the surface and pumps into the operating separator. (*Source: CPR Section 4.7*)

The Lidsey oil field's surface facilities are and operational with onsite oil storage of approximately 1,600 barrels (*Source: CPR Section 4.7*) and are permitted by the relevant authorities.

The current interests in the Lidsey Licence are as follows:

Angus Group (AWB3) (Operator)	50%
Terrain	20%
Doriemus	20%
BCL	10%

BCL's interest is carried by the Angus Group, meaning that the Angus Group is responsible for BCL's proportion of any required contributions.

The Angus Group and Doriemus hold 50 per cent. and 20 per cent. interests respectively in the Lidsey Licence but, as per the farm-out agreement dated 21 November 2013, Doriemus has the right to an additional 10 per cent. of production from the first additional Lidsey well and an obligation to pay an additional 10 per cent. of the cost of that first additional well.

Along with Brockham, Lidsey is currently suspended whilst the upgrades are underway at Brockham; the works at the Brockham site mean that water from the Lidsey field cannot be injected at Brockham.

The Directors are currently negotiating a new oil off-take contract with various off-takers. These discussions are ongoing and the Directors believe that a contract with a new off-taker will be completed before the drilling of the new Brockham sidetrack. Historically, Lidsey's 40° API oil has been blended with Brockham's 28° API and traded at a slight discount to the Brent oil price.

Work Programme

Following regulatory approval from the OGA, the Environmental Agency and the Health and Safety Executive's Energy Division as well as the drilling of the Brockham side-track well and then agreement with the respective licence partners, the Angus Group plans to drill a new long horizontal production well, Lidsey-2, in the higher section of the Massive Oolite reservoir in H1 2017, that is expected to increase oil production to an average of approximately 279 bopd (gross) in the first year before the onset of natural decline. (*Source: CPR Section 4.1 and Table 4.5*). Planning permits are in place for the new horizontal well and the Directors are preparing the Environmental Agency application for the new well under the Standard Rules. The Directors therefore believe that the new well, subject to rig availability, can be spudded within a few months after Admission following the drilling of the Brockham side-track.

The gross cost of the proposed new long horizontal production well on the Lidsey oil field is estimated at £2.275 million, which is a net cost to Angus of £1.138 million (assuming Doriemus bears 30 per cent. of these costs as required under the farm-in agreement described in Part VI (Regulatory Environment) paragraph 4.3.1). (*Source: CPR Section 4.9 and Table 4.4*)

Licence Renewal

The Lidsey Licence is scheduled to expire on 1 December 2017 but the OGA have confirmed that it intends to renew licences wherever possible, provided that all necessary consents and permits are in place and that production continues to be economically viable. Accordingly, the Directors believe that the Company will be able to renew this Licence on expiry.

4. CPR Executive Summary

The CPR set out in Part III of this document contains the following Executive Summary:

"Executive Summary

Angus Energy Plc ("Angus", "the Client", or "the Company") has interests in Licences PL 235 and PL 241. There are two producing oil fields on these licences. Angus intends to further develop the producing fields by means of drilling and completing an additional producer in each of Brockham (PL 235) and Lidsey (PL 241).

This report focuses on conventional oil developments in the Oolite Limestones (Lidsey) and Portland Sandstones (Brockham) only and has not included any deeper potential that can be classified as unconventional[2].

In the last few years the unconventional oil and gas potential in the Weald has received significant attention and various operators have undertaken studies and tested wells to improve their understanding of this potential (most notably Horse Hill Development Limited's drilling and testing of the Horse Hill-1 ("HH-1") well). The flow tests of the HH-1 well nearby the Brockham field were carried out in the first quarter of 2016 and indicated the potential of the deeper Kimmeridge Limestones[3]. UK Oil & Gas Investments PLC on 21 March 2016 announced that the HH-1 well had flow-tested from 16 February 2016, at a total aggregate stable dry oil flow rate of 1688 barrels of oil per day ("bopd") from two Kimmeridge limestones plus the overlying Portland sandstone. The Kimmeridge reservoirs are classified as unconventional. Nevertheless, the well tests indicated that conventional industry techniques may be sufficient to develop and produce the petroleum. Further well flow tests are planned by the Horse Hill operator. It is Xodus' view that whilst the flow test results at Horse Hill are a relevant analogue for the Kimmeridge potential in the Brockham field, given the lack of understanding of the subsurface model it is not possible to provide any meaningful figures or chance of success associated with the Kimmeridge potential in Brockham. A recent study by Nutech Energy Alliance Ltd ("Nutech")[4] on the deeper sections of the Brockham-1 well has identified oil potential in the Portland, Kimmeridge, Oxford, Oolite and Lias. In the report Nutech provides estimates of the volumes of oil in place per square mile, based on the Brockham-1 well. Xodus has read the Nutech report. Although it presents an interesting comparison with the Horse Hill-1 potential, Xodus's view is that there is insufficient information available to provide a credible assessment of the petroleum volumes in place and/or recoverable from the deeper reservoirs that is in accordance with the PRMS standards and AIM guidelines.

Technical Review

The licences are situated in the Weald Basin in South Eastern England. The Weald Basin is a proven petroleum system with several commercial producing fields. Major reservoirs discovered to date occur in Middle Jurassic carbonates and Upper Jurassic sandstones.

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2 A type of petroleum that is produced from or obtained through techniques other than traditional reservoirs or wells. The primary sources of unconventional oils are heavy oils, oil shale, oil sands and tight sands.

3 See for instance the press announcement "Further Update on Horse Hill-1 Flow Test" dated 9 March 2016 on the UKOG website (http://www.ukogplc.com/)

4 Doriemus has published the Nutech study on its website (http://www.doriemus.co.uk/)

The Lidsey field was discovered in 1987 by the Lidsey-X1 well which encountered oil in the Middle Jurassic Great Oolite Limestones. The reservoir trap is provided by a footwall tilted fault block structure, dip closed to the north and fault sealed to the south and the reservoir top seal is provided by the Oxford Clay. The field has been on production intermittently and is currently shut in. Angus intends to drill a new long horizontal production well, Lidsey-2, in the higher section of the Massive Oolite reservoir.

The Brockham field contains a small producing reservoir in a footwall fault-block structure in Upper Jurassic Portland Sandstones sealed by Purbeck Anhydrites and shales. It was discovered by BP through well Brockham-X1 in 1987. Since then three further wells and several side-tracks have been drilled on the field, with a mixed degree of success. The field is currently shut in. Angus intends to drill a side track horizontal production well into the higher quality reservoir section (Unit 4.1).

The gross Stock Tank Oil Initially In Place ("STOIIP") volumes estimated by Xodus for the two reservoirs are as per Table 1.1 below.

Table 1.1: Gross STOIIP Volumes (in MMbbl)

Gross STOIIP (MMbbl)	*Low*	*Best*	*High*
Brockham Field (PL 235)	1.7	2.8	4.3
Lidsey Field (PL 241)	5.8	9.7	15.1

The gross and net Reserves estimated by Xodus are as per Table 1.2 below. These volumes reflect ongoing production from the existing wells on the two fields. At the prevalent oil prices at the time of writing of this report (Brent crude trading at $45-$50 per barrel) and at current operating costs, volumes from these two fields can be commercially produced.

Table 1.2: Gross and Net Reserves (in '000 bbl)

Oil Reserves	*W.I.*	*Gross Volumes*			*Net to Angus*		
('000 bbl)		*1P*[5]	*2P*	*3P*	*1P*	*2P*	*3P*
Brockham Field (PL 235)	55%[6]	69	82	92	38	45	51
Lidsey Field (PL 241)	50%	6	6	6	3	3	3
Total		75	88	98	41	48	54

5 1P, 2P and 3P denote the Proved, Proved + Probable and Proved + Probable + Possible Reserves respectively as defined under the PRMS.

6 on 9 August 2016, Alba Mineral Resources Plc ("Alba") exercised an option to acquire a 5 per cent. equity interest in the Brockham licence in return for a 10 per cent. contribution to the Capex cost of the upcoming new development well on the field.

The gross and net recoverable volumes from the proposed developments on the fields as estimated by Xodus are provided in Table 1.3 below. They are classified as Contingent Resources. These volumes reflect the notional field development plans that Angus has developed for the two fields and include the drilling of a new horizontal well in each of the fields and field facilities improvements. The new recoverable volumes are contingent upon Angus achieving internal and external authorisation of its development plan and on securing adequate financing. The technical and operational risk is deemed to be relatively small and the reservoir risk is reflected in the P90-P50-P10 production profiles. An overall Commercial Risk Factor is estimated of 75 per cent. for each field to reflect the limited technical risk and remaining commercial risk.

Table 1.3: Gross and Net Contingent Resources (in '000 bbl)

Oil Contingent Resources	*W.I.*	*Gross Volumes*			*Net to Angus*			*RF*[7]
('000 bbl)		*1C*[8]	*2C*	*3C*	*1C*	*2C*	*3C*	
Brockham Field (PL 235)	55%	89	237	283	49	130	156	75%
Lidsey Field (PL 241)	40%[9]	296	568	739	118	227	296	75%
Total		385	805	1022	167	358	451	

7 "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted. (AIM Note for Mining and Oil & Gas Companies – June 2009)

8 1C, 2C and 3C denote the low, best and high estimate scenario of Contingent Resources respectively as defined under the PRMS.

9 Pursuant to an agreement with Doriemus plc, Angus has 40 per cent. interest (50 per cent. paying interest) in Lidsey-X2

Economics

An economic analysis was carried out on the Reserves on the Brockham and Lidsey fields. The results are provided in Table 1.4. The Reserves have a small positive Net Present Value ("NPV").

Table 1.4: Net Present Value of Reserves (in £MM)

Post Tax NPV (10%)	*Gross NPV*			*Net to Angus*		
(£MM)	*1P*	*2P*	*3P*	*1P*	*2P*	*3P*
Reserves	0.15	0.19	0.25	0.08	0.11	0.14
Total	0.15	0.19	0.25	0.08	0.11	0.14

For completeness Xodus also determined the NPV for the unrisked Contingent Resources volumes as assessed in this report (Table 1.5).

Table 1.5: Net Present Value of unrisked Contingent Resources (in £MM)

Post Tax NPV (10%)	*Gross NPV*			*Net to Angus*		
(£MM)	*1C*	*2C*	*3C*	*1C*	*2C*	*3C*
Contingent Resources	1.2	8.5	11.9	0.1	4.2	6.0
Total	1.2	8.5	11.9	0.1	4.2	6.0

Conclusions

Xodus has reviewed the available information on the two assets and concludes that Angus has performed a reasonable and robust interpretation of the available data. The production profile ranges presented in this report reflect the status of current understanding of the fields and Angus's development plans.

Xodus believes that the figures in this report accurately reflect the potential on the two fields, given current knowledge."

5. Company History

The Angus Group was founded in 2009 by Jonathan Tidswell-Pretorius, a successful oil drilling engineer. Jonathan started by acquiring non-producing licences onshore UK with a strategy of implementing cost efficient production techniques to revive dormant fields and provide cash flow to further grow the business.

Since its inception, the Group engineered and consulted on various onshore drilling projects. It drilled Whisby 5 for Blackland Park Exploration Limited as partner and managed and engineered the entire process until completion. The Group (through now dissolved corporations in which it held a minority interest) also participated in the drilling of wells at Kirklington and Eakring Dukes Wood in Nottinghamshire, oversaw drilling and operational activities on the Horse-Hill-1 oil discovery and, as described in paragraph 3 of this Part I, re-established production at both the Lidsey and Brockham oil fields.

The Group's historical activities in relation to the Kirklington and Eakring Dukes Wood sites have resulted in the Group attracting a decommissioning liability following discussions with the OGA (based on the historical 10 per cent. interest held by the now-dissolved former holders of the relevant Licences in which the Group held a 20 per cent. interest). The Directors estimate that the amount of the decommissioning liability for which the Angus Group may be held responsible is unlikely to be material and believe that any future cash payment obligation is unlikely in the short-to-medium term.

The Group has developed a comprehensive in-house system to manage all technical and commercial aspects of its onshore operations. A key operational competency is that AWB3 is recognised as a qualified operator by the OGA, a pre-requisite to be able to drill for oil and operate production facilities in the UK. The Group has also developed a strong in-house technical capability and operations team that oversee daily activities at its two oil fields at Lidsey and Brockham.

Group activities are managed by a capable management team based in London with strong technical and commercial skills that are responsible for overall strategy and business development and also overseeing day-to-day operational, financial reporting and commercial matters.

To minimise operating costs and leverage its business model, the Angus Group management has developed successful technical and commercial relationships with a team of experienced external consultants that can be called upon for major projects involving such as a seismic campaign, subsurface geological and geophysical interpretation, well planning and design, health and safety, and co-ordination with various entities (the OGA/DECC, Environmental Agency, councils, land owners etc.). For example, the AHL Group was instrumental in assisting HHDL acquire a 65 per cent. interest in the Horse Hill Licences from Magellan Petroleum (UK) Limited, including identification and technical evaluation of the opportunity. The AHL Group initially provided the management of, and assisted in obtaining the funding for, the HHDL joint venture at a formative time in its development. The AHL Group then subsequently arranged for specialist technical operations in relation to the exploration well planning and approval and site preparation, drilling and completion were completed with the services of the network of trusted external consultants that work alongside the Group. This enabled the successful drilling at the Horse Hill-1 well that was drilled on-time and on-budget, and resulted in an oil discovery.

6. The Onshore Oil and Gas Industry in the UK

The onshore oil and gas industry in the UK has been in existence for over 150 years. Before the First World War, the UK obtained almost all of its oil and gas from outside the country. Oil was discovered in Scotland in 1851 followed by gas in England in 1896.

During both World Wars the need for Britain to produce its own oil to help the war effort rather than rely on imports became of real importance to the Government and legislation was introduced to enable companies to explore for hydrocarbons more readily.

In 1973, the Wytch Farm oilfield in Eastern Dorset was opened in an area of outstanding natural beauty and today it is the largest onshore oilfield discovery in the UK.

Following significant offshore North Sea oil and gas discoveries in the 1960s and the rapid growth in offshore production, onshore oil and gas activity also started to accelerate again after the 1979 oil crisis. As prices rose, domestic production in both the onshore and offshore became increasingly important.

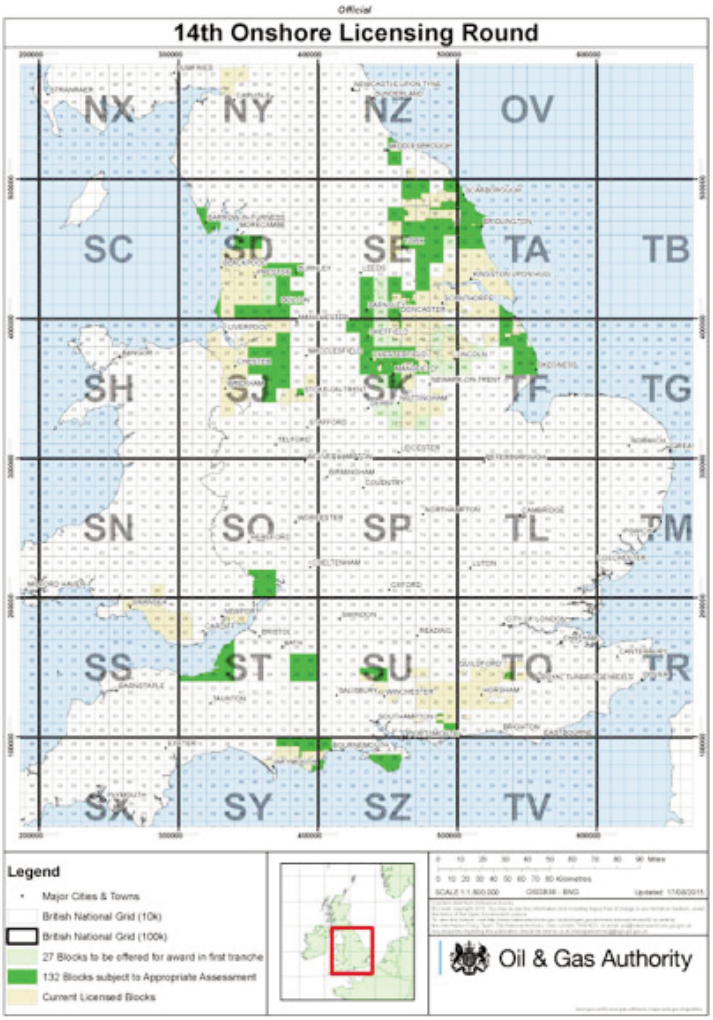
Onshore UK today, there are 120 sites with 250 operating wells producing between 20,000 and 25,000 boepd and around 2,000 wells have now been drilled. Approximately 250,000 barrels per day of produced water is disposed of under permits from the relevant authorities.

The onshore oil and gas industry is regulated by a number of statutory bodies including the Environment Agency in England, Scottish Environment Protection Agency in Scotland and Natural Resources Wales (NRW) in Wales, the Health and Safety Executive and the OGA. The OGA operates as a government company responsible for the regulation of the UK oil and gas industry. Established in its current form on 1 October 2016, the OGA has taken over certain functions and powers previously held by DECC or the Department for Business, Energy and Industrial Strategy (BEIS), including the power to award licences, consent to licence assignments, approve abandonment programmes, and regulate oil and gas exploration and production including wells and other infrastructure.

A UK Petroleum Exploration and Development Licence (PEDL) allows a company to pursue a range of oil and gas exploration, development and production activities, subject to conditions placed upon them (if any), necessary drilling/development consents and planning permission. The PEDL is the current form of UK onshore oil and gas licence, having replaced the predecessor production licence (PL) for the grant of new licences under the Petroleum Act 1998.

The 14th Landward Licensing Round was launched on 28 July 2014 and closed on 28 October 2014. A total of 95 applications were received from 47 companies covering 295 ordnance survey blocks. On 17 December 2015 it was announced that licences for a total of 159 blocks were formally offered to successful applicants.

Figure 2: British Onshore Oil & Gas Exploration



(*Source: https://www.gov.uk/guidance/oil-and-gas-onshore-exploration-and-production*)

UK onshore exploration and development activity continues, led by a range of companies that are focused on the UK onshore. Similar to the North Sea offshore oil and gas exploration and production sector, there are a range of companies active in the UK onshore sector including:

- listed companies on the AIM market of the London Stock Exchange such as:
  - Igas Energy Plc;
  - Egdon Resources Plc;
  - Europa Oil & Gas (Holdings) Plc; and
  - UKOG;
- listed companies on the ISDX Growth Market, including Stellar Resources Plc and Doriemus;
- a number of private groups such as INEOS, the Perenco Group and Terrain, a partner in the Company's producing oilfields; and
- a number of larger London listed E&P companies, international integrated oil companies and UK and international energy utilities.

The fiscal terms associated with UK onshore oil and gas licences are set out in section 6 of the CPR located in Part III of this document.

7. Overall Strategy

The Directors' objective is to create long term value for shareholders by building the Angus Group into one of the leading UK onshore oil production companies. The Directors' strategy to deliver that is to focus on three areas:

- Increase production and recovery from its existing asset portfolio.
- Grow the asset portfolio through select onshore development and appraisal projects.
- Actively manage costs and risks through operational and management control of the entire process of exploring, appraising and developing its assets.

The Directors plan to focus activity over the next 12 months on its existing properties at Brockham and Lidsey. Both development wells will, if successful, provide a strong financial basis for further growth of the Company, whilst assessing the hydrocarbon potential of the Kimmeridge Limestones at Brockham which could prove transformational. The Company expects that it can bring gross production in Lidsey up to an average of 279 bopd in its first year of production and average gross production from Brockham Portland reservoir to 93 bopd in its first year of production, as assessed by independent competent person, Xodus. The Company believes that it will also be able to bring the previous production at Brockham back to its historic level of gross production of 35 bopd (21 net to Angus) in conjunction with the additional production set out above.

The current oil price also provides the potential for a listed company that is an OGA-qualified operator, has an in-house management team with technical knowledge and operational and commercial skills to identify and acquire new projects.

The Directors continue to review a range of such new projects both onshore UK and internationally in economically and politically stable economies, that fit the Company's investment and operating criteria.

8. Financial Information, Current Trading and Future Prospects

8.1 *Financial Information*

The AHL Group's year end is 30 September and accordingly the AHL Group Financial Information contained in Part IV of this document is for the three years ended 30 September 2015 and the six months ended 31 March 2016. The AHL Group Financial Information reflects the then existing capital structure of AHL as at the three years ending 30 September 2015 and six months ended 31 March 2016. At this time, AHL was the holding company and had a 95 per cent. interest in AWB1, AWB2 and AWB3. Following a group re-organisation in April 2016, the current group structure, as fully set out in paragraph 3.3 of Part VII of this document, was put in place. As such the AHL Group Financial Information covers the operations of the AHL Group as existed as at 31 March 2016.

The Company Financial Information for the period from incorporation to 31 March 2016 is included in Part IV of this document.

In addition, the Pro Forma Financial Information is included in Part V of the document.

The AHL Group's historic trading is as follows:

£000's	*2013*	*2014*	*2015*	*H1 2016*
Revenue	915	801	446	73
Gross profit/(loss)	572	526	192	(38)
Profit/(loss) before tax	(78)	1,968	(2,047)	(344)

Further financial information is set out in Parts IV and V of this document.

8.2 *Current Trading*

Following the successful well test results from Horse Hill-1 in early 2016, the Directors decided to sell the Group's remaining 12 per cent. interest in HHDL to UKOG for a total consideration of £1,800,000, being £1,000,000 in cash and 43,886,116 new shares in UKOG. This transaction closed on 15 April 2016 and greatly enhanced the Group's financial position. It allowed the Group to reduce its creditors and other liabilities while moving the preparation for the drilling of the

upcoming Brockham side-track BR-X4Z and the new Lidsey horizontal well, Lidsey-2, forward. The decision to divest its interest in HHI also allowed the Group to exit a non-operated minority interest in HHDL and focus its endeavours on the further development of the Portland and Kimmeridge potential on its adjacent, operated and 55 per cent. owned Brockham oilfield, while simultaneously removing any exposure to current and future cash calls associated with the long term assessment of HH-1 and moving it from exploration to production. In preparation for the surface upgrades at Brockham, the Brockham oil field was shut in on 31 January 2016. This also closed the water injection well requiring the simultaneous shut-in of the Lidsey oil field. The Company held the OCM/TCM and yearly budget meetings for Brockham and Lidsey in May 2016 where the plans to upgrade the sites and execute its proposed drilling plans where unanimously supported by the respective licence partners.

During 2016, the Group sold an option to Alba to acquire a 5 per cent. stake in the Brockham Licence; this option was exercised on 9 August 2016 bringing the Group's effective net interest to 55 per cent.. On 10 August 2016, the Group sold its 5 per cent. interest in PEDL331 in the Isle of Wight to Doriemus for a consideration of £200,000 satisfied by the issue and allotment of 500,000,000 ordinary shares in the share capital of Doriemus. As with previous transactions where the Group has received shares as part of a consideration, the Group strategy is to focus on its core assets and hence is not a long term holder of equity investments in other companies and will therefore look to monetize its interest through the sale where possible of such shares.

As at 31 March 2016, the AHL Group had audited cash reserves of £34,865. Following the sale of its remaining 12 per cent. interest in HHDL, cash of £800,000 was received (after deduction of a HHDL cash call) and all the UKOG shares have now been disposed of resulting in £713,462 of additional cash proceeds. During the months until 31 August 2016, the Group spent £75,000 with regards to on-site upgrade work at Brockham. In addition the Company has funded £40,750 of ongoing field costs on behalf of Terrain. A further £113,959 of upgrade expenditure for the Company's account is required to complete the works.

In accordance with the policy set out above, the Group has realised further cash from the sales of its investments in Alba and Regency, via the sale of 2,876,919 shares in Regency and 7,300,000 shares in Alba. Since 31 March 2016, a total of £33,318 has been received. As at 31 August 2016, the Group retained 500,000,000 shares in Doriemus, 7,837,508 shares in Alba and 40,000,000 shares in Regency, with all Alba and Regency shares having subsequently been disposed of.

Following the above significant cash movements since 31 March 2016, the Group had an unaudited cash balance of £173,008 as at 31 August 2016.

8.3 ***Future Prospects***

The Company's future prospects will depend on the success of the overall strategy as set out in paragraph 7 of this Part I.

9. Information on the Directors and Senior Management

9.1 ***Directors***

Jonathan Tidswell-Pretorius (also known as Jonathan Tidswell), *Executive Chairman* (aged 40)

Jonathan founded AHL in 2009 with a view to bidding in the subsequent Landward Licensing Round. Jonathan started his oilfield career with Halliburton in 1998 in West Africa before moving to the North Sea. He subsequently worked in the USA, Brazil and Norway before joining Wintershall Germany as a drilling engineer working primary in Libya. He subsequently consulted as a drilling engineer and drilling supervisor for Talisman Energy, Venture Production, Maersk and BG in the North Sea and Norwegian sector.

In 2006, Jonathan started WellMack Limited, an oil service company based in Aberdeen with UK and North African operations both offshore and onshore. The company was successfully sold in early 2009, allowing Jonathan the funding to set up the Angus Group.

Since 2009, Jonathan has built the Angus Group into an OGA qualified operator in the UK. To date the Angus Group has drilled Whisby 5 as the managing partner overseeing and engineering the entire process. It also contributed to the drilling and execution of two additional wells in the east Midlands as a farm in partner before acquiring the Brockham and Lidsey oilfields in 2012.

Under his direction, the Angus Group then acquired a 65 per cent. interest in Horse Hill Licences which it subsequently farmed out to a consortium netting proceeds of approximately £4.15 million in aggregate over a series of transactions. The Group, through HHDL, managed the entire process from planning to environmental and drilling execution at Horse Hill leading to a conventional and unconventional discovery.

Paul Vonk, *Managing Director* (aged 42)

Paul is an experienced oil and gas professional with strong financial skills, sector knowledge and relevant transaction experience across the entire oil and gas value chain. Before joining the Angus Group, Paul was an oil and gas investment banker at Nomura and RBS (formerly ABN AMRO) where he originated and executed mergers and acquisitions and equity/debt capital markets transactions. He has also worked directly for junior oil and gas companies on farm-outs and capital raisings. Prior to this Paul spent four years at Baker Hughes.

Paul has an MBA from the University of Oxford, Said Business School, and a MSc. in Mining and Petroleum Engineering from Delft University, the Netherlands.

9.2 ***Non-Executive Directors***

Robert ("Rob") Shepherd, *Non-Executive Director* (aged 49)

Rob Shepherd is a qualified Mechanical Engineer by background who started his career at Shell before taking a number of financial positions in the oil and gas industry. Following his time at Shell, Rob was, up until 2007, a Vice President for Emerging Markets Oil & Gas at ABN-Amro. Following this he was Finance Director of AIM quoted Dominion Petroleum which was acquired by Ophir Energy in 2012 for approximately $220 million, a non-executive director of FTSE-250 listed Imperial Energy which was acquired by ONGC in 2008, and up until January 2015 the Chief Executive of the dual-quoted (AIM and ASX) Azonto Petroleum. He is currently a non-executive director and consultant to various private companies in the oil & gas sector and a non-executive director at AIM traded President Energy plc.

Christian ("Chris") de Goey, *Non-Executive Director* (aged 47)

Chris was until recently Head of Xodus Group Advisory in London. He has a broad commercial background in the energy industry. Starting his career at Shell, he joined Accenture where he worked on market entry, organisational, marketing, performance management and operational solutions for IOCs and European utilities. He subsequently took on management roles in venture capital and corporate finance focusing on oil and gas and renewable energy. In the last 7 years Chris has led an oil and gas evaluation group at Xodus, assisting banks, private equity and operators with financing due diligence, delivering competent person reports and feasibility studies. Chris has an MSc in Applied Physics from Delft University. He is a member of the Petroleum Exploration Society of Great Britain and the Society of Petroleum Engineers. Chris currently acts as a consultant to Xodus.

Cameron Buchanan, *Non-Executive Director* (aged 70)

Cameron is a former Member of the Scottish Parliament ("MSP") who represented the constituency of Lothian from 2013 to 2016. Mr Buchanan, a former vice-chairman of the Scottish Conservative Party, was a textile entrepreneur before becoming an MSP, serving as managing director of woollen merchants Harrisons of Edinburgh, which, at its peak, had a turnover of approximately £4m and 45 staff. He has served on many private company and charity boards and is a former executive director of the British Wool Marketing Board from 2001 to 2009 (a government appointee) and non-executive of the Islay Woollen Mill.

9.3 ***Senior management***

Carlos Fernandes, *Financial Controller* (aged 33)

Carlos has over eight years' commercial experience working in the mining and oil and gas industries. He has held accounting and finance roles at both corporate and project level also covering corporate governance and compliance. His time spent on site during the construction and commissioning phases of projects in Lesotho and Botswana adds to his operational experience and hands on approach.

10. Details of the Placing

Pursuant to the Placing the Company is raising £3.5 million (before expenses) by the issue of 58,333,333 Placing Shares at the Placing Price.

Optiva has conditionally agreed, pursuant to the Placing Agreement and as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares are being placed with institutional and other investors. The Placing is not being underwritten.

The Placing Shares will represent approximately 27.13 per cent. of the Enlarged Share Capital. The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including the rights to all dividends and other distributions declared, made or paid following Admission and will be issued fully paid under the Act. The Placing has not been underwritten and is conditional, *inter alia* on Admission occurring by 30 November 2016 and on the Placing Agreement not being terminated prior to such date.

Further details of the Placing Agreement are set out in paragraph 13.2 of Part VII of this document. The Placing agreement contains warranties from the Company and the Directors in favour of Optiva and Beaumont Cornish in relation, *inter alia*, to the accuracy of the information contained in this document and certain matters relating to the Group.

11. Use of proceeds

The net proceeds of the Placing of £3.027 million, aggregated with the Company's existing cash resources, as at 31 August 2016, are expected to be approximately £3.2 million, which the Directors intend to use as to:

- approximately £0.685 million to fund Angus' net contribution to expand existing production from the Brockham oil field by the drilling of a side track well into the Portland horizon as set out in Table 5.5 of the CPR, as well as assess the hydrocarbon potential in the Kimmeridge Limestones and Corallian horizon;
- approximately £1.138 million to fund the Group's net contribution to drill a new long horizontal production well, Lidsey-2, in the higher section of the Massive Oolite reservoir. (*Source: CPR Sections 4.1, 4.9 and Table 4.4*);
- £0.114 million to complete the ongoing facility upgrade work at Brockham and £0.160 million to fund the Group's net contribution to complete the facility upgrade programme at Lidsey; and
- for working capital and general corporate purposes, including initial due diligence on potential acquisition targets that will allow the Company to selectively expand the Angus Group's UK onshore portfolio.

The above strategy is reliant on the Angus Licence Partners funding their share of the associated costs at both Brockham and Lidsey. Should all Angus Licence Partners fail to meet their funding requirements at Brockham, then the Company expects to be able to fund 100 per cent. of the Brockham costs but the drilling at Lidsey may need to be deferred whilst alternative funding can be found.

12. Reasons for Admission

The Directors believe that Admission will assist the Company in its development by:

- providing capital for the Angus Group to implement its developments plans and increase oil production from its existing portfolio of oil and gas assets;
- enabling the Company potentially to raise finance through ongoing access to capital markets;

- raising its profile and status;
- allowing the Company to recruit and reward key staff through the issue of equity and options; and
- promoting the expansion of the Company's business.

13. Dividend Policy

The Directors' objective is to grow the Angus Group's business. Future income generated by the Company is likely to be re-invested to implement its growth strategy. In view of this, it is unlikely that the Directors will recommend a dividend in the early years following Admission. However, the Directors intend that the Company will recommend or declare dividends at some future date once they consider it commercially prudent for the Company to do so, bearing in mind the financial position and resources required for the Angus Group's development.

14. EIS and VCT Status

The Company has obtained advance assurance from HM Revenue & Customs that it should be a qualifying company for EIS and VCT purposes. However, investors should be aware that, whilst advance assurance has been obtained from HM Revenue & Customs, the Directors cannot guarantee that the Placing Shares or the Company will satisfy, and will continue to satisfy, the requirements for tax relief under the EIS rules.

The continuing status of the Placing Shares as qualifying for EIS purposes will be conditional on the qualifying conditions being satisfied throughout the relevant period of ownership.

None of the Company, the Directors, Beaumont Cornish nor Optiva give any warranty, representation or undertaking that any investment in the Company by way of Placing Shares will be or will continue to be a qualifying investment for EIS purposes. EIS eligibility is also dependent on a Shareholder's own position and not just that of the Company. Accordingly, investors should take their own advice in this regard. Investors are also referred to the risk factors set out in Part II of this document.

15. Lock-in arrangements

The Directors, JDA and Knowe, which together hold in aggregate 130,000,000 Ordinary Shares and 11,823,916 Options being 60.47 per cent. of the Enlarged Share Capital on a fully diluted basis, have entered into irrevocable undertakings with the Company, Beaumont Cornish and Optiva that they, conditionally upon Admission, will not (and will procure, insofar as they are able, that their associates will not) dispose of any interest in Ordinary Shares held by them or their associates for a period of one year from Admission, save in certain circumstances. In addition, they have agreed for a further period of 12 months after expiry of the lock in period that, subject to certain exceptions, they will only sell interests in Ordinary Shares held by them through the Company's broker from time to time and on an orderly market basis.

In addition, certain other shareholders representing 18,730,287 Ordinary Shares have agreed for a period of 12 months from Admission that, subject to certain exceptions, they will only sell interests in Ordinary Shares held by them through the Company's broker from time to time and on an orderly market basis.

Beaumont Cornish have also agreed not to dispose of their share of the Fee Shares for a period of 12 months from Admission.

16. Relationship agreements

Immediately following Admission, Jonathan Tidswell-Pretorius and Knowe will be entitled to exercise control over voting rights in respect of 18.37 per cent. and 21.16 per cent. respectively of the Enlarged Share Capital. Consequently, Jonathan Tidswell-Pretorius and Knowe will each have the ability to exercise a controlling influence on the business of the Company and may cause or take actions that are not in, or may conflict with, the best interests of the Group or its Shareholders as a whole. Accordingly, the Company, Beaumont Cornish, Jonathan Tidswell-Pretorius and Knowe have entered into relationship agreements which regulate the relationship between the Company and each of Jonathan Tidswell-Pretorius and Knowe, and ensures that the Company is capable of carrying on its business independently. The principal terms of the relationship agreements are summarised in paragraph 13.6 of Part II of this document.

17. Options and Warrants

The Directors believe that the recruitment, motivation and recruitment of key employees is vital for the successful growth of the Company. The Directors consider that an important element in achieving these objectives is the ability to incentivise and reward staff (including executive directors) through the grant of options. As a result, the Company has established the Share Option Scheme, which is an EMI scheme, further details of which are set out in paragraph 14 of Part II of this document, pursuant to which Options to eligible employees may be granted, and intends to establish an additional share incentive scheme following Admission pursuant to which options may be granted to advisers and consultants (including non-executive directors).

The total number of Ordinary Shares that may be committed under the Company's share incentive schemes (including the Share Option Scheme) will represent a maximum of 10 per cent. of the Company's issued Ordinary Share Capital from time to time, representing options over 21,498,029 Ordinary Shares as at Admission. On Admission 14,188,699 Options will be in issue under the Share Option Scheme, exercisable at the Placing Price. These have been granted as follows:

Employee	*Number of Options*	*Percentage of total options available as at Admission*
Jonathan Tidswell-Pretorius	4,299,606	20%
Paul Vonk	4,299,606	20%
Carlos Fernandes	4,299,606	20%
Other staff (excluding consultants and non-executive directors)	1,289,883	6%

The terms of the Share Option Scheme are set out in paragraph 14 of Part VII of this document.

The vesting criteria are as follows:

The Options vest as to 40 per cent., upon the share price being 25 per cent. above the Placing Price, based on the 30 day VWAP, a further 40 per cent. on the share price being 40 per cent. above the Placing Price based on the 30 day VWAP, and the final 20 per cent. on the share price reaching 50 per cent. above the Placing Price, based on the 30 day VWAP.

Additionally, the Company has agreed that, following Admission, options to subscribe for Ordinary Shares, exercisable at the Placing Price, will be granted to the following persons under an appropriate share incentive scheme:

Proposed option holder	*Number of options*	*Percentage of options available as at Admission*
Chris de Goey	1,074,901	5%
Cameron Buchanan	1,074,901	5%
Rob Shepherd	1,074,901	5%
Consultants and other service providers	4,084,625	19%

The terms of such options will be consistent with the terms of the Share Option Scheme.

This leaves the Company with nil options over Ordinary Shares that can be granted until such time as the Company issues additional shares whereby existing headroom under the 10 per cent. limit is created.

Pursuant to its obligations under the Brockham Agreement, the Company has agreed to grant BCL, on Admission, the Brockham Warrants to subscribe for an aggregate of 833,333 Ordinary Shares at the Placing Price. The Brockham Warrants are exercisable for two years from Admission.

Pursuant to its obligations under the Placing Agreement, the Company has agreed to grant Optiva, on Admission, the Broker Warrants to subscribe for an aggregate of 2,916,667 Ordinary Shares at the Placing Price. The Broker Warrants are exercisable for three years from Admission.

Further details of the Warrants are set out in paragraphs 13.1 and 13.10 of Part VII.

18. Fee Shares, Brockham Shares and Conversion Shares

The Company has agreed to satisfy an invoice from its design consultants, Waldorf & Statler Ltd, in the amount of £15,000 by the issue on Admission of 250,000 Ordinary Shares in aggregate at the Placing Price, comprising the Waldorf Fee Shares.

In addition, the Company has agreed to issue and allot to Beaumont Cornish, on Admission, 250,000 Ordinary Shares in aggregate, at the Placing Price, comprising the Beaumont Fee Shares, as part of Beaumont Cornish's fee arrangements.

The Company has agreed to issue 1,666,667 Ordinary Shares on Admission to BCL at the Placing Price, to satisfy the obligation to pay £100,000 pursuant to the Brockham Agreement. Such shares comprise the Brockham Shares.

In addition, Admission will trigger the conversion of the Convertible Loan Deed into 4,480,287 Ordinary Shares, comprising the Conversion Shares, to be issued on Admission to Energists. Under the terms of the Convertible Loan Deed the Conversion Shares are issuable to a value of $200,000 at a 40 per cent. discount to the Placing Price.

Admission of the Fee Shares, Brockham Shares and the Conversion Shares to AIM is expected to take place in conjunction with the Admission of the Placing Shares. The Fee Shares, Brockham Shares and the Conversion Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and the Placing Shares, including the rights to all dividends and other distributions declared, made or paid following Admission, and will be issued fully paid under the Act.

19. Corporate Governance

The Directors recognise the importance of sound corporate governance and, save as disclosed below, the Company will, from Admission, comply with the main provisions of the QCA Guidelines insofar as they are appropriate given the Company's size and stage of development.

The Company has established an audit committee, a remuneration committee, a nomination committee and an AIM Rules compliance committee with formally delegated duties and responsibilities. The audit committee will, on Admission, comprise Rob Shepherd, Paul Vonk and Cameron Buchanan, with Cameron Buchanan as chairman, and the remuneration committee will comprise Rob Shepherd, Chris de Goey and Cameron Buchanan, with Rob Shepherd as chairman. The AIM Rules compliance committee will, on Admission, comprise Rob Shepherd, Cameron Buchanan and Paul Vonk with Rob Shepherd as chairman. The nomination committee will, on Admission, comprise of Rob Shepherd, Jonathan Tidswell and Cameron Buchanan with Cameron Buchanan as chairman. The composition of these committees may change over time as the composition of the board changes.

The audit committee will determine the terms of engagement of the Company's auditors and will determine, in consultation with the auditors, the scope of the audit. The audit committee will receive and review reports from management and the Company's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The audit committee will have unrestricted access to the Company's auditors.

The remuneration committee will determine the scale and structure of the executive directors' and senior employees' remuneration and the terms of their respective service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive directors of the Company will be set by the Chairman and executive members of the board.

The nomination committee will determine the composition of the board of the Company and appointment of senior employees. It will develop succession plans as necessary and report to the Directors.

The AIM Rules compliance committee will ensure that procedures, resources and controls are in place to ensure that AIM Rules compliance by the Company is operating effectively at all times and that the executive directors are communicating effectively with the Company's nominated adviser regarding the Company's ongoing compliance with the AIM Rules and in relation to all announcements and notifications and potential transactions.

Further information on the audit, remuneration, nomination and AIM compliance committees and their functions is set out in paragraph 11 of Part VII of this document.

The Board will keep the Company's compliance with the new MAR regime under review, and will adopt such policies and practices as the Board consider necessary to ensure such compliance from time to time. This includes compliance with requirements regarding directors' dealings.

20. Share Dealing Policy

From Admission, the Directors intend to comply, and to procure compliance with, Rule 21 of the AIM Rules relating to dealings in the Ordinary Shares by the Directors and other applicable employees. To this end, the Company has adopted and will operate a share dealing policy in line with MAR and AIM Rule 21. The Company will be responsible for taking all proper and reasonable steps to ensure compliance by the Directors and applicable employees with the share dealing policy and the AIM Rules.

21. Bribery Act 2010

The government of the United Kingdom has issued guidelines setting out appropriate procedures for all companies to follow to ensure that they are compliant with the Bribery Act. In line with such recommendations the Company has adopted a formal anti-bribery policy which seeks to ensure that the Group operates in an ethical and transparent manner in all business dealings and that the Group has a mechanism for staff to alert management should any issues or incidents occur.

22. The City Code

The City Code applies to the Company and, as a result, Shareholders are entitled to the benefit of the takeover offer protections provided under the City Code, further details of which are set out in paragraph 21 of Part II of this document.

Following Admission, the Existing Shareholders will hold more than 50 per cent. of the Enlarged Share Capital. As the Existing Shareholders were shareholders in a private company which re-registered as a public company in connection with an initial public offering, they are deemed to be acting in concert under the City Code. For so long as the Existing Shareholders continue to be treated as acting in concert such Existing Shareholders may accordingly increase their aggregate interest in shares in the Company without incurring any obligation under Rule 9 of the City Code to make a general offer, although any individual Existing Shareholder will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without the Panel's consent.

23. CREST

The Company's Articles of Association are consistent with the transfer of Ordinary Shares in dematerialised form in CREST under the CREST Regulations. Application has been made for the Ordinary Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates in respect of their Ordinary Shares will be able to do so.

24. Admission, settlement and dealings

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Enlarged Share Capital at 8:00 a.m. on 14 November 2016.

No application has or will be made at this time for any Ordinary Shares to be admitted to trading or to be listed on any other stock exchange.

25. Taxation

Your attention is drawn to the information regarding taxation which is set out in paragraph 12 of Part VII of this document. That information is intended only as a general guide to the current tax position under UK taxation law. **If you are in any doubt as to your tax position, you should contact your independent professional adviser.**

26. Further information and risk factors

Your attention is drawn to the further information in this document and particularly to the risk factors set out in Part II of this document. Potential investors should carefully consider the risks described in Part II before making a decision to invest in the Company.

PART II

RISK FACTORS

Any investment in the Company and the Placing Shares is subject to a number of risks. Prior to subscribing for any Placing Shares, potential investors should be aware of and carefully consider the factors and risks associated with any investment in the Company, the Company's business and the industry in which it operates (as described below), together with all other information contained in this document before making a decision to invest in the Company. Accordingly, you are strongly recommended to consult an investment adviser authorised under the FSMA, who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

If any of the following risks actually occur, the Company's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Company's Ordinary Shares could decline and investors could lose all or part of their investment. The information set out below does not constitute an exhaustive summary of the risks affecting the Company and is not set out in any order of priority.

In addition to the other information in this document, the Directors consider the following risk factors are of particular relevance to the Company's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that additional risks and uncertainties not presently known to the Directors or which they currently believe to be immaterial may also have an adverse effect on the Company. Any one or more of these risk factors could have a materially adverse impact on the value of the Company and should be taken into consideration when assessing the Company. The risks are not intended to be presented in any assumed order of priority.

Risks Relating to the Company and its Business Strategy

Future results, including resource recoveries and work programme plans and schedules, will be affected by changes in market conditions, commodity price levels, political or regulatory developments timely completion of exploration and development programme commitments or projects, the outcome of commercial negotiations and technical or operating factors.

Reliance on partners in the Company's oil fields

The Company has an interest of 55 per cent. in the Brockham Field and 60 per cent. in the Lidsey Field. The costs of operating and developing the fields are set out in Part I, paragraphs 3.2 and 3.3 of this document under the heading "work programme" and in paragraph 11, Use of proceeds, of Part I. Accordingly, the Company is reliant on the Angus Licence Partners for a portion of the operating and development funding to implement the Company's strategy. Whilst the Company expects the field partners to fund their share of the costs, any failure or delay in doing so could have a material effect on the Company's ability to implement its stated strategy and consequentially on its financial position and performance.

Operating history

The Angus Group has been operating as a privately held group since 2009 and acquired its interests in the Brockham Licence and the Lidsey Licence in 2012. Limited appraisal and development work has been carried out in respect of such Licences since the acquisition. It is therefore difficult for prospective investors accurately to evaluate the Company's business and future prospects. There can be no assurance that losses will not occur in the short term or that the Company will be profitable in the future. Success will depend on the outcome of the planned exploration and development programme and the Directors' ability to take advantage of further opportunities which may arise.

Internal systems and controls

The Group faces risks frequently encountered by developing companies such as under-capitalisation, cash shortages and limited resources. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost

controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

Attraction and retention of key employees

The Company's success will depend on its current and future executive management team. If any key person resigns, there is a risk that no suitable replacement with the requisite skills, contacts and experience will be found to replace such person. The senior executive personnel currently have equity interests in the Company. Notwithstanding this, if key personnel were to leave the Company, it could have a material adverse effect on the Company's business, financial condition and operating results.

Retention of key business relationships

The Group will rely significantly on strategic relationships with other entities on good relationships with regulatory and governmental departments and upon third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed and the Group could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts or the failure successfully to form new ones, could adversely impact the Group, its business, operating results and prospects.

Taxation framework

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Commentaries in this document concerning the taxation of investors in Ordinary Shares are based on current tax law and practice, as it applies to UK tax resident investors, which is subject to change. The taxation of an investment in the Company depends on the individual circumstances and the tax residence status of investors.

Political conditions and government regulations

Although political conditions in the UK are generally stable, changes may occur in its political, fiscal and legal systems, which might adversely affect the ownership or operation of the Company's interests including, *inter alia*, changes in exchange rates, exchange control regulations, expropriation of oil and gas rights, changes in government and in legislative, fiscal and regulatory regimes. The Company's strategy has been formulated in the light of the current regulatory environment and likely future changes.

Although the Directors believe that the Group's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules, laws and regulations will not be enacted or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail exploration production or development of the Group's business or have an otherwise negative impact on its activities. Amendments to existing rules, laws and regulations governing the Group's operations and activities, or increases in or more stringent enforcement, implementation or interpretation thereof, could have a material adverse impact on the Group's business, results of operations and financial condition and its industry in general in terms of additional compliance costs.

Project development risks

There can be no assurance that the Group will be able to manage effectively the expansion of its operations or that the Group's current personnel, systems, procedures and controls will be adequate to support the Group's operations. This includes among other things, the Group managing the acquisition of required land tenure, infrastructure development and other related issues. Any failure of the Board to manage effectively the Group's growth and development could have a material adverse effect on the Group's business, financial condition and results of operations. There is no certainty that all, or indeed, any of the elements of the Group's current strategy will develop as anticipated and that the Group will be profitable.

Environmental, health and safety and other regulatory standards

The projects in which the Group invests and its existing and potential production and exploration activities are subject to various laws and regulations relating to the protection of the environment (including regular environmental impact assessments and the obtaining of appropriate permits or approvals by relevant environmental authorities) and are also required to comply with applicable health and safety and other

regulatory standards. Environmental legislation in particular can comprise numerous regulations which might conflict with one another and which cannot be consistently interpreted. Such regulations typically cover a wide variety of matters including without limitation prevention of waste pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. As a result, although the Group intends to operate in accordance with the highest standards of environmental practice and comply in all material respects, full compliance with applicable environmental laws and regulations may not always be ensured.

Any failure to comply with relevant environmental, health and safety and other regulatory standards may subject the Group to extensive liability, fines and/or penalties and have an adverse effect on the business and operations financial results or financial position of the Group. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Group's business or have an otherwise negative impact on its operations. Any changes to, and increases in, current regulation or legal requirements, with the enforcement thereof, may have a material adverse effect upon the Group in terms of additional compliance costs.

Currency risks

The Group intend to recommence sales of oil; oil is priced in US dollars whilst the bulk of its costs are in GBP and therefore the Group's financial position and performance will be affected by fluctuations in the US dollar, sterling exchange rate along with fluctuations in the oil price.

In addition the Group may make investments in currencies other than Sterling and the Group does not currently intend to hedge against exchange rate fluctuations. Accordingly, the value of such investments may be adversely affected by changes in currency exchange rates notwithstanding the performance of the investments themselves, which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Insurance coverage and uninsured risks

The Group insures its operations in accordance with industry practice and plans to insure the risks it considers appropriate for the Group's needs and circumstances. However, the Group may elect not to have insurance for certain risks, due to the high premium costs associated with insuring those risks or for various other reasons, including an assessment that the risks are remote.

No assurance can be given that the Group will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any claims arising. The Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past activities for which it was not responsible. In the event that insurance coverage is not available or the Group's insurance is insufficient to fully cover any losses, claims and/or liabilities incurred, the Group's business and operations, financial results or financial position may be disrupted and adversely affected.

The payment by the Group's insurers of any insurance claims may result in increases in the premiums payable by the Group for its insurance cover and adversely affect the Group's financial performance. In the future, some or all of the Group's insurance coverage may become unavailable or prohibitively expensive.

Fluctuations of revenues, expenses and operating results

Future revenues, expenses and operating results of the Group could vary significantly from period to period as a result of a variety of factors, some of which are outside its control. These factors include general economic conditions, adverse movements in interest rates, conditions specific to the oil and gas services market, seasonal trends in revenues, capital expenditure and other costs and the introduction of new products or services to the market. In response to a changing competitive environment, the Group may elect from time to time to make certain pricing, service or marketing decisions or investments that could have a material adverse effect on the Group's revenues, results of operations and financial conditions and prospects.

Third-Party Credit Risk

The Group is and may in the future be exposed to third-party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and production and other parties. Significant changes in the oil and natural gas industry, including fluctuations in commodity prices and economic conditions, environmental regulations, government policy, royalty rates and other geopolitical factors, could adversely affect the Group's ability to realise the full value of its accounts receivable.

Typically, oil and gas operations are funded *pro rata* to the participants' interests in the licences or concessions, accordingly to budgets and work programmes drawn up by the operator and approved by the requisite majority of the participants, subject to variations as agreed between the participants (which, in the case of the Angus Group and in relation to the Brockham and Lidsey Licences, are varied as referred to in paragraph 4.3 of Part VI of this document). Any failure of a participant to pay its share of operational costs in whole or in part may increase the costs for the other participants and/or lead to delays or changes to proposed operations, which may have a material and adverse effect on the Group's business, financial condition, results of operations or prospects.

Offtake agreement

Historically the Group sold all the oil produced at the Lidsey and Brockham oil fields to the BP operated Hamble terminal on the East bank of Southampton Water, Hampshire. This facility was acquired by Perenco in 2011 through its acquisition of Wytch Farm. Perenco has stopped third party take-off at the Hamble terminal earlier in 2016. The Directors are currently negotiating a new oil off-take contract with various off-takers. As at 4 November 2016 (being the latest practicable date prior to the publication of this document), these discussions are ongoing, and the Directors believe a contract with a new off-taker will be completed before the drilling of the new Brockham sidetrack. Historically the Brockham's 28° API has been blended with the Lidsey 40° API oil and sold at a 4 per cent. discount to the Brent oil price. Based on the anticipated production rates in the CPR the contribution of high quality Lidsey oil is expected to be larger than has historically been the case and the Directors therefore expect the new off-take contract to be broadly in line with the Brent oil price *(Lidsey source: CPR Table 4.6: Brockham source: CPR Table 5.7)*. The costs relating to transporting the oil will vary based on the final off-take destination.

Contractual documentation

The Angus Group does not have in its possession executed counterparts of certain of the contractual documents relating to the acquisition and disposal of interests in, and the operations of, its oil and gas assets (including the Licences), the terms of which are referred to in paragraphs 2, 3 and 4 of Part VI and 13.9 and 13.13 of Part VII of this document. The descriptions of the contracts contained in this document accurately reflect the documentation held by the Company and which the Company believes represents the final form of the definitive executed agreements between the respective counterparties. The operations of the Group's assets and dealings with the counterparties to the respective agreements have been conducted in accordance with the terms of such documentation held by the Angus Group, which, save as varied as referred to in paragraph 4.3 of Part VI of this document, follow standard industry terms and provide for usual *pro rata* costs of and entitlements in the Licences for the participants therein, and terms of appointment of the operator. The interests of the Angus Group in the Licences referred to in this document, as shown on the DECC Licence Data website, are also in accordance with the contractual documentation held by the Angus Group (subject to formal completion of the farm-out of a 5 per cent. interest in the Brockham Licence to Alba).

Therefore, whilst the Directors are confident that the position and terms of the interests in its oil and gas are as described in Part VII of this document and that there would be a very small chance of legal challenge, should any counterparty dispute the terms of the agreements and assert that different terms and conditions had been agreed with the Angus Group, the Angus Group may require legal process to be followed to establish that the documentation it holds is definitive in governing the contractual relationship. Any finding that terms are materially different from the terms of the material contracts as described in this document may have a material adverse effect on the Angus Group's business, financial condition, results of operations and prospects.

Decommissioning and abandonment

As a party to certain Licences, members of the Group have undertaken obligations to restore production areas to standards acceptable to the OGA and the environmental regulator at the end of the production fields' commercial lives. The Group will be liable for its share of any decommission work. Any obligation to decommission a production facility may involve a substantial expenditure. These decommissioning costs are necessarily incurred at a time when the related production facilities are no longer generating revenue and no provisioning has been made in the Group's accounts for such future decommissioning costs. It is intended that the decommissioning costs, when they arise, will be borne by the Group out of production revenue. There can, however, be no assurance that the production revenue will be sufficient to meet these decommissioning costs as and when they arise, and if the Group has to apply other or additional financial resources to meet these costs instead, it could have a material adverse effect on the Group's business, financial condition, cash flows, results of operations and prospects.

Upon cessation of any operations on a licence area, the Group is likely to be responsible for costs associated with abandoning infrastructure and restoring the operational sites by taking reasonable and necessary steps in accordance with generally accepted environmental practices in the international petroleum industry. The Group's environmental permits may specify commitments to the relevant government authority for specific rehabilitation activities on a site.

Angus Energy Eakring Development Limited and Angus Energy Kirklington Development Limited

The above companies were dissolved on 12 September 2014 and 2 January 2015, respectively, having previously held small interests in licences PEDL 203 and PEDL 118. AHL held a 20 per cent. interest in each company at the time of their dissolutions.

AHL has agreed with DECC and the OGA that it will be responsible for the decommissioning liabilities (plugging and abandonment of two wells) of the above companies.

It is believed that the fields are currently producing and therefore the decommissioning liabilities are expected to only materialise in the medium to long term. Directors estimate that the overall costs of decommissioning both fields will be approximately £250,000. Of this, the Group would be responsible for 2 per cent., approximately £5,000, in accordance with its shareholdings in the two companies and the relevant companies' interests in the fields pursuant to the terms of the relevant joint operating agreements.

Prior to the time of the dissolution of the companies, the Company considers that the partners in these fields undertook work on a sole risk basis, although they did attempt to recover the costs for this from the partners to these licences (including approximately £110,000 from both of the above companies). The Directors consider that neither these companies nor any member of the Angus Group has any liability in this respect.

Licensing, planning permission and other consents

The development of the Group's current and future assets may be dependent on the receipt of planning permission from the appropriate local authorities as well as other necessary consents such as environmental permits, leases and regulatory consents. Obtaining the necessary consents and approvals may be costly, and they may not be granted or may be withdrawn or made subject to limitations. The failure to gain such permissions, or gain such permissions on terms or at a cost acceptable to the Group, may limit the Group in its ability to develop and extract value from its assets and could have a material adverse effect on the Group's business, results of operations, financial conditions and prospects. Onshore oil and gas operations in the UK have recently been subject to extensive planning and environmental approval procedures, the outcome of which has been uncertain. Unforeseen circumstances or circumstances beyond the control of the Group may lead to commitments given to licencing authorities not being discharged on time.

In particular, the Group's activities are dependent upon the grant and maintenance of appropriate permissions from, amongst others, the OGA. As operator of the Licences, the Angus Group is responsible for adhering to the work programme in the form approved by the OGA. Failure to do so may result in the rescinding of permission by the OGA, which could result in the Group suffering significant damage through loss of the opportunity to identify and extract hydrocarbons.

The expiry dates of the Licences in which the Group is interested are set out in Table 1 of Part I of this document. The Licences are not automatically renewed. Although the Company believes that the Licences will be renewed or extended following expiry, provided oil and gas operations are continuing at the licence areas and operations have complied with all applicable regulatory requirements, there can be no assurance that such Licences will be renewed or extended.

Furthermore, as referred to in paragraph 5 of Part VI of this document, the Group is currently applying, or anticipates that it will apply in the short term, for certain consents and approvals from, amongst others, the Environment Agency, the Health and Safety Executive, and, ultimately, the OGA in respect of the Group's proposed drilling operations at the Brockham and Lidsey fields as referred to in Part I of this document. In the medium term, the Directors understand that the Environment Agency will be undertaking a re-permitting exercise of existing onshore oil and gas operations and facilities to ensure that operations and facilities covered by historic environmental permits comply with current environmental regulations. The precise details of this re-permitting exercise are not currently known.

The Company will apply for environmental re-permitting in due course. The Environment Agency has confirmed that it will not normally take enforcement action against operators of pre-existing facilities (such as the Angus Group, in relation to operations at Brockham and Lidsey), for the period prior to the determination of such applications, for not having the necessary environmental permits under the new environmental regulations (and accordingly that during such re-permitting process operations may continue under existing environmental permits), provided the following requirements are complied with:

- a duly made application for any required variation or permit under the re-permitting exercise is made by the date specified by the Environment Agency, and thereafter progressed without any undue delay by the applicant;
- the activities on the site are operated in such a way that they pose no risk of pollution of the environment or harm to health;
- all existing permit conditions are complied with unless otherwise agreed in writing by the Environment Agency; and
- hydraulic fracturing is not taking place.

Accordingly, the Company currently expects that the Group would continue to operate during any environmental re-permitting exercise. In any event, the Group will not be required to apply for environmental re-permitting in respect of operations at Brockham and Lidsey prior to 30 April 2017.

Further, should the Group wish to conduct additional drilling operations following the activities referred to in Part I of this document, the Group will need to obtain new planning permissions, EA and Health and Safety Executive and OGA approvals, following the preparation of detailed field development proposals as approved by the Group's licence partners.

The failure to gain such permissions or approvals, or gain such permissions or approvals on terms or at a cost acceptable to the Group, may limit the Group in its ability to develop and extract value from its assets and could have a material adverse effect on the Group's business, results of operations, financial conditions and prospects.

Lease relating to the land on which the Brockham field is located

The lease relating to the land on which the Brockham field is located does not include any security of tenure provisions and excludes the Landlord and Tenant Act 1954. Therefore, at the end of the term of this lease, which is expected to be in August 2023, a new lease will need to be negotiated between the parties to enable Angus to continue to operate the Brockham field.

Discretion in the Use of Proceeds

The Directors will have broad discretion concerning the use of the proceeds of the Placing, as well as the timing of their expenditure. As a result, investors will be relying on the judgment of the Directors for the application of the proceeds of the Placing. The Board may use the placing proceeds in ways that investors may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the results of the Group's operations may suffer.

Risks Associated with the Oil and Gas Industry

Payment obligations

Under the Licences and certain other contractual agreements to which the Group is or may in the future become a party, the Group is or may become subject to payment and other obligations. In particular, the Licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to permits and licences. Failure to meet these work commitments will render the Licence liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Group.

Litigation

While the Group currently has no material outstanding litigation or dispute, there can be no guarantee that the current or future actions of the Group will not result in litigation since there have been a number of cases where the rights and privileges of natural resource companies have been the subject of litigation. The petroleum industry, as with all industries, may be subject to legal claims including personal injury claims, both with and without merit, from time to time. The Directors cannot preclude that such litigation may be brought against the Group in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Group's financial position, results or operations. The Group's business may be materially adversely affected if the Group and/or its employees or agents are found not to have met the appropriate standard of care or not exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

Ability to exploit successful discoveries

It may not always be possible for the Group to participate in the exploitation of all successful discoveries made in areas in which the Group has an interest. Such exploitation may involve the need to obtain licences or consents from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may, or may not, be possible for such conditions to be satisfied. Furthermore, the decision to proceed to further exploitation may require the participation of other companies whose interest and objectives may not be the same as those of the Group. Such further work may also require the Group to meet, or commit to, financing obligations, which it may not have anticipated or may not be able to commit to, due to lack of funds, or inability to raise funds.

Market risk

The continued marketing of the Group's oil will be dependent on market fluctuations and the availability of processing and refining facilities and transportation infrastructure, including access to roads, train lines and any other relevant options at economic tariff rates, over which the Group may have limited or no control. Transport links (including roads and pipelines) may be inadequately maintained and subject to capacity constraints and economic tariff rates may be increased with little or no notice and without taking into account producer concerns.

Producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance.

The marketability and prices of oil that may be discovered or acquired by the Group will be affected by numerous factors beyond its control.

Technological developments

The Group may not be able to keep pace with technological developments in its industry. The oil industry is characterised by rapid and significant technological advancements and introductions of new products and services using new technologies. As others use or develop new technologies, the Group may be placed at a competitive disadvantage, and competitive pressures may force the Group to implement those new technologies at substantial cost. In addition, other oil companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Group can. The Group may not be able to respond to these

competitive pressures and implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies the Group uses now or in the future were to become obsolete or if the Group is unable to use the most advanced commercially available technology, the Group's business, financial condition and results of operations could be materially and adversely affected.

Competition

A number of other oil companies may seek to establish themselves in areas in which the Group operates and may be allowed to bid for exploration and production licences and other services, thereby providing competition to the Group. Larger companies in particular may have access to greater resources than the Group, which may give them a competitive advantage. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests.

Increase in drilling and production costs and the availability of drilling equipment

The oil industry historically has experienced periods of rapid cost increases. Increases in the cost of exploration, production and development would affect the Group's ability to invest in prospects and to purchase or hire equipment, supplies and services. In addition, the availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. The reduced availability of equipment and services may delay its ability to exploit reserves and adversely affect the Group's operations and profitability. Such pressures are likely to increase the actual cost of services, extend the time to secure such services and add costs for damages due to any accidents sustained from the overuse of equipment and inexperienced personnel. Delays in drilling and other exploration activities, the possibility of poor services coupled with potential damage to downhole reservoirs and personnel injuries may also result in increased costs.

Other factors affecting the production and sale of oil and natural gas that could result in decreases in profitability or otherwise adversely affect the Group's operations include: (i) expiration or termination of leases, concession right, consents, permits or licences, or sales price redeterminations or suspension of deliveries; (ii) future litigation; (iii) the timing and amount of insurance recoveries; (iv) work stoppages or other labour difficulties; (v) worker vacation schedules and related maintenance activities: and (vi) limitations on access to transport capacity. There can be no assurance that these or similar issues may not cause disruptions to the Group's ability to produce or sell oil in the future.

Delays in production and transportation

Various production, marketing and transportation conditions may cause delays in oil production and adversely affect the Group's business. The inability to complete wells in a timely manner would result in production delays and could have a material adverse effect on the Group's financial position and future results of operations.

Restrictions on the Group's ability to access necessary infrastructure services may adversely affect the Group's operations

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

Volatility of prices for oil and gas

The demand for, and price of, oil and gas is highly dependent on a variety of factors beyond the Group's control, including international supply and demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, supply and demand of capital, employment trends, international economic trends, currency exchange rate fluctuations, the level of interest rates and the rate of inflation, the cost of freight, global or regional political events and international events, as well as a range of other market forces. The aggregate effect of these factors is impossible to predict. International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Sustained downward movements in oil and gas prices

could render less economic, or wholly uneconomic, some or all of the exploration and the existing, and potential future, oil production related activities to be undertaken by the Group. Any material decline in oil and gas prices could result in a reduction of the Company's net production revenue and overall value.

The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of the Group's reserves. The Group might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Company's net production revenue causing a reduction in its acquisition and development activities. A substantial material decline in prices from historical average prices could reduce the Group's ability to borrow funds.

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

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

Over-run of drilling programme and costs over-run

It may not be possible for the Angus Group, as the operator of the Brockham and Lidsey Licences, to adhere to agreed drilling schedules. This may impact all participants in the Licences, and their future plans. The project partners' final determination of whether to drill any scheduled or budgeted wells will depend on a number of factors including:

- results of the exploration efforts and the acquisition, review and analysis of seismic data, if any;
- availability of sufficient capital resources and any other participants for the drilling of the prospects;
- approval of the prospects by other participants after additional data has been compiled;
- economic and industry conditions at the time of drilling, including prevailing and anticipated process for oil and natural gas and the availability and prices of drilling rigs and crews; and
- availability of leases, licence options, farm-outs, other rights to explore and permits on reasonable terms for the prospects

Although the Angus Group, as the operator of the Brockham and Lidsey Licences, will at the time identify or budget for drilling prospects, it will require the approval of all or a requisite majority of the participants in the Licences. It may not be possible to drill those prospects within the expected timeframe, or at all, and the drilling schedule, once agreed, may vary from its expectations because of future uncertainties and rig availability and access to drilling locations. In addition, there is a risk that no commercially productive oil or gas reservoirs will be discovered.

Dependence on third party services

The Group may rely on products and services provided by independent third parties, such as undertaking due diligence and technical reviews, carrying out drilling activities and delivering oil products, and providing general financial and strategic advice. If there is any interruption to the products or services provided, or failure to perform those services with due care and skill, by such third parties, the Group's business could be adversely affected and the Group may be unable to find adequate replacement services on a timely basis, if at all, and/or on acceptable commercial terms. This may have a material adverse effect on the business, financial conditions, results of operations and prospects of the Group.

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

Exploration, development and production activities are capital intensive and inherently uncertain in their outcome. The Group's projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating

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

Operational risks

Drilling, appraisal, exploration, construction, development and production activities may involve significant risks and operational hazards and environmental, technical and logistical difficulties, as usually associated with oil and gas operations. These include, *inter alia*, the possibility of uncontrolled hydrocarbon emissions, fires, earthquake activity, extreme weather conditions, coastal erosion, explosions, blowouts, cratering, over-pressurised formations, unusual or unexpected geological conditions, unpredictable drilling-related problems, equipment failure, labour disputes and the absence of economically viable reserves. These hazards may result in delays or interruption to production, cost over-runs, the failure to produce oil in commercial quantities, substantial losses and/or exposure to substantial environmental and other liabilities, including potential litigation and clean-up or other remedial costs. Damages claimed in connection with any consequent litigation and the costs to the Company in defending itself against such litigation are difficult to predict and may be material. In addition, the Company could experience adverse publicity as a result of any such litigation. Any loss of production or adverse legal consequences stemming from production hazards could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

Non achievement of anticipated timetables

Drilling rigs or other equipment may not be available at the time envisaged (due to, for example, delays in making appropriate modifications, adverse weather conditions, insolvency of the owners or total loss) or may fail to perform in accordance with the Directors' expectations in regard to the timetable. There is no guarantee that replacement equipment will be available on reasonable commercial terms or at all.

Failure to meet the expected timetables may result in the Group being unable to generate cash from those assets. This would have a material adverse effect on the Group's business, prospects, financial condition and operations.

The Group's anticipated timetables for all of its current and expected operations are estimates of the Directors based on a number of variables not all of which are under the Group's direct control. If the timetable estimates prove to be wrong or the operators or any of the participants in the Licences do not take the actions in relation to maintaining or developing the assets then it may lead to delays or further problems which may have a material adverse effect on the Group's business, prospects, financial conditions and operations.

Early stage development of the Group's Licences

The operations in which the Group has an interest are at an early stage of development and future success will depend on the Group's ability to successfully manage the current projects and to take advantage of further opportunities which may arise. There can be no guarantee that the Group can or will be able to, or that it will be commercially advantageous for the Group to, develop any acreage subject to any tenement, permits or licences in which the Group has or may acquire an interest. Furthermore, the Group has assets producing only limited cash flow and its ultimate success will depend on the Group's ability to implement its strategy, generate cash flow from economically viable projects and access equity markets. Whilst the Directors are optimistic about the Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.

The Group will not generate any material additional income until the completion of its planned horizontal side track wells at the Brockham and Lidsey oil fields. In the meantime the Group will continue to expend its cash reserves and may, in due course, be required to raise debt or additional equity capital. Certain of the Group's projects have limited operating history upon which to base estimates of future cash operating costs. For early stage projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data and feasibility studies which derive estimates of cash operating costs based upon anticipated recoveries, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns may differ materially from those estimated.

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

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

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

Failure to discover new reserves, enhance existing reserves or adequately develop new projects could adversely affect the Group's business

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

Increasingly stringent requirements relating to regulatory, environmental and social approvals can result in significant delays in construction of additional facilities and may adversely affect new drilling projects, the expansion of existing operations and, consequently, the Group's results of operations, cash flows and financial condition, and such effects could be material.

Reserve and resource estimates

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

Unless stated otherwise, the hydrocarbon resources data contained in this document are taken from the Competent Person's Report. The reserves and resources data contained in this document have been certified by Xodus unless stated otherwise. There are uncertainties inherent in estimating the quantity of reserves and resources and in projecting future rates of production, including factors beyond the Group's control. Estimating the amount of hydrocarbon reserves and resources is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates.

The hydrocarbon resources data contained in this document and in the Competent Person's Report are estimates only and should not be construed as representing exact quantities. The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of the

resources disclosed will be available for extraction. Therefore, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. Reserves estimates contained in this document are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by the Group (which it may not necessarily have produced). The estimates may prove to be incorrect and potential investors should not place reliance on the forward looking statements contained in this document (including data included in the Competent Person's Report or taken from the Competent Person's Report and whether expressed to have been certified by the Competent Person or otherwise) concerning the Group's reserves and resources or production levels.

Hydrocarbon reserves and resources estimates are expressions of judgment based on knowledge, experience and industry practice. They are therefore imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Estimates that were reasonable when made may change significantly when new information from additional analysis and drilling becomes available. This may result in alterations to development and production plans which may, in turn, adversely affect operations.

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

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

Natural resources businesses often face increasing public scrutiny of their activities. Operations located in or near communities that may regard oil and gas activities as detrimental to their environmental, economic or social circumstances. Negative community reaction to such operations could have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could also lead to disputes with national or local governments or with local communities and give rise to material reputational damage. These disputes are not always predictable and may cause disruption to projects or operations. Oil and gas operations can also have an impact on local communities. Failure to manage relationships with local communities, government and non-government organisations may adversely affect the Company's reputation, as well as its ability to commence production projects, which could in turn affect the Group's revenues, results of operations and cash flows.

Risks Relating to Ordinary Shares

Fluctuations in the price of Ordinary Shares

The market price of Ordinary Shares may be subject to fluctuations in response to many factors, including variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts and factors outside the Group's control including but not limited to general economic conditions, the performance of the overall stock market, other Shareholders buying or selling large numbers of Ordinary Shares and changes in legislation or regulations.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Ordinary Shares.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than, or lose all of, their original investment.

Realisation of investment

The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets. Potential investors should be aware that the value of Ordinary Shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times. Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Ordinary Shares (including the Placing Shares) may thus be difficult to realise.

In the event of a winding-up of the Company, the Ordinary Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet prior entitlements of creditors.

No prior public trading

Prior to Admission there has been no public market for the Ordinary Shares. The Placing Price has been agreed between Optiva and the Company and may not be indicative of the market price for the Shares following Admission. The Company can give no assurance that an active trading market for the Ordinary Shares will develop or be maintained following Admission. If an active trading market is not developed or maintained, the liquidity and market price of the Ordinary Shares could be adversely affected.

Liquidity of Ordinary Shares

Admission to AIM should not be taken as implying that there will be a liquid market for Ordinary Shares. It may be more difficult for an investor to realise their investment in the Company than in a company whose shares are quoted on the Official List.

Financing risks and requirements for further funds

Successful exploration for, or the development of, oil and gas on any project will require very significant capital investment. The major source of financing currently available to the Company (other than through the cash raised pursuant to the Placing) is through the issue of additional equity capital or through bringing in partners to fund exploration and development costs, or obtaining debt. The Company's ability to raise further funds will depend on the success of its strategy and operations. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or anticipated expansion, forfeit its interest in some or all of its assets, incur financial penalties, miss certain acquisition opportunities or reduce or terminate its operations.

If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. The Company may also issue Ordinary Shares as consideration for acquisitions or investments that would also dilute Shareholders' respective shareholdings. Share issues may be priced below the then market price of the Ordinary Shares, or below the price at which previous share issues have been made, and the issue of additional Ordinary Shares by the Company, or the possibility of such an issue, may cause the market price of the Ordinary Shares to decline. Such equity issues may result in a change of control of the Company.

Furthermore, any debt financing, if available, may include conditions that would restrict the Group's freedom to operate its business, such as conditions that:

- limit the Group's ability to pay dividends or require it to seek consent for the payment of dividends;
- increase the Group's vulnerability to general adverse economic and industry conditions;
- require the Group to dedicate a portion of any cash flow arising from future operations to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditures, working capital and other general corporate purposes; and
- limit the Group's flexibility in planning for, or reacting to, changes in its business and its industries, including the potential to take advantage of business opportunities as they arise.

There can be no guarantee or assurance that such debt funding or additional equity will be forthcoming when required, or as to the terms and price on which such funds would be available if at all. If the Group is unable to obtain additional financing as needed, or on terms which are acceptable, it may not be able to fulfil its strategy, which could have a material adverse effect on the Group's business, financial position and prospects.

Suitability of Ordinary Shares as an investment

Ordinary Shares may not be suitable for all the recipients of this document. Before making any investment, prospective investors are advised to consult with an organisation or firm authorised or exempted pursuant to the FSMA and in the case of a resident in any other jurisdiction an appropriately authorised or exempted adviser for that jurisdiction, before making any investment decision. As the Directors believe the Company is unlikely to pay dividends in the foreseeable future, if ever, the Ordinary Shares are not suitable for investors requiring income. An investment in the Company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time.

Dividends

Payments of dividends by the Company to Shareholders will depend on a number of factors, including its financial condition and results of operations, contractual restrictions, and other factors considered relevant by the Directors. Under English law, any payment of dividends would be subject to the Act. All final dividends to be distributed by the Company must be recommended by the Directors and approved by Shareholders. Moreover, under English law, the Company may pay dividends on its Ordinary Shares only out of profits available for distribution in accordance with the Act and under its Articles.

The major Shareholders have the ability to control some of the actions taken by the Shareholders

Following Admission Jonathan Tidswell-Pretorius, a Director, and Knowe will own or control in aggregate up to 85,000,000 Ordinary Shares representing, in aggregate, approximately 39.54 per cent. of the Enlarged Share Capital. As a result of these interests, such parties, will, after Admission, have the ability to exert significant influence on some of the actions taken by the Shareholders going forward. Following Admission, such parties will have sufficient voting power to, among other things, delay, deter or prevent a change in control of the Company that may otherwise be beneficial to the Shareholders and may also discourage acquisition bids for the Company and limit the amount certain investors may be willing to pay for the Ordinary Shares. Jonathan Tidswell and Knowe will each prior to or concurrent with Admission, enter into a relationship agreement with the Company to ensure the Group is capable of carrying on business independently from such persons, and that transactions and relationships with such persons are at arm's length and on normal commercial terms.

There are potential conflicts of interest to which the Directors, Field Partners and major Shareholders of the Company, will be subject to in connection with the operations of the Group

There are potential conflicts of interest to which the Directors and major Shareholders of the Company will be subject to in connection with the operations of the Group. Some of the Directors and major Shareholders are or may become engaged in other oil and gas interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the Articles and the Act. The Directors may not devote their time on a full-time basis to the affairs of the Company. Certain Directors own collectively, directly and indirectly, a significant part of the issued share capital of the Company, and will, therefore, have the possibility to influence the decision-making of the Company.

Sales of the major Shareholders' Ordinary Shares could decrease the market price of the Ordinary Shares

Although the Directors, Knowe, JDA, Beaumont Cornish and Optiva have agreed to lock-in and orderly market arrangements, as set out elsewhere in this agreement, the Company cannot predict whether substantial numbers of the Ordinary Shares will be sold in the open market. The lock-in arrangements will expire 12 months from Admission. Sales of a large number of the Ordinary Shares in the public markets, or the potential for such sales, could decrease the market price of the Ordinary Shares and could impair the Company's ability to raise capital through future offerings of Ordinary Shares. Immediately following Admission, the Directors, JDA and Knowe will own or control in aggregate 130,000,000 Ordinary Shares representing approximately 60.47 per cent. of the Enlarged Share Capital. The Company cannot predict whether such persons sell any of the Ordinary Shares they hold in the open market and, if so, when, Sales by such persons of a large number of the Ordinary Shares in the public markets, or the potential for such sales, could decrease the trading price of the Ordinary Shares, and could impair the Company's ability to raise capital through future offerings of Ordinary Shares.

EIS and VCT qualifying status

HMRC has given the Company written assurance that for EIS and VCT purposes it is a qualifying company and its shares currently comply with the requirements of the relevant legislation. However, should the Company cease to meet any of the relevant conditions, it may no longer be a qualifying company for EIS and VCT purposes.

Economic, political, judicial, administrative, taxation or other regulatory matters

The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, as well as other unforeseen matters.

Dilution of Shareholders' interests as a result of additional equity fundraising

The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pre-emptive basis to existing shareholders, the percentage ownership of the existing shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Shares.

Forward looking statements

This document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

Competent Person's Report

Lidsey (PL 241) and Brockham (PL235)

Angus Energy Plc

Assignment Number: L400154-S01
Document Number: L400154-S01-REPT

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Competent Person's Report

L400154-S01

Client: Angus Energy Plc
Document Type: Competent Person's Report
Document Number: L-400154-S01-REPT

Disclaimer

Xodus has made every effort to ensure that the interpretations, conclusions and recommendations presented herein are accurate and reliable in accordance with good industry practice and its own quality management procedures. Xodus does not, however, guarantee the correctness of any such interpretations and shall not be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation or recommendation made by any of its officers, agents or employees.

CONTENTS

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The Directors

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29 Wilson Street, London, EC2M 2SJ

United Kingdom

7 November 2016

Dear Sirs,

Reference: Competent Person's Report

PL241, PL235 Weald Basin, Southern England

Xodus Group Ltd. ("Xodus") is acting as Angus Energy Plc' ("Angus" or the "Company") Competent Person as defined by the rules made by the London Stock Exchange, governing the admission of securities to AIM (the "AIM Rules") and the 'Guidance Note For Mining, Oil and Gas Companies' issued by the AIM team of the London Stock Exchange in June 2009 ("AIM Guidance Note") in relation to Angus's interest in the Lidsey Field and Brockham Field in PL 241 and PL 235. As instructed, Xodus has prepared an independent Competent Person's Report in respect of the Company's assets in connection with the proposed placing of the Company's common shares and application for admission to trading on the AIM Market ("AIM") of the London Stock Exchange plc ("London Stock Exchange") of the entire issued share capital of the Company ("Admission") and the issue of an admission document ("Admission Document") prepared in accordance with the AIM Rules and the AIM Guidance Note.

In accordance with your instructions, Xodus has reviewed the Lidsey and Brockham fields in PL 241 and PL 235 respectively. Only the Middle Jurassic Great Oolite Limestones in Lidsey and the Upper Portland Sandstones in Brockham have been reviewed. These are considered to be developed through conventional petroleum industry methods. The deeper reservoirs in these licences are outside the scope of this report.

We were requested to provide an independent evaluation of the In Place Hydrocarbons and recoverable volumes expected in accordance with Petroleum Resources Management System ("PRMS") (2007 and 2011) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers ("SPE") and reviewed and jointly sponsored by the World Petroleum Council ("WPC"), the American Association of Petroleum Geologists ("AAPG") and the Society of Petroleum Evaluation Engineers ("SPEE"). The results of this work have been presented in accordance with the requirements of the AIM Rules, and of the Prospectus Rules published by the UK Financial Services Authority from time to time, in particular as described in the AIM Guidance Note, and "CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004" (January 2005), including the European Securities and Markets Authority's ("ESMA") amendments to such recommendations in ESMA document ESMA/2013/319.

Volumes are expressed as gross Stock Tank Oil In Place volumes ("STOIIP") and the recoverable volumes are expressed as gross and net Reserves or Contingent Resources.

In conducting this review we have utilised information and interpretations supplied by Angus, comprising operator information, geological, geophysical, petrophysical, well logs and other data along with various technical reports. We have reviewed the information provided and modified assumptions where we considered this to be appropriate. The sites were visited in 2015 to gain a first-hand understanding of the field facilities and operations.

Standard geological and engineering techniques accepted by the petroleum industry were used in estimating the volumes. These techniques rely on geo-scientific interpretation and judgement; hence the resources included in this evaluation are estimates only and should not be construed to be exact quantities. It should be recognised that such estimates of in place and recoverable volumes may increase or decrease in future if more data becomes available and/or there are changes to the technical interpretation. As far as Xodus is aware there are no special factors that would affect the operation of the assets and which would require additional information for their proper appraisal.

We confirm that there has been no material change of circumstances or available information since the CPR was compiled and we are not aware of any significant matters arising from our evaluation that are not covered by the CPR which might be of a material nature with respect to the proposed Admission. We also confirm that where any information contained in the CPR has been sourced from a third party, such information has been accurately reproduced and, so far as we are aware and are able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The effective date of this report is 1st September 2016.

In 2015, Xodus was commissioned to prepare a Competent Person's Report on Angus Energy's licences, however this was never formerly published as Angus did not publish its AIM Admission Document at that time; the conclusions in the current CPR are consistent with those in the 2015 CPR in so far as they relate to Angus Energy's current assets.

1 EXECUTIVE SUMMARY

Angus Energy Plc ("Angus", "the Client", or "the Company") has interests in Licences PL 235 and PL 241. There are two producing oil fields on these licences. Angus intends to further develop the producing fields by means of drilling and completing an additional producer in each of Brockham (PL 235) and Lidsey (PL 241).

This report focuses on conventional oil developments in the Oolite Limestones (Lidsey) and Portland Sandstones (Brockham) only and has not included any deeper potential that can be classified as unconventional[1].

In the last few years the unconventional oil and gas potential in the Weald has received significant attention and various operators have undertaken studies and tested wells to improve their understanding of this potential (most notably Horse Hill Development Limited's drilling and testing of the Horse Hill-1 ("HH-1") well). The flow tests of the HH-1 well nearby the Brockham field were carried out in the first quarter of 2016 and indicated the potential of the deeper Kimmeridge Limestones[2]. UK Oil & Gas Investments PLC on 21 March 2016 announced that the HH-1 well had flow-tested from 16 February 2016, at a total aggregate stable dry oil flow rate of 1688 barrels of oil per day ("bopd") from two Kimmeridge limestones plus the overlying Portland sandstone. The Kimmeridge reservoirs are classified as unconventional. Nevertheless, the well tests indicated that conventional industry techniques may be sufficient to develop and produce the petroleum. Further well flow tests are planned by the Horse Hill operator. It is Xodus' view that whilst the flow test results at Horse Hill are a relevant analogue for the Kimmeridge potential in the Brockham field, given the lack of understanding of the subsurface model it is not possible to provide any meaningful figures or chance of success associated with the Kimmeridge potential in Brockham. A recent study by Nutech Energy Alliance Ltd ("Nutech")[3] on the deeper sections of the Brockham-1 well has identified oil potential in the Portland, Kimmeridge, Oxford, Oolite and Lias. In the report Nutech provides estimates of the volumes of oil in place per square mile, based on the Brockham-1 well. Xodus has read the Nutech report. Although it presents an interesting comparison with the Horse Hill-1 potential, Xodus's view is that there is insufficient information available to provide a credible assessment of the petroleum volumes in place and/or recoverable from the deeper reservoirs that is in accordance with the PRMS standards and AIM guidelines.

Technical Review

The licenses are situated in the Weald Basin in South Eastern England. The Weald Basin is a proven petroleum system with several commercial producing fields. Major reservoirs discovered to date occur in Middle Jurassic carbonates and Upper Jurassic sandstones.

The Lidsey field was discovered in 1987 by the Lidsey-X1 well which encountered oil in the Middle Jurassic Great Oolite Limestones. The reservoir trap is provided by a footwall tilted fault block structure, dip closed to the north and fault sealed to the south and the reservoir top seal is provided by the Oxford Clay. The field has been on production intermittently and is currently shut in. Angus intends to drill a new long horizontal production well, Lidsey-2, in the higher section of the Massive Oolite reservoir.

The Brockham field contains a small producing reservoir in a footwall fault-block structure in Upper Jurassic Portland Sandstones sealed by Purbeck Anhydrites and shales. It was discovered by BP through well Brockham-X1 in 1987. Since then three further wells and several side-tracks have been drilled on the field, with a mixed degree of success. The field is currently shut in. Angus intends to drill a side track horizontal production well into the higher quality reservoir section (Unit 4.1).

[1] A type of petroleum that is produced from or obtained through techniques other than traditional reservoirs or wells. The primary sources of unconventional oils are heavy oils, oil shale, oil sands and tight sands.
[2] See for instance the press announcement "Further Update on Horse Hill-1 Flow Test" dated 9 March 2016 on the UKOG website (http://www.ukogplc.com/)
[3] Doriemus has published the Nutech study on its website (http://www.doriemus.co.uk/)

The gross Stock Tank Oil Initially In Place ("STOIIP") volumes estimated by Xodus for the two reservoirs are as per Table 1.1 below.

Gross STOIIP (MMbbl)	Low	Best	High
Brockham Field (PL 235)	1.7	2.8	4.3
Lidsey Field (PL 241)	5.8	9.7	15.1

Table 1.1: Gross STOIIP Volumes (in MMbbl)

The gross and net Reserves estimated by Xodus are as per Table 1.2 below. These volumes reflect ongoing production from the existing wells on the two fields. At the prevalent oil prices at the time of writing of this report (Brent crude trading at $45-$50 per barrel) and at current operating costs, volumes from these two fields can be commercially produced.

Oil Reserves	W.I.	Gross Volumes			Net to Angus		
('000 bbl)		1P[4]	2P	3P	1P	2P	3P
Brockham Field (PL 235)	55%[5]	69	82	92	38	45	51
Lidsey Field (PL 241)	50%	6	6	6	3	3	3
Total		**75**	**88**	**98**	**41**	**48**	**54**

Table 1.2: Gross and Net Reserves (in '000 bbl)

The gross and net recoverable volumes from the proposed developments on the fields as estimated by Xodus are provided in Table 1.3 below. They are classified as Contingent Resources. These volumes reflect the notional field development plans that Angus has developed for the two fields and include the drilling of a new horizontal well in each of the fields and field facilities improvements. The new recoverable volumes are contingent upon Angus achieving internal and external authorisation of its development plan and on securing adequate financing. The technical and operational risk is deemed to be relatively small and the reservoir risk is reflected in the P90-P50-P10

[4] 1P, 2P and 3P denote the Proved, Proved + Probable and Proved + Probable + Possible Reserves respectively as defined under the PRMS.
[5] on 9 August 2016, Alba Mineral Resources Plc ("Alba") exercised an option to acquire a 5% equity interest in the Brockham licence in return for a 10% contribution to the Capex cost of the upcoming new development well on the field.

production profiles. An overall Commercial Risk Factor is estimated of 75% for each field to reflect the limited technical risk and remaining commercial risk.

Oil Contingent Resources	W.I.	Gross Volumes			Net to Angus			RF[6]
('000 bbl)		1C[7]	2C	3C	1C	2C	3C	
Brockham Field (PL 235)	55%	89	237	283	49	130	156	75%
Lidsey Field (PL 241)	40%[8]	296	568	739	118	227	296	75%
Total		**385**	**805**	**1022**	**167**	**358**	**451**	

Table 1.3: Gross and Net Contingent Resources (in '000 bbl)

Economics

An economic analysis was carried out on the Reserves on the Brockham and Lidsey fields. The results are provided in Table 1.4. The Reserves have a small positive Net Present Value ("NPV").

Post Tax NPV (10%)	Gross NPV			Net to Angus		
(£MM)	1P	2P	3P	1P	2P	3P
Reserves	0.15	0.19	0.25	0.08	0.11	0.14
Total	**0.15**	**0.19**	**0.25**	**0.08**	**0.11**	**0.14**

Table 1.4: Net Present Value of Reserves (in £MM)

For completeness Xodus also determined the NPV for the unrisked Contingent Resources volumes as assessed in this report (Table 1.5).

Post Tax NPV (10%)	Gross NPV			Net to Angus		
(£MM)	1C	2C	3C	1C	2C	3C
Contingent Resources	1.2	8.5	11.9	0.1	4.2	6.0

[6] "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted. (AIM Note for Mining and Oil & Gas Companies – June 2009)
[7] 1C, 2C and 3C denote the low, best and high estimate scenario of Contingent Resources respectively as defined under the PRMS.
[8] Pursuant to an agreement with Doriemus plc, Angus has 40% interest (50% paying interest) in Lidsey-X2

Total	**1.2**	**8.5**	**11.9**	**0.1**	**4.2**	**6.0**

Table 1.5: Net Present Value of unrisked Contingent Resources (in £MM)

Conclusions

Xodus has reviewed the available information on the two assets and concludes that Angus has performed a reasonable and robust interpretation of the available data. The production profile ranges presented in this report reflect the status of current understanding of the fields and Angus's development plans.

Xodus believes that the figures in this report accurately reflect the potential on the two fields, given current knowledge.

Professional Qualifications

Xodus is an independent, international energy consultancy. Established in 2005, the company has 300+ subsurface and surface focused personnel spread across thirteen offices in Aberdeen, Anglesey, Dubai, Edinburgh, Glasgow, The Hague, Houston, London, Orkney, Oslo, Perth and Southampton.

The wells and subsurface division specialise in petroleum reservoir engineering, geology and geophysics and petroleum economics. All of these services are supplied under an accredited ISO9001 quality assurance system.

Except for the provision of professional services on a fee basis, Xodus has no commercial arrangement with any person or company involved in the interest that is the subject of this report.

Jonathan (Jon) Fuller is the Global Head of Advisory for Xodus and was responsible for supervising this evaluation. A Reservoir Engineer, with a strong commercial experience he has 22 years of international experience in both International Oil Companies, large Service Companies and Consultancy organisations. The last 10 years he has been the technical and project management lead on reserve / resource evaluations in M&A, competent person reports and expert opinion linked bank and institutional investment (both debt and equity).
Jon has an M.Eng (Hons)in Engineering Science from Oxford University, a Master's Degree in Petroleum Engineering from Heriot-Watt, and an MBA from INSEAD. He is a member of the Society of Petroleum Engineers (SPE), and the Association of International Petroleum Negotiators (AIPN).

Yours faithfully,

Jonathan Fuller
Director Advisory, London, Xodus Group Ltd
For and on behalf of Xodus Group Ltd.

2 INTRODUCTION

This report was prepared by Xodus Group Ltd in the summer of 2016 at the request of the Directors of Angus. It consists of an evaluation of two fields in the Weald Basin in which Angus holds interests (Figure 2.1).

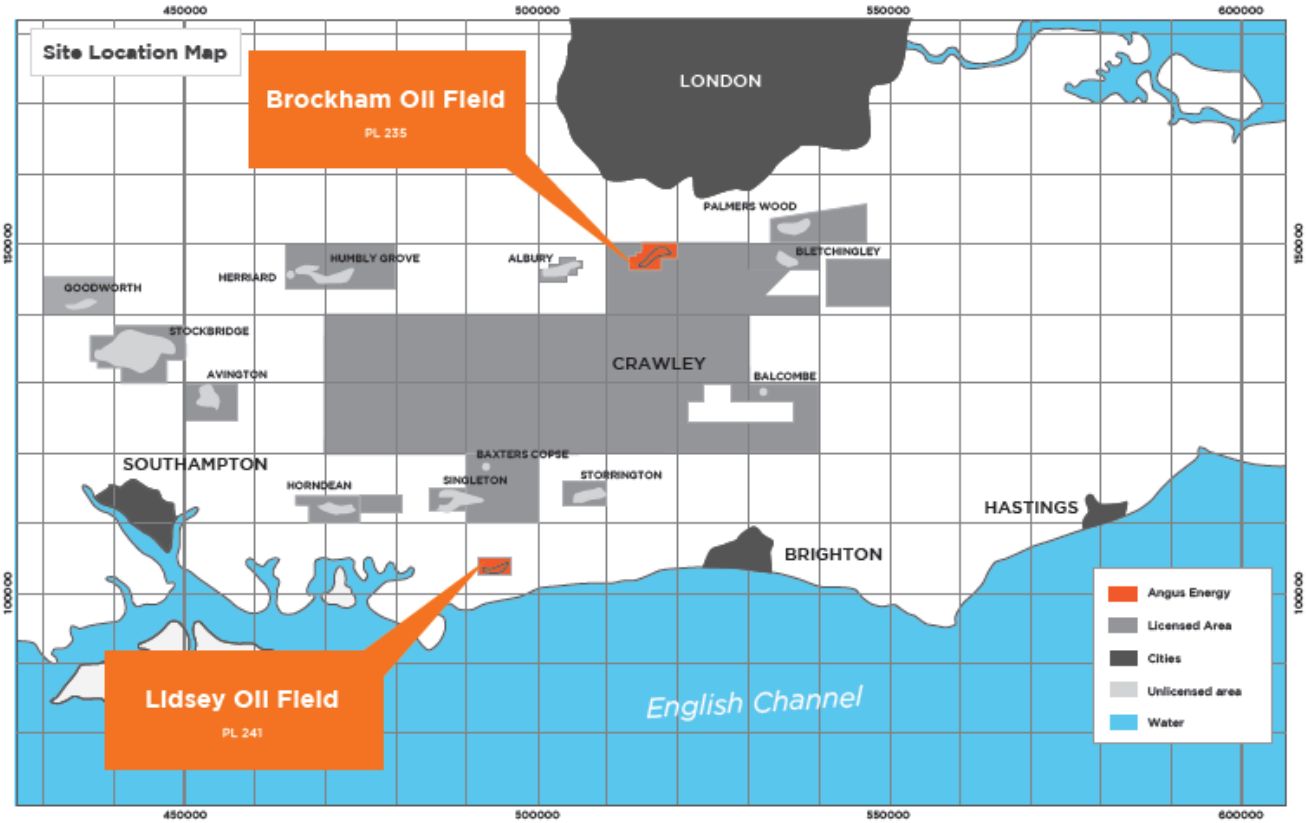

Figure 2.1 Location map of PL241 and PL235

2.1 Licence Details

Asset, Country	Operator	Angus Interest	Status	Licence Expiry[9]	Licence Area (km^2)
PL 235, UK	Angus	55%[10]	Producing	27/10/2017	8.9
PL 241, UK	Angus	50%[11]	Producing	01/12/2017	5.3

[9] Xodus assumes that Angus will be granted an extension to the licences

[10] on 9 August 2016, Alba Mineral Resources Plc ("Alba") exercised an option to acquire a 5% equity interest in the Brockham licence in return for a 10% contribution to the Capex cost of the upcoming new development well on the field. Subject to completion, this will leave Angus with 55% of the benefit interests, whilst Angus will carry a 65% paying interest after the Alba payment has been fully exercised (Angus will have a 60% paying interest up to that moment).

[11] Angus has a 50% participating interest in the PL 241 and a 60% paying interest. Pursuant to an agreement with Doriemus plc, Angus has assigned a 30% participating interest in the petroleum produced from the new Lidsey well, in return for a 30% contribution of the new well capital costs from Doriemus plc. Thereby reducing Angus' paying interest to 50% and participating interest to 40% for the new well.

Table 2.1: Angus Limited Petroleum Licence Interests

2.2 Background to the Brockham unconventional potential

Whereas part of Angus's valuation is related to the potential in the deeper reservoirs in the Brockham field, there is presently insufficient available data and understanding of such potential to allow for a meaningful quantification of petroleum volumes and chances of success of any development. Therefore the remainder of this CPR does not address the unconventional potential and instead solely concentrates on the Portland reservoir in Brockham and the Oolite reservoir in Lidsey. In this section we provide a brief overview of our understanding of recent events related to the exploration & development of unconventional reservoirs in the Weald, and what these events mean for the unconventional potential in Brockham. Xodus did not carry out a comprehensive detailed study of the unconventional reservoirs in the Weald.

2.2.1 Horse Hill-1 well test

Brockham is situated approximately 8km from the Horse Hill-1 ("HH-1") oil discovery well that was flow tested by Horse Hill Developments Limited ("HHDL") in Q1 2016. As a result the operator of the Horse Hill licence, UK Oil & Gas Investments PLC ("UKOG"), published a series of announcements updating investors on the results of the flow tests at HH-1. The results are summarised in UKOG's announcement of 21 March 2016[12]. It reported that:

"The final total aggregate stable dry oil flow rate from two Kimmeridge limestones plus the overlying Portland sandstone stands at 1688 bopd. Over the 30-90 hour flow periods from each of the 3 zones, no clear indication of any reservoir pressure depletion was observed. Further analysis of data is ongoing and will be reported shortly."

and

"Preparation is now underway to obtain regulatory permissions to conduct extended production tests from all 3 zones at the site, followed by a horizontal sidetrack in the Kimmeridge and a possible new Portland development well."

UKOG reported the following "Summary Table of Test Results"

Zone	***Maximum Instantaneous Oil Rate***	***Stabilised Dry Oil Rate***	***Perforated Interval***	***Stabilised Flow Period***	***Depth Below Surface***
	Bopd	***bopd***	***ft***	***hours***	***ft***
*U. Portland **	***360***	*323*	*103*	*8.5*	*2000*
*U. Kimmeridge ***	***1008***	*901*	*88*	*4.0*	*2800*
*L. Kimmeridge ***	***700***	*464*	*80*	*7.5*	*2950*
Total	***2068***	***1688***	***271***		
Note: * flow rate limited by pump stroke rate capacity ** natural flow					

The HH-1 flow test was preceded by geochemical analysis of HH-1 samples, which showed that the shale section comprised "*a world class oil source rock*" with total organic carbon ("TOC") averaging 4.1% over the full shale section and 5% over the Upper and Lower Kimmeridge Limestones interval. Also, analysis by Nutech and

[12] http://irpages2.equitystory.com/websites/rns_news/English/1100/news-tool---rns---eqs-group.html?article=24146677&company=ukog

Schlumberger indicated presence of significant volumes of Oil In Place in Horse Hill contained in shales and limestones of the Kimmeridge, Oxford Clay and Lias.

UKOG's announcement states that:

"The Kimmeridge flow test programme was designed to test the concept that significant moveable oil had been generated within the Kimmeridge shales and had migrated directly into the more permeable and porous, naturally fractured limestones. Some degree of oil generation from thin interbedded organic rich layers within the limestones was also predicted."

Xodus believes that Horse Hill provides a good analogue for Brockham and that the successful HH-1 well test results are very encouraging for the potential in Horse Hill and in Brockham as well as in the Weald as a whole.

At the same time we caution the reader that the HH-1 well test results as reported by UKOG:

- were at the time of their publication still awaiting further analysis and are to be substantiated by extended well testing in 2017;
- are no proof that movable oil is present in the Kimmeridge in Brockham;
- do not provide sufficient data to meaningfully determine recoverable oil volumes from the Kimmeridge in HH-1, and thus by inference from a well in Brockham.

2.2.2 Nutech report on Brockham-1 well

On 13 September 2016 Doriemus Plc published the findings of a report it had commissioned from Nutech Ltd into the Brockham-1 well[13]. Some of the relevant sections extracted from this announcement are set out below.

"Doriemus has acquired the rights to the adjacent Horse Hill-1 well ("HH-1") and Collendean Farm-1 well ("CF-1") analysis (Doriemus is a stakeholder in the Horse Hill license) to assist with the assessment of the nearby Brockham-1 well and launched an initial study on Brockham-1 to better understand the potential in this play."

"Included in the analysis by Nutech is a cross section of the three wells, CF-1, HH-1, and Brockham-1 to understand the geological variations across the Basin where the wells lay. It is seen that there are some geologic variations across the 4.5 miles in between the HH-1 and Brockham-1 within the Portland zone, but the overall stratigraphy remains prevalent."

The report cautions:

"It is imperative to realize the limitations on the analysis in the bulk of the Kimmeridge zone where only sonic porosity logs were available. The lack of high quality data reduces the confidence level of the quantitative results. To overcome this, offset logs in junction with a robust process driven methodology yield reliable qualitative results."

The report then continues with Nutech's Oil In Place ("OIP") per square mile estimates for Brockham-1 and comparing results with earlier Nutech estimates for HH-1. It shows similar properties for the Upper, Middle and Lower Kimmeridge Micrite reservoirs between the HH-1 and Brockham-1 wells. Moreover:

"Fracture analysis, coupled with information from the HH-1 well and CF-1 well offset well information indicate that the Kimmeridge Limestones (Micrites) show potential of natural fracturing and are potential candidates for flow testing when drilling and completing the Brockham-4 sidetrack."

Xodus has read the Nutech report. It presents an interesting comparison with the HH-1 potential and shows that similar Kimmeridge Micrite reservoirs are present in Brockham-1.

[13] http://www.doriemus.co.uk/investor-relations/

But Xodus believes that the data underlying Nutech's analysis do not provide a sufficiently robust basis to substantiate the OIP volumes per square mile. Besides, in absence of a better geological, structural and dynamic understanding of the Kimmeridge reservoirs in Brockham it is in our view impossible to provide a credible assessment of the petroleum volumes in place and/or recoverable from the deeper reservoirs in accordance with the PRMS standards and AIM guidelines.

2.3 Sources of Information

The content of this report and our estimates of resources are based on data provided to us by the Company and on interviews with Company management. We have accepted, without independent verification, the accuracy and completeness of this data. A site visit to both fields was undertaken by Xodus in 2015.

The data available for review varied depending on the asset and is noted in the body of the report for each asset.

2.4 Requirements

In accordance with your instructions to us we confirm that:

- we are professionally qualified and a member in good standing of a self-regulatory organisation of engineers and/or geoscientists;
- Jonathan Fuller is a Director of Xodus Advisory, London and was responsible for supervising this evaluation;
- we have at least five years relevant experience in the estimation, assessment and evaluation of oil and gas assets;
- we are independent of Angus "the Company", its directors, senior management and advisers;
- we will be remunerated by way of a time-based fee and not by way of a fee that is linked to the value of the Company;
- we are not a sole practitioner;
- we have the relevant and appropriate qualifications, experience and technical knowledge to appraise professionally and independently the assets, being all assets, licences, joint ventures or other arrangements owned by the Company or proposed to be exploited or utilised by it ("Assets") and liabilities, being all liabilities, royalty payments, contractual agreements and minimum funding requirements relating to the Company's work programme and Assets ("Liabilities").

2.5 Standards Applied

In compiling this report we have used the definitions and guidelines set out in the 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers ("SPE") and reviewed and jointly sponsored by the World Petroleum Council ("WPC"), the American Association of Petroleum Geologists ("AAPG") and the Society of Petroleum Evaluation Engineers ("SPEE"). The results of this work have been presented in accordance with the requirements of the AIM Market ("AIM") of the London Stock Exchange, in particular as described in the "Note for Mining and Oil and Gas Companies - June 2009".

2.6 No Material Change

We confirm that to our knowledge there has been no material change of circumstances or available information since the effective date of this report and we are not aware of any significant matters, arising from our evaluation, that are not covered within this report which might be of a material nature with respect to the Company valuation.

2.7 Liability

All interpretations and conclusions presented herein are opinions based on inferences from geological, geophysical, or other data. The report represents Xodus' best professional judgment and should not be considered a guarantee of results. Our liability is limited solely to Angus for the correction of erroneous statements or calculations. The use of this material and report is at the user's own discretion and risk.

2.8 Consent

We hereby consent, and have not revoked such consent, to:

- the inclusion of this report, and a summary of portions of this report, in documents prepared by the Company and its advisers;
- the filing of this report with any stock exchange and other regulatory authority;
- the electronic publication of this report on websites accessible by the public, including a website of the Company; and
- the inclusion of our name in documents prepared in connection to commercial or financial activities.

The report relates specifically and solely to the subject assets and is conditional upon various assumptions that are described herein. The report must therefore, be read in its entirety. This report was provided for the sole use of Angus on a fee basis. Except with permission from Xodus this report may not be reproduced or redistributed, in whole or in part, to any other person or published, in whole or in part, for any other purpose without the express written consent of Xodus.

3 REGIONAL GEOLOGY

The licenses are situated in the Weald Basin in South Eastern England. The Weald Basin is situated south of London and extends from Southampton and Winchester in the west to Maidstone and Hastings in the east across the counties of East and West Sussex, Kent and Hampshire.

3.1 Background

The Weald Basin is one of three sedimentary basins within a system of post-Variscan depocentres and intra-basinal highs that developed across central southern England and adjacent offshore areas between the Triassic and Tertiary periods.

Adjacent to the Weald Basin is the Wessex-Channel Basin and to the south east lies the Paris Basin (Figure 3.1). The Weald Basin is bounded to the north by the London-Brabant Massif and is separated from the Wessex-Channel and Paris Basins by a regional arch called the Hampshire-Dieppe High.

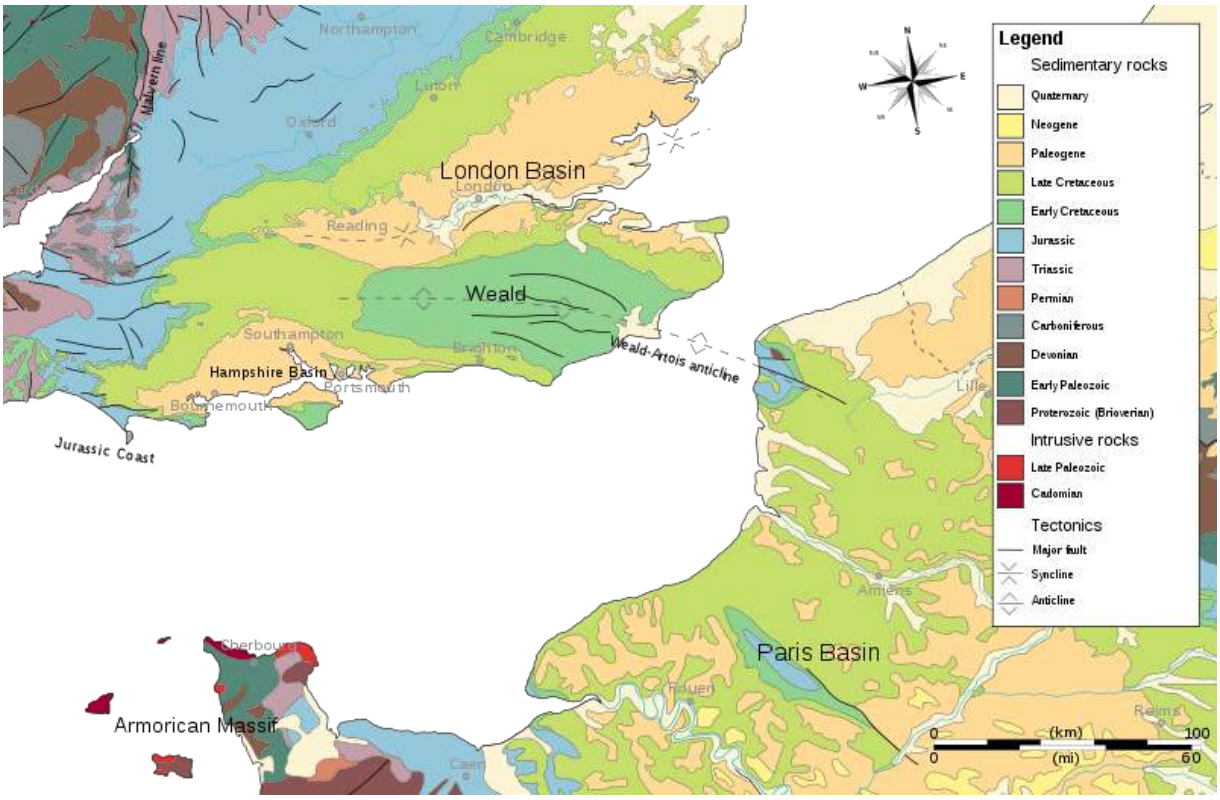

Figure 3.1: Geologic map of southeast England and the English Channel region

3.2 Structure & Stratigraphy

The structural history of the Weald Basin can be divided into three main phases:

1. A pre-Mesozoic period associated with the culminating in a platform of Palaeozoic rocks;
2. A Mesozoic period of subsidence and sedimentation;
3. A period of Tertiary uplift and Alpine related basin inversion.

The Weald Basin itself was formed in phase two by rapid subsidence associated with thermal relaxation following early Mesozoic extensional block faulting.

The basin appears initially to have taken the form of an easterly extension of the Wessex Basin but became the major depocentre during the Upper Jurassic and Lower Cretaceous, with associated active faulting.

These movements appear to have ceased prior to Albian times and a full Upper Cretaceous cover is believed to have been deposited in a gentle downwarp which extended far beyond the confines of the Weald and Wessex Basins.

Major inversion of the Weald Basin took place in the Tertiary, with both gentle regional uplift, which in the eastern part of the basin is estimated to have exceeded 5,000 feet (1525 metres), and intense local uplift along pre-existing zones of weakness, which led to the formation of compressional features such as tight folds and reverse faults. Zones of Tertiary deformation appear to have been strongly influenced by underlying, particularly Hercynian, structural trends.

3.3 Petroleum Systems

The Weald Basin is a proven petroleum system (see Figure 3.2) with several commercial producing fields and discoveries, mostly on the flanks of the basin. Since the early 1980s, oil field production has been from Goodworth, Horndean, Humbly Grove, Palmers Wood, Singleton, Stockbridge and Storrington, and gas production from the Albury field. The Lidsey and Brockham fields considered in this report both also produced oil until 2015 and are currently shut in.

Lower Jurassic source rocks reached maturity in the early Cretaceous and initial migration occurred at this time, often over long distances, into traps closed by pre-Aptian faults. Tertiary tilting and uplift led to the breaching of many of these pre-existing traps and the formation of large folded closures. A second phase of hydrocarbon migration, particularly of gas, took place at this time, with significant vertical migration along fault zones.

Major reservoirs located to date occur in Middle Jurassic carbonates and Upper Jurassic sandstones, but deep burial in the basin has caused considerable destruction of primary reservoir characteristics; changes in the temperature and pressure regimes and the mobilization of fluids within the basin resulting from the Tertiary uplift caused further diagenetic changes, particularly in the carbonate reservoirs.

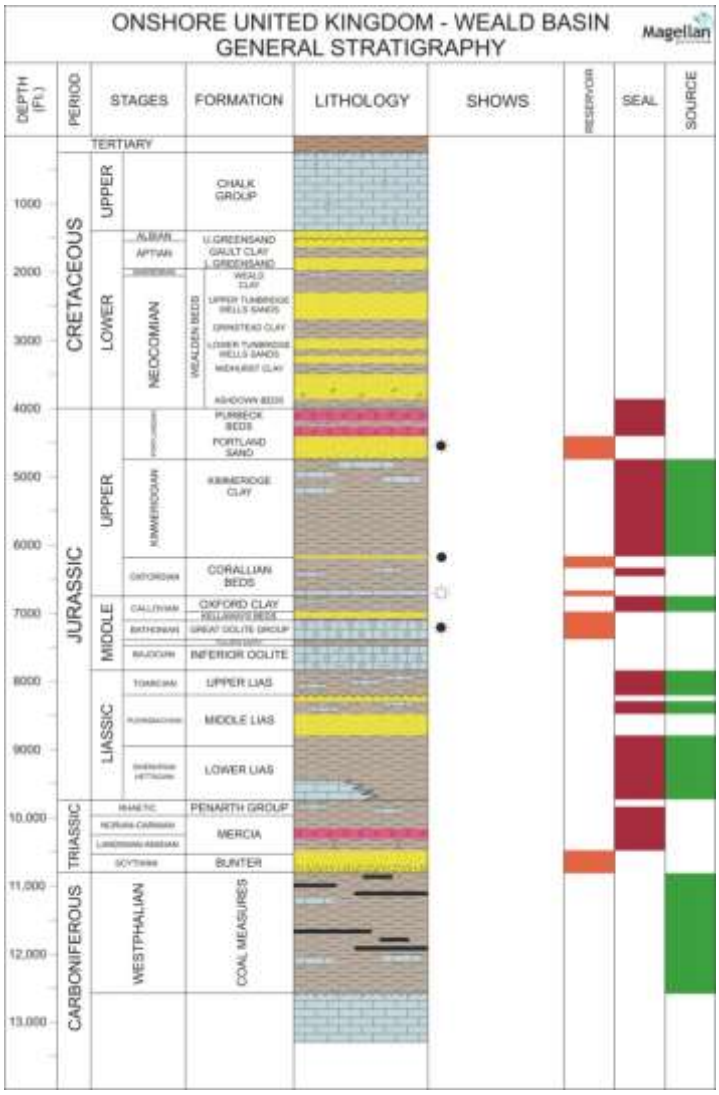

Figure 3.2: Primary Weald Proven Oil Play Details

4 LIDSEY FIELD

4.1 Introduction

The Lidsey field was discovered in 1987 by the Lidsey-X1 well which remains the only well on the field. Oil was encountered in the Middle Jurassic Great Oolite Limestones. The field has been on production intermittently. On 6th July 2012 Angus acquired its share in Lidsey and assumed operatorship. Last year the field produced at a rate of around 25 barrels of oil per day ("bopd") before the well was shut-in on 31st January 2016. Angus intends to drill a new long horizontal production well, Lidsey-2, in the higher section of the Massive Oolite reservoir.

4.2 Structure

The Lidsey field is covered by a grid of 2D seismic lines of varying vintages from the 1970s-1980s (Figure 4.1). The seismic database reviewed was provided as a Kingdom[14] project by Angus. North to south trending dip lines are spaced between 500m-2kms, with strike lines (to the north of the field) at 2-4km spacing. While there are no strike lines cross the field itself, a strike line approximately 2kms to the north of the field provides some control on the horizon mapping/correlation for the four lines which cover the area of closure, negating the need for jump correlation of horizon picks.

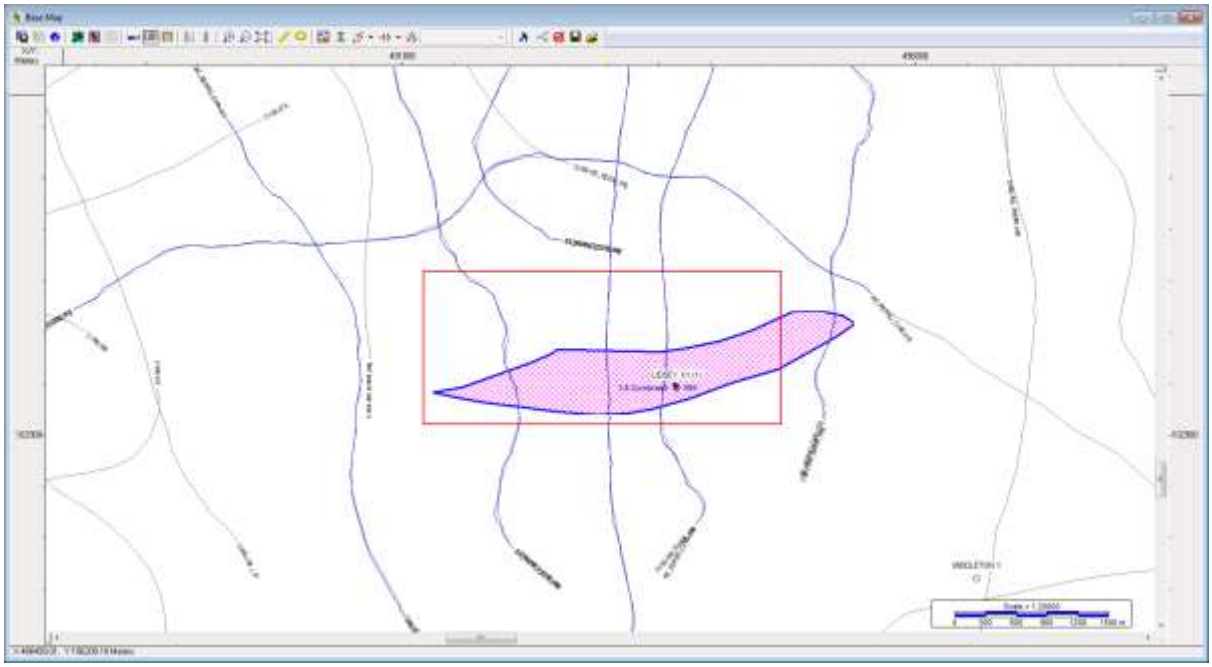

Figure 4.1: Lidsey license seismic coverage (reprocessed lines in blue; hatched area marks field outline)

Of the base seismic dataset, 46 line kms were reprocessed in 2013 by Reximseis and have provided a great improvement on the original dataset, allowing improved confidence in both the horizon and fault interpretation over the structure. Data quality in general is deemed to be more than acceptable for structural mapping of a closure of this size. A comparison of the data quality can be seen in Figure 4.2 highlighting increased reflector continuity and allowing greater accuracy in key fault placement.

[14] Kingdom is a standard industry seismic and geological interpretation software package developed by Seismic Micro – Technology and currently owned by IHS

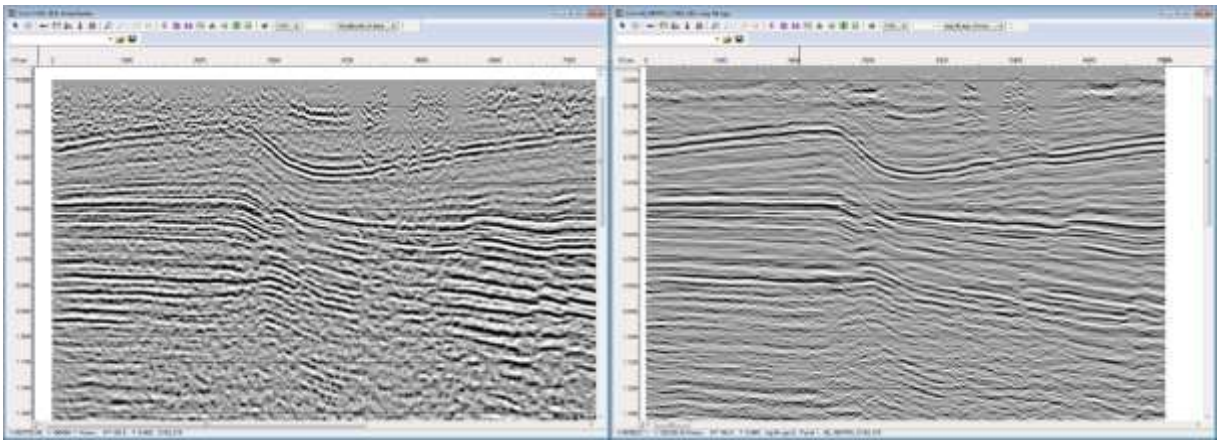

Figure 4.2: Comparison between vintage and reprocessed seismic; Line CV82-219

The three main dip-direction lines that cover the prospect are shown in Figure 4.3 – Figure 4.5, sequentially from west to east across the structure. Picking is of high quality, while fault mapping appears reasonable, intersecting the main structural breaks.

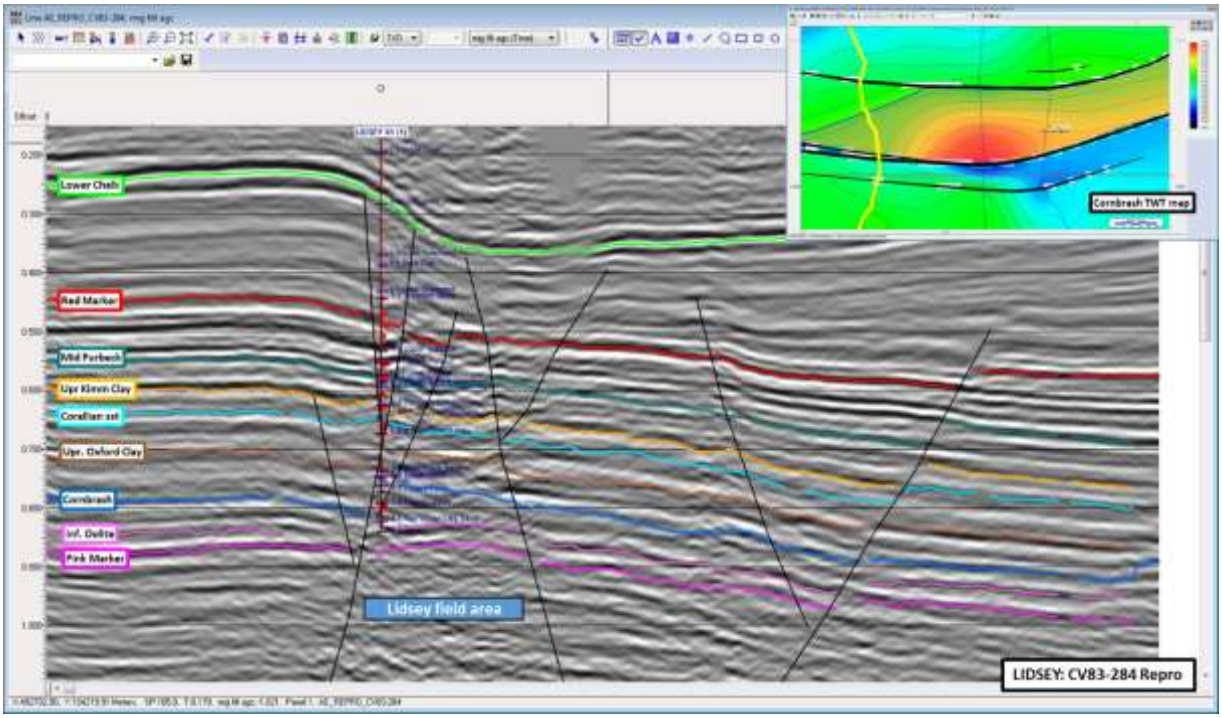

Figure 4.3: Line CV83-284 (Reprocessed)

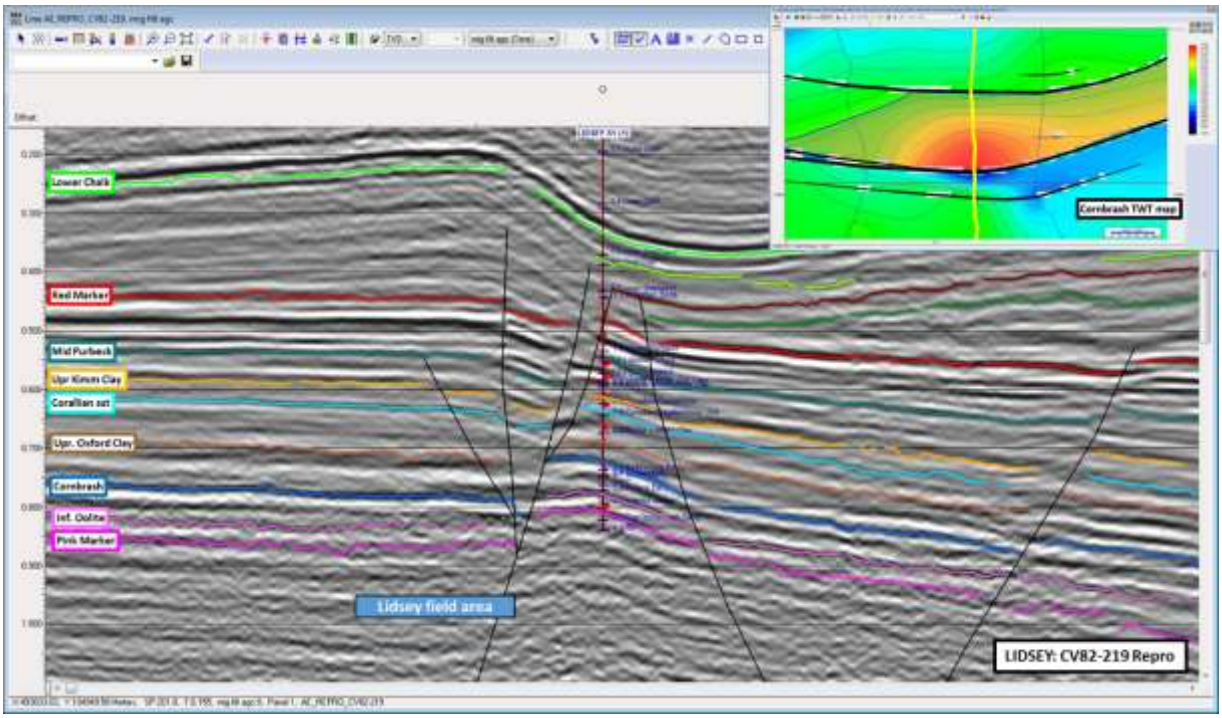

Figure 4.4: Line CV82-285 (Reprocessed)

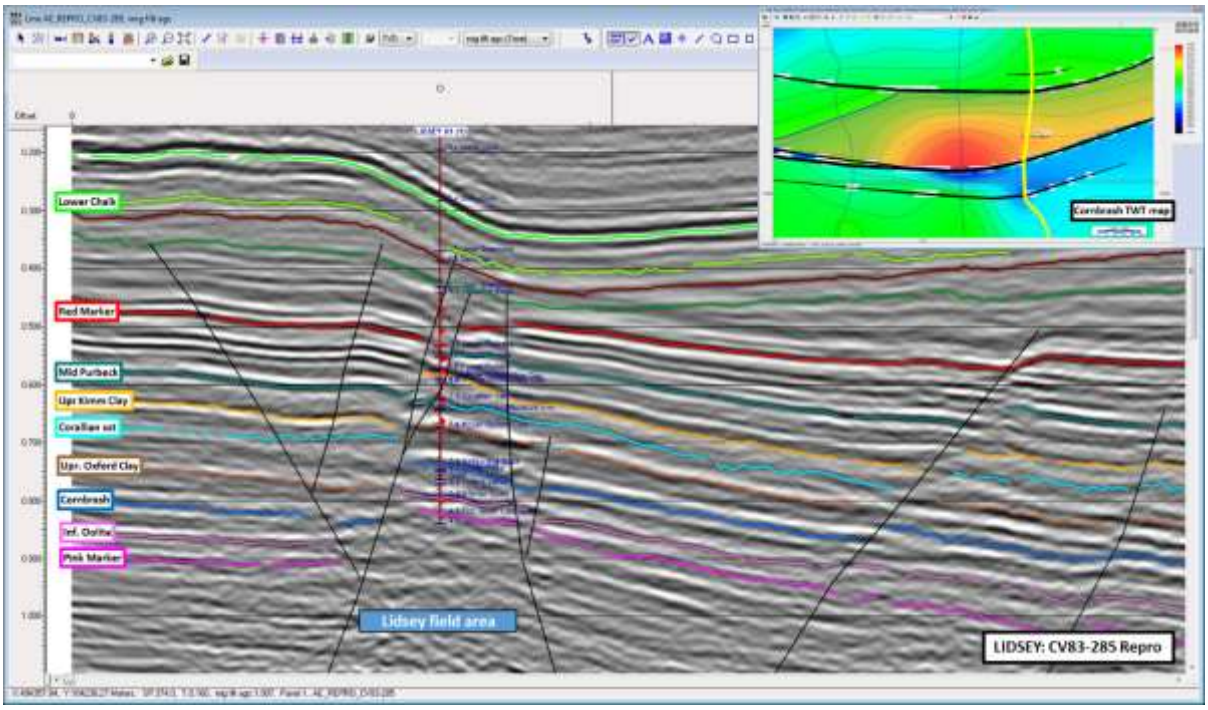

Figure 4.5: Line CV83-285 (Reprocessed)

Correlation between the lines is hampered somewhat by the lack of a direct tie line across the structure in the strike direction. Figure 4.6 and Figure 4.7 however show composite lines constructed from these main dip lines over the

field using the strike tie line approximately 2kms to the north of the field (across a fault to the north). These composite lines illustrate that the interpretation from one dip line to the next is acceptable based on character match, with no apparent jump-correlations present (however one could potentially argue for a slight (immaterial) change to the interpretation along the strike line itself). There appear to be no significant misties on the reprocessed dataset, however some small lateral variations exist between the navigation data of the vintage and reprocessed data (30-50m lateral change)

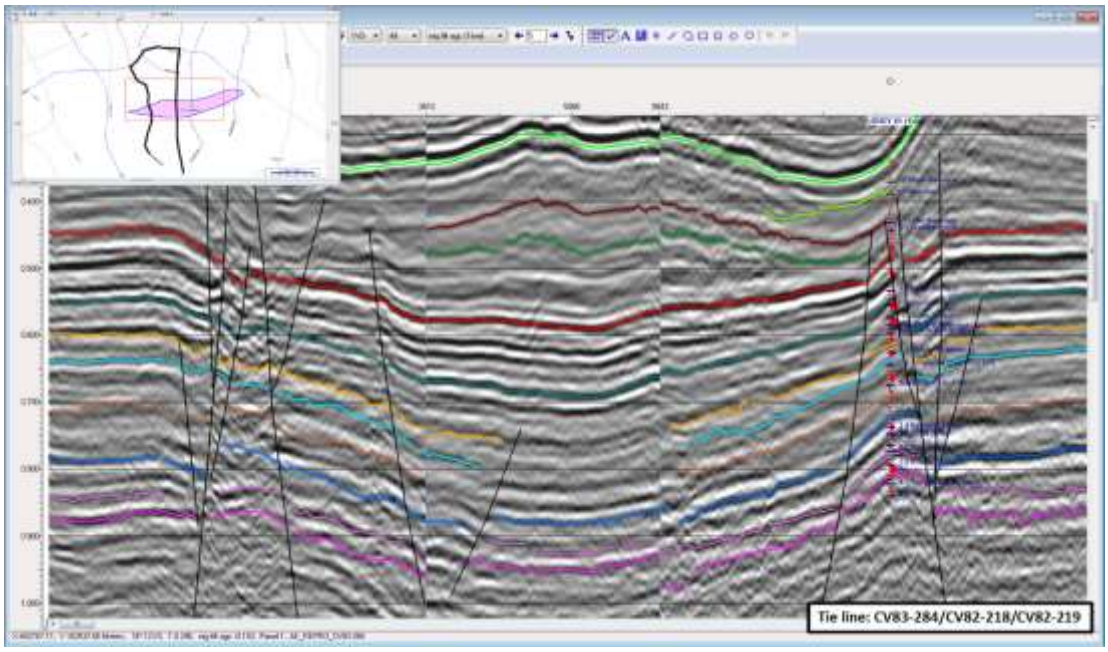

Figure 4.6: Tie line CV83-284 / CV82-218 / CV82-219 (Reprocessed)

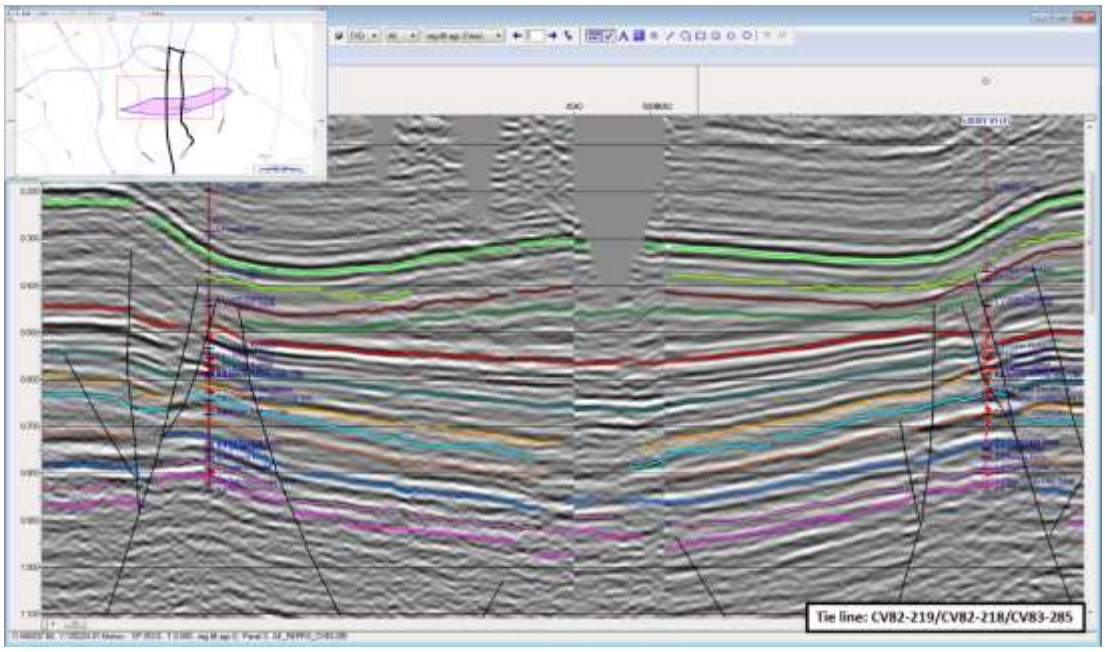

Figure 4.7: Tie line CV83-219 / CV82-218 / CV83-285 (Reprocessed)

A single well has been drilled on the field, Lidsey-X1. The well lies approximately 100m from the nearest seismic line (CV83-285). A review of the synthetic tie shows a good match using a 35Hz Ricker wavelet. The character match in general is best in the shallow and deeper sections, with some mistie/miscorrelation apparent around the Oxford Clay well marker, likely due to the proximity of the faulting at this level and potentially distance from well to seismic (Figure 4.8).

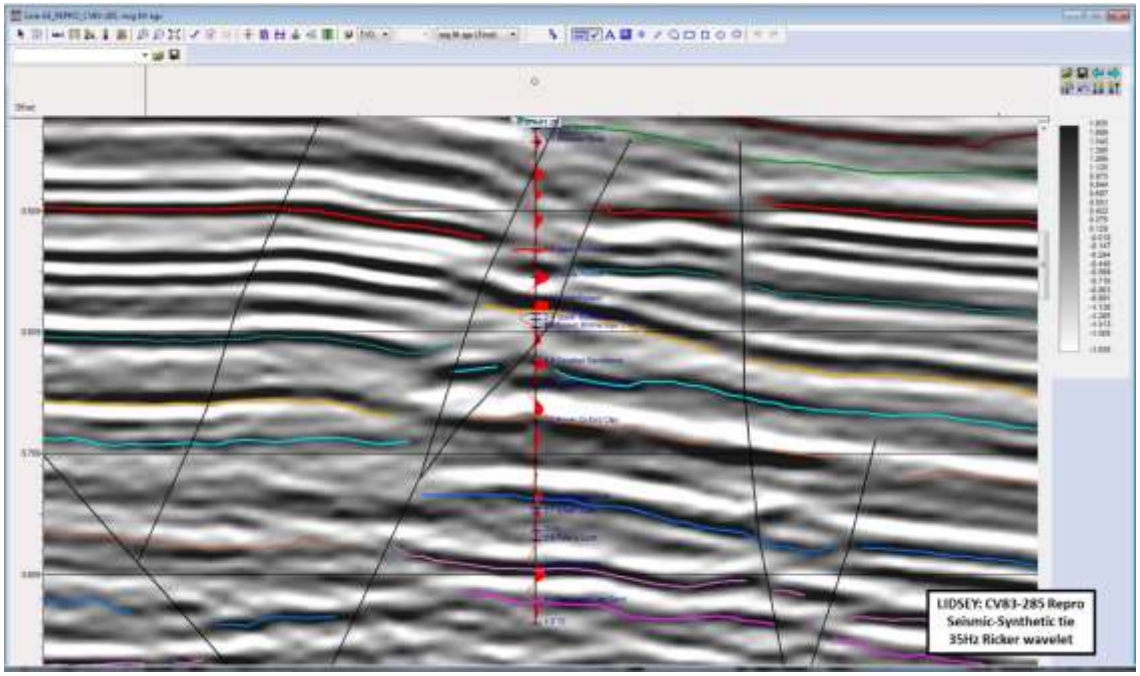

Figure 4.8: Lidsey-X1 Well-to-seismic tie

4.2.1 Time Maps

Xodus has not carried out any independent seismic interpretation or depth conversion, but a thorough review has been undertaken and some simple depth conversion sensitivities undertaken. Based upon this review, Xodus believe that the operator's time mapping is considered to be reliable and of a high standard, and any small amendments considered would not be material to the structure. Regional TWT interpretation was provided for 12 horizons over the area. Time picks have been gridded at two levels, the Lower Chalk and Cornbrash (2 grids each: with and without faults) using a grid cell size of 50m x 50m. This cell size is deemed sufficiently fine to avoid over-simplifying and smoothing the structure by using too wide a spacing. These grids were subsequently used for input to the depth conversion. Figure 4.9 and Figure 4.10 below show the Top Cornbrash TWT seed picks and gridded TWT map.

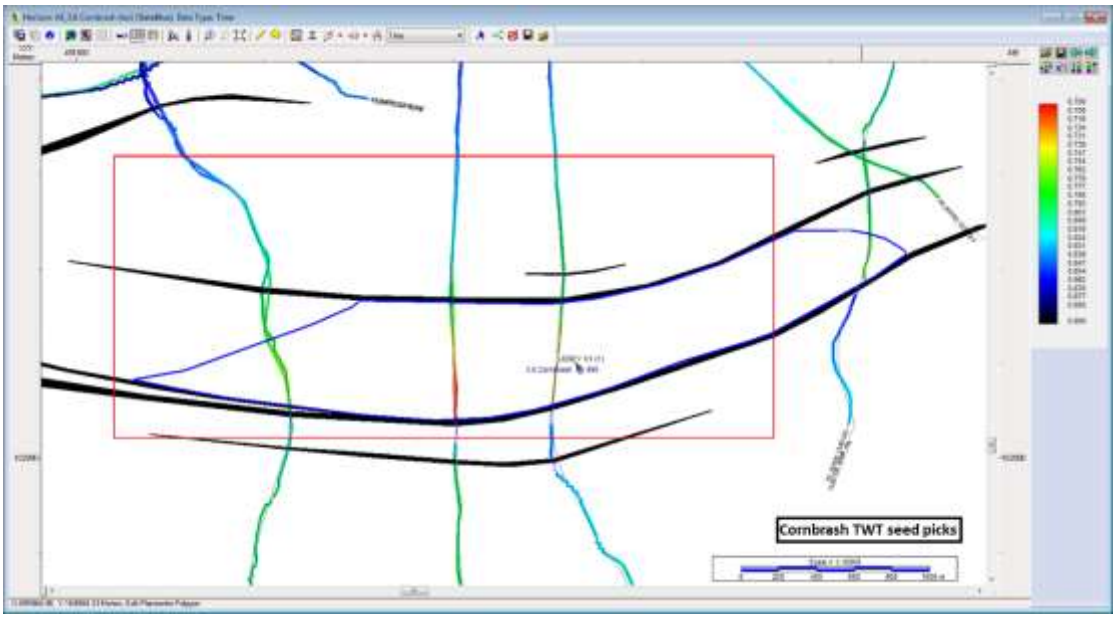

Figure 4.9: Top Cornbrash TWT interpretation (with faults)

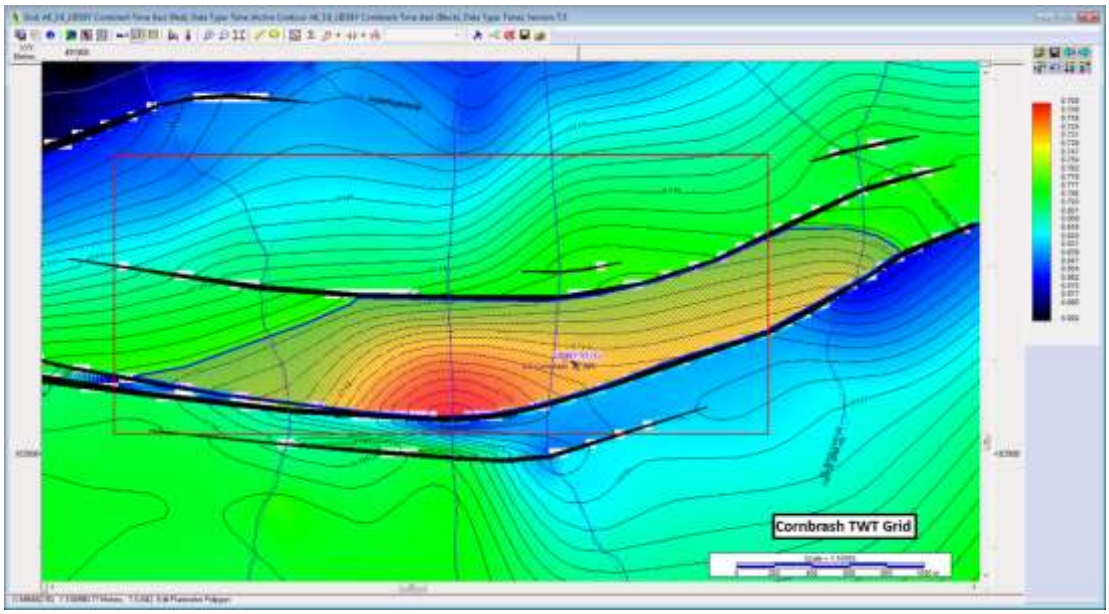

Figure 4.10: Top Cornbrash TWT structure grid (with faults)

4.3 Structure & Depth Conversion

The reservoir is deemed to be well-defined from seismic time mapping at all horizons over the area. Due to the large spacing between the lines, particularly to the east of the field area, fault correlation between lines is speculative, however the approach taken by Angus appears reasonable, and potentially conservative. Screenshots from previous mapping by Schlumberger and Midmar have interpreted the northern bounding fault further to the north (close to the intersection of two seismic lines to the NE of the area). This is the main point of structural ambiguity observed in the mapping (Figure 4.11).

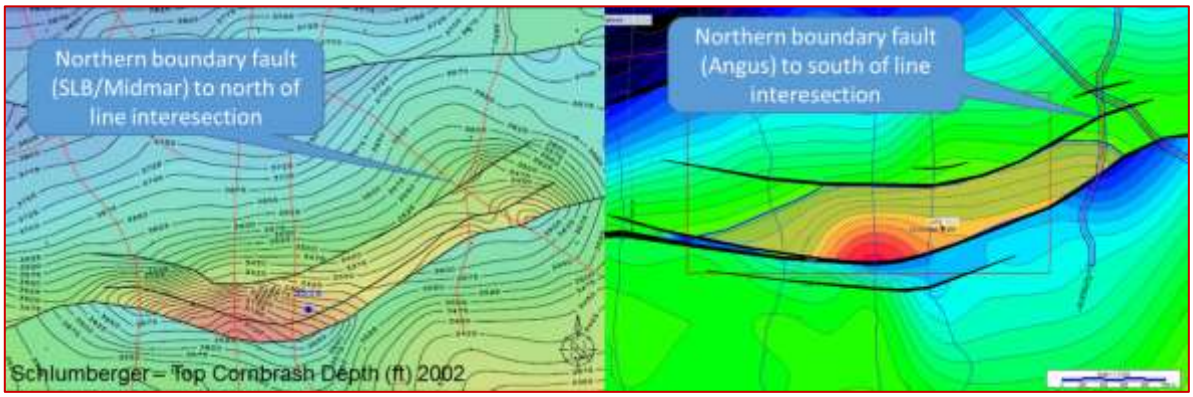

Figure 4.11: Differences in fault placement; SLB/Midmar vs Angus interpretation

An initial estimate of additional area - were the fault to be moved slightly to the north - has been made, increasing the closure area by approximately 5-7% (Figure 4.12). However GRV is unlikely to increase significantly due to the likely thin section of reservoir found here.

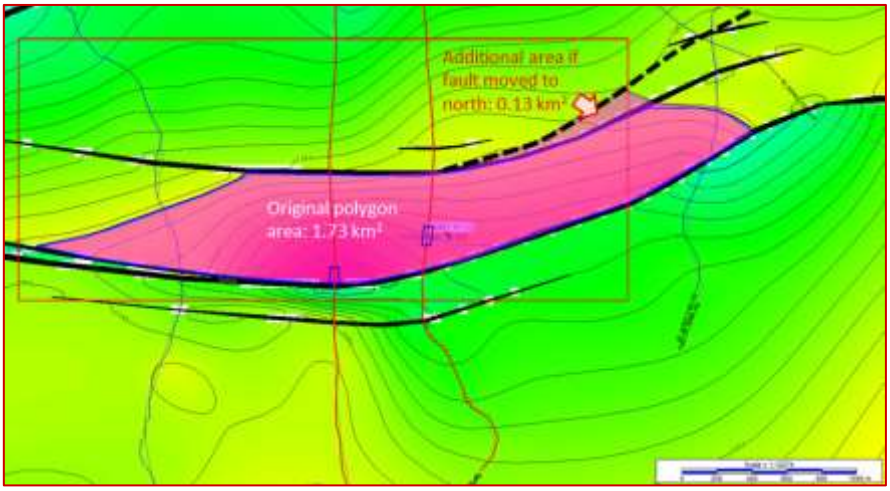

Figure 4.12: Differences in fault placement; effect on polygon closure area

Depth conversion of the TWT horizon grids has been carried out using a single V_{int} from the datum. This has been cross-checked with simple two- and three-layer V_{int} models (Datum - Lwr Chalk - TopCornbrash, and Datum - Lwr Chalk – “Red Marker” - Top Cornbrash) with no significant variations noted at Top Cornbrash. As such, the single-layer model is deemed to be sufficient in the absence of further velocity control and the areal extent of the field would unlikely change significantly. Due to the use of a single Vint function for depth conversion, depth mapping naturally mimics the time mapping at the closure.

Deeper reservoir horizons have been constructed using well tops to create isopachs from the Top Cornbrash marker. The Top Cornbrash Depth grid is shown in Figure 4.13 and a cross section through the well in Figure 4.14 showing the isopach nature of the deeper picks.

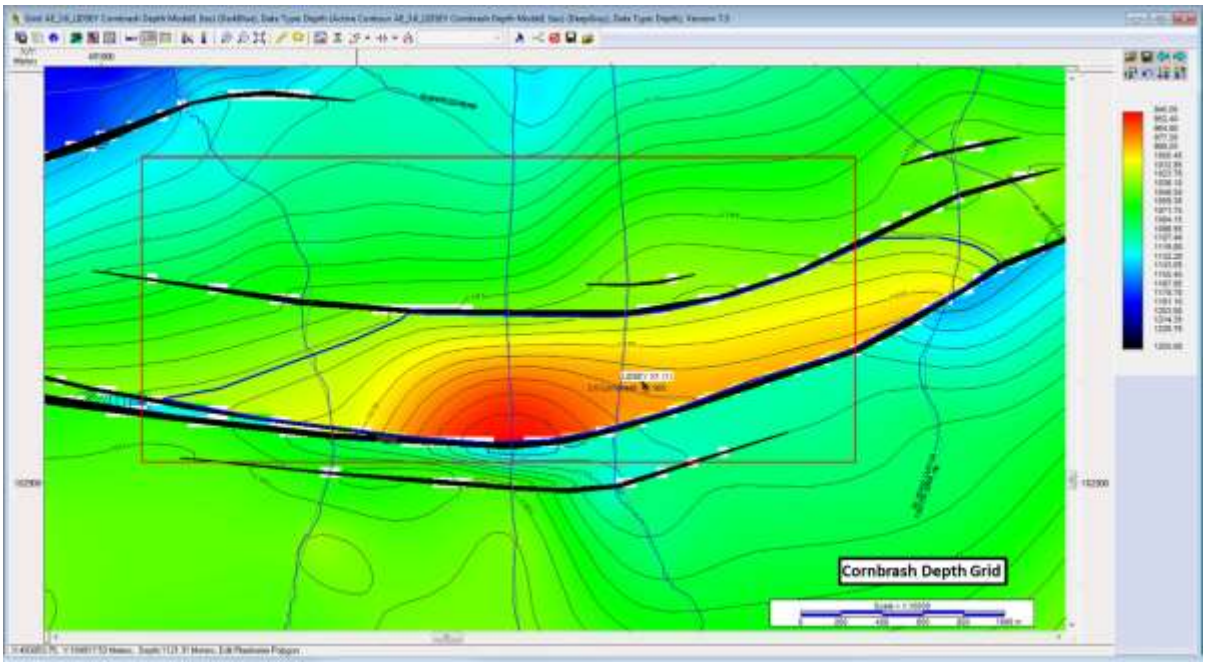

Figure 4.13: Top Cornbrash Depth Grid

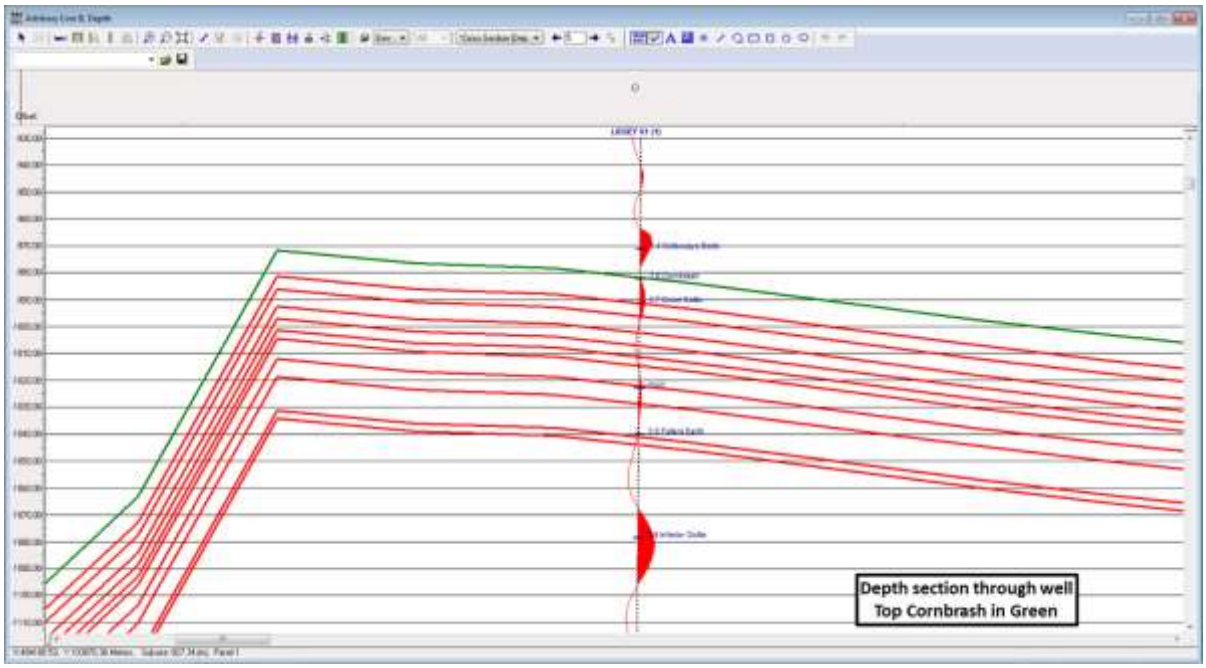

Figure 4.14: Depth Section through the well showing Top Cornbrash (depth converted) and deeper reservoir layers isopached using well tops

Based upon the Top Cornbrash Depth map, a closure polygon has been constructed extending 1.73 km^2. The uncertainty around the northern fault placement may allow for a closure larger as discussed. Map contouring has been carried out in Kingdom using more-or-less default parameters with no observable hand-editing applied.

Mapped vertical closure (independent of fault throw) calculates as approximately 85m, with the throw on the southern bounding fault of approximately 110m at its maximum to a minimum of 45-50m.

4.4 Reservoir

The reservoir of the Lidsey discovery is the Great Oolite Limestone formation which is a common reservoir unit in the Weald basin. The Lidsey-X1 well encountered 187 ft of the Great Oolite which was logged and cored.

The Great Oolite is a stacked sequence of oolite shoals which form a limestone approximately 200ft thick. The oolite was deposited in the Middle Jurassic on a broad open marine, carbonate ramp similar to that seen in the Bahamas Bank in the present day. Modern day analogues suggest that each shoal is around 10-15ft thick and stack with the crests between two and three kilometres apart. The reservoirs of the Great Oolite comprise oolitic and skeletal grainstones and packstones that grade regionally to the west and south into muddier non-reservoir facies.

The top of the Great Oolite is commonly mapped as the Cornbrash which forms a thin zone of non-reservoir facies at the top but is the regional seismic marker for mapping the reservoir. Immediately below is the Forest Marble which can be considered as the first unit of reservoir quality. Three major units are identified within the Great Oolite – Upper Interbedded Oolite, Upper and Lower Massive Oolite. The Lower Massive Oolite grades into the muddy Fullers Earth beneath which is the base of the reservoir interval. The Massive Oolites are considered to be the best reservoir intervals.

The oolite units are defined by very low gamma ray signature and the units are separated by thin hard grounds / tight layers. The Oolite in Lidsey is overall a thick and clean limestone composed of cross bedded ooidal grainstones and packstones. The clean limestones are described as being deposited in a shoal build up environment. The Singleton and Horndean wells which are directly to the north have slightly thicker but similar sections which suggests good lateral continuity of the reservoir. A number of petrophysical studies have been carried out on the Lidsey-X1 well and the entire section was cored. Average porosities in the interval are 14.8% and vary from 11-19%, net to gross was determined using a 10% porosity cut off which gives a NTG in the well of 80%. These values are consistent with those interpreted in the Singleton wells. The CPIs show log interpretations to have a good match to core data. The highest permeabilities are seen in the Upper Massive Oolite although this does not equate to the highest recorded porosity zones – permeabilities in this section are less than 1mD. Figure 4.15 shows the Lidsey-X1 CPI.

The reservoir is interpreted to be oil bearing from 3270-3440 ft Modular Dynamic Tester (“MDT”) although the water saturation is high (60-70%) throughout as a result of the very low permeability. The entire reservoir could be viewed as being in the transition zone. The existing well is not on the crest of the field and there will likely be an improvement in the oil saturation in the crest. The petrophysical interpretations have tried to account for this by calculating J-Functions using the log data measured in the well. A full review of the petrophysical interpretation has not been carried out however the reports and data presented outline a standard interpretation method and give results consistent with other analogue wells.

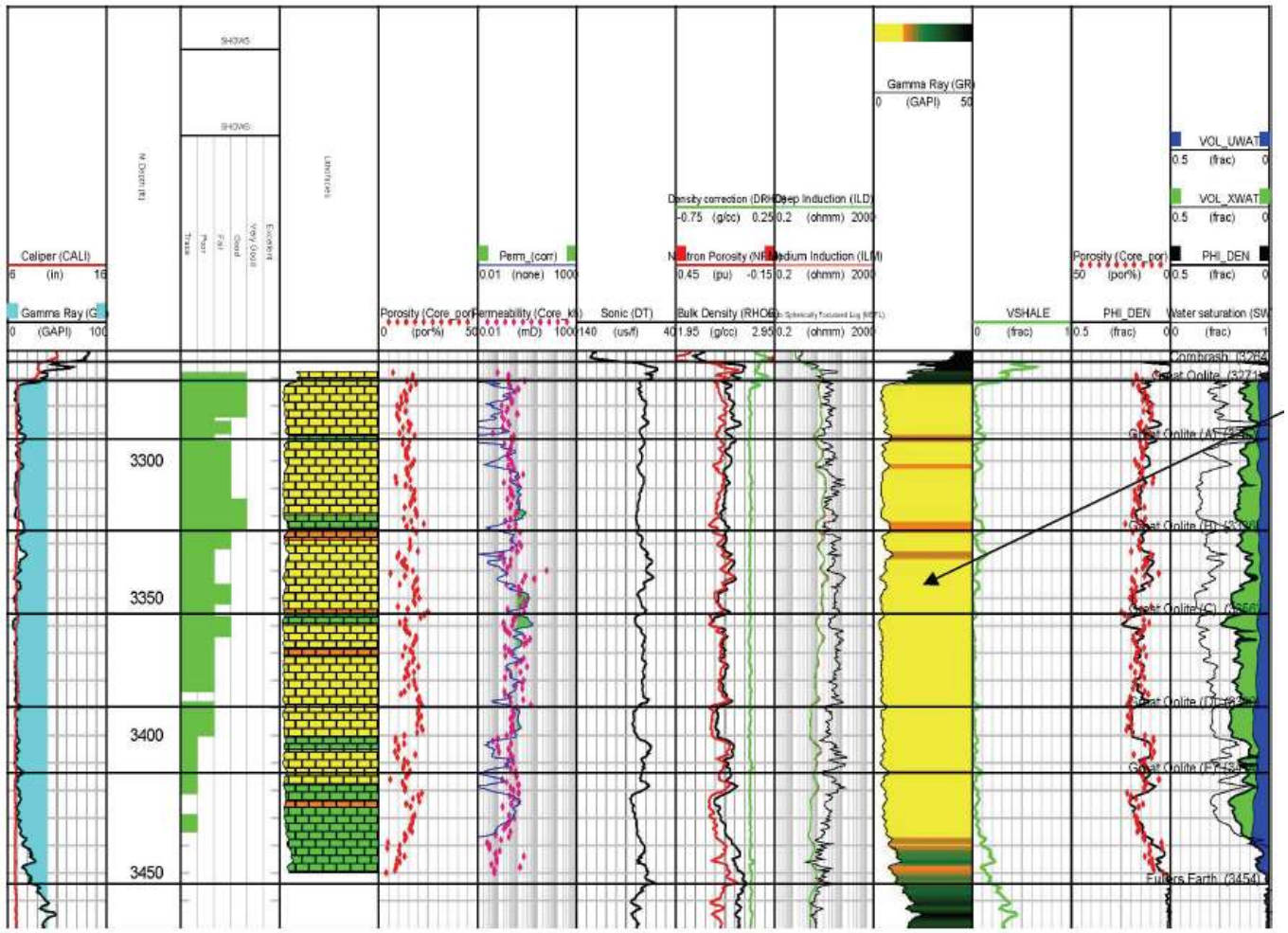

Figure 4.15 Lidsey-X1 CPI across the Great Oolite formation.

4.5 Hydrocarbon In Place Estimates

4.5.1 Approach

Xodus' STOIIP values were calculated stochastically using REP5 software from Logicom E&P.

For the purposes of GRV and STOIIP calculations, the top reservoir map as interpreted in Kingdom was loaded into Petrel, a minor edit was made to the eastern closure to make a smooth closure on the structure. Figure 4.16 shows the top reservoir map with the polygons used in Petrel for determining GRVs.

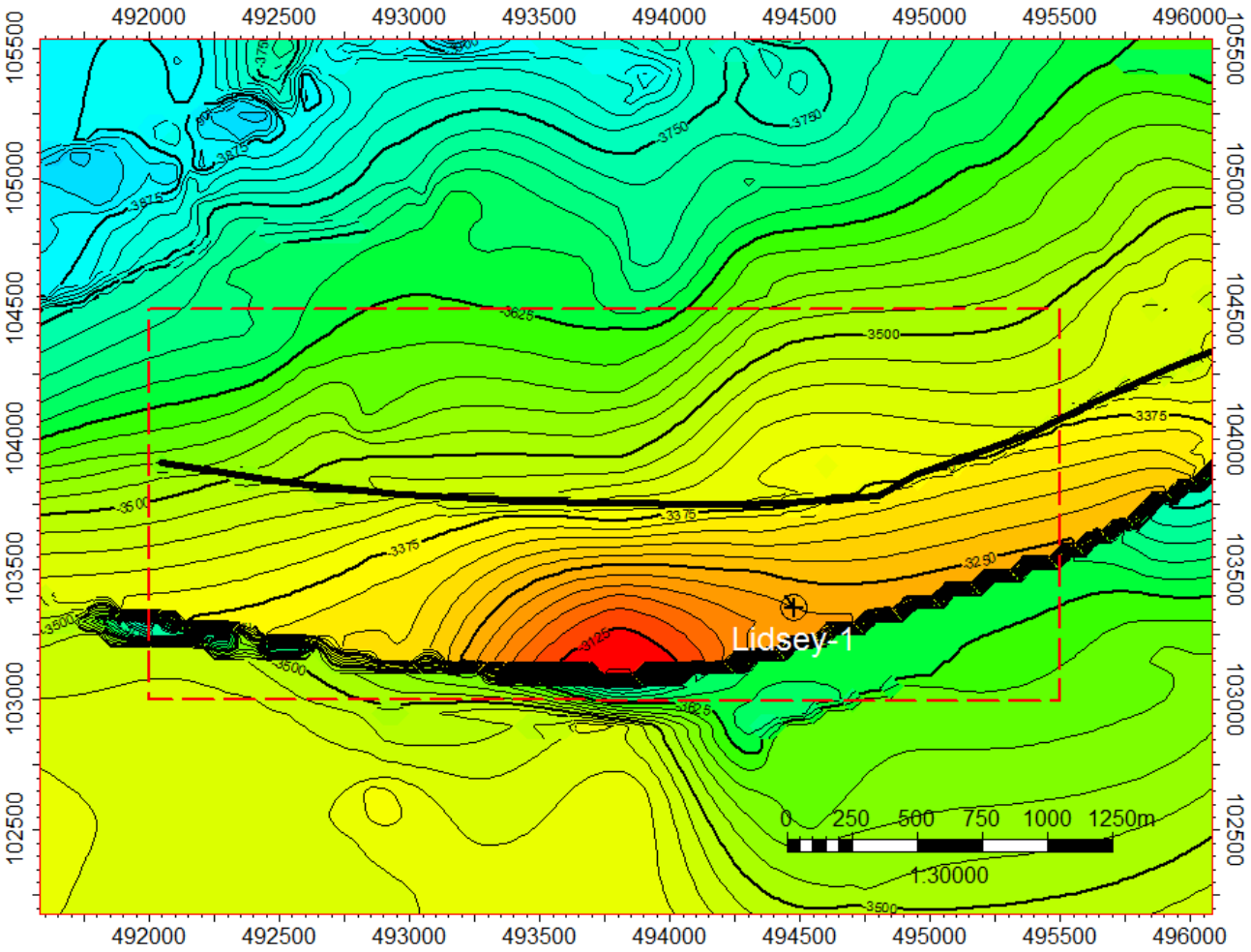

Figure 4.16 Map showing top reservoir[15]

Area depth data was calculated using Petrel software for the top reservoir map within the structural boundaries, polygons were created in Petrel and used to define the fault block and take account of the licence boundary. Over 90% of the in-place volume is in the licence block.

No clear water contact has been defined in the Lidsey-X1 well and there is some contradiction in the results reported in previous studies. A Schlumberger study defined the Oil Water Contact ("**OWC"**) based on the well logs as either 3369 ft or 3400 ft TVDSS. The Walker study reports the Free Water Level ("**FWL"**) to be 3400 ft TVDSS and the OWC at 3390 ft TVDSS. Xodus has selected OWC's as follows: 3369 ft TVDSS as the mid case and 3390 ft TVDSS as the high case, with the low case being defined by a normal distribution.

Reservoir thicknesses were taken from the gross thicknesses observed in the well, 184 ft was used as the most likely case. The reported thickness in the Singleton-1 well, 202 ft, as the closest well was taken as the high case and the low defined by the distribution.

[15] Polygons define fault / volumetric blocks. The red dashed line is the licence boundary, thick black lines are bounding faults. Volumes have been calculated for the Lidsey structure which is bounded by faults to north and south.

Net to gross, porosity and water saturation ("Sw") most likely values have been taken from the results of the petrophysical interpretation of the Lidsey-X1 well. The low and high case values have been taken from either the ranges of values seen in the well or those observed in analogue wells in the Weald Basin.

A single Formation Volume Factor ("FVF") has been used.

Table 4.1 shows the parameters and distributions used in the determination of STOIIP

	Unit	Shape	Min	P90	P50	P10	Max	Mode	Mean
Thickness	ft	Lognor	148	168	184	202	229	183	184
Area uncertainty	%	Normal	64.9	85	100	115	135	100	100
OWC	ft	Normal	3320	3348	3369	3390	3418	3369	3369
Net-to-gross	%	Normal	51.6	65	75	85	98.4	75	75
Porosity	%	Normal	5.44	10.8	14.8	18.8	24.2	14.8	14.8
Sw	%	Normal	36.6	50	60	70	83.4	60	60
FVF (Bo)	rb/stb	Single	1.13	1.13	1.13	1.13	1.13	1.13	1.13

Table 4.1 Parameters used in the estimation of Lidsey STOIIP

4.5.2 In Place Volumes

Table 4.2 shows Xodus' Gross STOIIP estimates for the Lidsey field for the whole structure – not all of the Lidsey structure is within licence PL241.

STOIIP (MMbbl)	Low	Best	High	Mean
Lidsey (Gross 100%)	6.3	10.5	16.5	11.1

Table 4.2: Xodus Lidsey gross STOIIP estimate

Table 4.3 shows the STOIIP volumes attributable to the licence

STOIIP (MMbbl)	Low	Best	High	Mean
Lidsey – on licence PL241 (Gross 100%)	5.8	9.65	15.1	10.1

Table 4.3 Xodus Lidsey gross STOIIP estimate - on licence PL241

4.6 Production History and Review of Reservoir Dynamic Behaviour

4.6.1 Production data

There are uncertainties in the accuracy of the production history from Lidsey as reported by Angus (Figure 4.17). No reliable production history data was available for the period prior to Angus taking operatorship of the licence on 6th July 2012. Nevertheless, in absence of any better data, Xodus has used the available production data for history matching, especially for the 2C case.

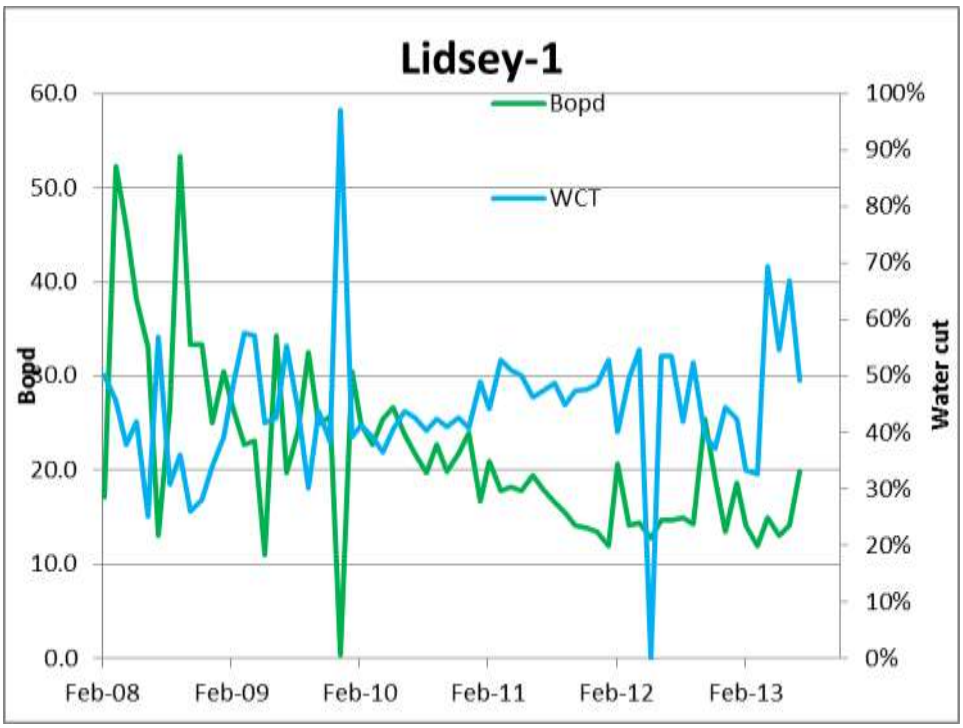

Figure 4.17: Lidsey-X1 Production data

Neither the pressure, nor the gas production has been measured during Lidsey-X1 production.

The perforations depths of Lidsey-X1 are not entirely clear. Original perforations are from 3300 to 3320m Rotary Kelly Bushing ("RKB") (3265 – 3285 ft MSL), in the interbedded Oolite. But in the Lidsey-X1 "Final Well History", RKB 35 ft MSL, and RKB 12 feet above ground level are mentioned.

In May 1987, the well was acid washed and hydraulically fractured with 27,000 lbs of proppant and 9,000 gallons of gel. A fracture half-length from 60 to 90 feet has been reported from a build-up test, in July 1989. In September 2008, the production tubing was plugged with wax due to produced fluids cooling when production was stopped for generator servicing. The wax was cleaned out and two sets of perforations were added at intervals 3282 to 3305 ft RKB and 3353 to 3378 ft RKB. However, the added perforations did not significantly change production.

4.6.2 Reservoir Dynamic Behaviour

In the absence of PVT data, Xodus reviewed the PVT assumptions as reported by Schlumberger in an earlier simulation study[16]. Xodus accepted the Schlumberger assumption of an oil gravity of 38° API, which was noted in

[16] Lidsey Simulation Report, Schlumberger, 2002

the 1989 well test report, and a reservoir temperature of 115° F and other parameters as reported in Section 4.5 above. The FVF and viscosity compare well with values that were used to match the build-up data[17]. This methodology results in a bubble point of 500 psia and a gas oil ratio ("GOR") down to the bubble point of 200 scf/stb.

No SCAL have been measured on the field. Xodus based its relative permeability correlations on values reported in SPE 65631[18] for a permeability of 1 mD and a 15% porosity (see Figure 4.18).

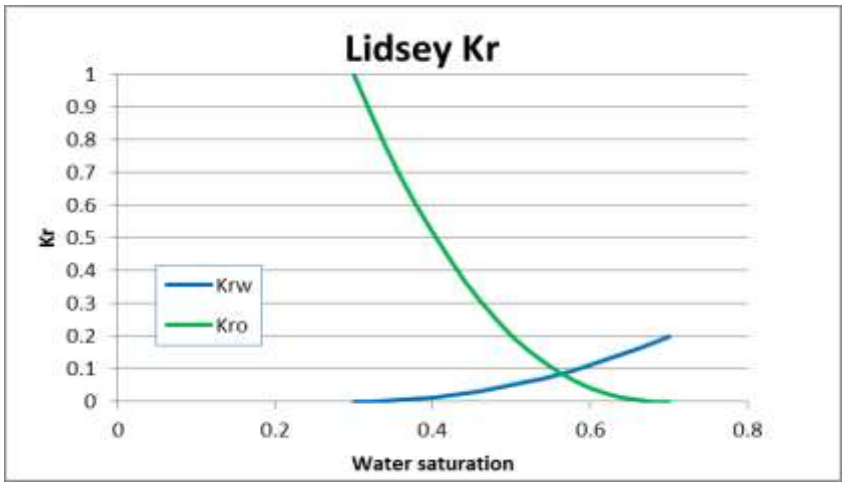

Figure 4.18: Relative permeability data from core

The water saturation computed from the log (Figure 4.19) varies from 30% to 100%, and it is generally accepted that Lidsey-X1 is in the transition zone. The OWC was not encountered and historically, three different OWC estimates have been used in reservoir simulations: 3333 ft (1016 m), 3366 ft (1026 m) and 3400 ft (1036 m). From the Xodus analysis, an OWC of 1024 m was chosen and used in the Xodus simulation model to match the Lidsey-X1 historical water cut.

[17] Build-up test report, Kelt, 1989
[18] SPE 65631 reference

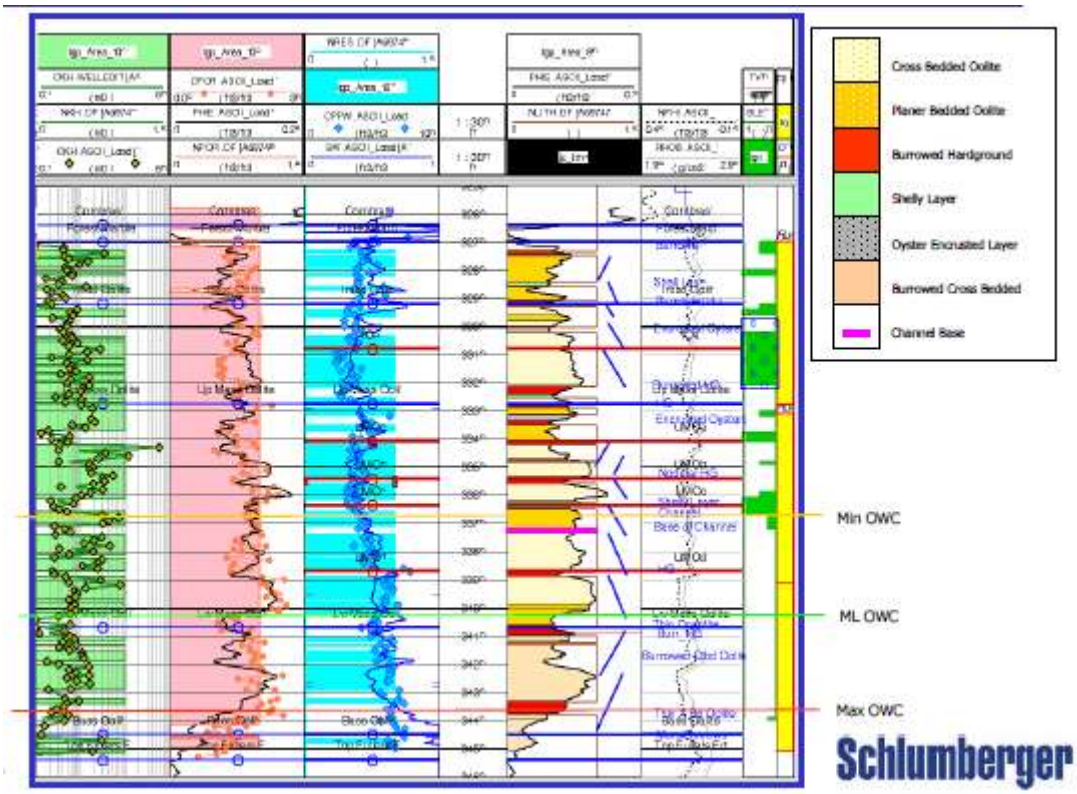

Figure 4.19: Lidsey-X1 Composite Log (Schlumberger)

4.7 Existing Facilities

The Lidsey surface facility currently comprises of a single production well tied-in to two main separators operating alternately. Production relies on a beam pump that raises the produced fluid to the surface and pumps into the operating separator. Production chemicals are injected into the flowline just downstream of the wellhead and into the stock tanks via the fluid transfer pump as necessary. The produced fluid flows through four 400-barrel capacity identical stock tanks functioning as follows:

- **Stock Tank 1 – Oil/Water Separator** - First reception vessel the produced fluids enter. Gravity separation takes place aided by addition of demulsifier. Operates interchangeably with Stock Tank 2.
- **Stock Tank 2 – Oil/Water Separator (Standby)** - Separated oil and water are drained from this vessel into the respective storage tanks. Once empty, this vessel switches function with Tank 1 and the process is repeated. Production is switched daily to permit the gross production rate for each day being established with produced volumes should be measured using the sight glasses and the attached measuring tapes.
- **Stock Tank 3 – Oil Storage Tank** – Separated oil from Tanks 1 and 2 is transferred to this vessel where it is stored prior to export.
- **Stock Tank 4 - Water Storage Tank** – Separated water from Tanks 1 and 2 is transferred to this vessel where it is stored prior to transfer to Brockham for injection.

Figure 4.20 Lidsey Separation and Storage Tanks

Any (negligible amount of) produced gas from the tanks flows to a vent stack via an ammonia filled knockout pot, which removes any residual hydrogen sulphide. Angus has permission to vent the gas. Stock tank oil can be further treated to remove any residual hydrogen sulphide. Samples of the oil and water are taken and titrations run to calculate the H_2S levels in both oil and water.

The oil is exported by road tanker using the Oil Export Pump which takes approximately 25 minutes to load a 200 barrel tanker. Produced water is exported to Brockham to be injected into the water injection well. Power generation is supplied by a 100 KVA diesel generator, which provides all site electricity demand, the main users being the beam pump and oil export pump. The site is completely concreted to a depth of 60cm.

Testing for ground water contamination takes place regularly to ensure no hydrocarbons or other chemicals are polluting the site.

The site is guarded by security 24 hours a day. There is an emergency shutdown system to protect against equipment malfunction and rising levels of Hydrogen Sulphide.

Angus management has confirmed that this set-up satisfied all consents required for historic production and that it will satisfy consents upon restarting the shut-in production from Lidsey-X1.

4.8 Field Further Development Plan

Angus plans to drill Lidsey-2 as a horizontal producer well at the top of the Lidsey structure with a horizontal section in the producing reservoir of approximately 1500 meters. As a result of additional production from the new well, the existing facilities have been reviewed to ensure they have sufficient capacity and are in suitable condition. The expected impacts are as follows:

- The four 400-barrel stock tanks were installed in 2007 and appear to be in good condition. The increased production will give reduced residence times of over 36 hours (assuming negligible W/C from a new well), however, this is more than adequate to achieve a BS&W specification of 0.5%. Minimum residence times of 2-3 hours are typically used for analogous crudes to achieve this spec, therefore no additional capacity is required for separation. Oil storage capacity will, however, be reduced to approximately 1-2 days meaning any delays in oil export tankers could delay production and reduce up-time. Further space is available on site for 2-3 additional vertical oil storage tanks if more are necessary.
- Negligible water production is predicted from the new well. In the event of more significant water production the capacity of the existing facilities would need to be reviewed, however, at present in excess of 100 bwpd could easily be handled.

- Additional piping and valves will be required to tie-in the new well as well as modifications to existing piping and valves to incorporate the new storage tank. It may be beneficial to replace the majority of surface piping for consistency and ease. Given the relatively low cost, this has been allowed for in the CAPEX estimate.
- The existing storage tank sensors to be upgraded.
- The oil export pump can load a 200 bbl oil tanker in 25mins. At a rate of 200 bopd, one oil tanker per day will be required so a 25 minute loading time is suitable. The oil export pumps are therefore adequate.
- No additional gas is expected from the new production therefore the existing vent stack is suitable, however the environmental case may require the installation of a flare stack.
- The existing 100 kVA power generation unit is considered suitable for any additional power demands, however, to save fuel costs Angus will be connected to the National Grid.

The surface processing at Lidsey is relatively simple and the facilities installed suitably reflect this. As the processing is generally batch type as opposed to continuous, the equipment capacities e.g. pumps, storage tanks etc. are suitable for the expected increases in overall production. The change occurs in the increase in frequency of operation and not in the increase in capacity of each item.

A number of improvements are planned and related Capex estimates are £320,280 (£160,140 net to Angus paying interest[19]). The figures include materials as well as labour.

4.9 Cost Evaluation

The capital expenditure is related to general improvements on the site facilities, preparing the facilities for increased production levels and with drilling one horizontal well. Abandonment costs have been estimated as a percentage of total Capex (Table 4.4).

Capital expenditure	Units	Total Lidsey Field	Net to Angus
Drillex	GBP	2,275,172	1,137,586
Facilities	GBP	320,280	160,140
Abandonment	% of Capex	10%	10%

Table 4.4: Capital expenditure summary

The main Capex element is the cost to drill and complete the wells. Xodus reviewed the well costs provided by Angus against in-house benchmarks and found that the Angus estimates provide a good base case estimate.

4.10 Production Profiles

Xodus built a simple field simulation model in Eclipse to reflect the reservoir structure and parameters reported in previous sections. The model was matched to historical production data. The simulation model was subsequently used to generate future production profiles for the planned Lidsey-2 horizontal well.

[19] Angus has a 50% paying interest in Lidsey-X2

From core analysis, the Upper Massive Oolite has better permeability in the order of 4 mD compared to the other reservoir layers (0.5 mD). A negative skin of -2 was used for Lidsey-X1 to reflect the hydraulic fracture. Figure 4.21 presents the results of the history match.

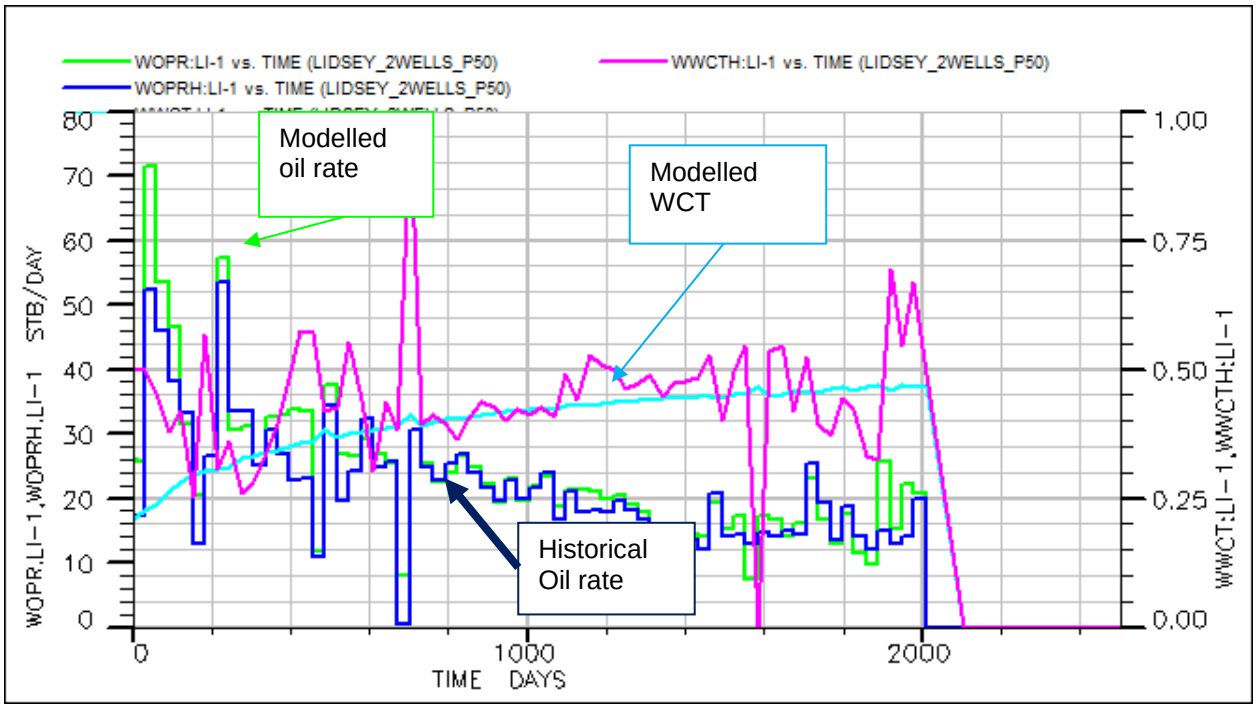

Figure 4.21 History match of Lidsey-X1

Eclipse computed a full field STOIIP of 10.7 MMstb, in line with the calculated STOIIP of 10.5 MMstb and an earlier reported figure of 9.8 MMstb.

Note that the simulation model is a simplification and that many of the input parameters are based on best technical judgement. A number of alternative simulation outcomes are possible that also reflect the Lidsey reservoir behaviour and new well production. Xodus therefore created two further scenarios which were chosen to be a deterministic low case and high case from which together with the base case, formed the Low, High and Best Case recoverable resource volumes respectively.

4.10.1 Production forecasts

Xodus modelled the existing Lidsey-X1 well and a 1500 m length horizontal Lidsey-2 well with an east-west azimuth. The Lidsey-2 well is positioned high in the structure above the transition zone and located sufficiently updip from Lidsey-X1, to avoid potential mobile water.

The base case simulation was history matched against Lidsey-1X production. Another important parameter for the performance of the horizontal well is the ratio vertical permeability to horizontal permeability (kv/kh) and we set this ratio to 0.1 for the base case, as it provides a production performance in agreement with similar wells in Singleton, a nearby field that is considered to be analogous. The model was then run for 140 months. The production for the first 10 years is summarised in Table 4.5 below. There is only very limited water production expected and no gas production in line with current production observations.

Base Case LI-2 hor			
Year	**Oil rate bopd**	**Cumulative oil stb**	**Daily water bwpd**
1	279	101,776	0
2	147	155,450	0
3	117	198,187	0
4	102	235,305	0
5	93	269,186	0
6	87	300,870	0
7	83	331,188	0
8	81	360,587	0
9	79	389,422	0
10	77	417,700	0

Table 4.5: Base Case Production Lidsey-2

The Low Case was run on the same simulation, but with a reduction of the ratio Kv/Kh from 0.1 to 0.01.

Low Case LI-2 hor			
Year	Oil rate bopd	Cumulative oil stb	Daily water bwpd
1	124	45,304	1
2	79	74,276	0
3	66	98,473	0
4	59	119,892	0
5	54	139,435	0
6	49	157,478	0
7	46	174,385	0
8	44	190,371	0
9	42	205,637	0
10	40	220,223	0

Table 4.6: Low Case Production Lidsey-2

For the High Case, in the simulation run the background permeability was increased to 1 mD instead of 0.5 mD, and the permeability of the Upper Massive Oolite was set at 5 mD instead of 4 mD.

High Case LI-2 hor			
Year	**Oil rate bopd**	**Cumulative oil stb**	**Daily water bwpd**
1	378	137,887	2
2	188	206,365	1
3	150	261,269	1
4	134	310,045	1
5	125	355,733	1
6	119	399,340	1
7	115	441,158	2
8	109	480,774	5
9	104	518,668	9
10	99	554,819	13

Table 4.7: High Case Production Lidsey-2

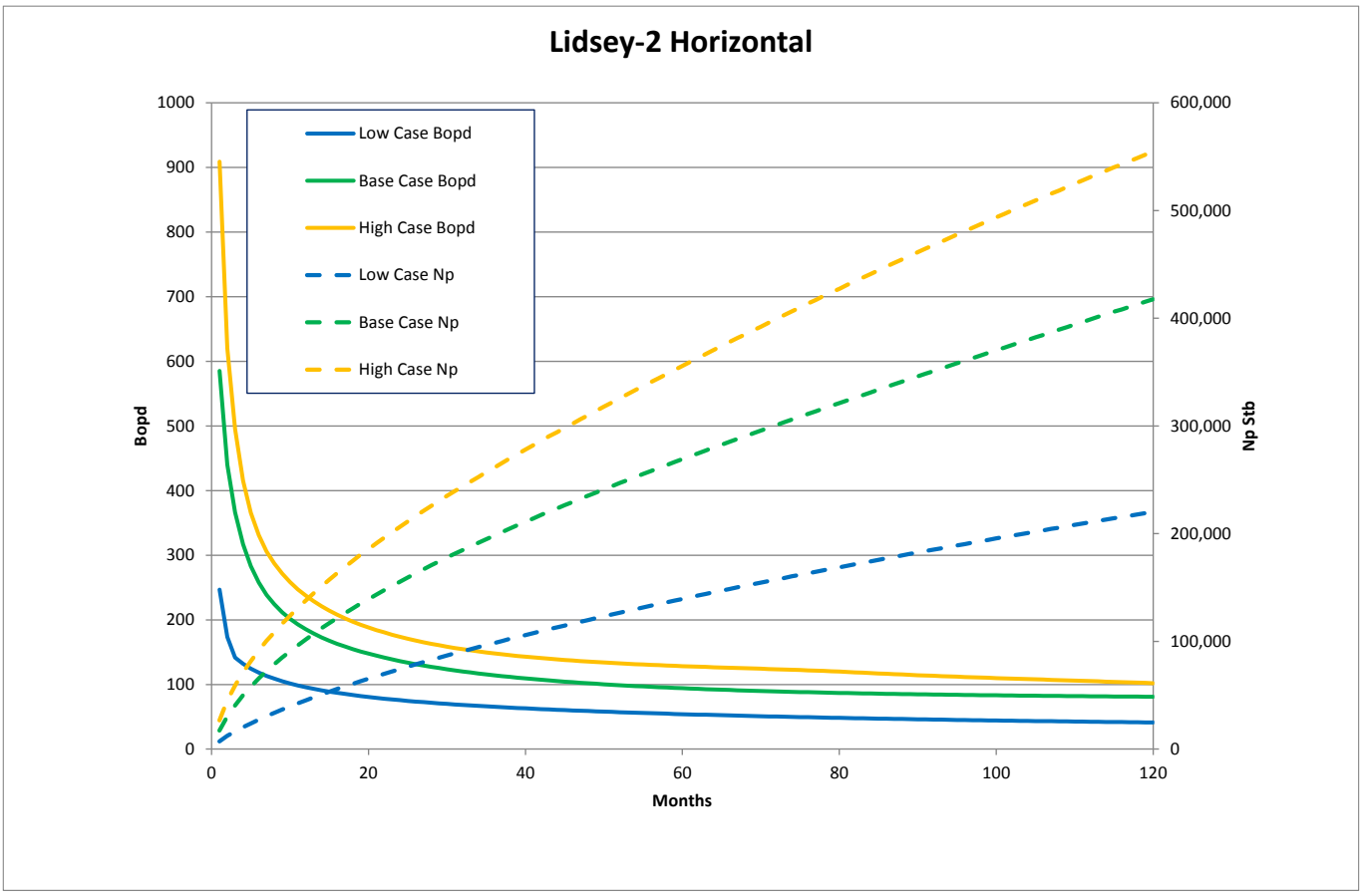

Figure 4.22: Lidsey-2 Production forecasts

The Lidsey-2 profiles were compared with historic production of wells in the nearby Singleton field. The predicted Lidsey-2 range lies within the ranges seen in Singleton well performance.

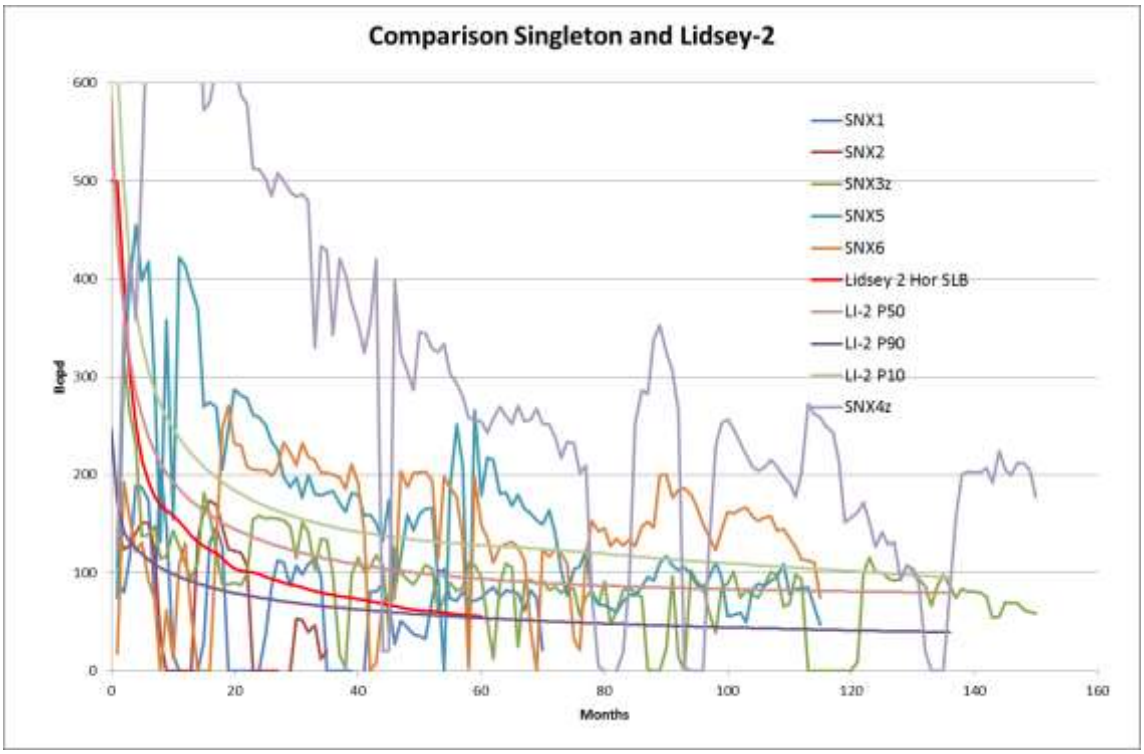

Figure 4.23: Lidsey-2 Oil rates compared to Singleton Field wells

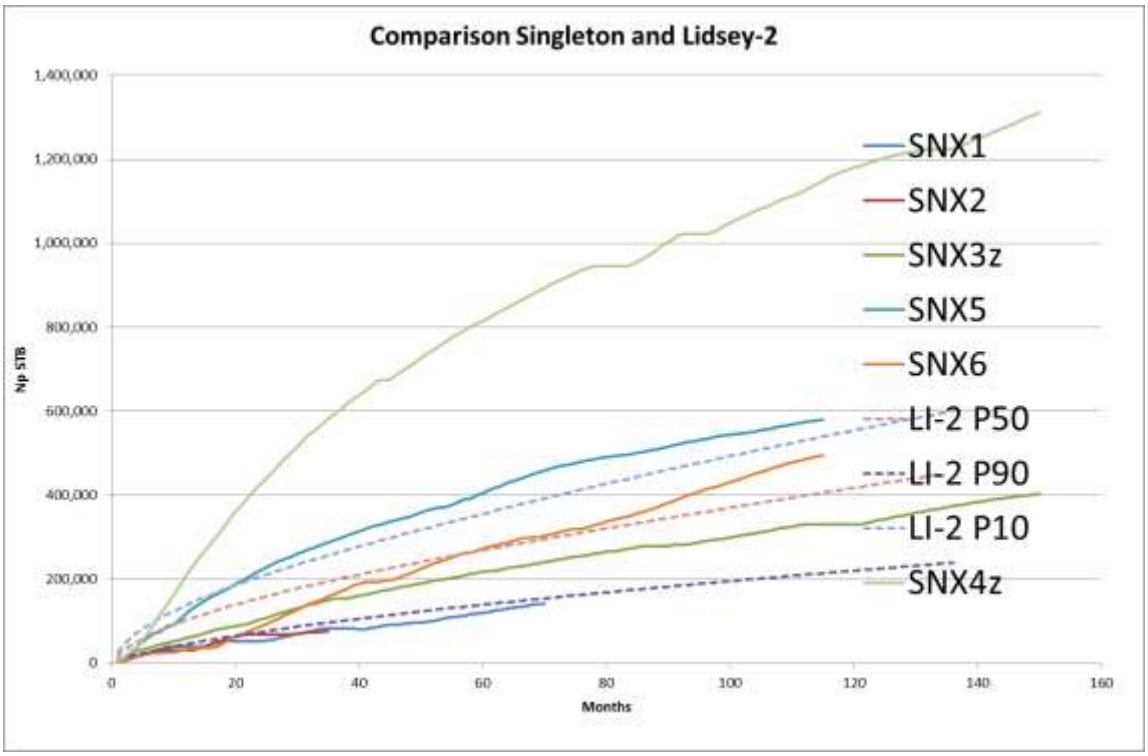

Figure 4.24: Lidsey-2 Cumulative Oil compared to Singleton Field wells

4.11 Recoverable Resources

The Reserves volumes for the Lidsey field were based on a decline curve analysis of the Lidsey-X1 well. The well is assumed to produce only for 9 months until the planned new well Lidsey-2 comes on production and Lidsey-X1 is turned into a water injection well. The table below, Table 4.8, gives the estimate for Reserves for the Lidsey field.

Oil Reserves	W.I.	Gross Volumes			Net to Angus		
('000 bbl)		1P	2P	3P	1P	2P	3P
Lidsey Field (PL 241)	50%	6	6	6	3	3	3

Table 4.8 Lidsey Gross and Net Reserves (in '000 bbl)

When production from Lidsey-2 starts, it is expected that Lidsey-X1 will be turned into a water injection well. Production of remaining resources from that well will therefore cease. Production on Lidsey-2 as modelled in the Xodus simulation was arbitrarily cut off after 15 years.

Because the Lidsey reservoir is tight, the Lidsey-2 production well will likely recover oil from a part of the reservoir close to the well. As such the recovery potential should not be performed on the basis of applying a recovery factor on the STOIIP, because in reality incremental production wells will only be drilled (and oil recovered) if there is a sound economic and technical case for the well. Instead, Xodus has taken the technical recoverable volumes for the two Lidsey wells as the basis for its Contingent Resources estimates. As mentioned, for Lidsey-2 the Base Case simulation was chosen as the Best Case, the High Case and Low Case models to their corresponding volumetric cases. The resulting Gross and Net Contingent Resources volumes are provided in Table 4.9. Given the location of Lidsey-2, all recovered volumes are from within the licence.

Oil Contingent Resources	Gross			Net to Angus (40%)		
('000 bbl)	Low	Best	High	Low	Best	High
Lidsey-2	296	568	739	118	227	296
Total Lidsey Field	296	568	739	118	227	296

Table 4.9: Lidsey Gross and Net Contingent Resources (in '000 bbl)

The recoverable volumes are contingent upon Angus achieving internal and external authorisation of its development plan and on securing adequate financing. This includes granting an extension of the licence expiry date by UK Government and receiving the appropriate consents and permissions from the Government's Oil and Gas Authority ("OGA"), the Local Council, the Environment Agency ("EA") and the Health and Safety Executive ("HSE"). Angus has informed Xodus that in respect of Lidsey:

- it will submit its well proposal and drilling programme report to the HSE as soon as reasonably practicable and expects to receive a response 21 days followings submission;

- it will submit its application to the EA for an environmental permit in relation to its work programme under the Standard Rules as soon as reasonably practicable and expects that the application will be considered within a four week period following submission and without public consultation;
- the planned works will be carried out under existing planning permission;
- it will submit its application for OGA consent to its work programme for Lidsey once it has obtained the necessary environmental permit and confirmation from the HSE that it has no issues with its well proposal and drilling programme report.

The technical and operational risk is deemed to be relatively small and the reservoir risk is reflected in the Low-Best-High production profiles. An overall Commercial Risk Factor[20] is estimated of 75% to reflect the limited technical risk and remaining commercial risk.

[20] "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted. (AIM Note for Mining and Oil & Gas Companies – June 2009).

5 BROCKHAM FIELD

5.1 Introduction

The Brockham field contains a small producing reservoir in a footwall fault-block structure in Upper Jurassic Portland Sandstones sealed by Purbeck Anhydrites and shales. It was discovered by BP through well Brockham-X1 in 1987. Since then three further wells and several side-tracks have been drilled on the field, with mixed success. Angus acquired its share of the licence and assumed operatorship on 6th July 2012. The field was until recently producing at approximately 35 bopd through well Brockham-X4, but believed to be completed in a section overlaying the reservoir itself. The well was shut-in on 31st January 2016. Angus intends to drill another side-track into the crest of the reservoir, from which it expects incremental production.

5.2 Structure

5.2.1 Seismic

The Brockham field area is deemed to be well-defined from seismic time mapping at all horizon levels over the area. The seismic data, post-reprocessing, is of high quality, and interpretation is robust. Both horizon and fault mapping are deemed to be a good technical representation of the subsurface structure, however, it is recognised that some uncertainty will naturally exist in the mapping due to sparse data coverage.

The field is traversed by a grid of 2D seismic lines of varying vintages from the 1980s (Figure 5.1). The provided Kingdom project contains a regional seismic and wells database covering a large portion of the northern section of the Weald Basin, with interpretation and grids covering the Brockham field specifically. In the area of the field, the north-south trending dip lines are spaced at approximately 500-1500m with east-west trending strike lines spaced between 1000-2500m. A single strike line crosses the southern edge of the license area, providing some control on the horizon mapping and correlation on the dip lines, however this line is located in a separate fault block from the main structure.

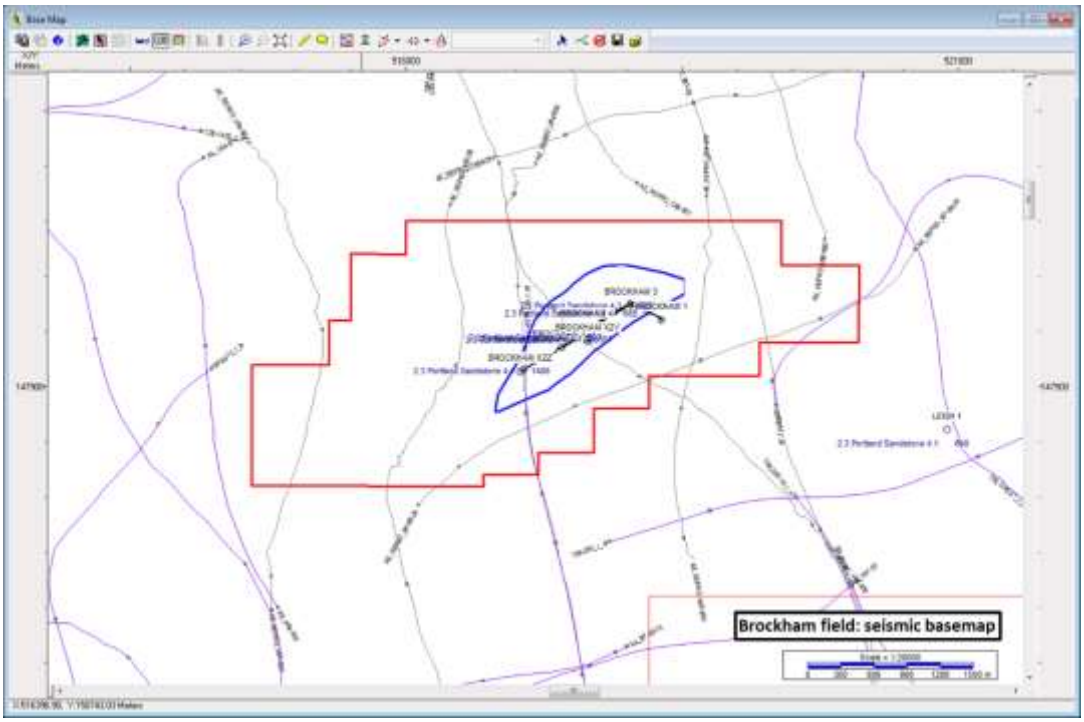

Figure 5.1: Brockham license seismic coverage (blue polygon marks field outline)

Reximseis reprocessed approximately 57 line kms of the base seismic dataset in 2013 which provides a significant improvement on the original dataset. Data quality in general is very good and more than acceptable for structural mapping of the closure. A pre- and post-reprocessing comparison of the data can be seen in Figure 5.2 showing vastly improved imaging particularly in the near surface and to Top Purbeck level. Data quality at reservoir level (Portland Sandstone) is also improved, though not as markedly.

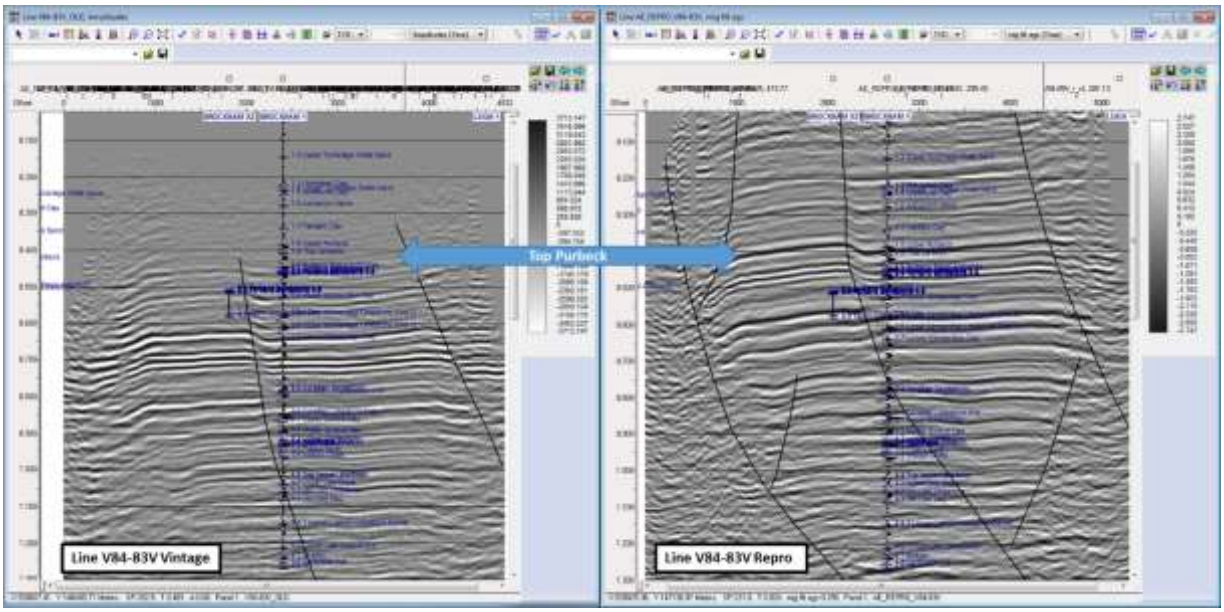

Figure 5.2: Comparison between vintage and reprocessed seismic; Line V84-83V; Brockham field

The field area is crossed by three dip-direction lines, however two of these lines (BP-88-25 and C80-135) appear to have been acquired along more-or-less the same traverse - likely a road - simply overlapping at the line ends (Figure 5.3). As such, the field area is primarily defined using these two seismic lines combined and line V84-83V approximately 300m northeast.

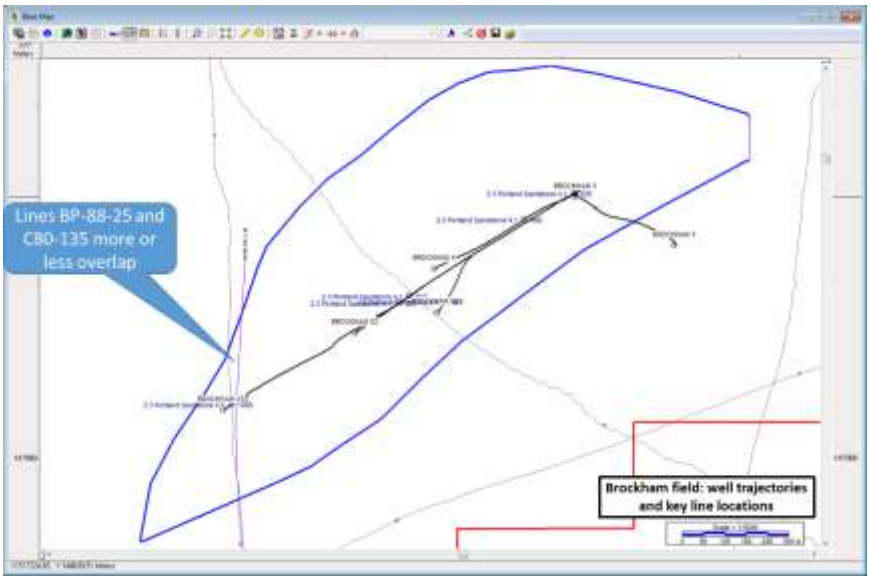

Figure 5.3: Line locations over field area and well trajectories

Figure 5.4 through to Figure 5.7 show four lines sequentially from southwest to northeast across the structure (from off-structure, to on-structure, to off structure). The off-structure lines V82-58 to the southwest and V84-84V to the northeast necessary to close the structure have also both been reprocessed.

Interpretation of the main seismic events, aided by the reprocessed seismic, is now straightforward and is of high quality. We deem the interpretation around the field area to be robust and given that the key lines *outside* of the closure have also been reprocessed, more confidence can be taken in the lateral extent of the closure.

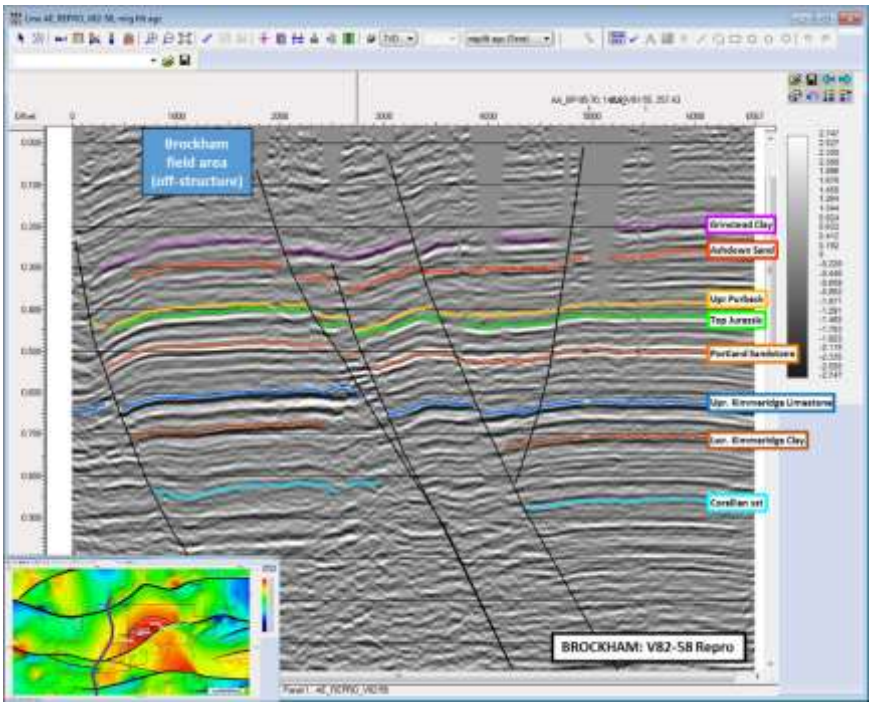

Figure 5.4: Line V82-58 (Reprocessed). Line off structure to west/southwest

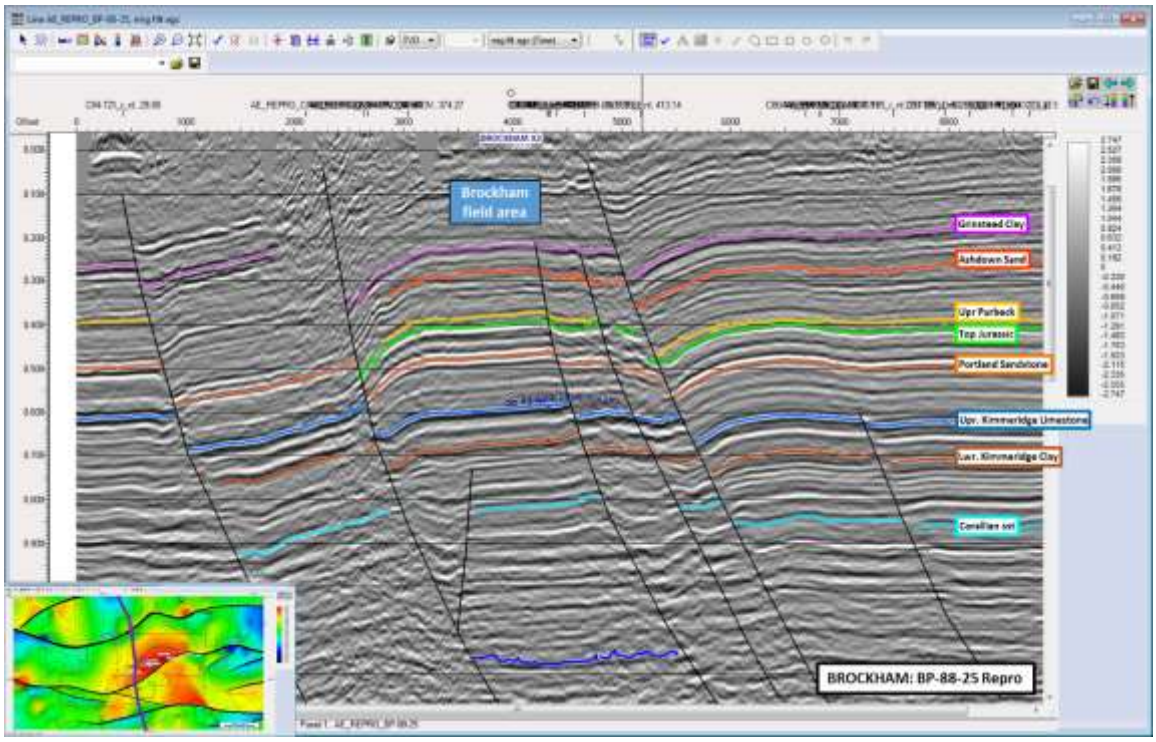

Figure 5.5: Line BP-88-25 (Reprocessed)

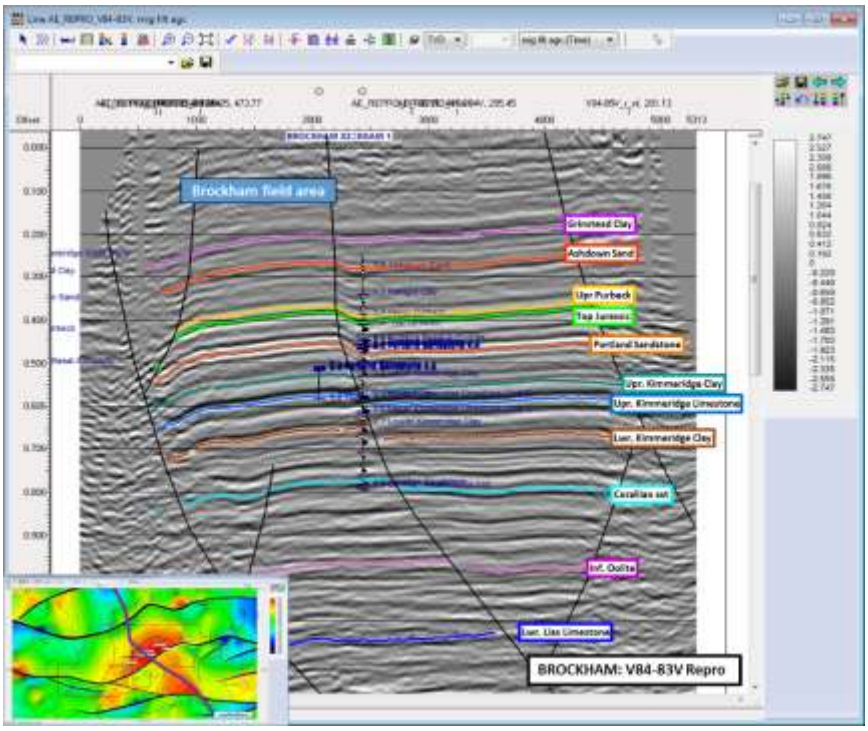

Figure 5.6: Line V84-83V (Reprocessed)

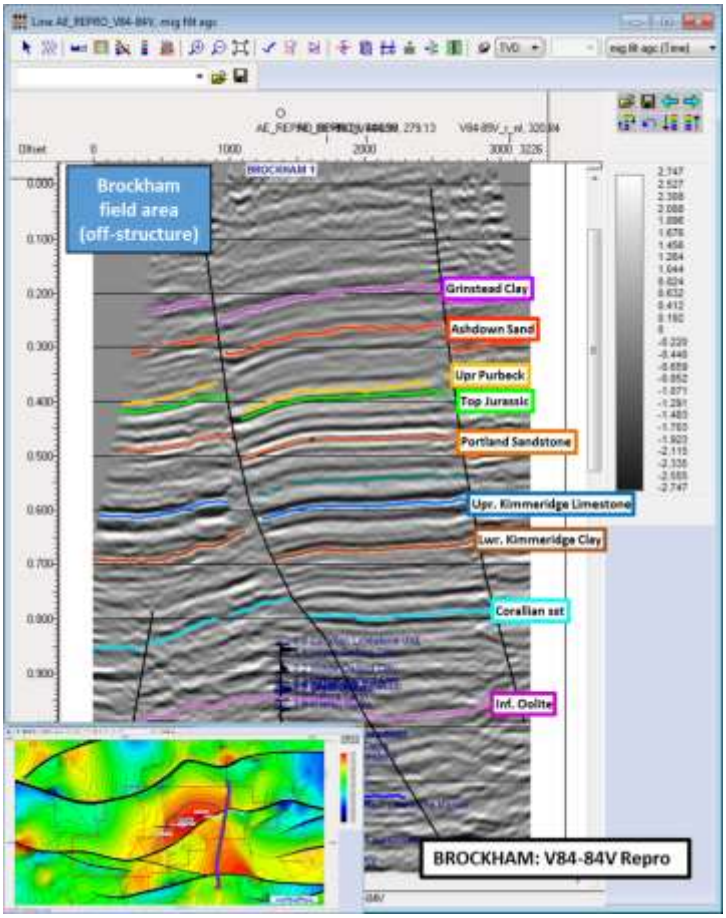

Figure 5.7: Line V84-84V (Reprocessed). Line off-structure to East/Northeast

There is no direct strike-line tie between the main dip lines over the field. A single strike line to the south of the area provides some degree of correlation, however mapping has shown this line to be on a downthrown block from the main field area, so some degree of jump correlation is still required. However, a composite line constructed across the area (Figure 5.8) highlights that this jump correlation is straightforward and the interpretation unambiguous. Furthermore, there appears to be no significant mistie between the main lines.

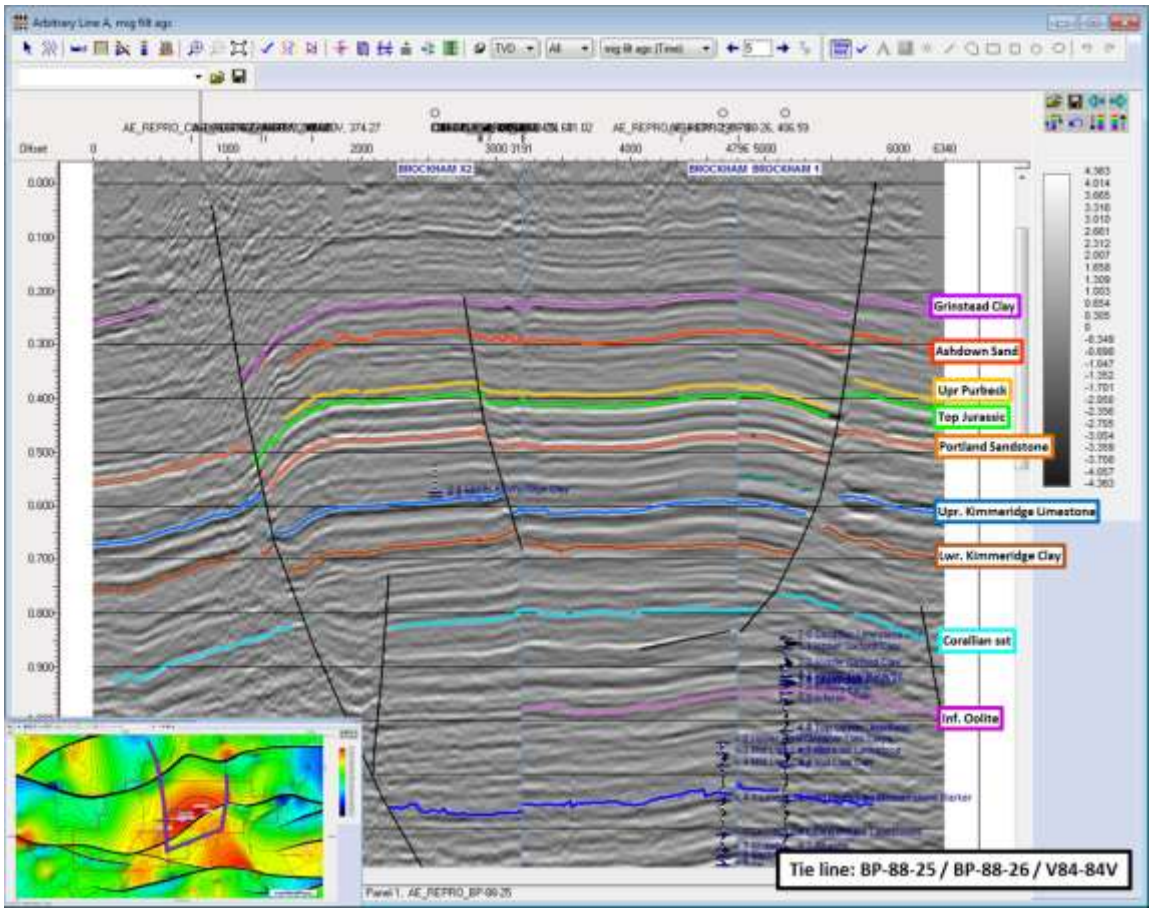

Figure 5.8: Tie line CV83-284 / CV82-218 / CV82-219 (Reprocessed)

As no wells directly tie to a seismic line, it has been necessary to project a well tie onto a nearby line. Xodus have reviewed the tie at Brockham-X1 to the nearest line (V84-83V) and have determined that the tie is of good quality using a statistical 35Hz Ricker wavelet. The tie is a particularly robust character match in the near surface to Kimmeridge section, including at the Top Portland reservoir interval, thus providing further confidence in the stratigraphic correlation across the area.

5.2.2 Time Maps

Based upon a thorough review of the interpretation, it was deemed unnecessary for Xodus to carry out an independent seismic interpretation. Xodus believe that the operator's time mapping is considered to be reliable and of a high standard, aided by the data quality. Regional TWT interpretation was provided for 12 horizons over the area, with a single grid provided for the Portland Sandstone level using a grid cell size of 50m x 50m. This cell size is deemed sufficiently fine to avoid over-simplifying and smoothing the structure by using too wide a spacing. The Top Portland Sandstone grid was subsequently used for input to the depth conversion. Figure 5.9 and Figure 5.10 below show the Top Portland Sandstone TWT seed picks and gridded TWT map.

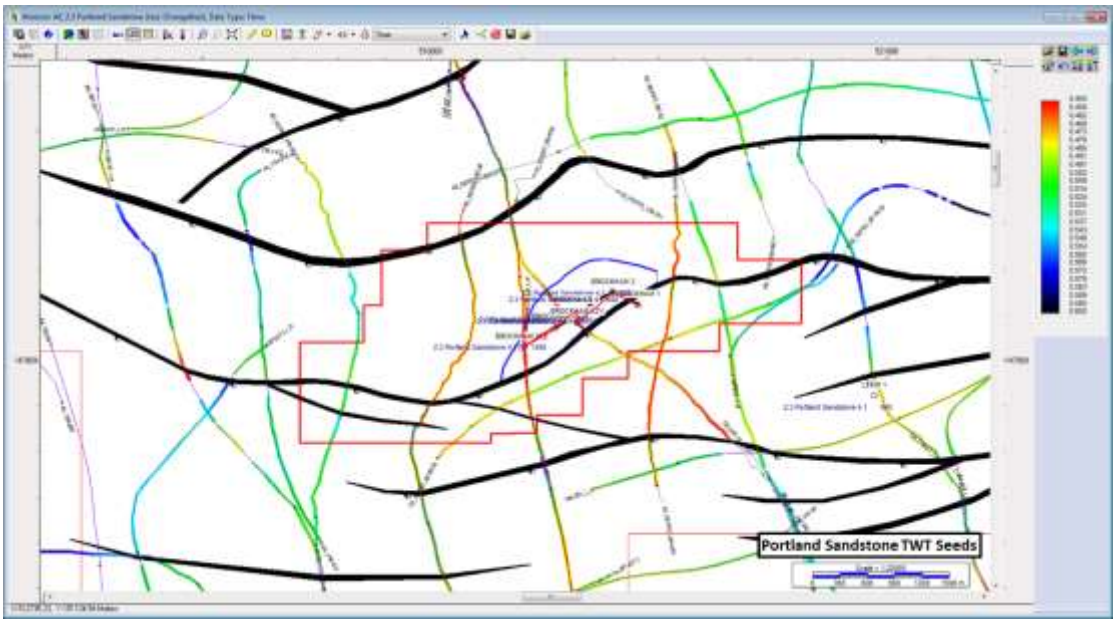

Figure 5.9: Top Portland Sandstone TWT interpretation

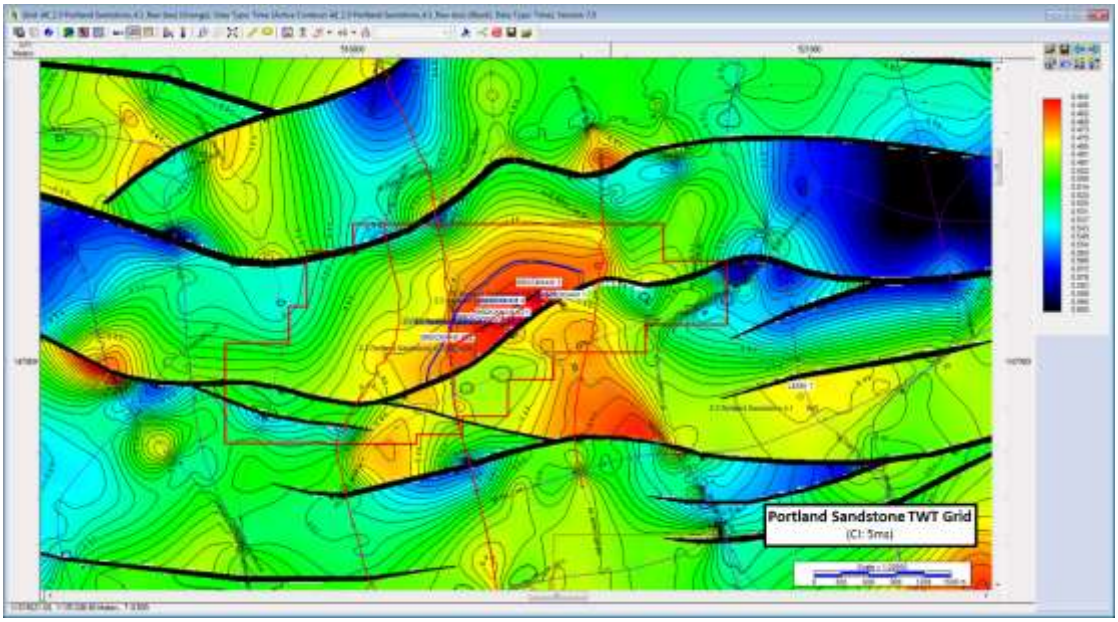

Figure 5.10: Top Portland Sandstone TWT structure grid

5.2.3 Structure & Depth Conversion

The reservoir is deemed to be well-defined from seismic time mapping at all horizons over the area, with any potential small variations of interpretation or fault placement being of minor significance.

Depth conversion of the TWT Portland Sandstone grid has been carried out using an average velocity to the Top Portland Sandstone (named as “Unit 4.1”) calculated from wells. Additional control points for depth conversion were created using the deviation profiles of wells Brockham-X4 and Brockham-X2Z. Where the well re-enters Portland Units 4.2 and 4.3, additional time and depth pairs have been created to further control the velocity mapping. The Unit 4.1 depth grid is shown in Figure 5.11.

Deeper reservoir horizons (Units 4.2, 4.3, 4.4) have been generated using well tops to create isopachs from the Top Portland depth surface. The depth conversion provides a good tie to the well markers and is deemed to be a suitable methodology for the field area, particularly one of this size.

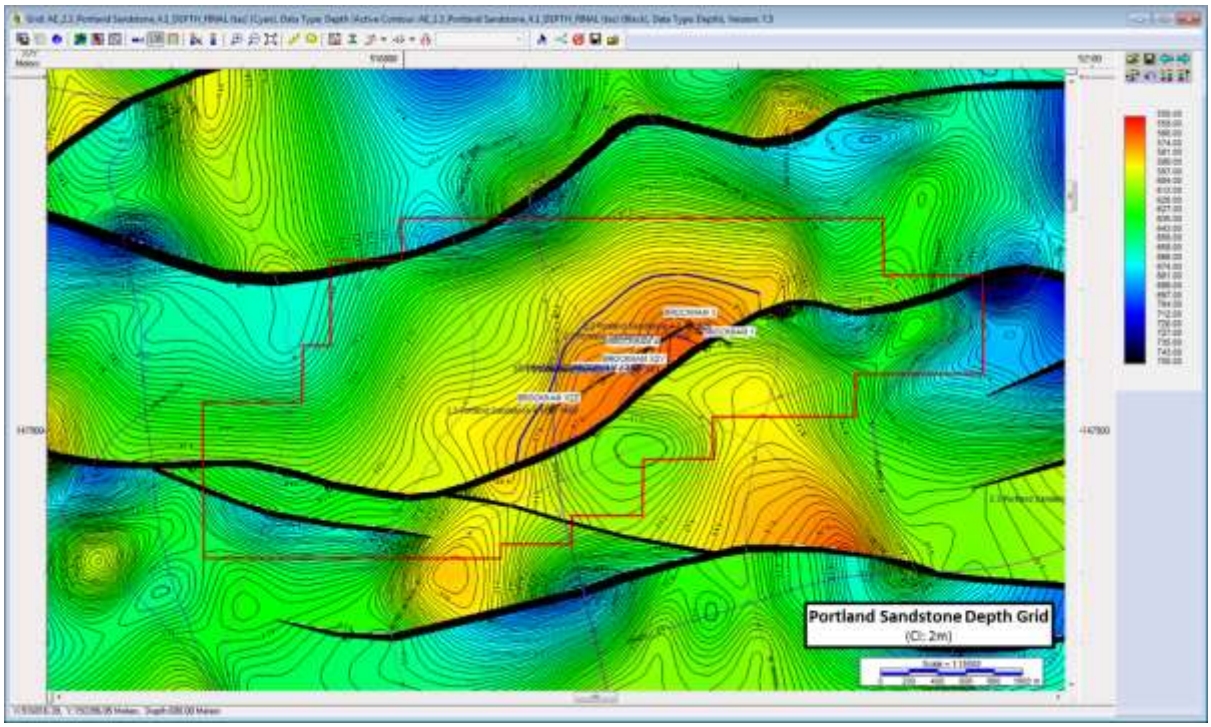

Figure 5.11: Top Portland Depth Grid

Based upon the Top Portland Depth map, a closure polygon has been constructed extending 0.919 km^2, with a crest of 565m and vertical relief above OWC of 17m. Map contouring (and therefore the closure polygon based upon them) has been created in Kingdom using standard parameters with no observable hand-editing applied.

A second set of depth converted grids were also provided with the project, based upon a pre-existing reservoir zonation by BP (named “Zone 1” – “Zone 5”). The “Zone 4” depth map is deemed to be the base of Angus’ reservoir Unit 4.4 and is used to delineate the base of the reservoir zone. Thus, Units 4.3 and 4.4 are treated as a single unit, while units 4.1 and 4.2 are standalone.

5.3 Reservoir

The reservoir of the Brockham field is the Upper Jurassic Portland Sands which is a common reservoir horizon in the Weald basin. A number of previous studies (Schlumberger, TRACS) have addressed the reservoir and petrophysical assessment.

The sands were deposited in a lower shoreface to transition zone of a transgressive shallow marine shelf environment, the sands are composed of a sequence of four regressive and transgressive cycles. The cycles are separated and defined by minor flooding surfaces. The sands are fine to very finely grained and moderately well sorted but slightly argillaceous, there is common bioturbation. The best reservoir properties are found in zone 4.2 which has a porosity of 26% and permeabilities between 300 and 1000 mD. Reservoir quality is controlled by the amount of carbonate cementation and the development of secondary porosity. The best quality reservoirs have the coarsest sand and there is intragranular porosity as well as the secondary moldic porosity enhancement. The upper section of the Portland Sands is well cemented reflecting the transition to the Portland Limestone above.

The Portland Sandstones are approximately 65ft thick in total and are sealed by the overlying Purbeck Anhydrite. The top of the Portland formation is the limestone which grades into the highly calcareous 4.1 interval, in which reservoir properties improve towards the base. The 4.2 interval has the coarsest sands and thereby has the best reservoir properties. Units 4.3 and 4.4 have poorer reservoir properties than 4.2 and are variably cemented, the best reservoir properties are towards the top of the zone (Figure 5.12).

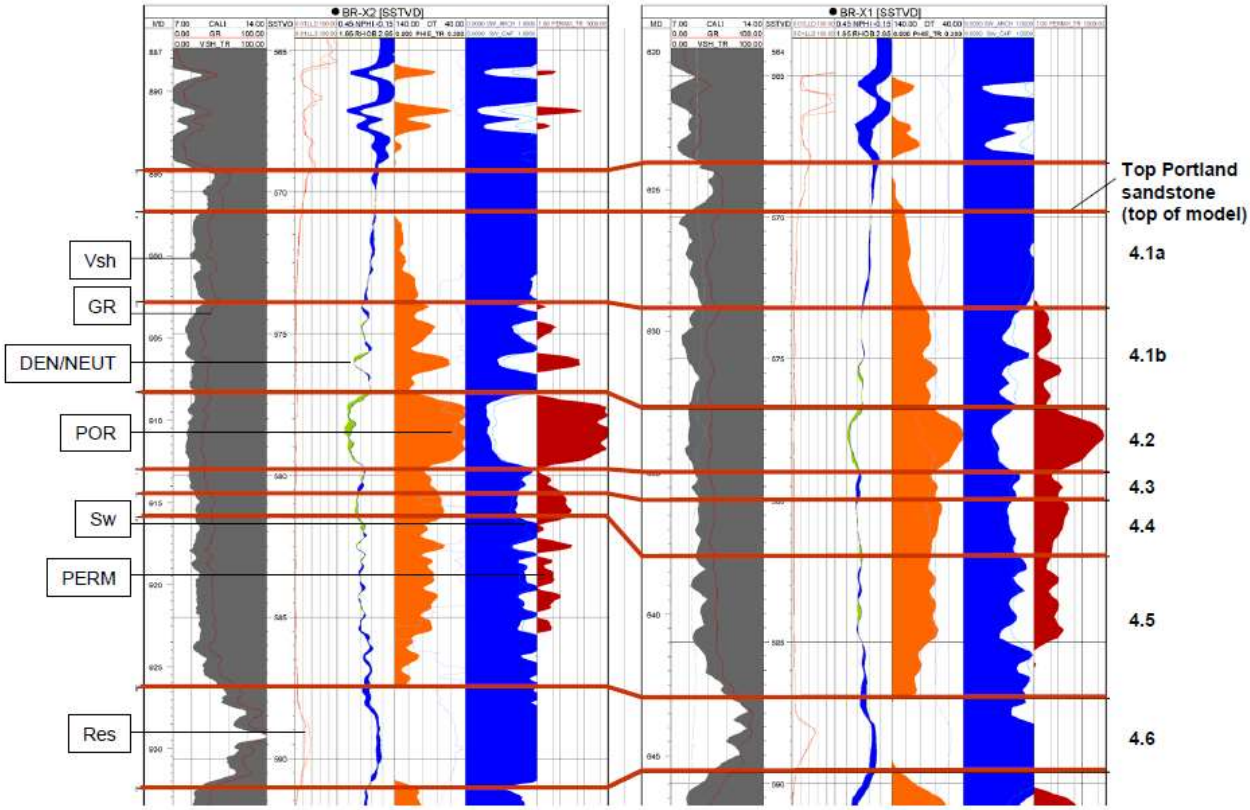

Figure 5.12: Correlation in the Portland Sandstone.

5.4 Hydrocarbon In Place Estimates

Xodus' STOIIP values were calculated stochastically using REP5 software from Logicom E&P.

For the purposes of GRV and STOIIP calculations, the top reservoir map and surfaces representing the 4.2 and 4.3 Units were loaded into Petrel, these zones were selected due to the variation in reservoir properties between them. From the top reservoir map, a polygon was used to define the limits of the structure within the licence block and area depth data was calculated for each surface.

No clear water contact has been defined in the Brockham field. TRACS estimated the range of the Free Water Level ("FWL") from 1925 to 2001 ft TVDSS with a most likely of 1935 ft TVDSS, The previous operator estimated the Oil Water Contact ("OWC") as 1909 ft TVDSS from log data – whose value has been taken as the Xodus P50 case. No oil saturation is observed in the core below 1926ft and this has been taken as the Xodus P10 case. A simple reservoir model built by Xodus to test history matching used an OWC of 1915 ft TVDSS which is within the range of contacts used in the probabilistic determination.

Reservoir thicknesses were taken from the gross thicknesses observed in the wells for each unit. Net to gross, porosity and water saturation ("Sw") most likely values have been taken from the results of the petrophysical interpretation of the vertical wells in the field. For Unit 4.2 a single 100% net to gross value has been used as the value was consistent across the wells. A single Formation Volume Factor ("FVF") has been used. Table 5.1 shows the parameters and distributions used in the determination of STOIIP.

4.1	Unit	Shape	Min	P90	P50	P10	Max	Mode	Mean
Thickness	ft	Normal	13.6	19	23	27	32.4	23	23
Area uncertainty	%	Normal	64.9	85	100	115	135	100	100
OWC	ft	Normal	1869	1892	1909	1926	1949	1909	1909
Net-to-gross	%	Normal	31.9	52	67	82	102	67	67
Porosity	%	Normal	6.17	11	14.6	18.2	23	14.6	14.6
Sw	%	Normal	26.6	40	50	60	73.4	50	50
FVF (Bo)	rb/stb	Single	1.03	1.03	1.03	1.03	1.03	1.03	1.03

4.2	Unit	Shape	Min	P90	P50	P10	Max	Mode	Mean
Thickness	ft	Normal	4.32	7	9	11	13.7	9	9
Area uncertainty	%	Normal	64.9	85	100	115	135	100	100
OWC	ft	Normal	1869	1892	1909	1926	1949	1909	1909
Net-to-gross	%	Single	100	100	100	100	100	100	100
Porosity	%	Normal	21.3	24	26	28	30.7	26	26
Sw	%	Normal	16.6	30	40	50	63.4	40	40
FVF (Bo)	rb/stb	Single	1.03	1.03	1.03	1.03	1.03	1.03	1.03

4.3 & 4.4	Unit	Shape	Min	P90	P50	P10	Max	Mode	Mean
Thickness	ft	Normal	-1.7	5	10	15	21.7	10	10
Area uncertainty	%	Normal	64.9	85	100	115	135	100	100
OWC	ft	Normal	1869	1892	1909	1926	1949	1909	1909
Net-to-gross	%	Normal	55.3	66	74	82	92.7	74	74
Porosity	%	Normal	11.6	15	17.5	20	23.4	17.5	17.5
Sw	%	Normal	36.6	50	60	70	83.4	60	60
FVF (Bo)	rb/stb	Single	1.03	1.03	1.03	1.03	1.03	1.03	1.03

Table 5.1: Parameters used in STOIIP estimation

5.4.1 In Place Volumes

Table 5.2 shows Xodus' Gross STOIIP estimates for the Brockham field.

STOIIP (MMbbl)	Low	Best	High	Mean
4.1 (Gross 100%)	0.64	1.33	2.44	1.46
4.2 (Gross 100%)	0.42	1.05	1.99	1.14
4.3 & 4.4 (Gross 100%)	0.05	0.23	0.61	0.29
Total (Gross 100%)	**1.72**	**2.79**	**4.25**	**2.9**

Table 5.2: Xodus Brockham gross STOIIP estimate

Note that the totals shown in the table above are a probabilistic consolidation. The values for Low, Best and High will not sum arithmetically. The results of the volumetric assessment are close to but lower than those reported by Angus (see Table 5.3). The difference can be attributed to a reduction in the calculated GRV for the 4.2 and 4.3 / 4.4 reservoirs. Although GRVs were determined using the same method in both studies, it appears that the difference is related to mapping, which Xodus was unable to verify.

A slightly narrower OWC range has been used however this had a limited impact on the GRV when tested compared to the depths used by RPS – the same P50 was used in both determinations. Similar petrophysical properties have also been used in both assessments.

STOIIP (MMbbl)	Low	Best	High
Upper Portland Gross 100%	1.89	3.62	5.83

Table 5.3: Angus Brockham gross STOIIP estimate

5.5 Production History and Review of Reservoir Dynamic Behaviour

5.5.1 Reservoir Properties

Next to the reservoir parameters reviewed in the previous section, other dynamic parameters were chosen as follows: as no PVT information was available, the data from a previous Brockham Infill Well Reservoir Modelling Study[21] was used (see Table 5.4); a relative permeability to water (Krw' @ Sor) of approximately 0.04 was determined. The residual oil saturation ("Sor") is approximately 0.25.

[21] TRACS, 2007

PVT Summary	
Oil Gravity (°API)	27.5
Solution gas-oil ratio Rsi (scf/stb)	75
Oil viscosity at initial Pressure cp	11.4
Bubble point (psia)	387
Oil formation volume factor, Boi (Rb/stb)	1.039

Table 5.4: PVT summary

5.5.2 Historical Well Activity

The historic well drilling and completion history provided to Xodus was incomplete and includes several activities that are based on anecdotal evidence only with limited back-up materials. The well drilling and completion activities by previous operators to Angus have had mixed results. In summary:

- Well BR-X1 - drilled in 1987, no cement behind 7" casing over Portland Sandstone interval. Has since had several workovers to perforate other intervals, as well as to try to address water production. Initial testing on -X1 in May ’88 produced 95 bopd with 5 bwpd with some 50 ppm H2S.
- Wells BR-X2 / X2Z & X2Y – in 1988 drilled pilot hole and X2Z horizontal development well, with BR-X2Y drilled in 2003. BR-X2Z and BR-X2Y barefoot completed. Early production from X2Z brought on stream with X1 showed production of 10 bopd and 60 bwpd with significant H2S produced from both wells. In 2012, Angus added perforations into Portland unit (above 4.1). It is believed that all currently produced fluids are coming from this unit.
- Well BR-X3, drilled in 2007, BR-X3 is a side-track of BR-X1 with the objective to convert this suspended producer into a water injector.
- Well BR-X4, drilled in 2007, with a 7” casing set and cemented at 692m completed with a 4½” slotted liner. It was believed that a total of 135m of Unit 4.2 had been penetrated, although the wellbore has passed through the unit on 3 occasions. The first and third sections of Unit 4.2 had oil shows, the middle section had none. The well produced 400 bpd of water. The well has had several workovers, trying to isolate water and to perforate other intervals, but with no real benefits to production. BR-X4 can be produced intermittently, starting with 100% oil and then quickly going to 100% water. There is no certainty on the reservoir sections the wellbore crossed, neither from which part of the well the fluids are produced.

5.5.3 Historical Production

Oil and water production for BR-X1 and BR-X2Y was supplied by the previous operator on a daily basis from October 2002 to the end of February 2007. BR-X1 production data was also available for the 1998 and 2001 extended well tests. Both BR-X1 and BR-X2Y have shown varying degrees of water cut development. Xodus cannot judge the accuracy of the provided historical production data (Figure 5.13 and Figure 5.14). Because of the various anecdotal and badly documented well activities on the field, it is impossible to assign with certainty production volumes to certain wells or reservoir units. However, Xodus assumes that most production prior to Angus operatorship comes from the 4.2 unit and current production comes from the 4.1 unit. Cumulative oil production on the field is approximately 230,000 bbl.

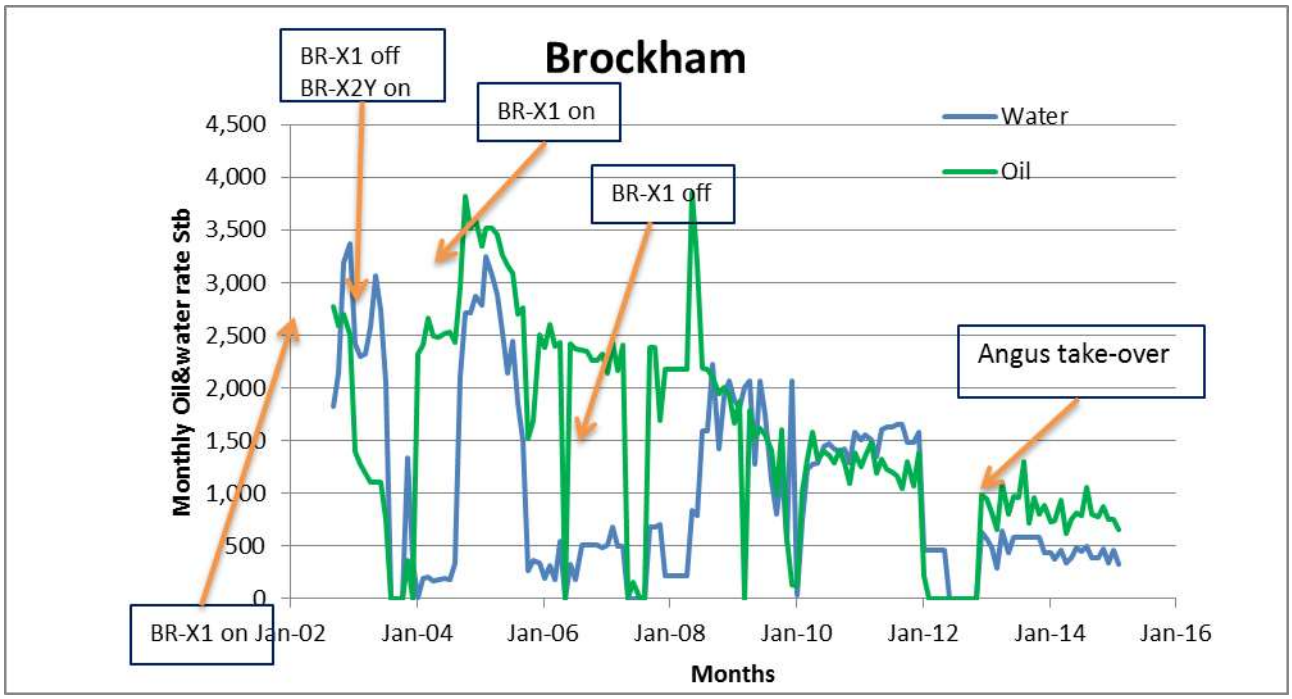

Figure 5.13- Brockham Production History

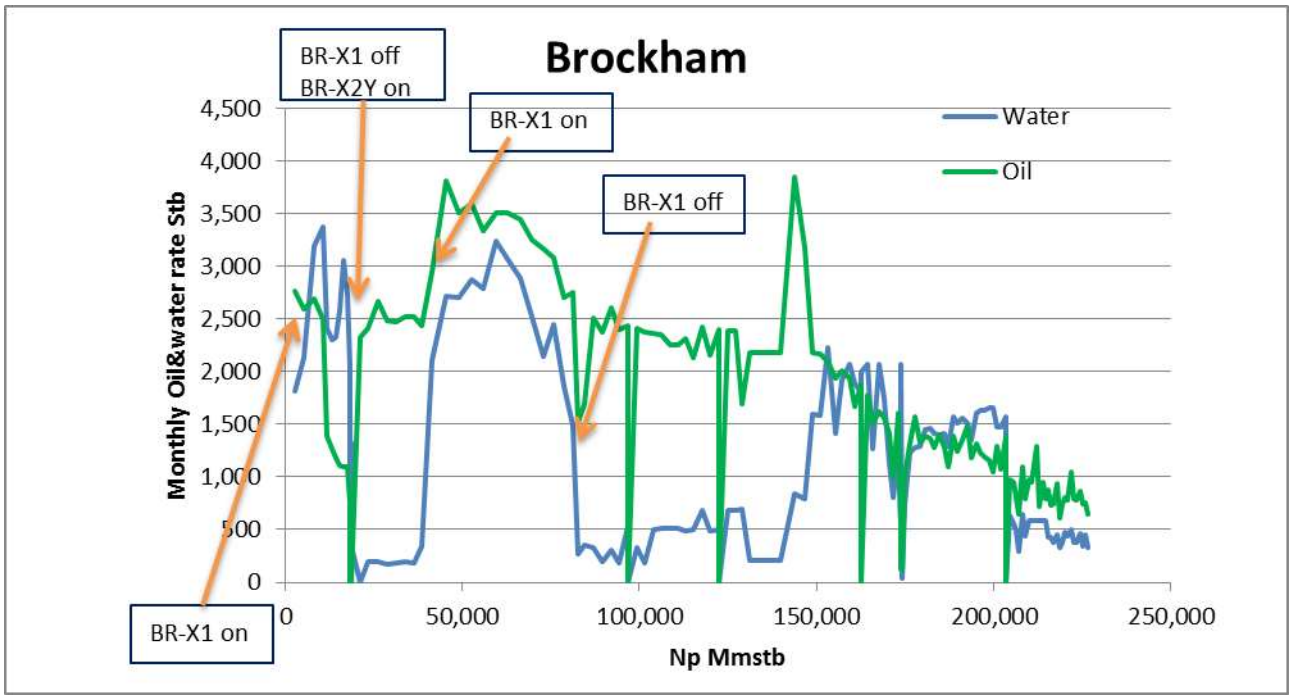

Figure 5.14: Brockham Production History Versus Cumulative Production

5.6 Existing Facilities

The Brockham surface facilities currently comprises a single production well tied-in to two main separators operating alternately. Production relies on a beam pump that raises the produced fluid to the surface and pumps into the operating separator. Production chemicals are injected into the flowline just downstream of the wellhead and into the stock tanks via the fluid transfer pump as necessary. The produced fluid is heated and flows through four tanks functioning as follows (Figure 5.15):

- **Bunded Tank 1 – Oil/Water Separator (~360 bbls)** - First reception vessel the produced fluids enter. Gravity separation takes place aided by fluid heating to 35-40 °C and addition of demulsifier. Operates interchangeably with Stock Tank 2.
- **Bunded Tank 2 – Oil/Water Separator (Standby) (~360 bbls)** - Separated oil and water are drained from this vessel into the respective storage tanks. Once empty, this vessel switches function with Tank 1 and the process is repeated.
- **Bunded Tank 3 – Oil Storage Tank (230 bbls)** – Separated oil from Tanks 1 and 2 is transferred to this vessel where it is stored prior to export.
- **Vertical Tank 4 – Water Storage Tank (450 bbls)** – Separated water from Tanks 1 and 2 is transferred to this vessel where it is stored prior to injection.

Figure 5.15: Brockham Separation and Storage Tanks

Any produced gases from any of the tanks flow to a vent stack via an ammonia filled knockout pot, which removes any residual hydrogen sulphide. Angus has permission to vent the gas. Stock tank oil can be further treated to remove any residual hydrogen sulphide. Samples of the oil and water are taken and titrations run to calculate the H_2S levels in both oil and water.

The oil is exported by road tanker using the Oil Export Pump which takes approximately 25 minutes to load a 200 barrel tanker. Produced water is injected into a disposal well into the reservoir using a water injection pump. Before field shut-in produced water from the Lidsey field was injected in the same well, however following the proposed Lidsey development, produced water will be re-injected into the Lidsey field. Power generation is supplied by a 150 KVA diesel generator, which provides all site electricity demand, the main users being the beam pump, oil export pump and water injection pump. The site is concreted around the tanks, wells and oil tanker export area.

Testing for ground water contamination takes place regularly to ensure no hydrocarbons or other chemicals are polluting the site. The site is guarded by security 24 hours a day. There is an emergency shutdown system to protect against equipment malfunction and rising levels of Hydrogen Sulphide.

Angus management has confirmed that this set-up satisfied all consents required for historic production and that it will satisfy consents upon restarting the shut-in production from Brockham-X1.

5.7 Field Further Development Plan

Angus plans to drill BR-X4Z, a deviated well at the top of the Brockham structure. Xodus Group has been tasked to provide production forecasts for the updip well BR-X4Z, targeting the 4.2 unit. Angus may drill the BR-X4Z well beyond the 4.2 unit into the Kimmeridge formation below; whilst this should be possible for minimal additional cost, given the lack of available data Xodus have solely analysed the expected flow rates from the Portland Sandstone. Were the Company to encounter recoverable oil in the Kimmeridge at economic levels, we expect that the well planned to produce from the Portland could be used to produce from the Kimmeridge.

As a result of the anticipated additional production, the existing facilities have been reviewed to ensure they have sufficient capacity and are in suitable condition. Based on a design rate of 100 bopd with 5 bwpd, the expected impacts are as follows:

- The capacities of separation tanks 1 and 2 is more than sufficient to give suitable residence time. Oil storage capacity in the 230 bbl tank will, however, be reduced to approximately 2 days meaning any delays in oil export tankers could delay production and reduce up-time.
- Angus plan to replace all 3 tanks with improved, fit for purpose units on more favourable long lease financial arrangements.
- Negligible water is predicted from the new well initially building up to circa 50 bwpd in year 10. The existing facilities have sufficient capacity to adequately handle this amount of water.
- Electrical cabling needs upgrading.
- The diesel fired boiler (heater) is to be replaced with a new dual fuel unit capable of burning waxy crude produced leading to operating cost savings. Piping modifications will be required to enable routing of the waxy crude to the new dual fuel boiler.
- A new perimeter fence will be constructed.
- The oil export pump can load a 200 bbl oil tanker in 25 mins. At the design rate of 100 bopd, one oil tanker every two days will be required so a 25 mins loading time is suitable and therefore the oil export pumps are adequate.
- No additional gas is expected from the new production therefore the existing vent stack is suitable. However the environmental case may require an alternative solution for the gas, such as installing a flare stack.
- The existing power generation unit is considered suitable for any additional power demands.

The surface processing at Brockham is relatively simple and the facilities installed reflect this and are fit for purpose. As the processing is generally batch type as opposed to continuous, the equipment capacities e.g. pumps, storage tanks etc. are suitable for the expected increases in overall production. Improvements are currently being performed to electrical & instrumentation, site preparation and fencing, new production storage tanks, piping modifications, civils/construction and miscellaneous other improvements. The capital expenditure estimate for these improvements is £314,932 (£188,959 net to Angus[22]), some of which have been already incurred as the work

[22] Angus has a 60% paying interest in this Brockham Development Capex, when including the Alba option payments

is now underway. The cost figures include materials as well as labour. Depending on the well results, Angus may require an alternative gas disposal solution, such as a flare stack.

5.8 Cost Evaluation

The capital expenditure, as discussed, is related to general improvements on the site facilities, preparing the facilities for increased production levels and drilling one horizontal well. Abandonment costs have been estimated as a percentage of total Capex (Table 5.5).

Capital expenditure	Units	Total Brockham Field	Net to Angus
Drillex	GBP	1,142,119	685,271
Facilities	GBP	314,932	188,959
Abandonment	% of Capex	10%	10%

Table 5.5: Capital expenditure summary

The main Capex element is the cost to drill and complete the wells. Xodus reviewed the well costs provided by Angus against an in-house benchmark and found that the Angus estimates provide a good base case estimate.

5.9 Production Profiles

Based on the available data, Xodus has created a simple dynamic model in Eclipse which was history matched for the Best Case. The model was also used to determine a High Case, but with the permeability around BR-X4Z increased by 50%. For the Low Case, Xodus extrapolated the historic decline in a decline curve analysis.

When Angus took over the field, BR-X2Y was shut down. The reservoir was probably plugged because of wax deposition into the wellbore. Xodus made the assumption that the fluids produced from January 2013 onwards from BR-X2Y are coming from the added perforations, and not from unit 4.2.

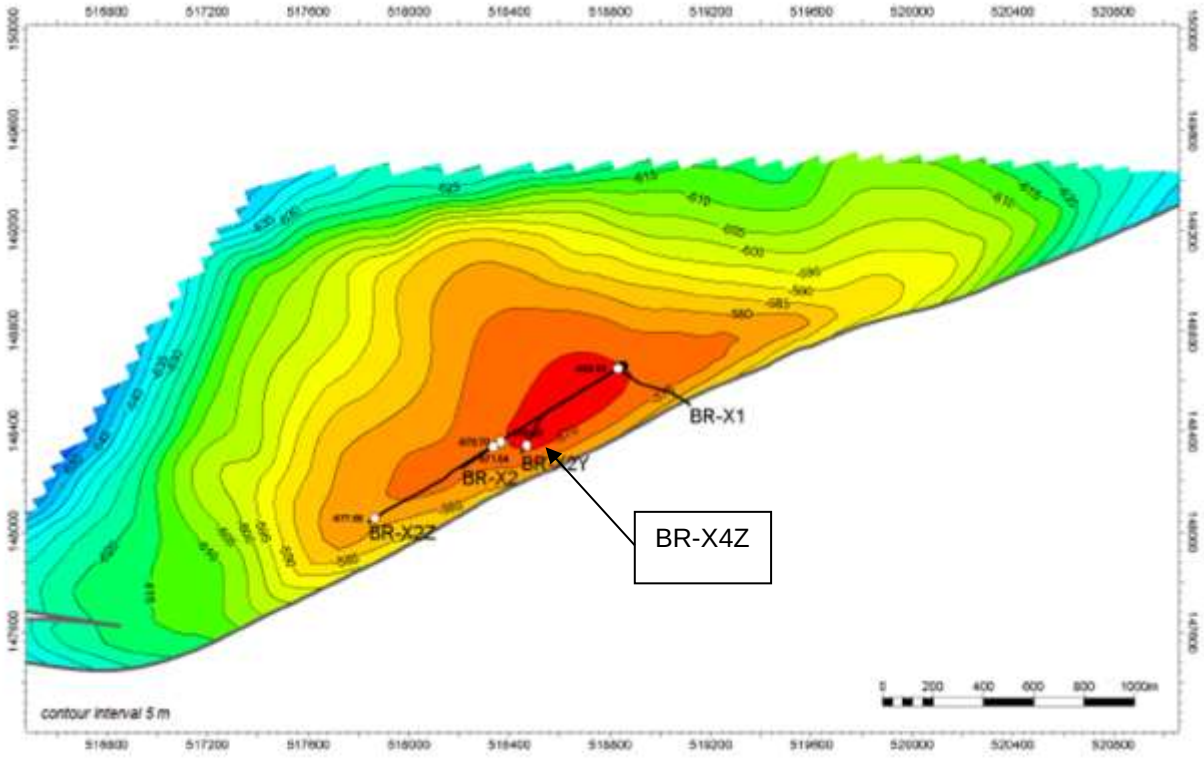

Figure 5.16: Brockham Eclipse model top reservoir map

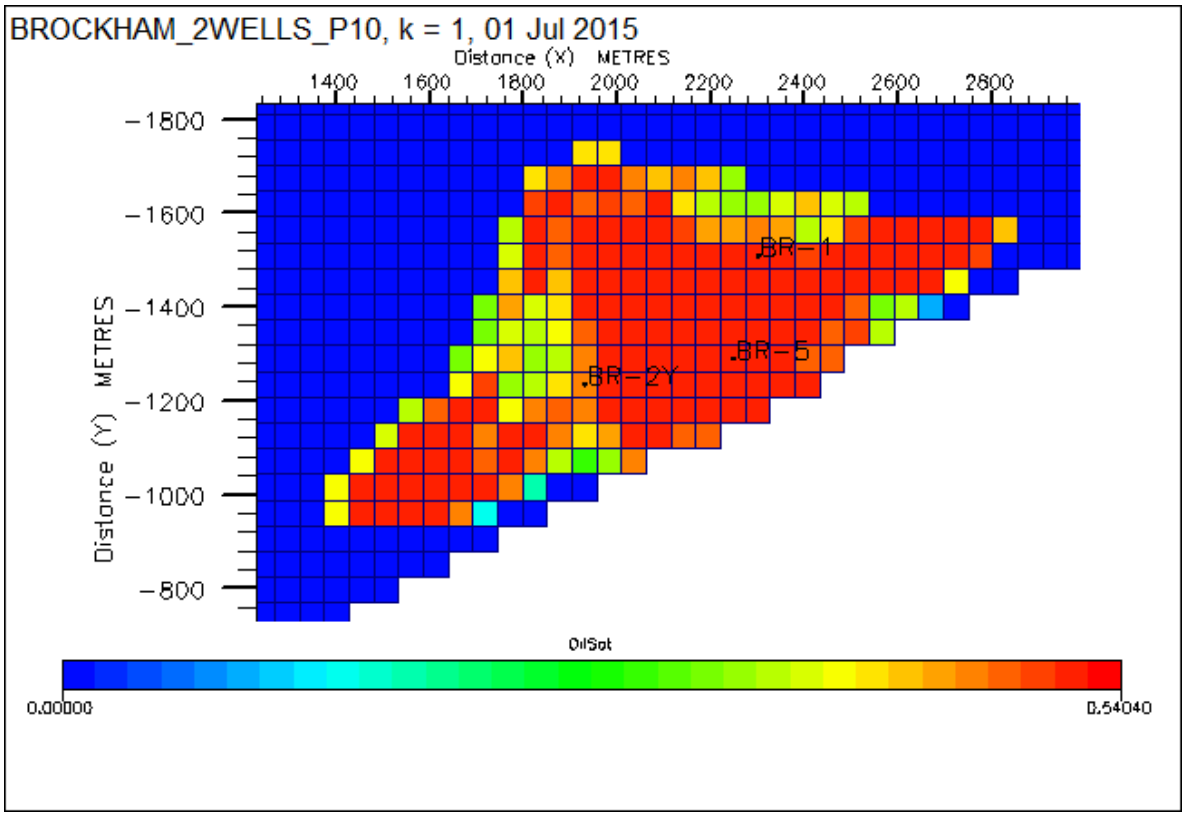

Figure 5.17: Brockham simulated oil saturation in July 2015 - the start of simulation.

Mid Case BR-X4Z			
Year	**Oil rate bopd**	**Cumulative oil stb**	**Daily water bwpd**
1	93	33,914	1
2	78	62,344	3
3	68	87,322	4
4	60	109,349	8
5	48	126,706	12
6	37	140,218	16
7	28	150,370	20
8	31	161,705	34
9	25	170,938	41
10	21	178,433	47

Table 5.6: Base Case Production Profile

For the High Case, we use the same Eclipse model, except that the permeability around BR-X4Z has been increased 1.5 times to 600 md.

High Case BR-X4Z			
Year	**Oil rate bopd**	**Cumulative oil stb**	**Daily water bwpd**
1	121	44,356	3
2	95	79,071	8
3	76	106,887	17
4	60	128,901	28
5	45	145,401	35
6	34	157,973	40
7	25	167,148	43
8	27	177,161	65
9	22	185,091	72
10	17	191,461	77

Table 5.7: Upside Case Production Profile

For the Low Case, Xodus considers the scenario that production from unit 4.2 stopped in February 2012. For a new well into the 4.2 unit, we may than consider an extrapolation of the historical curve. The annual oil rate decline rate is 12.2%.

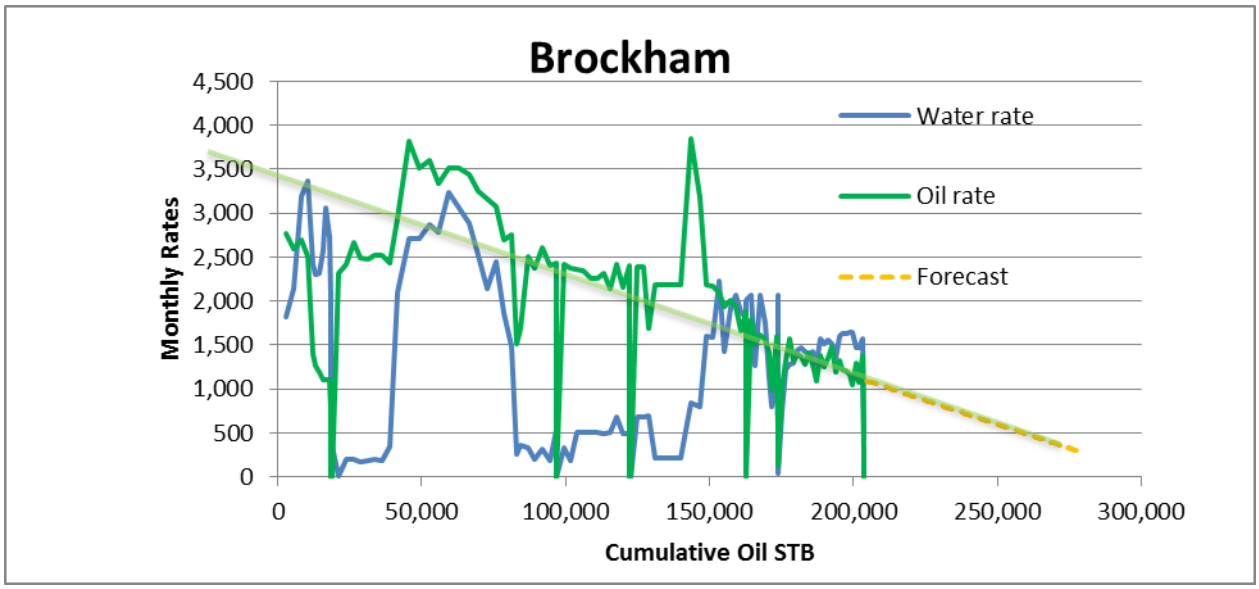

Figure 5.18: Downside Case – Decline Curve Analysis

BR-X4Z			
Year	Oil rate bopd	Cumulative oil stb	Daily water bwpd
1	34	12,366	51
2	30	23,222	55
3	26	32,751	59
4	23	41,117	62
5	20	48,460	65
6	18	54,906	67
7	16	60,564	69
8	14	65,531	71
9	12	69,892	73
10	10	73,719	75

Table 5.8: Downside Case Production Profile

5.10 Recoverable Resources

Total recoverable resources are based on the production from the existing producer (BR-X2Y) and the new well (BR-X4Z). The Gross and Net Reserves attributable to Brockham (and the existing producer) are shown in Table 5.9. The existing well was producing at a rate of approximately 35 bopd before being shut-in in 2015. Xodus assumed that this production continues, assuming annual decline rates of 15%, 12% and 10% respectively for respectively the Low, Best and High Cases and with production profiles ceasing after 15 years.

The Best Case simulation was chosen as the Best Case estimate of Contingent Resource, similarly the High Case and Low Case simulation models respectively were used for the High and Low Cases. The resulting Gross and Net Contingent Resources volumes are provided in Table 5.10.

Oil Reserves	**W.I.**	**Gross Volumes**			**Net to Angus**		
('000 bbl)		**1P**	**2P**	**3P**	**1P**	**2P**	**3P**
Brockham Field (PL 235)	55%	69	82	92	38	45	51

Table 5.9 Gross and Net Reserves for Brockham (in'000 bbl)

Oil Contingent Resources	**Gross Volumes**			**Net to Angus**		
('000 bbl)	**Low**	**Best**	**High**	**Low**	**Best**	**High**
Brockham-X5	89	237	283	49	130	156
Total Brockham Field	89	237	283	49	130	156

Table 5.10: Brockham Gross and Net Contingent Resources (in '000 bbl)

The recoverable volumes are contingent upon Angus achieving internal and external authorisation of its development plan and on securing adequate financing. This includes granting an extension of the licence expiry date by UK Government and receiving the appropriate consents and permissions from OGA, the Local Council, the EA and the HSE. Angus has informed Xodus that in respect of Brockham:

- it has submitted its well proposal and drilling programme report to the HSE on 10 October 2016 and expects to receive a response 21 days later;
- it has submitted its application to the EA for an environmental permit in relation to its work programme on 26 September 2016 under the Standard Rules and therefore expects that the application will be considered within a four week period and without public consultation;
- the planned works will be carried out under existing planning permission;
- it will submit its application for OGA consent to its work programme for Brockham once it has obtained the necessary environmental permit and confirmation from the HSE that it has no issues with its well proposal and drilling programme report.

The operational risk is deemed to be relatively small. However, the drilling and completion risk and reservoir risk is slightly higher than usual, given the historical well activity.

6 ECONOMIC EVALUATION

6.1 Fiscal Terms

Economic analysis was carried out using a discounted cash flow model to determine the British Pound Sterling present value of the forecasted monthly combined production from the Lidsey and Brockham fields up to the economic limit date.

6.1.1 Ring Fence Corporation Tax ("RFCT")

Corporate profits generated in the upstream oil and gas industry are liable for Ring Fence Corporation Tax ("RFCT") which is assessed against the upstream profits of the company. The RFCT tax rate is currently 30% and is assessed on an annual basis.

The following are allowable deductions for RFCT: PRT, operating expenditures, interest expenses, capital allowances (Capex is for tax purposes assumed to be fully depreciated within the year of incurred expenditure) and Ring Fence Expenditure Supplement ("RFES"). RFES provides a 10% uplift on losses carried forward from the previous year plus any losses from the current year.

6.1.2 Supplementary Charge ("SC")

The supplementary charge was introduced in 2002 and applies to all profits obtained from oil and gas production, and transportation and processing from 17 April 2002 onwards. From March 2016 SC is charged at a rate of 10% and is calculated in a very similar way to RFCT.

6.1.3 Onshore Allowances

Field allowances, including small field allowances, were abolished on 1 April 2015 and replaced by investment allowances.

Since the budget of April 2014 an allowance for onshore fields removes 75% of capital expenditure from the adjusted profit subject to the supplementary charge. An allowance is generated the same year a capital expense is incurred and any allowance not activated may be carried forward to the next period.

6.2 Economic Assumptions

6.2.1 Discounting

The monthly pre and post tax cash flows are discounted at a rate of 10% per annum from 1 September 2016. As this appears to be a high discount factor for the current economic climate, a sensitivity analysis was carried out to assess the effect of lower discount factors on project economics.

6.2.2 Oil price

For the purpose of this CPR, Xodus has used a Brent Crude oil price average USD 51 per bbl from September 2016 to September 2017 and USD 54 per bbl from September 2017 to September 2018. The oil price is then escalated monthly from September 2018 onwards at a rate of 2% per annum. These benchmark price forecasts are in line with futures prices at the time of writing this report. For produced oil from both fields a discount to Brent Crude of 4% is applicable as per the sales agreements, to account for trader margin and quality differentials. A fixed exchange rate forecast of 1.3 USD/ GBP is assumed.

6.2.3 Escalation

Operating expenditure and capital expenditure is inflated monthly at a rate of 2% per annum from 1 September 2016.

6.2.4 Operating costs

The operating costs as presented by Angus were reviewed and generally found to accurately reflect the required levels of operating expenditure. The basis for Opex estimates are historically achieved expenditures, and corrections are made for the effects of future field improvements and scale of operations.

6.2.5 Capital expenditure

The Capital expenditure is discussed in the further field development plans and is related with general improvements on the site facilities, preparing the facilities for increased production levels and with drilling one horizontal well in each field. Abandonment costs have been estimated as a percentage of total Capex (Table 6.1).

Capital expenditure	Units	Lidsey	Brockham	Combined
Drillex	GBP	2,275,172	1,142,119	3,417,291
Facilities	GBP	320,280	314,932	635,212
Abandonment	% of Capex	10%	10%	10%

Table 6.1: Capital expenditure summary

The main Capex element is the cost to drill and complete the wells. Xodus reviewed the well cost AFEs provided by Angus against in-house benchmarks and found that the Angus estimates provide a good base case estimate.

6.3 Results

The Net Present Value ("NPV") of the Reserves in Lidsey and Brockham are presented in Table 6.2.

NPV(10), 1 Sept 2016, GBP '000	P90	P50	P10
Pre Tax Project (100%)	152	196	247
Post Tax Project (100%)	152	196	247
Pre Tax Angus	84	108	136
Post Tax Angus	84	108	136

Table 6.2: Net Present Values Reserves Lidsey and Brockham

The NPV of the Contingent Resources on the two fields upon successfully implementing the development plans is as per Table 6.3.

NPV(10), 1 Sept 2016, GBP MM	P90	P50	P10
Pre Tax Project (100%)	1.2	10.4	15.6
Post Tax Project (100%)	1.2	8.5	11.9
Pre Tax Angus Ltd	0.1	4.3	6.5
Post Tax Angus Ltd	0.1	4.2	6.0

Table 6.3: NPV of Contingent Resources Lidsey & Brockham

NPV(10), 1 Sept 2016, GBP MM	DF 10%	DF 8%	DF 6%
Post Tax Angus Ltd P50	4.2	4.7	5.4
NPV(10), 1 Sept 2016, GBP MM	**PI[23] 2%**	**PI 2.5%**	**DF 3%**
Post Tax Angus Ltd P50	4.2	4.4	4.5

Table 6.4: NPV of Contingent Resources Lidsey & Brockham

[23] PI = Oil Price Inflation

7 CONCLUSIONS

Xodus has reviewed the available information on the Lidsey and Brockham fields and concludes that Angus has performed a reasonable and robust interpretation of the available data. The production profile ranges presented in this report reflect the status of current understanding of the fields and Angus's development plans.

Xodus believes that the figures in this report accurately reflect the potential on the two fields given current knowledge.

8 NOMENCLATURE

Term	Meaning	Units of measurement
2D	Two dimensional seismic data covering length and depth of a given geological surface	
3D	Three dimensional seismic data covering length, breadth and depth of a given geological surface	
AAPG	American Association of Petroleum Geologists	
AIM	Alternative Investment Market of the London Stock Exchange	
API	American Petroleum Institute	
AVO	Amplitude versus offset or amplitude variation with offset is often used as a direct hydrocarbon indicator	
Best Estimate	An estimate representing the best technical assessment of projected volumes. Often associated with a central, P_{50} or mean value	
BS&W	Base Solids and Water	
bwpd	Barrels of Water Per Day	
CF-1	Collendean Farm-1 well	
Contingent Resources	Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.	
COS	Exploration or geological chance of success. The probability, typically expressed as a percentage that a given outcome will occur.	

CPI	Computer-processed interpretation	
D	Day	
Ft	Foot/feet	ft
º F / º C	Degrees Fahrenheit / Centigrade	
FDP	Field Development Programme	
FVF	Formation Volume Factor	rb/stb
FWL	Free water level	
GDT	Gas Down To	ft or m
GIIP	Gas Initially In Place	
GR	Gamma ray	
GOR	Gas Oil Ratio	
GRV	Gross Rock Volume	
GWC	Gas-water contact	
H	Thickness	ft or m
High Estimate	An estimate representing the high technical assessment of projected volumes. Often associated with a high or P_{10} value	
HCIIP	Hydrocarbons Initially in Place	
HH-1	Horse Hill-1 well	
K	Permeability	mD
k_a	Air permeability	mD
Kh	Permeability-thickness	mDft
Km	Kilometres	km
Kw	Water Permeability	mD
Lead	A feature identified on seismic data that has the potential to become a prospect. Usually a Lead is associated with poorer quality or limited 2D seismic data.	
LKG	Lowest Known Gas	ft or m
Low Estimate	An estimate representing the low technical assessment of projected volumes. Often associated with a low or P_{90} value.	High Estimate
M	Metres	
MD	Measured depth	ft or m
mD	Millidarcies	

MDRKB	Measured Depth Rotary Kelly Bushing	ft or m
MDBRT	Measured depth Below Rotary Table	ft or m
MDT	Modular Dynamic Tester	
Mean	The arithmetic average of a set of values	
msec	Millisecond	
MM	Million	
MMbo	Millions of barrels of oil	
MMboe	Millions of barrels of oil equivalent	
MMstb	Millions of barrels of stock tank oil	
MSL	Mean Seal Level	
N/G	Net to Gross	
OBM	Oil based mud	
ODT	Oil down to	
OWC	Oil water contact	
P_{10}	The probability of that a stated volume will be equalled or exceeded. In this example a 10% chance that the actual volume will be greater than or equal to that stated.	
P_{50}	The probability of that a stated volume will be equalled or exceeded. In this example a 50% chance that the actual volume will be greater than or equal to that stated.	
P_{90}	The probability of that a stated volume will be equalled or exceeded. In this example a 90% chance that the actual volume will be greater than or equal to that stated.	
P_{99}	The probability of that a stated volume will be equalled or exceeded. In this example a 99% chance that the actual volume will be greater than or equal to that stated.	
P_{res}	Reservoir pressure	psi
PEDL	Petroleum Exploration and Development Licence	
PL	Production Licence	
Ppg	pounds per gallon	
Producing	Related to development projects (e.g. wells and platforms): Active facilities, currently involved in the extraction (production) of hydrocarbons from	

	discovered reservoirs.
Prospective Resources	Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.
PVT	Pressure Volume Temperature: Measurement of the variation in petroleum properties as the stated parameters are varied.
REP	Reserves Evaluation Programme - REP5 software from Logicom E&P
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.
Rw	Water resistivity
SCAL	Special Core Analysis – Measurement of porosity, permeability, water saturation etc of core samples
Seismic	Use of sound waves generated by controlled explosions to ascertain the nature of the subsurface geological structures. 2D records a cross section through the subsurface while 3Dprovides a three dimensional image of the subsurface.
SNS	Southern North Sea
So	Oil saturation

STOIIP	Stock tank oil initially in place	
SPE	Society of Petroleum Engineers	
SPEE	Society of Petroleum Evaluation Engineers	
Sw	Water saturation	ratio
TD	Total depth	ft or m
TVDBRT	True vertical depth below rotary table	ft or m
TVDSS	True vertical depth sub sea	ft or m
TWT	Two Way Time	ms or s
VoK	Average velocity function for depth conversion of time based seismic data, where Vo is the initial velocity and k provides information on the increase or decrease in velocity with depth. V0+k therefore provides a method of depth conversion using a linear velocity field, increasing or decreasing with depth for each geological zone.	
VSP	Vertical Seismic Profile	
W/C	Water Cut	
WGR	Water gas ratio	
WHP	Wellhead pressure	psi
WPC	World Petroleum Council	
WUT	Water up to	

9 REFERENCES

Resource Classification

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Lidsey

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Brockham

9. Brockham-1 Production Testing Report, L Mackie, BP Petroleum Development Ltd, July 1989
10. Brockham infill well reservoir modelling study, Tracs, 2007
11. Brockham well history, S.Girling, Midmar
12. Special core analysis study for Teredo Petroleum Well Brockham-1, Corex Services, 1991

XODUS & AUTHOR CREDENTIALS

Xodus is an independent, international energy consultancy. Established in 2005, the company has 300+ subsurface and surface focused personnel spread across thirteen offices in Aberdeen, Anglesey, Dubai, Edinburgh, Glasgow, The Hague, Houston, London, Orkney, Oslo, Perth and Southampton.
The wells and subsurface division specialise in petroleum reservoir engineering, geology and geophysics and petroleum economics. All of these services are supplied under an accredited ISO9001 quality assurance system.
Except for the provision of professional services on a fee basis, Xodus has no commercial arrangement with any person or company involved in the interest that is the subject of this report.

Jonathan Fuller
Jonathan (Jon) Fuller is the Global Head of Advisory for Xodus and was responsible for supervising this evaluation. A Reservoir Engineer, with a strong commercial experience he has 22 years of international experience in both International Oil Companies, large Service Companies and Consultancy organisations. The last 10 years he has been the technical and project management lead on reserve / resource evaluations in M&A, competent person reports and expert opinion linked bank and institutional investment (both debt and equity).
Jon has an M.Eng (Hons)in Engineering Science from Oxford University, a Master's Degree in Petroleum Engineering from Heriot-Watt, and an MBA from INSEAD. He is a member of the Society of Petroleum Engineers (SPE), and the Association of International Petroleum Negotiators (AIPN).

David McGurk
David McGurk is a Principal Geophysicist with almost 14 years' experience in structural and quantitative interpretation, reservoir characterisation and prospect generation. He has a broad, varied skill-set with a regional focus on West Africa, in particular the transform margin from Gambia to Cote d'Ivoire.

David has a background in consultancy and operating companies; recently working with Tullow Oil's research group supporting West African and South American assets and New Ventures. He previously worked for Senergy working as a consultant geophysicist on a wide range of projects including being a member of the commercial team working on asset evaluations and reserves audits. He is highly computer literate with experience in using all major packages for interpretation and geophysical analysis. David has a BSc in Geology from Queens University Belfast and an MSc in Tectonics from Royal Holloway.

Andrew O'Connell
Andrew O'Connell is a Senior Geologist with a broad and deep international E&P experience. He is certified Petrel Specialist in Geology and Modelling.

He began his career as a mudlogger and data engineer in the Danish sector of the North Sea, Georgia and Equatorial Guinea before completing his MSc. He subsequently worked on exploration and new ventures projects for Regal Petroleum and Gulf Keystone. In 2008 Andrew joined Senergy and worked as a consultant geologist on projects covering many aspects of E&P but primarily in field development, reservoir modelling and asset evaluation projects. Andrew has a BSc in Applied and Environmental Geology from the University of Birmingham and an MSc in Petroleum Geoscience from Imperial College, London.

Fabrice Toussaint

Fabrice is a versatile executive manager and leader with Petroleum Engineering as his core competency. With over 18 years of international and domestic experience in oil and gas operations in on and off-shore, assets evaluation and management Fabrice has gained invaluable experience in the commercialisation of marginal projects. He has worked as a consultant petroleum engineer for six years following senior roles in both small and large oil companies and major service providers.

PART IV

(A) ACCOUNTANT'S REPORT ON THE FINANCIAL INFORMATION OF THE COMPANY

7 November 2016

The Directors
Angus Energy plc
Building 3
Chiswick Park
566 Chiswick High Street
London W4 5YA

Crowe Clark Whitehill LLP
Chartered Accountants
Member of Crowe Horwath International
St Bride's House
10 Salisbury Square
London EC4Y 8EH, UK

The Directors
Beaumont Cornish Limited
2nd Floor
Bowman House
29 Wilson Street
London EC2M 2SJ

Dear Sirs,

Introduction

We report on the audited historical financial information of Angus Energy Plc (the "Company") for the period from incorporation on 1 June 2015 to 31 March 2016 (the "Company Financial Information"). The Company Financial Information has been prepared for inclusion in Part IV(B) "*Financial Information of the Company*" of the Company's AIM admission document dated 7 November 2016 (the "Document"), on the basis of the accounting policies set out in note 2 to the Company Financial Information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Company Financial Information on the basis of preparation set out in note 2 to the Company Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Company Financial Information as to whether the Company Financial Information gives a true and fair view, for the purposes of the Document, and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of opinion

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

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

Opinion

In our opinion, the Company Financial Information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at 31 March 2016 and of the results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the Company Financial Information, has been prepared in accordance with IFRS and that it has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe Clark Whitehill LLP
Chartered Accountants

(B) FINANCIAL INFORMATION ON THE COMPANY

Statement of Financial Position

The audited statement of financial position of the Company as at 31 March 2016 is stated below:

	Note	*31 March 2016* £
Assets		
Non-current assets		
Investment in subsidiary	4	1,700,249
Current assets		
Cash and cash equivalents		1
Total Assets		1,700,250
Equity and liabilities		
Capital and reserves		
Share capital	3	200,000
Merger reserve		1,500,250
Retained earnings		—
Total equity attributable to equity holders of the parent		1,700,250
Total liabilities		—
Total equity and liabilities		1,700,250

Statement of Comprehensive Income

The audited statement of comprehensive income of the Company from the date of incorporation on 1 June 2015 to 31 March 2016 is stated below:

	Period ended 31 March 2016 £
Revenue	—
Finance costs	—
Profit for the period	—
Total comprehensive income attributable to equity owner	—

Statement of Changes in Equity

The audited statement of changes in equity of the Company for period from incorporation on 1 June 2015 to 31 March 2016 are set out below:

	Share capital £	*Merger reserve* £	*Retained earnings* £	*Total equity* £
On incorporation	1	—	—	1
Retained profit for the period	—	—	—	—
Share issue	199,999	1,500,250	—	1,700,249
Other comprehensive income for the period	—	—	—	—
As at 31 March 2016	200,000	1,500,250	—	1,700,250

Share capital comprises the ordinary issued share capital of the Company.

The merger reserve comprises the excess above the nominal value of the new Ordinary Shares Issued as part of the share-for-share exchange in October 2015.

Retained earnings represent the aggregate retained earnings of the Company.

Statement of Cash Flows

The audited cash flow statement of the Company from the date of incorporation on 1 June 2015 to 31 March 2016 is set out below:

	Period ended 31 March 2016 £
Financing activities	
Proceeds from issue of share capital	1
Net cash from financing activities	1
Net increase in cash and cash equivalents	1
Cash and cash equivalents at beginning of period	—
Cash and cash equivalents at end of period	1

Notes to the Company Financial Information

1. General Information

The Company was incorporated in England and Wales on 1 June 2015 as a private limited company. Its registered office is located at Building 3, Chiswick Park, 566 Chiswick High Street, London, W4, 5YA. The Company did not trade during the period ended 31 March 2016.

The Company's objective is that of a holding company.

The Company Financial Information has been prepared in accordance with IFRS. The standards have been applied consistently (except as otherwise stated).

2. Accounting Policies

Basis of preparation

The Company's objective is extraction of crude petroleum. The Directors have concluded that it is appropriate for the Company Financial Information to be prepared on a going concern basis.

The Company Financial Information is presented in British Pounds Sterling ("£").

The Company Financial Information has been prepared on a historical basis as varied by the use of fair value in accordance with applicable law and IFRS.

Cash and cash equivalents

Cash in the statement of financial position and the statement of cash flows is cash held on call with banks.

Financial assets

The Directors classify the Company's financial assets as loans and receivables at fair value through profit or loss. The Directors determine the classification of the Company's financial assets at initial recognition. The financial assets held comprise cash and cash equivalents and these are classified as loans and receivables.

Comparative figures

No comparative figures have been presented as the Company Financial Information covers the period from incorporation on 1 June 2015 to 31 March 2016.

Standards and interpretations issued but not yet applied

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the European Union.

The Directors do not expect that the adoption of these standards will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments, IFRS 15 may have an impact on revenue recognition and related disclosures and IFRS 16 will have an impact on the recognition of operating leases. At this point it is not practicable for the Directors to provide a reasonable estimate of the effect of these standards as their detailed review of these standards is still ongoing.

Use of assumptions and estimates

In preparing the Company Financial Information, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the Company Financial Information.

3. Share capital

Ordinary Shares	*£*
Issued and paid up: 20,000,000 shares at £0.01	200,000

The Company was incorporated on 1 June 2015. On incorporation, the par value of Ordinary Shares was £1 per Ordinary Share.

On 14 October 2015 by way of a special resolution, the Company's existing 1 Ordinary Share of £1 was subdivided into 100 Ordinary Shares, with a nominal value of £0.01 each.

On 14 October 2015, by way of a share for share exchange, a further 19,999,900 Ordinary Shares were issued in the Company.

At 31 March 2016, there were 20,000,000 Ordinary Shares in issue, with a nominal value of £0.01p per Ordinary Share.

4. Investment in subsidiary

On 14 October 2015, the Company entered into agreements with all of the holders of ordinary shares in AHL at such time, for a share for share exchange regarding the ordinary shares in Angus Energy Holdings UK Limited and Ordinary Shares in the Company. Under the terms of the agreement, the sellers sold in AHL the ordinary shares with full title guarantee and limited warranties in consideration for an equal percentage of the shareholding at such time in the Company.

The carrying value of the Company's investment in AHL at 31 March 2016 was £1,700,250 being the audited net assets for the year ended 30 September 2015.

5. Earnings per Ordinary Share

The calculation for earnings per Ordinary Share (basic and diluted) for the relevant period is based on the profit after income tax attributable to equity holder for the period from incorporation on 31 March 2016 to 30 April 2016 and is as follows:

Profit attributable to equity holders (£)	—
Weighted average number of Ordinary Shares*	20,000,000
Earnings per Ordinary Share (£)	—

6. Director's emoluments

No emoluments were paid to the Directors during the period under review.

7. Financial instruments

All of the Company's financial assets are classified as loans and receivables. As at 31 March 2016, the Company's financial assets comprised £1 of cash and cash equivalents.

8. Ultimate controlling party

There was no ultimate controlling party of the Company at the balance sheet date.

9. Subsequent events

On 22 April 2016, the Company issued a further 10,000,000 Ordinary Shares.

On 13 October 2016, the Company re-registered as a public company under the name Angus Energy Plc.

10. Nature of the Company Financial Information

The Company Financial Information presented above does not constitute statutory accounts for the period ended 31 March 2016.

(C) ACCOUNTANT'S REPORT ON THE FINANCIAL INFORMATION OF THE AHL GROUP

7 November 2016

The Directors
Angus Energy plc
Building 3
Chiswick Park
566 Chiswick High Street
London W4 5YA

Crowe Clark Whitehill LLP
Chartered Accountants
Member of Crowe Horwath International
St Bride's House
10 Salisbury Square
London EC4Y 8EH, UK

The Directors
Beaumont Cornish Limited
2nd Floor
Bowman House
29 Wilson Street
London EC2M 2SJ

Dear Sirs,

Introduction

We report on the audited historical financial information of Angus Energy Holdings UK Limited and its wholly owned subsidiaries, Angus Energy Weald Basin No.1 Limited, Angus Energy Weald Basin No.2 Limited and Angus Energy Weald Basin No.3 Limited (together, the "AHL Group") for the three years ended 30 September 2015 and the six-month period ended 31 March 2016 (the "AHL Group Financial Information"). The AHL Group Financial Information has been prepared for inclusion in Part IV(D) *"Financial Information of the AHL Group"* of Angus Energy Plc's (the "Company") AIM admission document dated 7 November 2016 (the "Document"), on the basis of the accounting policies set out in note 3 to the AHL Group Financial Information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

We have neither audited nor reviewed the AHL Group financial information for the six-month period ended 31 March 2015 which has been included for comparative purposes only and accordingly do not express an opinion thereon.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the AHL Group Financial Information on the basis of preparation set out in note 2 to the AHL Group Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the AHL Group Financial Information as to whether the AHL Group Financial Information gives a true and fair view, for the purposes of the Document, and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter

for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of opinion

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

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

Opinion

In our opinion, the AHL Group Financial Information gives, for the purposes of the Document, a true and fair view of the state of affairs of the AHL Group as at 30 September 2013, 30 September 2014, 30 September 2015 and 31 March 2016 and of the results, cash flows and changes in equity for the years ended 30 September 2013, 30 September 2014 and 30 September 2015 and for the six-month period ended 30 June 2016 in accordance with the basis of preparation set out in note 2 to the AHL Group Financial Information, has been prepared in accordance with IFRS and that it has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe Clark Whitehill LLP
Chartered Accountants

(D) FINANCIAL INFORMATION ON THE AHL GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	*Audited years ended 30 September* 2013 £	2014 £	2015 £	*Audited 6 months ended 31 March* 2016 £	*Unaudited 6 months ended 31 March* 2015 £
Revenue	5	915,308	801,373	445,886	72,966	271,586
Cost of sales		(343,201)	(275,701)	(254,112)	(111,333)	(86,270)
Gross profit/(loss)		572,107	525,672	191,774	(38,367)	185,316
Other income	7	—	114,340	112,109	75,000	8,000
Administrative expenses		(1,057,876)	(1,083,092)	(1,349,320)	(954,591)	(416,726)
Operating loss	6	(485,769)	(443,080)	(1,045,437)	(917,958)	(223,410)
Finance income	8	13,942	20,813	27,033	13,539	11,565
Impairment of amount due from directors	16	—	—	(630,682)	(69,856)	(718,081)
Impairment of investment in HHDL	22	—	—	(970,000)	—	(970,000)
(Loss) on disposal of AFS financial investments	14	—	(111,188)	—	(71,164)	—
Gain on disposal of oil production assets	9	394,295	1,061,385	140,586	—	—
Gain on disposal of investment in HHDL	22	—	1,439,760	431,928	700,992	431,928
(Loss/profit) before taxation		(77,532)	1,967,690	(2,046,572)	(344,447)	(1,467,998)
Taxation	11	555	701	9,180	—	—
(Loss/profit) for the period		(76,977)	1,968,391	(2,037,392)	(344,447)	(1,467,998)
Items that may be reclassified subsequently to profit or loss:						
Other comprehensive income						
AFS financial investment – change in fair value		—	(111,188)	—	(27,532)	—
Less: amount reclassified to profit or loss		—	111,188	—	71,164	—
Total comprehensive (Loss/profit) for the period		(76,977)	1,968,391	(2,037,392)	(300,815)	(1,467,998)
(Loss/profit) for the period attributable to:						
Owners of the parent		(74,917)	1,932,163	(1,992,239)	(311,171)	(1,430,425)
Non-controlling interest		(2,060)	36,228	(45,153)	(33,276)	(37,573)
		(76,977)	1,968,391	(2,037,392)	(344,447)	(1,467,998)
Total comprehensive (Loss/profit) attributable to:						
Owners of the company		(74,917)	1,932,163	(1,992,239)	(267,539)	(1,430,425
Non-controlling interest		(2,060)	36,228	(45,153)	(33,276)	(37,573)
		(76,977)	1,968,391	(2,037,392)	(300,815)	(1,467,998)
Earnings per Ordinary Share attributable to owners of the parent:	19					
Basic and diluted EPS		(379)	9,661	(9,961)	(1,556)	(7,152)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Audited as at 30 September 2013 £	2014 £	2015 £	Audited As at 31 March 2016 £	Unaudited As at 31 March 2015 £
ASSETS						
Non-current assets						
Property, plant and equipment	12	30,855	21,615	12,576	10,231	18,128
Oil production assets	13	399,601	586,812	541,663	540,417	601,735
Total non-current assets		430,456	608,427	554,239	550,648	619,863
Current assets						
Trade and other receivables	16	668,059	1,074,381	340,724	372,901	261,858
Available for sale financial investments	14	—	—	—	228,394	—
Cash and cash equivalents	17	65,270	41,404	13,198	34,865	27,762
		733,329	1,115,785	353,922	636,160	289,620
Asset held for sale	22	—	1,440,160	792,088	432,048	792,088
Total current assets		733,329	2,555,945	1,146,010	1,068,208	1,081,708
TOTAL ASSETS		1,163,785	3,164,372	1,700,249	1,618,856	1,701,571
EQUITY						
Equity attributable to owners of the parent:						
Share capital	18	200	200	200	200	200
Other reserve		—	—	—	43,632	—
Accumulated profits		85,474	2,017,637	25,398	(285,773)	587,212
Total shareholders' equity		85,674	2,017,837	25,598	(241,941)	587,412
Non-controlling interest	20	(131,280)	(95,052)	(140,205)	(173,481)	(132,625)
TOTAL EQUITY		(45,606)	1,922,785	(114,607)	(415,422)	454,787
Current liabilities						
Trade and other payables	21	708,690	741,587	1,314,856	1,534,278	746,784
Income tax payable		—	—	—	—	—
Total current liabilities		708,690	741,587	1,314,856	1,534,278	746,784
Non-current Liabilities						
Provisions	23	500,701	500,000	500,000	500,000	500,000
Total non-current liabilities		500,701	500,000	500,000	500,000	500,000
TOTAL LIABILITIES		1,209,391	1,241,587	1,814,856	2,034,278	1,246,784
TOTAL EQUITY AND LIABILITIES		1,163,785	3,164,372	1,700,249	1,618,856	1,701,571

All amounts are derived from continuing operations.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	*Other Reserve*	*Retained earnings*	*Total*	*Non-controlling interests*	*Total equity*
	£	£	£	£	£	£
Balance at 1 October 2012	100	—	160,391	160,491	(129,220)	31,271
Loss for the year	—	—	(74,917)	(74,917)	(2,060)	(76,977)
Total comprehensive loss for the year	—	—	(74,917)	(74,917)	(2,060)	(76,977)
Transaction with owners						
Issue of shares	100	—	—	100	—	100
Balance at 30 September 2013	200	—	85,474	85,674	(131,280)	(45,606)
Profit for the year	—	—	1,932,163	1,932,163	36,228	1,968,391
Total comprehensive income for the year	—	—	1,932,163	1,932,163	36,228	1,968,391
Balance at 30 September 2014	200	—	2,017,637	2,017,837	(95,052)	1,922,785
Loss for the year	—	—	(1,992,239)	(1,992,239)	(45,153)	(2,037,392)
Available for sale financial investment–change in fair value	—	(111,188)	—	(111,188)	—	(111,188)
Less: amount reclassified to profit or loss	—	111,188	—	111,188	—	111,188
Total comprehensive income for the year	—	—	(1,992,239)	(1,992,239)	(45,153)	(2,037,392)
Balance at 30 September 2015	200	—	25,398	25,598	(140,205)	(114,607)
Loss for the period	—	—	(311,171)	(311,171)	(33,276)	(344,447)
Available for sale financial investment –change in fair value	—	(27,532)	—	(27,532)	—	(27,532)
Less: amount reclassified to profit or loss	—	71,164	—	71,164	—	71,164
Total comprehensive income for the period	—	43,632	(311,171)	(267,539)	(33,276)	(300,815)
Balance at 31 March 2016	200	43,632	(285,773)	(241,941)	(173,481)	(415,422)
Balance at 30 September 2014	200	—	2,017,637	2,017,837	(95,052)	1,922,785
Loss for the period	—	—	(1,430,425)	(1,430,425)	(37,573)	(1,467,998)
Total comprehensive income for the period	—	—	(1,430,425)	(1,430,425)	(37,573)	(1,467,998)
Balance at 31 March 2015	200	—	587,212	587,412	(132,625)	454,787

CONSOLIDATED STATEMENT OF CASH FLOWS

		Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	Note	*2013*	*2014*	*2015*	*2016*	*2015*
		£	*£*	*£*	*£*	*£*
Cash flow from operating activities						
(Loss/profit) for the period before taxation		(77,532)	1,967,690	(2,046,572)	(344,447)	(1,467,998)
Adjustment for:						
Loss on disposal of available for sale financial assets		—	111,588	—	71,164	—
(Gain)/loss on disposal of equipment		(4,660)	7,100	2,880	—	—
Gain on disposal of oil production assets		(394,295)	(1,061,385)	(140,586)	—	—
Gain on disposal of subsidiary		—	(1,439,760)	(431,928)	(700,992)	(431,928)
Impairment of amount due from director		—	—	630,682	69,856	718,081
Impairment of amount due from HHDL		—	—	970,000	—	970,000
Interest receivables		(13,942)	(20,813)	(27,033)	(13,539)	(11,565)
Depreciation of owned assets		7,508	12,498	8,654	3,591	4,955
Cash used in operating activities before changes in working capital		(482,921)	(423,082)	(1,033,903)	(914,367)	(218,455)
Change in trade and other receivables		(56,284)	(32,397)	19,790	(32,177)	(761,344)
Change in other payables and accruals		167,271	59,997	573,270	127,564	5,197
Cash generated from operating activities		(371,934)	(395,482)	(440,843)	(818,980)	(974,602)
Income tax paid		12,968	—	9,177	—	—
Net cash flow used in operations		(358,966)	(395,482)	(431,666)	(818,980)	(974,602)
Cash flow from investing activities						
Proceeds from disposal of equipment		8,089	—	—	—	—
Proceeds from disposal of production assets		450,000	490,000	191,315	—	—
Proceeds from disposal of HHDL interest		—	—	1,080,000	488,730	970,000
Loan (advance)/repaid to director		(122,548)	(293,512)	110,218	(56,317)	7,351
Loan advance to investment in HHDL		—	—	(970,000)	—	—
Proceeds from disposal of Available for sale financial investments		—	614,362	—	433,234	—
Acquisition of equipment		(29,470)	(351,734)	(8,073)	—	(16,391)
Net cash flow from investing activities		306,071	459,116	403,460	865,647	960,960
Cash flow from financing activities						
Proceeds from issuance of Ordinary Shares		100	—	—	—	—
Loan advanced/(repaid) from shareholder		104,880	(87,500)	—	(25,000)	—
Net cash from/(used in) financing activities		104,980	(87,500)	—	(25,000)	—
Net increase/decreaes in cash & cash equivalents		52,085	(23,866)	(28,206)	21,667	(13,642)
Cash and equivalent at beginning of period		13,185	65,270	41,404	13,198	41,404
Cash and equivalent at end of period		65,270	41,404	13,198	34,865	27,762

NOTES TO THE AHL GROUP FINANCIAL INFORMATION

1. General information

AHL is incorporated and domiciled in the United Kingdom. The address of the registered office is 7 Hopetoun Crescent, Edinburgh EH7 4A.

The principal activity of AHL is that of investment holding and the provision of consultancy services to third parties. The principal activity of the AHL Group is that of an oil extraction for distribution to third parties. The principal activities of the various operating subsidiaries are disclosed in Note 15 to the AHL Group Financial Information.

On 2 July 2012, AWB 1 was incorporated and domiciled in the United Kingdom. The company is a wholly owned subsidiary of AHL.

On 6 July 2012, AWB 1 acquired 95 per cent. of the entire share capital of Key Petroleum (UK) Limited and Key Petroleum Weald Basin Limited from Key Petroleum Limited, a company incorporated in Australia, for cash consideration of £100,000.

On 30 July 2012, Key Petroleum Weald Basin Limited was renamed to AWB 3. On 1 August 2012, Key Petroleum (UK) Limited was renamed to AWB 2. Both companies are incorporated and domiciled in the United Kingdom.

On 14 October 2015, AHL entered into agreements with all of the shareholders of the Company, for a share for share exchange regarding the ordinary shares in AHL and Ordinary Shares in the Company. As a result of this transaction, the ultimate shareholders in the Company received shares in AHL in direct proportion to their original shareholdings in AHL.

The AHL Group entered into farm out arrangements with a group of third parties to divest the AHL Group's interest in the oil production assets at Brockham and Lidsey. Further details in relation to these arrangements are disclosed in Note 13 to the AHL Group Financial Information.

2. Presentation of the AHL Group Financial Information

The AHL Group Financial Information has been prepared in accordance with IFRS.

The AHL Group Financial Information has been presented in Pounds Sterling as this is the currency of the primary economic environment that the AHL Group operates in.

3. Accounting policies

The principal accounting policies applied in the preparation of the AHL Group Financial Information is set out below.

3.1 *Basis of accounting*

The AHL Group Financial Information has been prepared in accordance with IFRS. The AHL Group Financial Information has been prepared on the historical cost basis except for certain assets which are stated at their fair value.

3.2 *New standards, amendments to and interpretations to published standards not yet effect*

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

The directors do not expect that the adoption of these standards will have a material impact on the financial information of the AHL Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. At this point, it is not practicable for the directors to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 as their detailed review of these standards is still ongoing.

3.3 ***Going concern***

The AHL Group Financial Information has been prepared on a going concern basis.

In considering the appropriateness of this basis of preparation, the Directors have reviewed the Group's working capital projections for a minimum of 12 months from the date of the approval of the AHL Group Financial Information. As at 31 March 2016, the AHL Group had £35,000 of available cash, with a net fund raising of £3,027,500 subsequent to that date. Based on the current management plan, the Directors believe that these funds are sufficient for the expenditure to date as well as the projected expenditure for the forthcoming 12 months.

3.4 ***Basis of consolidation***

The AHL Group Financial Information comprises the financial information of AHL and its subsidiaries (the "AHL Group") made up to the end of the reporting period. Control is achieved when the AHL Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The AHL Group Financial Information presents the results of AHL and its subsidiaries and joint arrangements as if they formed a single entity. Inter-company transactions and balances between group companies are therefore eliminated in full. The financial information of subsidiaries is included in the AHL Group Information from the date that control commences until the date that control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the AHL Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the AHL Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the AHL Group are eliminated in full on consolidation.

3.5 ***Business combinations and goodwill***

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the AHL Group elects whether to measure non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the AHL Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Those acquired petroleum reserves and resources that can be reliably measured are recognised separately in the assessment of fair values on acquisition. Other potential reserves, resources and rights, for which fair values cannot be reliably measured, are not recognised separately, but instead are subsumed in goodwill.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of the identifiable net assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the AHL Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating units and part of the operation in that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating units retained.

3.6 ***Investment in associate and joint venture***

An associate is an entity over which the AHL Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint controls are similar to those necessary to determine control over subsidiaries.

The AHL Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the AHL Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

For the period under review, the director considers that the AHL Group does not have any such joint arrangement at its current farm-out operations, as disclosed in Note 13 to the AHL Group Financial Information.

3.7 ***Property, plant and equipment***

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25 per cent. straight line
Plant and machinery	-	20 per cent. straight line
Motor vehicles	-	20 per cent. straight line

3.8 ***Oil and natural gas exploration, evaluation and development expenditure***

Oil and natural gas exploration, evaluation and development expenditure is accounted for using the successful efforts method of accounting.

(a) *Licence and property acquisition costs*

Licence and property leasehold acquisition costs are capitalised within intangible fixed assets and amortised on a straight-line basis over the estimated period of exploration. Upon determination of economically recoverable reserves amortisation ceases and the remaining costs are aggregated with exploration expenditure and held on a field-by-field basis as proved properties awaiting determination within intangible fixed assets. When development is sanctioned, the relevant expenditure is transferred to tangible production assets.

(b) *Exploration expenditure*

Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalised as an intangible asset until drilling of the well is complete and the results have been evaluated. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found, and, subject to further appraisal activity, are likely to be capable of commercial development, the

costs continue to be carried as an asset. All such carried costs are subject to regular technical, commercial management review to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proven and probable reserves of oil and gas are determined and development is sanctioned, the relevant expenditure is transferred to tangible production assets.

(c) *Development expenditure*

Expenditure on the construction, installation and completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within tangible production assets.

(d) *Maintenance expenditure*

Expenditure on major maintenance, refits or repairs is capitalised where it enhances the performance of an asset above its originally assessed standard of performance; replaces an asset or part of an asset which was separately depreciated and which is then written off; or restores the economic benefits of an asset which has been fully depreciated. All other maintenance expenditure is charged to income as incurred.

3.9 ***Financial instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) *Financial assets*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale (AFS) financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date at which the AHL Group commits to purchase or sell the asset.

The AHL Group's financial assets include cash and cash equivalents, trade and other receivables and non-derivative financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available for sale financial investments.

The AHL Group does not designate any financial assets not held for trading as financial assets at fair value through profit and loss nor has any held to maturity investments

(i) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulate gain or loss previously reported in equity is included in the statement of comprehensive income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant stock exchange's quoted market bid prices at the close of business on the statement of financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

(b) *Financial liabilities and equity instruments*

Classification as debt or equity

Financial liabilities and equity instruments issued by the AHL Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the AHL Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The AHL Group derecognises financial liabilities when, and only when, the AHL Group's obligations are discharged, cancelled or they expire.

3.10 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.11 ***Impairment of assets***

(a) *Financial assets*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is recognised in the profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(b) *Non-financial assets*

The carrying amounts of the AHL Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.12 ***Oil and gas production assets***

Oil and gas production assets are depreciated using a unit production method. The cost of producing wells is amortised over total proved and undeveloped oil and gas reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area. The unit-of-production rate calculation for the depreciation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

In accounting for a farm-out arrangement outside the exploration and evaluation phase, the Group:

- derecognises the proportion of the asset that it has sold to the farmee;
- recognises the consideration received or receivable from the farmee, which represents the cash received and/or the farmee's obligation to fund the capital expenditure in relation to the interest retained by the farmor;
- recognises a gain or loss on the transaction for the difference between the net disposal proceeds and the carrying amount of the asset disposed of. A gain is recognised only when the value of the consideration can be determined reliably. If not, then the AHL Group accounts for the consideration received as a reduction in the carrying amount of the underlying assets; and
- tests the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired.

The consideration receivable on disposal of an item of property, plant and equipment or an intangible asset is recognised initially at its fair value by the AHL Group. However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue. Any part of the consideration that is receivable in the form of cash is treated as a financial asset and is accounted for at amortised cost.

3.13 ***Income tax***

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The AHL Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the AHL Group and its subsidiaries operate by the end of the financial period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3.14 ***Contingent liabilities and contingent assets***

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the AHL Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the AHL Group. Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3.15 ***Share capital***

Ordinary Shares are recorded at nominal value and proceeds received in excess of nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly to the issue of shares are accounted for as a deduction from share premium, otherwise they are charged to the profit or loss.

3.16 ***Operating lease agreements***

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

3.17 ***Foreign currencies***

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

3.18 ***Decommissioning***

Provision for decommissioning is recognised in full on the installation of oil and gas production facilities. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the production and transportation facilities. Any change in the present value of the estimated expenditure is reflected in an adjustment to the provision and fixed asset.

3.19 ***Revenue***

Revenue comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from the sale of oil and petroleum products is recognised when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenue from provision of consultancy services is recognised as services are rendered generally based on the negotiated hourly rate in the consulting arrangement and the number of hours worked during the period.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

3.20 ***Events after the balance sheet date***

Post period-end events that provide additional information about the AHL Group's position are reflected in the AHL Group Financial Information. Post period-end events that are not adjusting events are disclosed in the notes when material.

3.21 ***Operating segments***

An operating segment is a component of the AHL Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the AHL Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker (which takes the form of the Board of Directors of AHL) to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

3.22 ***Asset held for sale***

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the AHL Group's other accounting policies. Impairment losses on initial classification held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and machinery are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

Additional disclosures are provided in note 22 to the AHL Group Financial Information. All other notes to the AHL Group Financial Information include amounts for continuing operations, unless otherwise mentioned.

4 Critical accounting estimates and sources of estimation uncertainty

In applying the accounting policies, the director may at times require to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the director considers are relevant.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed are as stated below.

(a) ***Farm-out arrangements***

Farm-out arrangements result in the recognition by the farmee of exploration and evaluation ("E&E") activities and a disposal of E&E asset by the farmor. If there are proven reserves associated with the property, the farm-in should be accounted for in accordance with the principles of IAS 16. The AHL Group viewed the farm out arrangement of its oil proven reserves as an economic event, as the farmor has relinquished its interest in part of the asset in return for the farmee delivering a developed asset in the future. There is sufficient information for there to be a reliable estimate of fair value of both the asset surrendered and the commitment given to pay cash in the future.

The farmor should de-recognise the carrying value of the asset attributable to the proportion given up for any consideration received as part of the transaction, a gain or loss is recognised in the income statement.

Further details in relation to the farm-out arrangements are disclosed in note 13 to the AHL Group Financial Information.

(b) ***Units of production (UOP) depreciation of oil and gas assets***

Oil and gas properties are depreciated using the UOP method over total proved developed and undeveloped hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- the effect on proved reserves of differences between actual commodity prices and commodity price assumptions; and
- unforeseen operational issues.

(c) ***Decommissioning costs***

Decommissioning costs will be incurred by the AHL Group at the end of the operating life of some of the AHL Group's facilities and properties. The AHL Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure may also change — for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

External valuers may be used to assist with the assessment of future decommissioning costs. The involvement of external valuers is determined on a case by case basis, taking into account factors such as the expected gross cost or timing of abandonment, and is approved by the director. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

(d) ***Contingencies***

Contingent liabilities may arise from the ordinary course of business in relation to claims against the AHL Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

5. Revenue and segment information

Currently, the AHL Group's principal revenue is derived from the sale of oil. All revenue arose from continuing operations within the United Kingdom. Therefore, management considers no detail of operating and geographical segments information is to be reported. Nonetheless, the AHL Group's revenue can be classified into the following streams:

	Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Provision of consultancy services	8,978	—	—	—	—
Sale of oil	906,330	801,373	445,886	72,966	271,586
	915,308	801,373	445,886	72,966	271,586

All the non-current assets of the AHL Group are located in the United Kingdom.

All revenue arising from sale of oil is derived from a single customer.

6 Operating loss

Operating loss is stated after charging:

	Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Depreciation of owned assets	7,508	12,497	8,654	3,591	4,955
(Gain)/loss on disposal of equipment	(4,660)	7,100	2,878	—	—
Net loss /(gain) on foreign currency translation	33,889	15,451	8,903	(762)	3,686
Operating lease payments	222,170	100,127	90,735	—	—
Auditor's remuneration					
Fees payable to company's auditor in respect to the audit of the financial statements	—	—	32,000	—	—
Non audit fees payable to company's auditor relating to the transaction services	—	—	100,000	—	—

7. Other income

	Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Management income	—	108,334	9,600	—	8,000
Non-refundable deposit	—	—	100,000	75,000	—
Other income	—	6,006	2,509	—	—
	—	114,340	112,109	75,000	8,000

8. Finance income

	Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Interest received on director's loan	13,942	20,813	27,033	13,539	11,565

9. Gain on disposal of oil production assets

The gain on disposal of oil production assets can be analysed at the respective farm out agreement as follow:

	Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Consideration	450,000	1,215,550	191,315	—	—
Allocated cost on farm out	(55,705)	(154,165)	(50,729)	—	—
Gain on disposal	394,295	1,061,385	140,586	—	—

In 2014, consideration received was satisfied in cash, except for £725,550 in 2014, which was satisfied by the issue of 330m shares in Doriemus, as disclosed in note 14 to the AHL Group Financial Information.

10. Employee benefit expense

	Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Wages and salaries	262,480	214,292	191,003	85,348	110,910
Social security costs	28,302	24,509	23,463	11,101	13,834
	290,782	238,801	214,466	96,449	124,744

The director received salary from the AHL Group totalling £93,750 in 2013, £75,000 in 2014, and £75,000 in 2015. No other emoluments received by the director.

	Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	No.	*No.*	*No.*	*No.*	*No.*
The average number of employees during the year was:					
Director	1	1	1	2	1
Management	2	4	4	3	4

Key management are considered to be the director.

11. Taxation on ordinary activities

Recognised in the income statement

	Audited years ended 30 September			Audited 6 months ended 31 March	Unaudited 6 months ended 31 March
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
UK Corporation tax					
– Current period	—	—	—	—	—
– Adjustment in respect of previous period	—	—	9,180	—	—
Deferred tax	555	701	—	—	—
	555	701	9,180	—	—

Reconciliation of effective tax rate

	Audited years ended 30 September			Audited 6 months ended 31 March	Unaudited 6 months ended 31 March
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
(Loss)/profit before tax	(77,532)	1,967,690	(2,046,572)	(344,447)	(1,467,998)
Tax at the UK Corporation tax rate of 23.5%/22%/20%	(18,220)	432,892	(409,314)	(68,889)	(322,960)
Expenses not deductible for tax purposes	12,764	27,301	374,333	13,971	371,378
Tax losses carried back	9,280	—	—	—	—
Income not taxable for corporation tax	—	(444,265)	(86,386)	—	(95,024)
Unrelieved tax losses	52,456	15,360	136,376	54,918	46,606
Others	(56,280)	(31,288)	(5,829)	—	—
	—	—	9,180	—	—

Deferred tax

	Audited years ended 30 September			Audited 6 months ended 31 March	Unaudited 6 months ended 31 March
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Deferred tax liability					
Accelerated capital allowance	(555)	(701)	—	—	—

The AHL Group has incurred indefinitely available tax losses of £6,414,241 in 2013, £7,694,465 in 2014 and £7,613,663 in 2015 to carry forward against future taxable income of the subsidiaries in which the losses arose and they cannot be used to offset taxable profits elsewhere in the AHL Group.

No deferred tax asset was recognised in respect to these accumulated tax losses as there is insufficient evidence that the amount will be recovered in future years.

The temporary differences associated with investments in subsidiaries for which a deferred tax liability has not been recognised, aggregate to £1,016,308 in 2013, £540,073 in 2014 and £451,045 in 2015.

12. Property, plant and equipment

	Plant and machinery £	*Motor vehicles* £	*Fixtures and fittings* £	*Total* £
Cost or valuation				
At 30 September 2012	5,107	1,079	8,196	14,382
Additions	—	29,470	—	29,470
Disposal	—	(3,429)	—	(3,429)
At 30 September 2013	5,107	27,120	8,196	40,423
Additions	322	7,100	—	7,422
Disposal	—	(7,100)	—	(7,100)
At 30 September 2014	5,429	27,120	8,196	40,745
Disposal	(322)	(3,670)	—	(3,992)
At 30 September 2015	5,107	23,450	8,196	36,753
Additions	—	—	—	—
At 31 March 2016	5,107	23,450	8,196	36,753
Depreciation and impairment				
At 30 September 2012	—	—	3,174	3,174
Charge from the year	2,556	1,800	2,038	6,394
At 30 September 2013	2,556	1,800	5,212	9,568
Charge from the year	2,625	5,424	1,513	9,562
At 30 September 2014	5,181	7,224	6,725	19,130
Charge from the year	—	4,690	1,471	6,161
Depreciation on disposal	(74)	(1,040)	—	(1,114)
At 30 September 2015	5,107	10,874	8,196	24,177
Charge from the period	—	2,345	—	2,345
At 31 March 2016	5,107	13,219	8,196	26,522
Net book value				
At 30 September 2013	2,551	25,320	2,984	30,855
At 30 September 2014	248	19,896	1,471	21,615
At 30 September 2015	—	12,576	—	12,576
At 31 March 2016	—	10,231	—	10,231

13. Oil production assets

	Total £
Cost or valuation	
At 30 September 2012	456,420
Additions	—
Disposal	(55,705)
At 30 September 2013	400,715
Additions	344,312
Disposal	(154,165)
At 30 September 2014	590,862
Additions	8,073
Disposal	(51,224)
At 30 September 2015	547,711
Additions	—
At 31 March 2016	547,711
Depreciation and impairment	
At 30 September 2013	1,114
Charge from the year	2,936
At 30 September 2014	4,050
Charge from the year	2,493
Depreciation on disposal	(495)
At 30 September 2015	6,048
Charge from the period	1,246
At 31 March 2016	7,294
Net book value	
At 30 September 2013	399,601
At 30 September 2014	586,812
At 30 September 2015	541,663
At 31 March 2016	540,417

During 2014, the AHL Group spent approximately £344,000 capital expenditure to revive the Lidsey field into production.

Farm-out arrangement

During 2013, the AHL Group farmed out to Terrain a total of 20 per cent. of its interest in the Brockham field for a consideration of £450,000. The farmees will be contributing on the same *pro rata* of operating costs and capital expenditure going forward.

During 2014, the AHL Group farmed out to BCL and Doriemus a total of 20 per cent. and 30 per cent. of its interest in the Brockham and Lidsey fields respectively for an aggregate consideration of £1,215,550. The farmees will be contributing on the same *pro rata* of operating costs and capital expenditure going forward.

During 2015, the AHL Group farmed out to Terrain a total of 20 per cent. of its interest in the Lidesy field.

During H1 2016, the AHL Group sold an option to Alba, to acquire a 5 per cent. stake in the Brockham field, this option was excerised on 9 August 2016.

As at 31 March 2016, the AHL Group retained a 50 per cent. interest in Lydsey field and 60 per cent. in Brockham field, and is still the operator of both fields.

In assessing whether an impairment is required, the carrying value of the asset or cash generating unit is compared with its recoverable amount. The recoverable amount is the higher of the asset's/cash generating unit's fair value less costs to sell and value in use. Given the nature of the AHL Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. The director considers the recent fair value considerations made in farm-out agreements for impairment assessment. Consequently, the director is satisfied that carrying value of these oil production assets are below the fair value less costs to sell hence no impairment is required.

14. Available for sale financial investments

	Audited years ended 30 September			*Audited 6 months ended 31 March*	*Unaudited 6 months ended 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
At 1 October	—	—	—	—	—
Addition	—	725,550	—	689,160	—
Gain arising in the period	—	—	—	43,632	—
Disposal	—	(725,550)	—	(504,398)	—
At 30 September / 31 March	—	—	—	228,394	—

As result of the farm-out agreement entered with Doriemus in 2014, the AHL Group owned 330m ordinary shares of Doriemus amounting to £725,550.

In the same period of 2014, the AHL Group disposed the entire shareholding of Doriemus of which 150m ordinary shares were sold to the related parties as disclosed in note 25 to the AHL Group Financial Information. In return, the AHL Group received a total consideration of £614,362 that incurred an overall net loss on disposal of £111,188.

In H1 2016, as disclosed in note 22 to the AHL Group Financial Information, the AHL Group had disposed 10 per cent. interest held in HHDL. In exchange, the AHL Group received 137,729,178 shares and 45,909,726 warrants issued by Alba and 54,236,919 of shares and 17,898,183 options issued by Regency.

In the same period of H1 2016, the AHL Group disposed of 122,591,670 Alba shares and 45,909,726 warrants for a loss of £110,492. Also in the same period, the AHL Group disposed of 11,360,000 shares of Regency, for a profit £39,328.

As at 31 March 2016, the AHL Group retained 42,876,919 ordinary shares and 17,898,183 options of Regency, and 15,137,508 ordinary share of Alba.

15. Subsidiaries

The details of the subsidiary are as follows:

Name of subsidiary/place of incorporation	*Principal activity*	*Effective equity interest held by the Group*
AHL	Investment holding company	100%
AWB1	Investment holding company	100%
AWB2 (formerly known as Key Petroleum(UK) Limited)	Investment holding company	95%
AWB3 (formerly known as Key Petroleum Weald Basin Limited)	Oil extraction for distribution to third parties	95%

16. Trade and other receivables

	Audited as at 30 September			Audited as at 31 March	Unaudited as at 31 March
	2013	2014	2015	2016	2015
	£	£	£	£	£
Trade receivables	—	—	2,332	21,392	—
Amounts due from related parties	91	91	91	91	91
Director's current account (note 25)	399,542	713,867	—	—	—
VAT recoverable	24,995	59,763	125,387	172,926	12,515
Other receivables	243,431	300,660	212,914	178,492	249,252
	668,059	1,074,381	340,724	372,901	261,858

The carrying amount of trade and other receivables approximates to their fair value.

Included within other receivables is the amount recoverable from the UK tax authority (under Section 455 Corporation Tax Act 2010) of £99,885 in 2013, £178,505 in 2014, £178,505 in 2015 and £178,505 in H1 2016. This recoverable amount is discharged on the *pro-rata* basis when the repayment of the director's loan would be received.

Subsequent to the period ended 31 March 2016, the AHL Group resolved the settlement of the amount outstanding from a director of a group company amounting to approximately £714,000. The resolution of this settlement results in removing obligations arising under s 455 currently disclosed and recognised above and in note 16 to the AHL Group Financial Information as well as crystallising a liability, included in "other taxation" as at 31 March 2016.

	Audited as at 30 September			Audited as at 31 March	Unaudited as at 31 March
	2013	2014	2015	2016	2015
	£	£	£	£	£
Trade and other receivables	668,059	1,074,381	1,941,406	2,043,439	1,949,939
Less: Impairment allowance	—	—	(1,600,682)	(1,670,538)	(1,688,081)
	668,059	1,074,381	340,724	372,901	261,858
Impairment allowance					
At 1 October	—	—	—	1,600,682	—
Movement for the period	—	—	1,600,682	69,856	1,688,081
At 30 September / 31 March	—	—	1,600,682	1,670,538	1,688,081

During the year 2015, the AHL Group contributed a shareholder loan of £970,000 in response to a cash call required by the investment agreement At the time of making the loan, the AHL Group was committed to a plan to sell its interest in HHDL and this would lose its right to receive repayment of the shareholder loan. On that basis, the director has considered the loan would be irrecoverable and the loan had been fully impaired.

17. Cash and cash equivalents

	Audited as at 30 September			Audited as at 31 March	Unaudited as at 31 March
	2013	2014	2015	2016	2015
	£	£	£	£	£
Cash and bank balance	65,270	41,404	13,198	34,865	27,762
	65,270	41,404	13,198	34,865	27,762

18. Share capital

Allotted, called up and fully paid:

	Authorised number of shares	*Number of shares issued and fully paid*	*Ordinary share capital £*	*Total £*
At 30 September 2013	1,000	200	200	200
At 30 September 2014	1,000	200	200	200
At 30 September 2015	1,000	200	200	200
At 31 March 2015	1,000	200	200	200
At 31 March 2016	1,000	200	200	200

The ordinary shares have a par value of £1 per share and are fully paid. These shares carry no right to fixed income and have no preferences or restrictions attached to them.

19. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the (loss)/profit for the period attributable to equity holders of the AHL Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the (loss)/profit for the period attributable to equity holders of the AHL Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Audited as at 30 September			*Audited as at 31 March*	*Unaudited as at 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Net (loss)/profit attributable to equity holders of the AHL Group	(74,917)	1,932,163	(1,992,239)	(154,639)	(1,430,425)
	2013 Number	*2014 Number*	*2015 Number*		
Weighted average number of ordinary shares	200	200	200	200	200
Basic EPS (£)	(376)	9,661	(9,961)	(773)	(7,152)
Diluted EPS (£)	(376)	9,661	(9,961)	(773)	(7,152)

20. Non controlling interest

	Audited as at 30 September			*Audited as at 31 March*	*Unaudited as at 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
At 1 October	(129,220)	(131,280)	(95,052)	(140,205)	(95,052)
(Loss)/profit for the period	(2,060)	36,228	(45,153)	(33,276)	(37,573)
	(131,280)	(95,052)	(140,205)	(173,481)	(132,625)

21. Trade and other payables

	Audited as at 30 September			Audited as at 31 March	Unaudited as at 31 March
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Trade payables	204,395	181,321	834,644	677,669	132,899
Loan from shareholders	152,380	64,880	64,880	19,880	64,880
Amount owed to related parties	91,500	201,800	91,800	111,800	91,800
Other taxation	149,372	181,839	174,642	326,645	155,399
Other payables	111,043	111,747	148,890	398,284	301,806
	708,690	741,587	1,314,856	1,534,278	746,784

The carrying amount of trade and other payables approximates to their fair value.

Included within other taxation is tax liability arising from the loan advance to director (under Section 455 Corporation Tax Act 2010) of £81,703 in 2013, £145,390 in 2014, £105,196 in 2015 and £105,196 in H1 2016.

22. HHDL

	Audited as at 30 September			Audited as at 31 March	Unaudited as at 31 March
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Asset held for sale					
At 1 October	—	—	1,440,160	792,088	1,440,160
Investment retained in HHDL	—	1,440,160	—	—	—
Disposal	—	—	(648,072)	(360,040)	(648,072)
	—	1,440,160	792,088	432,048	792,088

On 10 December 2013, the AHL Group has newly incorporated HHDL with acquisition of 400 ordinary shares at par value of £1 each, which represents 100 per cent. interest. Subsequently, HHDL acquired a substantial interest of an exploration well with proved strong unconventional potential of the Weald basin in the United Kingdom.

In September 2014, the AHL Group entered into an investment agreement to pursuant that HHDL further issued 600 new ordinary shares to a group of corporate investors at £6,000 per share. As result of this, the AHL Group's ownership of HHDL diluted to 40 per cent., to become an associate undertakings.

Details of the carrying value of identifiable assets and liabilities disposed of and sales consideration is, as follow:

	£
Cash and cash equivalents	100
Trade and other receivables	300
Total assets	400
Consideration	—
Investment retained in HHDL at fair value	1,440,160
Net assets disposed of	(400)
Gain on disposal	1,439,760

Subsequent to this, the AHL Group has committed to dispose the remaining interest in HHDL so that the AHL Group could focus on Brockham and Lidsey field where it has effective control of their operations.

On that basis, the director considers the investment of HHDL met the criteria to be classified as a disposal group held for sale.

In 2015, the AHL Group sold 18 per cent. of the entire interest in HHDL for a total cash consideration of £1,080,000, of which 8 per cent. of that interest sold to UKOG, for a consideration of £580,000. Details of the carrying value of identifiable assets and liabilities disposed of and sales consideration is, as follow:

Consideration	1,080,000
Investment value of 18% disposal	(648,072)
Gain on disposal	431,928

During interim period of 2016, the AHL Group sold 10 per cent. of the entire interest in HHDL for a total consideration of £1,061,032, which was satisfied in gross cash proceed of £488,730, share and warrant considerations of £689,160. Details of the carrying value of identifiable assets and liabilities disposed of and sales consideration is, as follow:

	£
Cash consideration	488,730
Share consideration	589,458
Warrant consideration	99,702
Less: transaction costs	(116,858)
	1,061,032
Investment value of 10% disposal	(360,040)
Gain on disposal	700,992

As at 31 March 2016, the AHL Group retained 12 per cent. of the entire share capital in HHDL. This remaining interest was still considered to be held for sale at the period end as the AHL Group remained committed to its plan to sell the asset and the delay in the disposal was due to circumstances beyond the AHL Group's control, namely the turbulence in the oil market. Subsequent to the period end, the AHL Group disposed of the remaining interest for total consideration of £1.8million.

23. Provisions for other liabilities and charges

	Abandonment costs *£*	*Deferred tax* *£*	*Total* *£*
At 1 October 2012	500,000	1,256	501,256
Movement through income statement in the year	—	(555)	(555)
At 30 September 2013	500,000	701	500,701
At 1 October 2013	500,000	701	500,701
Movement through income statement in the year	—	(701)	(701)
At 30 September 2014	500,000	—	500,000
At 1 October 2014 and 30 September 2015	500,000	—	500,000
At 1 October 2015 and 31 March 2016	500,000	—	500,000
At 1 October 2014 and 31 March 2015	500,000	—	500,000

The deferred tax liabilities arose on the timing difference between the carrying values of the certain AHL Group's assets for financial reporting purposes and for income tax purposes. These will be released to the income statement as the fair value of the related assets are depreciated or amortised.

The AHL Group makes full provision for the future costs of decommissioning oil production facilities and pipelines on the installation of those facilities. The amount provision is expected to be incurred up to 2029 when the producing oil and gas properties are expected to cease operations.

These provisions have been created based on the AHL Group's internal estimates and expectation of the decommissioning costs likely to incur in the future. For the period under review, the director has assessed that the discount rate and inflation rate to be applied to the current cost of decommissioning to be similar. On this basis, the current cost is considered to be similar to the discounted net present value.

No deferred tax asset has been recognised on decommissioning provisions.

24. Financial instruments

The AHL Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payable. The AHL Group's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in Note 3 to the AHL Group Financial Information. The AHL Group do not use financial instruments for speculative purposes.

The principal financial instruments used by the AHL Group, from which financial instrument risk arises, are as follows:

	Audited as at 30 September			*Audited as at 31 March*	*Unaudited as at 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Financial assets					
AFS financial investment	—	—	—	228,394	—
Loans and receivables					
Loan to shareholders	91	91	91	91	91
Loan to director	399,542	713,867	—	—	—
Trade and other receivables	268,426	360,423	340,633	372,810	261,767
Cash and cash equivalents	65,270	41,404	13,198	34,865	27,762
Total financial assets	733,329	1,115,785	353,922	636,160	289,620
Financial liabilities measured at amortised cost					
Loan from shareholders	152,380	64,880	64,880	19,880	64,880
Amount due from related parties	91,500	201,800	91,800	111,800	91,800
Trade and other payables	315,438	293,068	983,534	1,075,953	434,705
Total financial liabilities	559,318	559,748	1,140,214	1,207,633	591,385

Available for sale financial assets that are invested in equity shares of a non-listed company which the AHL Group considers it as a short term investment in nature. There are no fair value adjustments to assets or liabilities through profit and loss. There are no financial assets that are either past due or impaired.

Capital management

The AHL Group manages its capital to ensure that it will be able to continue as a going concern while attempting to maximise the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the group consists of issued capital and related party loans.

The AHL Group's financial instruments, which are recognised in the statement of financial position, comprise cash and cash equivalents, receivables and payables and ordinary shares. The accounting policies and methods adopted, including the basis of measurement applied are disclosed above, where relevant. The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes above, where applicable.

The AHL Group does not generally enter into derivative transactions (such as interest rate swaps and forward foreign currency contracts) and it is, and has been throughout the year, the AHL Group's policy that no trading in financial derivative instruments shall be undertaken.

Credit risk

Credit risk is the risk that a counter-party will cause a financial loss to the AHL Group by failing to discharge its obligations to the AHL Group. The AHL Group manages its exposure to this risk by applying limits to the amount of credit exposure to any one counterparty and employs strict minimum credit worthiness criteria as to the choice of counterparty. The maximum exposure to credit risk for receivables and other financial assets is represented by their carrying amount.

Fair values

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy

The AHL Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Unquoted equity instruments and debt instruments are measured in accordance with the International Private Equity and Venture Capital valuation guidelines with reference to the most appropriate information available at the time of measurement.

Set out below is a comparison by class of the carrying amounts and fair value of the AHL Group's financial instruments, other than those whose carrying amounts are a reasonable approximation of fair value:

		Audited as at 30 September			*Audited as at 31 March*	*Unaudited as at 31 March*
	Type	*2013*	*2014*	*2015*	*2016*	*2015*
		£	*£*	*£*	*£*	*£*
Carrying value						
Financial assets						
AFS financial investments	Level 1	—	—	—	228,394	—
Fair value						
Financial assets						
AFS financial investments	Level 1	—	—	—	228,394	—

The director's assessment of the asset held for sale at fair value less cost to sell, are disclosed in note 22 to the AHL Group Financial Information.

Interest rate risk

The AHL Group and company's policy is to fund its operations through the use of retained earnings and equity.

The AHL Group exposure to changes in interest rates relates primarily to cash at bank. Cash is held either on current or short term deposits at a floating rate of interest determined by the relevant bank's prevailing base rate.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commodity price risk, interest rate risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables, trade payables, accrued liabilities, AFS investments and derivative financial instruments.

Foreign currency exchange risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. The AHL Group's exposure to the risk of changes in foreign exchange rates relates primarily to the AHL Group's operating activities (when revenue or expense is denominated in a foreign currency and the AHL Group's net investments in foreign subsidiaries.

The AHL Group does not hedge its foreign currencies. Transactions with customers are mainly denominated in $. The AHL Group has bank accounts in $ to mitigate against the exchange risks.

Liquidity risks

The principal risk to the AHL Group is liquidity, which arises from the AHL Group's management of working capital. It is a risk that the AHL Group will encounter difficulty in meeting its financial obligations as they fall due. This aspect is kept under review by the directors and in this respect management carries out rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. It is the AHL Group's policy as regards liquidity to ensure sufficient cash resources are maintained to meet short-term liabilities.

The maturity profile of the AHL Group's financial liabilities at the reporting dates based on contractual undiscounted payments are summarised below:

	Audited as at 30 September			*Audited as at 31 March*	*Unaudited as at 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Due on demand					
Trade and other payables	708,690	741,587	1,314,856	1,534,278	746,784
	708,690	741,587	1,314,856	1,534,278	746,784

Commodity price risk

The AHL Group is exposed to the risk of fluctuations in prevailing market commodity prices of oil products it produces. The table below summarises the impact on profit before tax for changes in commodity prices

Commodity price sensitivity

The analysis is based on the assumption that the crude oil price moves 10 per cent. resulting in a change of $10.89/bbl in 2013, $10.72/bbl in 2014 and $6.06/bbl in 2015, with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the average spot prices at each reporting periods.

	Increase/(decrease) in profit before tax for the year ended 30 September		
Increase/decrease in crude oil prices	*2013*	*2014*	*2015*
	£	*£*	*£*
Average spot price increased by10%	(30,079)	(39,060)	(67,190)
Average spot price decreased by 10%	(199,233)	(195,060)	(147,821)

25. Related party transactions

The AHL Group was under the joint control of Knowe and Mr Jonathan Tidswell, the majority shareholders, throughout the reporting periods. The day to day running of the AHL Group was the responsibility of the sole director, Mr Jonathan Tidswell.

Key management personnel compensation has been disclosed in note 10 to the AHL Group Financial Information.

In addition to the related party information disclosed elsewhere in the AHL Group Financial Information, the following were significant related party transactions during the period under review and at terms and rates agreed between the parties:

	Audited as at 30 September			*Audited as at 31 March*	*Unaudited as at 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Knowe					
– Amount due from	91	91	91	91	91
– Amount due to	(152,380)	(64,880)	(64,880)	(19,880)	(64,880)
Total net amount due to	(152,289)	(64,789)	(64,789)	(19,789)	(64,789)
Amount due from/(due to)					
Ventureforth 2000 Limited	(91,500)	(91,500)	(91,500)	(111,500)	(91,500)
UKOG	—	(110,000)	—	—	—
HHDL	—	(300)	(300)	(300)	(300)

Ventureforth 2000 Limited is a company incorporated in UK where one of the AHL Group's shareholders is a director of that company. During the interim period of 2016, the AHL Group received further loan from Ventureforth 2000 Limited.

UKOG is a UK public listed company trading on AIM of London Stock Exchange, where the company is a corporate shareholder of the AHL Group. In 2015, the AHL Group disposed 8 per cent. of the entire interest in HHDL to UKOG for a total consideration of £580,000.

All the amounts due to the related parties are unsecured interest free loans and they are repayable on demand.

Transaction with directors

The advance loan made to Mr Jonathan Tidswell are unsecured loan with no fixed terms of repayment. During the period under review, the AHL Group charged approximately 3 per cent. interest annually on the advance loan to the director of £13,942 in 2013, £20,813 in 2014 and £27,033 in 2015. As disclosed in Note 16 to the AHL Group Financial Information, the AHL Group resolved the settlement of the amount due from the director and a full impairment was recognised in the AHL Group Financial Information.

The transaction with director can be analysed at below table:

	Audited as at 30 September			*Audited as at 31 March*	*Unaudited as at 31 March*
	2013	*2014*	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*	*£*
Jonathan Tidswell					
Opening balance	263,142	399,542	713,867	—	713,867
– Amount advanced	122,548	293,512	—	56,317	—
– Amount repaid	—	—	(110,218)	—	(7,351)
– Accrued interest on loan	13,942	20,813	27,033	13,539	11,565
– Impairment allowance	—	—	(630,682)	(69,856)	(718,081)
Closing balance	399,542	713,867	—	—	—

During the year 2014, the AHL Group sold 100m shares of Doriemus to Mr Jonathan Tidswell for £175,000. At the same period, the AHL Group also sold 50m shares of Doriemus to Knowe for £87,500. As result of these disposals, the AHL Group made a total loss on disposal amount to £67,296.

During H1 2016, the AHL Group sold 15m shares of Alba to Knowe for £45,000 at no gain or loss on the disposals.

The AHL Group also charge management fees of £108,334 in 2014 and £9,600 in 2015 from HHDL, where the AHL Group is the corporate investor of that company and Mr Jonathan Tidswell holds the common directorship. As disclosed in note 22 to the AHL Group Financial Information, the amount due from HHDL has been fully impaired.

26. Contingencies

During the period under review, there is an interest that the AHL Group held in the UK that was regarded uncommercial. The director has assessed the likelihood of any amount allegedly owed to the third party operator and considers that the potential litigation claim against the AHL Group is remote. No provision has been made in the AHL Group Financial Information.

Except for the above issues, the AHL Group had no significant contingent assets or liabilities at any of the financial position dates.

27. Control

As disclosed in note 1 to the AHL Group Financial Information, the Company, the new ultimate parent company acquired 100 per cent. of the issued share capital of AHL.

The AHL Group was under the joint control of Knowe and Mr Jonathan Tidswell, the majority shareholders, throughout the year.

In the opinion of the director, there is no ultimate controlling party of the AHL Group.

28. Commitments

The AHL Group had not entered into any material capital commitments as at 30 September 2015.

The AHL Group's future minimum lease payments under non-cancellable operating leases are as follows:

	As at 30 September		
	2013	*2014*	*2015*
	£	*£*	*£*
Leases which expire:			
Not later than one year	81,106	81,106	82,066
Later than one year and not later than five years	324,424	324,424	328,264
More than five years	291,737	291,737	215,380
Total	697,267	697,267	625,710

29. Subsequent events

On 15 April 2016, the AHL Group sold 12 per cent of the issued share capital of HHDL, being 120 fully paid ordinary shares in HHDL (the "Sale Shares") to UKOG for a consideration of £1,000,000 in cash and 43,886,116 new shares in UKOG.

During 2016, the AHL Group sold an option to Alba, to acquire a 5 per cent. stake in the Brockham field, this option was exercised on 9 August 2016.

PART V

(A) UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ANGUS GROUP

Set out below is the unaudited pro forma statement of net assets of the Angus Group as at 31 March 2016 (the "Pro Forma Financial Information"). The Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effects of:

- the gross proceeds from the issue of the Placing Shares at the Placing Price;
- the associated Placing and Admission costs;
- the disposal of remaining 12 per cent. interest in HHDL;
- the disposal of the Angus Group's interest in the Isle of Wight; and
- conversion of the £128,000 loan from Energists into new share capital of the Company

on the net assets of the Company as at 31 March 2016. It has been prepared for illustrative purposes only. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position. It is based on the schedules used in preparing the audited balance sheet of the Company as at 31 March 2016, which is reproduced in Part IV "*Financial Information of the Company*" of this Document.

Users should read the whole of this document and not rely solely on the summarised financial information contained in this Part V(A) "*Unaudited Pro-Forma Statement of Consolidated Net Assets of the Angus Group*".

The report on the Pro Forma Financial Information is set out in Part VI(B) "*Accountant's Report on the Unaudited Pro Forma Statement of Consolidated Net Assets of the Angus Group*" of this document.

Unaudited pro forma statement of net assets

	Net assets of the Company as at 31 March 2016 (Note 1) £	*Net assets of the AHL Group as at 31 March 2016 (Note 2)* £	*Adjustment Consolidation adjustments (Note 3)* £	*Adjustment Disposal of HHDL (Note 4)* £	*Adjustment Conversion of Energists loan (Note 5)* £	*Adjustment Disposal of Isle of Wight interest (Note 6)* £	*Adjustment Receipt of net Placing proceeds (Note 7)* £	*Unaudited pro forma net assets* £
Non-current assets								
Investments	1,700,249	—	(1,700,249)	—	—	—	—	—
Property, plant and equipment	—	10,231	—	—	—	—	—	10,231
Oil production assets	—	540,417	—	—	—	—	—	540,417
Total non-current assets	1,700,249	550,648	(1,700,249)	—	—	—	—	550,648
Current assets								
Cash and cash equivalents	1	34,865	—	1,000,000	—	(5,000)	3,027,500	4,057,366
Trade and other receivables		372,901	—	—	—	—	—	372,901
AFS financial investment	—	228,394	—	800,000	—	200,000	—	1,228,394
Assets held for sale		432,048	—	(432,048)	—	—	—	—
Total current assets	1	1,068,208	—	1,367,952	—	195,000	3,027,500	5,658,661
Total assets	1,700,250	1,618,856	(1,700,249)	1,367,952	—	195,000	3,027,500	6,209,309
Liabilities								
Current liabilities								
Trade and other payables	—	(1,534,278)	—	—	128,000	—	—	(1,406,278)
Total current liabilities	—	(1,534,278)	—	—	128,000	—	—	(1,406,278)
Non-current liabilities								
Provisions	—	(500,000)	—	—	—	—	—	(500,000)
Total non-current liabilities	—	(500,000)	—	—	—	—	—	(500,000)
Total liabilities	—	(2,034,278)	—	—	128,000	—	—	(1,906,278)
Net assets	1,700,250	(415,422)	(1,700,249)	1,367,952	128,000	195,000	3,027,500	4,303,031

Notes:

1. The financial information relating to the Company has been extracted without adjustment from the audited financial information of the Company set out in Part IV(B) *"Financial Information of the Company"* of this Document.
2. The financial information relating to the AHL Group has been extracted without adjustment from the audited interim financial information set out in Part (D) *"Financial Information on the AHL Group"* of this Document.
3. The adjustments reflect the consolidation adjustments required on the effect the acquisition of AHL.
4. The adjustments reflect the disposal of the remaining 12 per cent. interest in HHDL by the Angus Group on 15 April 2016 for £1,800,000, satisfied as to £1,000,000 in cash and £800,000 by the issue of and allotment of 43,886,116 shares in UKOG at a price of 1.8229 pence each.
5. As at 31 March 2016 the AHL Group owed an amount of £128,000 to Energists in the form of a convertible loan. The Directors have indicated that the full amount will be converted into new share capital in the Company on Admission.
6 On 10 August 2016, the Angus Group entered into agreement with Doriemus to dispose of the interest in PEDL331 license. The Angus Group paid £5,000 to acquire the license and the consideration received on disposal was £200,000 by way of allotment of 500,00,000 ordinary shares in Doriemus.
7. The adjustment of £3,027,500 reflects the gross proceeds from the Placing Shares at the Placing Price, less associated cash costs of the Placing and Admission of £472,500.
8. The Pro Forma Financial Information does not reflect any changes in the trading position of either the Company or the AHL Group, or any other changes arising from other transactions, since 31 March 2016.

(B) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORM STATEMENT OF NET ASSETS OF THE ANGUS GROUP

7 November 2016

The Directors
Angus Energy Limited
Building 3
Chiswick Park
566 Chiswick High Street
London
W4 5YA

The Directors
Beaumont Cornish Limited
2nd Floor
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Dear Sirs,

Introduction

We report on the unaudited pro forma statement of consolidated net assets of the Company (the "Pro Forma Financial Information") set out in Part V *"Accountant's Report on the Unaudited Pro Forma Statement of Net Assets of the Angus Group"* of Angus Energy Limited's (the "Company") AIM admission document dated 7 November 2016 (the "Document"). The Pro Forma Financial Information has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how:

- the gross proceeds from the issue of the placing shares at the placing price;
- the associated placing and admission costs;
- the disposal of the remaining interest in Horse Hill Developments Limited;
- conversion of the £128,000 loan from Energists Holdings LLC into new share capital of the Company; and
- the disposal of the Angus Group's interest in the Isle of Wight Licence;

might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its audited financial information as at 31 March 2016. This report is required by Schedule Two of the AIM Rules for Companies (the "AIM Rules") and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro Forma Financial Information. It is our responsibility to form an opinion on the Pro Forma Financial Information as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting 4000 as issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial information with the Directors. We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully,

Crowe Clark Whitehill LLP
Chartered Accountants

PART VI

REGULATORY ENVIRONMENT

1. Overview of existing Licences

1.1 The Group's assets are all located in the Weald Basin in the South East of England, as shown in Figure 1 of Part I of this document and in the Competent Person's Report contained in Part III of this document.

1.2 Each Licence follows a standard model and grants to the licensee(s) an exclusive licence to search and bore for, and get, petroleum in the licensed areas. The Production Licences operate under the terms of the Model Clauses. All licences are granted under the relevant Petroleum Act and related legislation.

2. Terms of the Group's Production Licences

Each Licence follows a standard model and grants to the licensee(s) an exclusive licence to search and bore for, and get, petroleum in the licensed area.

2.1 ***Periods of grant***

2.1.1 The Lidsey Licence, PL241, was granted by the Secretary of State for Energy on or around 2 December 1983, and the Brockham Licence, PL235, was granted by the Secretary of State for Energy on or around 28 October 1983, in each case to the signatories thereto, being a group of companies who had transferred the whole of their respective interests in the Production Licences prior to Angus' acquisition of an interest therein.

2.1.2 The term for the Production Licences under the Model Clauses is an initial term of four years, followed by a further period of twenty years, subject to compliance with the requirements of the Production Licence. Thereafter, the term can be extended for further periods in consultation with the OGA (and subject to receiving all necessary consents and permits). According to information provided by the OGA, the Lidsey Licence is anticipated to expire on 1 December 2017, and the Brockham Licence on 27 October 2017.

2.1.3 The licensees may apply to extend the production terms (with a view to securing the maximum economic recovery of petroleum from the continuing licenced area) for such further periods and on such terms as may be agreed by the Secretary of State. Any such extension will be subject to the Group obtaining all necessary permits and consents.

2.2 ***Relinquishments/surrenders***

2.2.1 *Brockham*

When granted, the Brockham Licence covered an area of 233.46 km^2. Since then, approximately 224.6 km^2 has been relinquished, and currently the licence area is 8.9 km^2.

2.2.2 *Lidsey*

When granted, the Lidsey Licence covered an area of 223.30 km^2. Since then, approximately 218 km^2 has been relinquished, and currently the licence area is 5.3 km^2.

2.3 ***Fiscal terms***

Under the terms of the Model Clauses incorporated pursuant to the Lidsey and Brockham Licences, certain royalty payments, deliveries of petroleum and further payments were all due to be delivered to the Secretary of State for Energy. A brief summary of the current fiscal framework applicable to the Group's operations and interests is set out at section 6.1 of the CPR.

Lidsey

2.3.1 On the grant of the Lidsey Licence, £17,864 was paid to the Secretary of State for Energy.

2.3.2 Since the fourth anniversary of the Lidsey Licence, and on each anniversary of 1 December 1983, a certain sum, set out in the Licence, is to be paid to the Secretary of State for Energy (or successor body), by way of rental payments. From the 13th and every subsequent anniversary, £2,300, multiplied by the number of square kilometres in the licensed area, is to be paid to the Secretary of State for Energy. The current annual rental payable under the Lidsey Licence is approximately £12,200.

Brockham

2.3.3 On the grant of the Brockham Licence, £18,676.80 was paid to the Secretary of State for Energy.

2.3.4 Since the fourth anniversary of the Brockham Licence, and on each anniversary of 27 October 1983, a certain sum, set out in the Licence is to be paid to the Secretary of State for Energy (or successor body), by way of rental payments. From the 13th and every subsequent anniversary, £2,300, multiplied by the number of square kilometres in the licensed area, is to be paid to the Secretary of State for Energy. The current annual rental payable under the Brockham Licence is approximately £20,500.

2.4 ***Approval and reporting obligations***

Each Licence contains standard rules and regulations as to the manner in which the work, development and production programmes must be agreed with the OGA and carried out by the licensee(s) (including the commencement and abandonment and plugging of wells).

The licensee(s) must:

- keep accounts covering prescribed information including the quantities of petroleum won and saved), which must be shared on a half yearly basis with the OGA;
- keep drilling and geological records which must be shared with the OGS on request; and
- report to the OGA on an annual basis on the progress of operations, such report to contain certain prescribed information.

2.5 ***Assignment***

No right granted by the Licence may be assigned without the written consent of the OGA.

2.6 ***Revocation***

The OGA may revoke the Licence upon the occurrence of certain specified events, including failure by the licensee(s) to meet any payment obligations within two months of the relevant date, any breach by a licencee of the Licence, and any insolvency of a licencee.

2.7 ***Disputes***

Subject to any prescribed process set out in the licence, any disputes arising between the OGA and the licensee(s) relating to the Licence will be referred to arbitration by a single arbitrator who, in default of agreement between the OGA and the licensee(s), will be appointed by the Lord Chief Justice of England for the time being.

3. Joint Operating Agreements

Those persons with interests in the Lidsey Licence and the Brockham Licence ("**Participants**") have entered into separate joint operating agreements in respect of each licence (or, if a Participant was not a party to the licence, a deed of novation or assignment of such agreement).

3.1 ***General provisions***

3.1.1 The joint operating agreements for the Lidsey and Brockham Licences follow an industry standard model contract, regulate the operations under the licences (including work, development and production programmes) and define the respective rights, interests, duties and obligations of the Participants in connection with the licences and in connection with all petroleum produced under the licences, in each case during the period of the relevant licence.

Decisions are made in accordance with the joint operating agreements, with certain voting thresholds being required (at least 50 per cent. of Participants in number and representing individually or together a participating interest of at least 70 per cent. for Lidsey and Brockham ("**70 per cent. Approval**")), and higher thresholds (including unanimous consent) being required for some actions, such as expenditure above £50,000, sole risk decisions and abandonment.

3.1.2 The operator (being a subsidiary of Angus Group for the Lidsey Licence and the Brockham Licence) is generally responsible for the day to day conduct of operations (including insurance and the maintenance of records and the provision of reports to Participants) under the overall supervision of a joint operating committee (made up of one representative appointed by each Participant, and chaired by the representative of the operator) ("**JOC**"). As well as its supervisory function, the joint operating committee is also responsible for the approval of budgets and work, development and production programmes, and for expenditure in excess of specified amounts, and for certain strategic decisions. Unless agreed otherwise (as, for example, the carried interest), the costs of the activities carried out by the operator shall be shared by the Participants in proportion to their respective percentage interests in the relevant Licence.

3.1.3 Ownership of all assets developed for or derived from the joint operations (including petroleum) follows the percentage interests, except as otherwise set out in this document, and particularly in paragraph 4.3 of Part VI.

3.2 ***Field development plans***

3.2.1 The approval process for a field development plan ("**FDP"**) in respect of the Licence area to which each joint operating agreement relates includes the need for JOC approval of a development programme and budget upon which the FDP will be based (with a 70 per cent. Approval), the approval of Participants participating financially in the FDP and finally the approval of the OGA to the FDP. In relation to each of the Lidsey and Brockham Licences, approved FDPs were in put in place before Angus Group's acquisition of its interests in the Licences. These FDPs have been subsequently updated by way of addenda to the original FDPs and the OGA has consented to these changes.

3.3 ***Funding for FDP works***

3.3.1 Before incurring any financial commitment in respect of works to be carried out under an FDP in excess of £100,000 the operator must submit an "authority for expenditure" ("**AFE**") request to the Participants who are participating. If the JOC approves the AFE with a 70 per cent. approval the operator is authorised and obliged to incur the financial commitment to which it relates.

3.4 ***Sole risk projects***

3.4.1 Where fewer than all Participants wish to participate financially in any works to be undertaken under an FDP, one or more Participants may participate financially in the work as a "sole risk project". In such circumstances the percentage interests of the Participants, in respect of their entitlement to assets developed for or derived from the relevant works, are altered so as to reflect which Participants partook financially in the development and those that did not.

3.5 ***Default***

3.5.1 If a Participant fails to make a payment in respect of its share of the costs of works to be undertaken under an FDP, a default procedure is triggered the ultimate result of which could be a forfeiture of the defaulting party's participating interest in the relevant Licence.

3.5.2 If the defaulting party fails to remedy its breach and make the required payment towards the costs of the approved budget, the other Participants are required to contribute their percentage interest share of the sums owed by the defaulting party. Pending receipt of the additional contributions by the other participants, the operator, being a subsidiary of the Angus Group,

shall make up the short fall by contributing from its own funds or raising funds from a third party. Any sums it contributes itself in this manner will attract interest at 2 per cent. above LIBOR calculated on a daily basis.

3.5.3 Under the default procedure, the defaulting participant has certain time periods in which to rectify their default following the initial cash call; ultimately, should this not be rectified, the other participants have the right to dispose of the defaulting participant's interest to seek recovery of the costs incurred, including certain penalties and interest.

3.6 ***Resignation***

3.6.1 The operator may resign by giving 90-180 days' notice, depending on the relevant Licence (or such shorter period as the joint operating committee may decide), to the Participants. The operator may be removed on between 30 and 90 days' notice (depending on the terms of the relevant Licence) in the event of a material breach of its obligations under the joint operating arrangements or in the event that its percentage interest falls below a specified figure (typically 15-25 per cent.) where another Participant holds a larger percentage interest.

3.7 ***Withdrawal***

3.7.1 Provided that it has complied with its obligations, a Participant may give notice to withdraw from a Licence or a Joint Operating Agreement (such notice in relation to select Licences being given at 5-6 months before the expiration of the initial term of the relevant Licence). Within 30 days of such notice, any of the other Participants may give a similar withdrawal notice, following which the withdrawing Participants shall assign their percentage interests to the continuing Participants. If all participants wish to withdraw, the joint operations shall be abandoned and the Licence surrendered.

4. Interests

4.1 ***Interests in the Lidsey Licence***

Company	*Interest*
Angus Group (AWB3) (Operator)	50%
Terrain	20%
Doriemus	20%
BCL	10%

4.2 ***Interests in the Brockham Licence***

Company	*Interest*
Angus Group (AWB3) (Operator)	55%
Terrain	20%
Doriemus	10%
BCL	10%
Alba	5%

4.3 The participants' effective interests in the Licences follow the above interests, except that:

4.3.1 pursuant to a farm in agreement between AWB3, Doriemus and AHL dated 21 November 2013, Doriemus is entitled to an additional 10 per cent. of production of the first Lidsey well, and is obliged to fund an additional equal amount of the costs thereof, reducing Angus' share of interests from the new Lidsey well to 40 per cent.;

4.3.2 pursuant to a farm-out agreement between ABW3 and Doriemus, dated 28 January 2014, Doriemus would have been required to fund £100,000 of the new well costs at Brockham; if Doriemus' participating interest share of joint account costs exceeded £100,000, AWB3 would have been responsible for the additional amount which would otherwise have been due from Doriemus; and if Doriemus' participating interest share of joint account costs did not exceed £100,000, AWB3's share of joint account costs would have been reduced by such

excess. On 6 October 2016 it was agreed between the parties that Doriemus would fund its participating interest share of such costs (i.e. 10 per cent.) in full and that the provisions of the January 2014 farm-out agreement in this respect would not apply.

4.3.3 pursuant to an agreement dated on or around 3 December 2013, the Angus Group agreed to carry the participating interests costs in respect of the 10 per cent. interest of BCL in both the Lidsey and Brockham Licences. Additionally, the Angus Group is required to pay BCL and associated parties up to £4,000 per month dependent on and in respect of oil production, pursuant to the Brockham Agreement;

4.3.4 pursuant to an agreement dated 23 October 2015, further details of which are set out in paragraph 13.13.5 of Part VII of this document, the Angus Group granted Alba an option to farm in to 5 per cent. of the Brockham Licence, on a "two for one promote" basis, meaning that Alba's exercise of such option would be on the basis that, to acquire the 5 per cent. interest in the Brockham Licence from AWB3, it would be required to subsequently fund 10 per cent. of the costs of the new Brockham well, from spudding to first oil. On 9 August 2016 Alba exercised such option and the parties have agreed that Alba's obligation to contribute on the basis set out above to the cost of the new Brockham well in respect of the period from spudding to first oil is capped, for all dry hole costs, at a maximum of £187,125, plus a maximum of a further 10 per cent. of any AFE to be issued and cash called for the production/well testing of the new Brockham well. Following completion of such payments, Alba's financial obligations will revert to follow its *pro rata* participating interest. As referred to in paragraph 3 of Part I, as at 4 November 2016, being the latest practicable date prior to the publication of this document, the farm-out has not completed and accordingly Alba's funding obligations are not currently in force, although under the farm-out agreement dated 14 September 2016 Alba has elected to be bound by its financial commitments immediately on the basis that AWB3 holds the 5 per cent. participating interest on trust for Alba pending formal completion.

5. Regulatory Process

The UK onshore oil and gas industry is regulated by a number of public bodies. The following is a general outline of those public bodies from which consent, permission or other key input is required in order to carry out work under Licences and Joint Operating Agreements.

Additionally, in relation to the Group, the consent of the landlord of the Brockham land to any drilling operations must be obtained under the Lease (as referred to in paragraph 13.12 of Part VII of this document), such consent not to be unreasonably withheld or delayed.

Oil and Gas Authority ("OGA")

The OGA has regulatory powers in respect of oil and gas matters, including the power to grant new PEDLs through licensing rounds and grants. These PEDLs are granted where the OGA is satisfied with the proposed operator's competency, safety management systems, well examination scheme and financial capability. Importantly, operators must have clearly defined operational and environmental management systems in place in order to be successful in their application.

In addition, the consent of the OGA to a field development plan ("**FDP**") (as drawn up and agreed in accordance with the terms of the relevant joint operating agreement) is required before any works can be undertaken pursuant to it. Further, the additional consent of the OGA is required before an operator can begin any well drilling under an FDP. In considering applications for consent the OGA will seek confirmation that the applicant holds the licence, assess the operator's competency and financial stability and will only grant consent to drill once the operator has obtained local council planning permission and EA consent and notified the HSE of its intention to drill (as described below).

The Company will submit its application for OGA consent to its drilling work to be undertaken at Brockham (pursuant to the current FDP in place in relation to Brockham) once it has obtained the necessary environmental permit and confirmation from the HSE that it has no issues with its well proposal

and drilling programme report (as outlined in more detail below). The Company expects that (provided it has obtained the necessary environmental permit and relevant confirmation from the HSE) it will receive OGA consent shortly after submission.

The Company's equivalent submission to the OGA in relation to its work programme for Lidsey (to be undertaken pursuant to the current FDP in place in relation to Lidsey) is expected to follow as soon as reasonably practicable after its submission in respect of Brockham.

Local Council

Local councils, acting as the Minerals Planning Authority for their county, district, borough or city (as the case may be), have strategic planning authority for mineral and waste developments in the UK. Operators seeking to undertake exploratory investigations and to subsequently test for and possibly extract onshore oil or gas must apply for planning permission from the relevant local council to do so. The application process essentially comprises two core stages:

1. The operator will conduct an initial environmental impact assessment of the work it plans to undertake under the Licence and Joint Operating Agreement and will submit this to the local council. The local council will assess this initial environmental impact assessment to it to determine if there is a need for a full environmental impact assessment.

2. The operator can then make its initial minerals planning application to the local council. The focus of the planning system is on whether the development is an acceptable use of the land, and the impacts of those uses, rather than any control processes, health and safety issues or emissions, where these are subject to approval under other regimes. If the local council is satisfied as to acceptable use and impact it will grant planning permission. This application process is public and the local council will take into account the positions of the local community and other regulatory bodies in making its decision.

In addition, operators will need to obtain local council permission for their site decommissioning and abandonment plans in so far as they relate to restoration of the site after end of life abandonment.

Following a meeting on 28 September 2016 with Surrey County Council, the Group will carry out its current work programme for Brockham in reliance on existing planning permissions (on the basis that the abandonment of one well side-track and the drilling of another is considered to be well maintenance and as such falls within the parameters of the existing planning permission).

The Group will carry out its current work programme for Lidsey in reliance on existing planning permissions (on the basis that the drilling of a second well falls within the parameters of the existing planning permission).

Environment Agency ("EA")

The EA regulates the onshore oil and gas industry in England from an environmental perspective. Under the Environmental Permitting Regulations (England and Wales) 2010, operators are required to obtain environmental permits from the EA for a number of onshore oil and gas activities including:

- drilling exploratory wells;
- flow testing and well stimulation;
- storing and handling crude oil;
- treatment of waste gases (including flaring);
- handling, storage and disposal of produced waters; and
- managing extractive wastes.

In addition, operators must notify the EA of their intention to drill any borehole, in accordance with section 199 (1) of the Water Resources Act (1991).

The Company submitted its application to the EA for an environmental permit in relation to the drilling of the proposed Brockham side-track BR-X4Z (as provided for in the Company's work programme mentioned at paragraph 3.2 of Part I of this document) on 26 September 2016. It made this application under the Standard Rules on the basis that the planned works will be carried out in accordance with a set of parameters prescribed by the EA. The Company's application will therefore be considered within a four week statutory period and without public consultation.

The Company's equivalent submission to the EA in relation to the drilling of the proposed Lidsey-2 well (as provided for in the Company's work programme mentioned at paragraph 3.3 of Part I of this document) will be submitted as soon as reasonably practicable.

In relation to both Brockham and Lidsey, production of oil is permitted under the Group's existing EA production permits.

Health and Safety Executive ("HSE")

An Operator must give the HSE advance notice, of at least 21 days, of its intention to drill a well. Although there is no need to obtain HSE consent to drill, the HSE must be satisfied by the proposed design of the well. Note that the OGA will only give its consent to drill if it is satisfied that the HSE has been properly notified and has no issue with the well design.

The Company submitted its well proposal and drilling programme report for operations at Brockham to the HSE during the week commencing 10 October 2016 and expects to receive a response within approximately 21 days of the date of submission.

The Company's equivalent submission to the HSE in relation to its well proposal and drilling programme report for Lidsey is expected to follow as soon as reasonably practicable after its submission in respect of Brockham.

PART VII

ADDITIONAL INFORMATION

1. Responsibility

The Company and Directors, whose names and functions are set out on page 6 of this document, accept responsibility, both individually and collectively, for all the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. The Company

2.1 The Company was incorporated and registered as a private company limited by shares in England and Wales on 1 June 2015 under the Act with the name Angus Energy Holdings UK Limited and with registered number 09616076. On 25 November 2015 the Company changed its name to Angus Energy Limited. On 13 October 2016 the Company was re-registered as a public limited company, in accordance with sections 90 to 96 of the Act and its name was changed to Angus Energy plc. The Company is domiciled in England and Wales.

2.2 The registered office and principal place of business of the Company is Building 3 Chiswick Park, 566 Chiswick High Street, London, W4 5YA. The Company's telephone number is 020 3709 5020.

2.3 The address of the Company's corporate website on which the information required by Rule 26 of the AIM Rules is www.angusenergy.co.uk.

2.4 The accounting reference date of the Company is currently 30 September which is in line with the rest of the Group. Accordingly, the Company will publish its audited accounts for year ended 30 September 2016 by 31 December 2016. The Company will notify unaudited interim accounts for the six months ended 31 March 2017 by 30 June 2017. The Company will publish its audited accounts for the year ended 30 September 2017 by 31 March 2018.

2.5 The liability of members is limited to the amount, if any, unpaid on the shares held respectively by them.

2.6 The business of the Company and its principal activity is that of the holding company of the Group, whose principal activities are described more fully in Part I of this document.

2.7 The Company has no administrative, management or supervisory bodies other than the board of directors, the remuneration committee, the audit committee, the nominations committee and the AIM compliance committee, all of whose members are Directors.

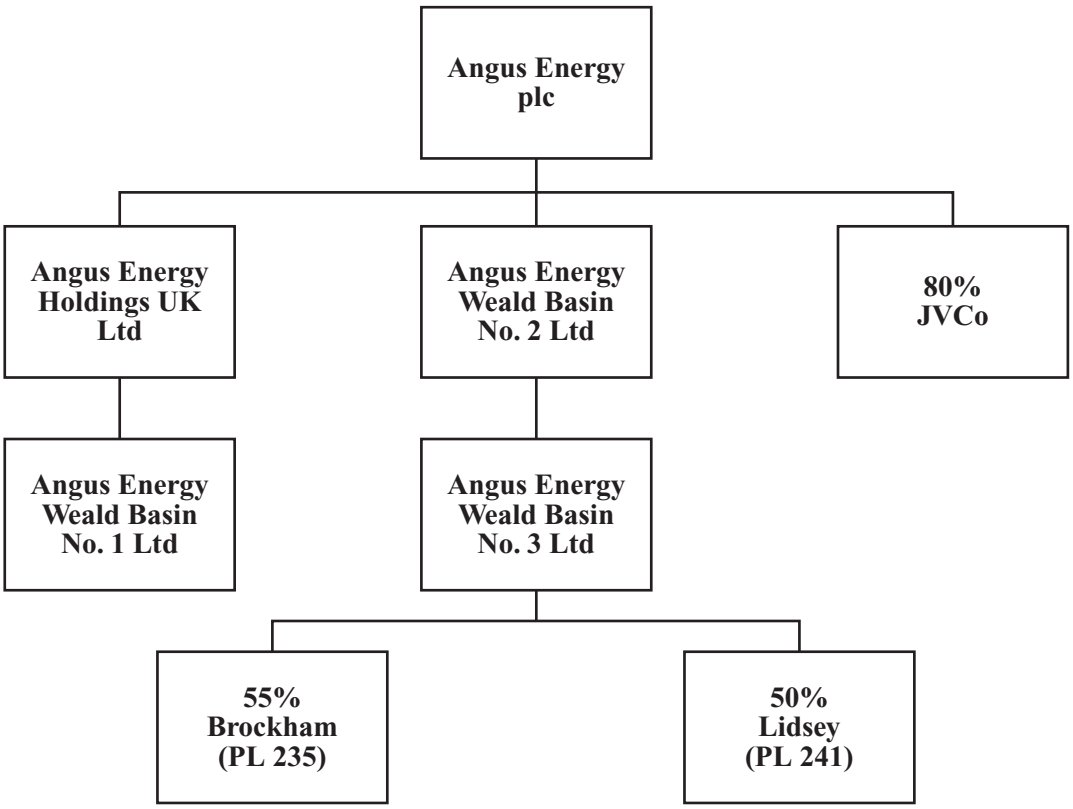
3. Subsidiaries and investments

3.1 The Company is the ultimate holding company of the Group.

3.2 The Group comprises the following undertakings:

Name	*Country of incorporation (registered number)*	*Date of incorporation*	*% of shares held*	*Activity*
AHL	Scotland (SC366110)	25 September 2009	100% by the Company	Other professional, scientific and technical activities
AWB1	Scotland (SC427386)	2 July 2012	100% by AHL	Holding company
AWB2	England and Wales (06975039)	28 July 2009	100% by the Company	Holding company
AWB3	Scotland (SC055329)	28 March 1974	100% by AWB2	Extraction of crude petroleum
JVCo	England and Wales (10355604)	1 September 2016	80% by the Company	Joint venture

3.3 Accordingly, the Company's structure chart is as follows:



3.4 As at 4 November 2016, being the latest practicable date prior to the publication of this document, the Angus Group held the following interests:

Name	*Shares*	*Percentage of issued share capital*
Doriemus	500,000,000	4.7%

3.5 Except as stated in this paragraph 3, the Company does not have, nor has it taken any action to acquire, any significant investments.

4. Share Capital

4.1 The authorised share capital of the Company is made up of an unlimited number of voting Ordinary Shares with a nominal value of £0.002 each.

4.2 The securities of the Company are created under the Act. Under the Act and the Articles, shareholder approval is required for the issue of Ordinary Shares, and authority may be sought to do so for cash on a non-pre-emptive basis.

4.3 On 14 October 2015 by way of a special resolution, the Company's existing 1 ordinary share of £1 was subdivided into 100 ordinary shares, with a nominal value of £0.01 each. On 13 October 2016 by way of a special resolution, each of the Company's existing ordinary shares of £0.01 each were further subdivided into five Ordinary Shares, with a nominal value of £0.002 each.

4.4 The issued share capital of the Company, as at the date of this document, and immediately following Admission and completion of the Placing (including the issue of the Fee Shares, Brockham Shares and the Conversion Shares) is, or will be, as follows:

	Ordinary Shares
Current	150,000,000
Immediately following Admission	214,980,287

4.5 All of the issued share capital of the Company has been fully paid up.

4.6 The following changes have taken place, or are anticipated to take place in the issued share capital of the Company since its incorporation:

Date	*Purpose of share issue*	*No of ordinary shares issued*	*Actual of deemed price per ordinary share*
1 June 2015	Upon incorporation	1 ordinary share of £1.00	£1
14 October 2015	Subdivision	Nil- 1 ordinary share of £1 was subdivided into 100 ordinary shares of £0.01 each	£0.01
14 October 2015	Share for share exchange	19,999,900 ordinary shares of £0.01 each	Nominal value
22 April 2016	In lieu of fees to Paul Vonk	3,000,000 ordinary shares of £0.01 each	Nominal value
22 April 2016	In lieu of fees to JDA	6,000,000 ordinary shares of £0.01 each	Nominal value
22 April 2016	Consideration for sale of 5% interest in AWB2 to the Company to Mike Lakin	1,000,000 ordinary shares of £0.01 each	£0.20
13 October 2016	Subdivision	Nil – each ordinary share of £0.01 was subdivided into 5 Ordinary Shares	£0.002
At Admission	Brockham Shares	1,666,667 Ordinary Shares	Placing Price
At Admission	Part of the Fee Shares to be issued to Waldorf & Statler Ltd	250,000 Ordinary Shares	Placing Price
At Admission	Part of the Fee Shares to be issued to Beaumont Cornish	250,000 Ordinary Shares	Placing Price
At Admission	Conversion Shares to be issued to Energists	4,480,287 Ordinary Shares	40% discount to the Placing Price
At Admission	Placing Shares	58,333,333 Ordinary Shares	Placing Price

4.7 In addition to the above Ordinary Shares, the Company has granted, or anticipates that it will grant, the following warrants over Ordinary Shares on Admission: The terms of the Warrants are summarised in paragraphs 13.1 and 13.10 of this Part VII.

Date	*Purpose of grant*	*No of Warrants*	*Exercise price*	*Exercise period*
At Admission	Brockham Warrants granted under the Brockham Agreement	833,333 warrants	Placing Price	Two years from Admission
At Admission	Broker Warrants granted to Optiva under the agreement summarised at paragraph 13.1	2,916,667 warrants	Placing Price	Three years from Admission

4.8 Options over a total of 14,188,699 Ordinary Shares have been granted and are presently held by certain Directors, officers and employees under the Share Option Scheme, all of which will be outstanding immediately following Admission, and the principal terms of which are set out in the table below. Further details of Directors' interests in Options are set out in paragraph 8.4 below and a summary of the terms of the Share Option Scheme is set out in are in paragraph 14 below.

Date of grant	*Aggregate number of Options granted*	*Exercise Price*	*Vesting conditions*	*Expiry date*
14 October – 1 November 2016	5,675,481	Placing Price	Share price at 25% increase to the Placing Price, based on 30 day VWAP	Three years from date of grant
14 October – 1 November 2016	5,675,480	Placing Price	Share price at 40% increase to the Placing Price, based on 30 day VWAP	Three years from date of grant
14 October – 1 November 2016	2,837,740	Placing Price	Share price at 50% increase to the Placing Price, based on 30 day VWAP	Three years from date of grant

4.9 Pursuant to the Act, the concept of an authorised share capital was abolished and accordingly there is no limit on the maximum number of shares that may be allotted by the Company.

4.10 Ordinary and special resolutions of the Company were passed on 13 October 2016 which:

4.10.1 authorised and empowered the Directors to issue and allot, or grant rights to subscribe for or to convert any securities into Ordinary Shares with an aggregate nominal value of £10,000,000 in connection with the Placing and Admission (including rights granted prior to Admission),

4.10.2 authorised and empowered the Directors to, with effect from Admission, issue and allot or grant rights to subscribe for or to convert any securities into Ordinary Shares with an aggregate nominal amount of 50 per cent. of the aggregate nominal value of the issued ordinary share capital of the Company at Admission;

4.10.3 allot equity securities (as authorised above) for cash as if the pre-emption rights contained in provisions of section 561 of the Act did not apply to such allotment, provided that such allotment is limited to:

(a) the allotment of equity securities as authorised by the resolution summarised at 4.10.1;

(b) the allotment of equity securities where an offer is made to holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings; and

(c) otherwise, from Admission, the allotment of equity securities up to an aggregate nominal amount of 25 per cent. of the aggregate nominal value of the issued ordinary share capital of the Company at Admission.

4.11 The powers and authorities referred to in paragraphs 4.10.1 and 4.10.3(a) will expire immediately after Admission, and all other powers and authorities are to expire at the conclusion of the next annual general meeting of the Company, except that the Directors may before any such expiry make offers or arrangements which could or might require the allotment of equity securities after the expiry of such period.

4.12 The Ordinary Shares may be held in either certificated form or under the CREST system. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Ordinary Shares in certificated form by 16 November 2016.

4.13 Except as set out in paragraph 3 above and this paragraph 4 and as referred to in paragraph 17 of Part I of this document:

4.13.1 the Company does not have, nor has it taken any action to acquire any significant investments;

4.13.2 there are no shares in the Company which are held by, or on behalf of, the Company and none of the Group holds any shares in the Company;

4.13.3 the Company does not have in issue any securities not representing share capital, and there are no outstanding convertible securities issued by the Company; and

4.13.4 no share or loan capital of the Company or any other member of the Group is under option or is the subject of an agreement, conditional or unconditional, to be put under option.

4.14 So far as the Directors are aware, except as referred to in paragraph 7 and 8 below, there is no person who directly or indirectly, jointly or separately, exercises or could exercise control over the Company following Admission.

4.15 On Admission, on the basis that holders of the Existing Ordinary Shares do not participate in the Placing, and taking into account the Placing Shares, the Fee Shares, the Conversion Shares, the Brockham Shares, and assuming the exercise of all granted Options and Warrants, the holders of the Existing Ordinary Shares will suffer a dilution of 43.1 per cent. in their interests in the Company.

4.16 The Ordinary Shares are freely transferable.

4.17 The ISIN of the Ordinary Shares is GB00BYWKC989.

5. Objects of the Company

The Company's objects are unrestricted.

6. Summary of the Articles of Association of the Company

6.1 The rights attaching to the Ordinary Shares, as set out in the Articles of Association of the Company, contain, amongst others, the following provisions:

Votes of members

6.2 Subject to any special terms as to voting or to which any shares may have been issued or, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.

6.3 Unless the directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act.

Variation of rights

6.4 The Company's articles of association do not contain provisions relating to the variation of rights as these matters are dealt with in section 630 of the Act. If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class but not otherwise.

Transfer of shares

6.5 Subject to the provisions of the articles relating to CREST, all transfers of shares will be effected in any usual form or in such other form as the directors approve and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.

6.6 The directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act. In exceptional circumstances approved by the London Stock Exchange, the Directors may refuse to register any such transfer, provided that their refusal does not disturb the market.

6.7 The articles of association contain no restrictions on the free transferability of fully paid ordinary shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the articles of association, if any, relating to registration of transfers have been complied with.

Payment of dividends

6.8 Subject to the provisions of the Act and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the directors. A member will not be entitled to receive any dividend if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act. Interim dividends may be paid if profits are available for distribution and if the directors so resolve.

Unclaimed dividends

6.9 Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company.

Untraced Shareholders

6.10 The Company may sell any share if, during a period of 12 years, at least three dividends in respect of such shares have been paid, no cheque or warrant in respect of any such dividend has been cashed and no communication has been received by the Company from the relevant member. The Company must advertise its intention to sell any such share in both a national daily newspaper and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent. Notice of the intention to sell must also be given to the London Stock Exchange.

Return of capital

6.11 On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by the Act, be divided amongst the members.

Borrowing powers

6.12 Subject to the provisions of the Act, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

Directors

6.13 No shareholding qualification is required by a director.

6.14 The directors are entitled to fees at the rate decided by them, subject to an aggregate limit of £100,000 per annum or such additional sums as the Company may by ordinary resolution determine. The Company may by ordinary resolution also vote for extra fees to be paid to the directors which,

unless otherwise directed by the resolution by which it is voted, will be divided amongst the directors as they agree, or, failing agreement, equally. The directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company.

6.15 Each director must retire from office at the third general meeting or annual general meeting at which he was appointed or last reappointed. A director who has held office with the Company for nine years or more will be subject to reappointment at each annual general meeting. A retiring director is eligible for reappointment.

6.16 The directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.

6.17 In the event of an equality of votes and an equal number of directors being appointed to the board of the Company an independent (within the meaning of the QCA Guidelines) non-executive director appointed for such purposes by the directors will have a casting vote.

6.18 Except as provided in paragraph 6.21 below, a director may not vote or be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to the Act, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.

6.19 In the absence of some other material interest than is indicated below, a director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

6.19.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;

6.19.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

6.19.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in its underwriting or subunderwriting;

6.19.4 any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, as defined in the Act, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company, or of a third company through which his interest is derived, or of the voting rights available to members of the relevant company, any such interest being deemed to be a material interest, as provided in paragraph 6.19 above, in all circumstances;

6.19.5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HM Revenue & Customs;

6.19.6 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of an employee share scheme which includes full time executive directors of the Company and/or any subsidiary or any arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not award to any director any privilege or advantage not generally accorded to the employees to whom such a scheme relates; and Company proposed to maintain or purchase for the benefit of directors or for the benefit or persons including the directors; and

6.19.7 any contract, arrangement, transaction or proposal concerning insurance which the Company proposed to maintain or purchase for the benefit of directors or for the benefit or persons including the directors.

6.20 If any question arises at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other director will be final and conclusive except in a case where the nature or extent of the interest of such director has not been fully disclosed.

6.21 The directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any director, ex-director, employee or ex-employee of the Company or any of its subsidiaries or to the spouse, civil partner, children and dependants of any such director, ex-director, employee or ex-employee.

CREST

6.22 The directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

Disclosure notice

6.23 The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be (either currently or at any point in the preceeding three years) interested in shares comprised in the Company's relevant share capital:

6.23.1 to confirm that fact or (as the case may be) to indicate whether or not it is the case; and

6.23.2 where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

General meetings

6.24 An annual general meeting and an extraordinary general meeting for the passing of a special resolution must be called by at least 21 days' notice, and all other general meetings must be called by at least 14 days' notice.

6.25 Notices must be given in the manner stated in the articles to the members, other than those who under the provisions of the articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors.

6.26 No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.

6.27 At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

6.28 No member is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.

6.29 The appointment of a proxy must be in any usual form, or such other form as may be approved by the directors, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.

6.30 The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.

6.31 The directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

7. Substantial Shareholders

7.1 Except for the interests of those persons set out in this paragraph 7.1 and at paragraph 8.1, the Directors are not aware of any other interest which, at the date of this document and immediately following Admission, would amount to 3 per cent. or more of the Company's issued share capital.

Name	*Ordinary Shares as at the date of this document*	*Percentage of existing Ordinary Shares*	*Ordinary Shares on Admission*	*Percentage of Enlarged Share Capital*
Knowe*	45,500,000	30.33%	45,500,000	21.16%
Stuart Kilnan	6,000,000	4%	6,000,000	2.79%
UKOG	6,000,000	4%	6,000,000	2.79%
JDA**	30,000,000	20%	30,000,000	13.95%
Mike Lakin	5,000,000	3.33%	5,000,000	2.33%

* Knowe is wholly owned by James Manclark

** JDA is wholly owned by Nathan Adamson

7.2 No substantial holder of Ordinary Shares, either as listed above, or as set out in paragraph 8.1 of this Part VII, has voting rights different from other holders of Ordinary Shares.

7.3 So far as the Company is aware, there are no arrangements in place, the operation of which may at a subsequent date result in the change of control of the Company.

8. Directors' Interests

8.1 The interests of the Directors and persons connected with them, within the meaning of sections 252 – 254 of the Act, in the share capital of the Company at the date of this document and immediately following Admission, all of which are beneficial, are:

Name	*Ordinary Shares as at the date of this document*	*Percentage of existing Ordinary Shares*	*Ordinary Shares on Admission*	*Percentage of Enlarged Share Capital*
Jonathan Tidswell-Pretorius	39,500,000	26.33%	39,500,000	18.37%
Paul Vonk	15,000,000	10%	15,000,000	6.98%
Rob Shepherd	Nil	Nil	Nil	Nil
Chris de Goey	Nil	Nil	Nil	Nil
Cameron Buchanan	Nil	Nil	Nil	Nil

8.2 The Directors hold, or will on Admission hold, the following Options over Ordinary Shares pursuant to the Share Option Scheme:

Director	*Aggregate number of Options granted*	*Exercise price*	*Expiry date*
Jonathan Tidswell Pretorius	4,299,606	Placing Price	Three years from Admission
Paul Vonk	4,299,606	Placing Price	Three years from Admission

8.3 Additionally, as referred to in paragraph 17 of Part 1 and paragraph 14 of Part VII, it is intended that the Company establish a further appropriate share incentive plan pursuant to which options would be granted as follows:

Director	*Aggregate number of options to be granted*	*Exercise Price*	*Expiry date*
Chris de Goey	1,074,901	Placing Price	Three years from Admission
Cameron Buchanan	1,074,901	Placing Price	Three years from Admission
Rob Shepherd	1,074,901	Placing Price	Three years from Admission

8.4 Save as disclosed above, none of the Directors nor any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) holds or is beneficially or non-beneficially interested directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings.

8.5 No Director or any member of his immediate family nor any person connected with him (within the meaning of section 252 of the Act) has a Related Financial Product (as defined in the AIM Rules) referenced to Ordinary Shares.

9. Directors

9.1 The full names and functions of the Directors are set out on page 6 of this document.

9.2 The business address of each of the Directors is the Company's registered office.

9.3 Jonathan Tidswell-Pretorius was appointed as a director of the Company on 1 June 2015.

9.4 Paul Vonk was appointed as a director of the Company on 1 December 2015.

9.5 Rob Shepherd was appointed a director of the Company on 18 October 2016.

9.6 Chris de Goey was appointed a director of the Company on 18 October 2016.

9.7 Cameron Buchanan was appointed a director of the Company on 18 October 2016.

9.8 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member, in addition to their directorships of the Company are as set out below:

Director	*Current Directorships*	*Previous Directorships*
Jonathan Tidswell-Pretorius	Angus Group only	Angus Energy Eakring Development Limited Angus Energy Kelham Hills Limited Angus Energy Kirklington Development Limited Angus Energy Whisby Five Development Limited Eclipse Petroleum Limited Grafton Petroleum Limited Tidswell Limited Horse Hill Developments Ltd Abandonment & Cutting Energy Services Limited Angus Energy Offshore Ltd Angus Energy Prospects#1 Ltd
Paul Vonk	Angus Group Angus Energy North America Limited	Eclipse Petroleum Limited Langston House Limited Spark Petroleum Services Limited
Rob Shepherd	Angus Energy Plc President Energy (UK) Limited President Energy Paraguay Limited President Energy Pirity Limited President Energy Holding UK Limited President Petroleum Pty Ltd President Energy plc Caribbean American Energy Limited Satu Petroleum Limited The Hunger Project UK Utas Petroleum Services Limited Froschouw Holding AG Sibla Invest AG	Rialto Energy Limited (renamed Azonto Petroleum Limited) Azonto Petroleum (UK) Limited Rialto Energy (Ghana) Pty Ltd Azonto Petroleum Holdings Limited Azonto Petroleum (Ghana) Limited (BVI) Azonto Petroleum (Ghana) Limited (Ghana) Vioco Petroleum Limited Dominion Petroleum Limited Dominion Petroleum Administrative Services Limited Dominion Kenya Holdings Limited Dominion Petroleum Acquisitions Limited Dominion Oil & Gas Limited (BVI) Dominion Oil & Gas Limited (Tanzania) Dominion Investments Limited Dompet Limited Dominion Tanzania Limited Dominion Acquisitions Limited Dominion Uganda Limited Dominion Congo SRPL Dominion Somaliland Limited

Director	*Current Directorships*	*Previous Directorships*
Chris de Goey	Angus Energy Plc Alcazar Energy Limited	None
Cameron Buchanan	CIS Excellence Ltd Angus Energy Plc Antica Limited	Cunningham & Company (Hatter) Limited

9.9 Save as disclosed in this paragraph 9 none of the Directors has:

9.9.1 had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;

9.9.2 had a bankruptcy order made against him or entered into an individual voluntary arrangement;

9.9.3 have been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;

9.9.4 been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;

9.9.5 subject to receivership in respect of any asset of such Director or of a partnership of which the Director was a partner at the time of or within 12 months preceding such event; or

9.9.6 been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

9.10 Jonathan Tidswell-Pretorius was a director or partner of the following companies and partnerships which were put into liquidation, either at the time he was a director or within 12 months of him ceasing to act:

9.10.1 Angus Energy Eakring Development Limited was dissolved on 12 September 2014 owing £78,059.31 to creditors;

9.10.2 Angus Energy Kirklington Development Limited was dissolved on 2 January 2015 owing £24,850.51 to creditors;

9.10.3 Jonathan Tidswell-Pretorius was a director of, and held 50 per cent. of the issued share capital of Grafton Petroleum Limited (Grafton), from 6 October 2004 until it was dissolved. On 17 August 2011, the court made a winding up order under the laws of Scotland and the Sheriff appointed David Malcolm Menzies of Atholl Exchange, 6 Canning Street, Edinburgh EH3 8EG as the interim liquidator. Grafton was dissolved on 26 June 2013. The estimated total deficiency as regards creditors was £272,791.61.

9.11 Cameron Buchanan was a director of Harrisons of Edinburgh Limited when it entered into a creditors voluntary liquidation on 28 July 2000. The company was subsequently dissolved on 28 September 2002 with no shortfall to creditors.

9.12 Cameron Buchanan was a director of GHE Realisations Limited when it was put into compulsory liquidation on 26 January 1996. The company was subsequently dissolved on 7 June 1997 with a shortfall to creditors of £196,731.

9.13 Cameron Buchanan was a director of Rowland, Ratcliffe Limited when it appointed receiver on 15 June 1993. The company was dissolved on 8 May 1998. There was no shortfall to creditors.

9.14 Except as set out in this document, and specifically as set out in this paragraph 9, and the agreement referred to in paragraph 13.18 of this Part VII, no Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

9.15 In the case of those Directors who have roles as directors of companies which are not a part of the Group, although there are no current conflicts of interest, it is possible that the general duties under chapter 2 of the Act and fiduciary duties owed by those Directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Group. Except as mentioned above, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private duties or duties to third parties.

9.16 Except for the Directors and Carlos Fernandes, the Directors do not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

10. Directors' service contracts

10.1 Jonathan Tidswell-Pretorius is employed as the Executive Chairman pursuant to the terms of a service agreement with the Company dated 7 November 2016. The agreement is terminable on twelve months' notice from either side. With effect from Admission, Jonathan will be paid a basic annual salary of £120,000, which will increase to a maximum of four times its basic rate upon the attainment of certain production targets as follows:

- the basic annual salary will double on daily production reaching over 150bopd (net to Angus) over a 45 day average; and
- this can then double again on daily production reaching over 750bopd (net to Angus) over a 45 day average.

Such increases are subject to annual review by the Remuneration Committee and can be reversed should expected annual production levels not be considered substainable at these levels. Jonathan is subject to certain restrictive and confidentiality covenants.

10.2 Paul Vonk is employed as the Managing Director pursuant to the terms of a service agreement with the Company dated 7 November 2016. The agreement is terminable on twelve months' notice from either side. With effect from Admission, Paul will be paid a basic annual salary of £120,000, which will (subject to a minimum monthly payment of €10,000) increase to a maximum of four times its basic rate upon the attainment of certain production targets as follows:

- the basic annual salary will double on daily production reaching over 150bopd (net to Angus) over a 45 day average; and
- this can then double again on daily production reaching over 750bopd (net to Angus) over a 45 day average.

Such increases are subject to annual review by the Remuneration Committee and can be reversed should expected annual production levels not be considered substainable at these levels. Paul is subject to certain restrictive and confidentiality covenants.

10.3 Pursuant to a letter of appointment with the Company dated 7 November 2016, Rob Shepherd agreed to serve as a Non-Executive Director from Admission, for an annual fee of £20,000. This appointment is subject to re-election in accordance with the Company's articles. The agreement is terminable on 3 months' written notice.

10.4 Pursuant to a letter of appointment with the Company dated 7 November 2016, Chris de Goey agreed to serve as a Non-Executive Director from Admission, for an annual fee of £20,000. This appointment is subject to re-election in accordance with the Company's articles. The agreement is terminable on 3 months' written notice.

10.5 Pursuant to a letter of appointment with the Company dated 7 November 2016, Cameron Buchanan agreed to serve as a Non-Executive Director from Admission, for an annual fee of £20,000. This appointment is subject to re-election in accordance with the Company's articles. The agreement is terminable on 3 months' written notice.

10.6 Save as disclosed in this document there are no service agreements or agreements for the provision of services existing or proposed between the Directors and the Company.

10.7 There are no agreements under which any Director has agreed to waive any future emoluments.

10.8 In the financial period ended 30 September 2015, the aggregate remuneration paid, including pension contributions and benefits in kind granted to the directors was £75,000.

10.9 On the basis of arrangements in force as at the date of this document, it is estimated that the aggregate remuneration payable to the Directors for the current financial year of the Company will be approximately £540,000.

11. Corporate Governance

11.1 The Directors fully support the underlying principles of corporate governance contained in the QCA Guidelines as well as the Corporate Governance Code, notwithstanding that, as its securities are not listed on the Official List, it is not required to comply with the Corporate Governance Code's full recommendations. With effect from Admission the Company will seek to comply with the provisions of the QCA Guidelines, insofar as is practicable and appropriate for a public company of its size and nature, and recognises its overall responsibility for the Company's systems of internal control and for monitoring their effectiveness. Given its current size and stage of operations the Directors consider it appropriate for the roles of Chief Executive and Chairman to be combined. The Directors will review this position as the Company develops.

11.2 The Board will continually review the Company's compliance with the new MAR regime and will adopt such policies and practices as the Board consider necessary to ensure such compliance from time to time.

11.3 The Company has adopted a share dealing policy in line with AIM Rule 21 and the new MAR regime. The Company will be responsible for taking all proper and reasonable steps to ensure compliance by the Directors and applicable employees with the share dealing policy AIM Rules, and the new MAR regime.

11.4 As at the date of this agreement the Directors consider that Rob Shepherd, Chris de Goey and Cameron Buchanan are independent in character and judgement in accordance with the definition in the QCA Guidelines.

11.5 The main features of the Company's corporate governance procedures will be as follows:

11.5.1 the Board will have non-executive directors who take an active role in board matters;

11.5.2 the Company will have an audit committee, a remuneration committee, a nomination committee and an AIM Compliance committee, each of which includes of the non-executive directors which will meet regularly with the rest of the Board in attendance by invitation. The audit committee will have unrestricted access to the Company's auditors and will ensure that auditor independence has not been compromised;

11.5.3 all business activity will be organised within a defined structure with formal lines of responsibility and delegation of authority, including a schedule of "matters reserved for the Board"; and

11.5.4 key performance indicators and financial results will be regularly monitored and compared with expectations.

Audit Committee

11.6 The following is a summary of the terms of reference under which the Company's audit committee will operate.

11.7 The audit committee will have at least two members and a majority of the audit committee members shall be independent non-executive directors. The initial members of the audit committee following Admission will be Rob Shepherd, Cameron Buchanan as chairman and Paul Vonk. The Directors must be satisfied that at least one member of the audit committee has recent and relevant financial experience. Appointments to the audit committee should be made by the Directors in consultation with the chairman of the audit committee. The audit committee shall meet at least three times in every year and any other time as required by either the chairman of the audit committee or the external auditors of the Company. In addition, the audit committee will meet with the external auditors of the Company (without any of the executives attending) at least once a year.

11.8 The audit committee will, *inter alia*:

11.8.1 monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgments contained in them. This will include:

- considering whether the Company has followed appropriate accounting standards and, where necessary, made appropriate estimates and judgments taking into account the views of the external auditors;
- reviewing the clarity of disclosures in the financial statements and considering whether the disclosures made are set properly in context;
- where the audit committee is not satisfied with any aspect of the proposed financial reporting of the Company, reporting its view to the board of directors;
- reviewing material information presented with the financial statements and corporate governance statements relating to the audit and to risk management; and
- reviewing the adequacy and effectiveness of the Company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the board itself, review the Company's internal control and risk management systems and, except where dealt with by the board or risk management committee, review and approve the statements included in the annual report in relation to internal control and the management of risk;

11.8.2 monitor and review the effectiveness of the Company's internal function in the context of the Company's overall risk management system. This shall include:

- considering and approving the remit of the internal audit function and ensuring it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;
- reviewing and assessing the annual internal audit plan;
- reviewing reports from the internal auditor;
- reviewing and monitoring management's responsiveness to the findings and recommendations of the internal auditor;
- meeting with the internal auditor at least once a year (without any of the executives attending) to discuss their remit and any issues arising from the internal audits; and
- approving the appointment or termination of appointment of the head of internal audit and monitoring and reviewing the effectiveness of the internal audit function in the context of the Company's overall risk management system;

11.8.3 make recommendations to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor. This shall include:

- overseeing the selection process;
- annually assessing the qualification, expertise and resources, and independence of the external auditors and the effectiveness of the audit process;
- making recommendations on the remuneration of the external auditors, whether in relating to fees in respect of audit or non-audit services;
- approving the engagement letter at the start of each audit, ensuring that it has been updated to reflect changes in circumstances which have arisen in the previous year;
- discussing and agreeing the scope of the audit with the external auditor and arranging for additional work to be undertaken as necessary; and
- ensuring that the level of fee payable is appropriate and that an adequate audit can be conducted for such a fee;

11.8.4 review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements. This shall include considering all relationships between the Company and the audit firm (including the provision of non-audit services) and whether such relationships impair the external auditor's judgment or independence. The audit committee shall also satisfy itself that there are no relationships between the external auditor and the Company (other than in the ordinary course of business);

11.8.5 develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm, and to report to the board identifying any matters in respect of which it considers that any action or improvement is needed and making any recommendations as to the steps to be taken. This shall include setting and applying a formal policy specifying the types of non-audit work which the external auditors will not be permitted to carry out for the Company and those which are permitted subject to the prior consent of the audit committee; and

11.8.6 review arrangements by which staff of the Company may, in confidence, raise concerns about possible wrongdoing in financial reporting or other matters and ensure that arrangements are in place for proportionate and independent investigations of such matters with appropriate follow-up action.

11.9 The audit committee will report annually on the board's behalf to the Shareholders. The audit committee will compile a report to Shareholders on its activities to be included in the Company's annual report or, where the audit committee has determined that there are good reasons for not compiling such report, an explanation of those reasons will be provided.

11.10 The audit committee will be authorised to:

11.10.1 investigate any activity within its terms of reference;

11.10.2 seek any information it requires from any employee of the Company; and

11.10.3 obtain, at the Company's expense, outside legal or other independent professional advice.

Remuneration Committee

11.11 The following is a summary of the terms of reference under which the Company's remuneration committee will operate.

11.12 The remuneration committee will have at least two members and a majority of the remuneration committee members will be independent non-executive directors. The initial members of the Remuneration Committee will be Rob Shepherd as Chairman, Cameron Buchanan and Chris de Goey. The members of the remuneration committee will be appointed by the board in consultation with the chairman of the remuneration committee. The remuneration committee may invite any person it thinks appropriate to join the members of the remuneration committee at its meetings. The remuneration committee will meet at least three times in every year and at any other time as required by either the chairman of the remuneration committee, the chairman of the board or the external auditors of the Company.

11.13 The remuneration committee will, *inter alia*:

11.13.1 determine and agree with the board the framework or broad policy for the remuneration of such members of the executive management as it is designated to consider. As a minimum, the remuneration committee should have responsibility for setting the remuneration for all executive directors, the chairman of the board and the company secretary. The remuneration of non-executive directors will be a matter for the chairman of the board and the other executive directors;

11.13.2 ensure that no director or manager is involved in any decisions as to their own remuneration;

11.13.3 determine targets for any performance-related pay schemes operated by the Company and approve the total annual payments under such schemes;

11.13.4 determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;

11.13.5 ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

11.13.6 determine the total individual remuneration package of the chairman of the board, each executive director and the company secretary within the terms of the agreed policy and in consultation with the chairman of the board and/or the chief executive;

11.13.7 review the design of all share option schemes for approval by the board and Shareholders and, for any such schemes, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors and the performance targets to be used;

11.13.8 have regard in the performance of the duties of the remuneration committee to all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Corporate Governance Code, QCA Guidelines and associated guidance and to obtain reliable, up to date information about remuneration in other companies;

11.13.9 review and oversee any major changes in employee benefit structures throughout the Company including reviewing and noting annually the remuneration trends across the Company;

11.13.10 agree the policy for authorising claims for expenses from the directors of the Company; and

11.13.11 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee.

11.14 The chairman of the remuneration committee will report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities. The remuneration committee will produce an annual report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to the Shareholders for approval at the annual general meeting.

11.15 The remuneration committee will be authorised to:

11.15.1 investigate any activity within its terms of reference;

11.15.2 seek any information it requires from any employee of the Company;

11.15.3 assess the remuneration paid by other UK listed companies of a similar size in any comparable industry sector and assess whether changes to the executive directors' remuneration are appropriate for the purpose of making their remuneration competitive or otherwise comparable with the remuneration paid by such companies; and

11.15.4 obtain, at the Company's expense, outside legal or other independent professional advice, including that of independent remuneration consultants, on any matter within its terms of reference.

11.16 In addition to the duties outlines above, the remuneration committee will also responsible for reviewing the composition of the board including, but not limited to, regularly reviewing the skills, knowledge, experience and diversity of the board, giving its full consideration to successions planning of the Directors and identifying and nominating for the approval by the Board candidates to fill any vacancies as and when they arise.

Nominations Committee

11.17 The following is a summary of the terms of reference under which the Company's nomination committee will operated.

11.18 The nominations committee will have at least three members, the majority of whom shall be independent non-executive directors of the Company. The initial members of the nominations committee following Admission will be Cameron Buchanan as chairman, Paul Vonk and Jonathan Tidswell-Pretorius. Appointments to the nominations committee shall be made by the board of directors from time to time in consultation with the chairman of the nominations committee. The nominations committee shall meet at least twice per year at times and at any other time as is required by the chairman of the committee.

11.19 The nominations committee will, *inter alia*:

11.19.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any changes;

11.19.2 give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and what skills and expertise are therefore needed on the board in the future;

11.19.3 be responsible for identifying and nominating for the approval of the board candidates to fill board vacancies as and when they arise;

11.19.4 before appointment is made by the board, evaluate the balance of skills, knowledge, experience and diversity on the board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the nominations committee shall:

- use open advertising or the services of external advisers to facilitate the search;
- consider candidates from a wide range of backgrounds; and

- consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;

11.19.5 keep under review the leadership needs of the organisation, both executive and non- executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

11.19.6 keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;

11.19.7 review the results of the board performance evaluation process that relate to the composition of the board;

11.19.8 review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;

11.19.9 ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;

11.19.10 work and liaise as necessary with other committees; and

11.19.11 consider such other matters as may be requested by the board.

11.20 The nominations committee shall also make recommendations to the board concerning:

11.20.1 formulating plans for succession for both executive and non-executive directors and in particular for key roles;

11.20.2 suitable candidates for the role of senior independent director;

11.20.3 the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;

11.20.4 the re-election by shareholders of any director under the "retirement by rotation" provisions in the company's articles of association, having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the board (particularly in relation to directors being re-elected for a term beyond six years);

11.20.5 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and

11.20.6 the appointment of any director to executive or other office.

11.21 The nominations committee will have authority to seek information from employees of the Company and its subsidiaries, and to obtain external professional advice at the expense of the Company if authorised by the board.

AIM Rules Compliance Committee

11.22 The following is a summary of the terms of reference under which the Company's AIM Rules compliance committee will operate.

11.23 The AIM Rules compliance committee will have at least two members. The initial members of the AIM Rules compliance committee following Admission will be Rob Shepherd as chairman, Cameron Buchanan and Paul Vonk. Appointments to the AIM Rules compliance committee should be made by the board and on the recommendation of the chairman of the AIM Rules compliance committee. The AIM Rules compliance committee shall meet not less than twice a year.

11.24 The AIM Rules compliance committee will promptly raise, discuss with, or otherwise notify, the nominated adviser and seek guidance and advice from the nominated adviser, in relation to *inter alia*:

11.24.1 any proposed deals by directors or any of their "family" in respect of any shares in which they are interested;

11.24.2 any changes to the interests of any shareholder holding 3 per cent. or more of any shares such that the relevant shareholder's holding is increased or decreased through any single percentage;

11.24.3 the resignation, dismissal or proposed appointment of any director, in the case of an appointment allowing sufficient time for appropriate due diligence procedures to be undertaken by the nominated adviser prior to the appointment being made;

11.24.4 any proposed change in the company's accounting reference date, registered office address or any proposed change in its legal name;

11.24.5 any material change between the company's actual trading performance or financial condition and any prof it forecast, estimate or projection made public on behalf of the company;

11.24.6 any proposal for the company to make any payment in respect of its shares, including any dividend or other distribution to shareholders;

11.24.7 the proposed issue or cancellation of any shares and the reason for such issue or cancellation;

11.24.8 the occurrence and number of shares taken into and out of treasury;

11.24.9 the resignation, dismissal or appointment of the company's nominated adviser or broker from time to time;

11.24.10 any change in the website address operated by the company pursuant to Rule 26 of the AIM Rules;

11.24.11 the admission to any other exchange or trading platform (apart from AIM) of any shares;

11.24.12 any new developments relating to the company in connection with its financial condition, sphere of activity, performance of its business or the expectation of its performance; and

11.24.13 any proposed changes to the company's AIM Compliance Code.

11.25 The AIM Rules compliance committee will have authority to seek information from employees of the Company and its subsidiaries, and to obtain external professional advice at the expense of the Company if authorised by the board.

12. Taxation

12.1 ***Taxation in the United Kingdom***

The following information is based on UK tax law, proposals announced in the 16 March 2016 Budget and HM Revenue and Customs ("**HMRC**") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. Please note that announcements in the 16 March 2016 Budget are only proposals and have not yet been enacted in UK tax legislation. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

12.2 ***Tax treatment of UK investors***

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

(i) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or

(ii) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or

(iii) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

12.3 ***Dividends***

Where the Company pays dividends, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £5,000 dividend tax allowance. Dividend receipts in excess of £5,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers , and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax or withholding tax imposed.

12.4 ***Disposals of Ordinary Shares***

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

As announced in the 16 March 2016 Budget it is proposed that gains accruing after 6 April 2016 the rate of capital gains tax on disposal of ordinary shares by basic rate taxpayers will reduce from 18 per cent. to 10 per cent., and for upper rate and additional rate taxpayers the rate will fall from 28 per cent. to 20 per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently being 20 per cent. from 1 April 2015 falling to 19 per cent. after 1 April 2017 and 18 per cent. after 1 April 2020). It is proposed in 16 March 2016 Budget that the rate of corporation tax after 1 April 2020 will fall to 17 per cent. instead of 18 per cent.

12.5 ***Further information for Shareholders subject to UK income tax and capital gains tax***

"Transactions in securities"

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

12.6 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

12.7 ***Ordinary Shares held in certificated form***

No stamp duty or SDRT will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

(A) the Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

(B) AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

13. Material contracts

The following contracts, (i) (not being contracts entered into in the ordinary course of business), having been entered into by the Company or any member of the Group within the period of two years immediately preceding the date of this document or which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group at the date of this document or (ii) are subsisting agreements which are included within or which relate to the oil assets and liabilities of the Group (notwithstanding whether such agreements are within the ordinary course or were entered into outside of the two years immediately preceding the publication of this document) and are, or may be material:

Placing Documents

13.1 On 7 November 2016, the Company and Optiva entered into a warrant instrument pursuant to which the Broker Warrants exercisable over 2,916,667 Ordinary Shares have been granted to Optiva in its capacity as the broker to the Company, such warrants to be exercisable at the Placing Price for a period of three years from Admission. The Broker Warrants are part of the fee arrangements agreed.

13.2 On 7 November 2016, the Placing Agreement was entered into between the Company, the Directors, Beaumont Cornish and Optiva pursuant to which Optiva agreed to act as the Company's placing agent and to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price per Placing Share and Beaumont Cornish agreed to take certain steps as nominated adviser to the Company pursuant to the AIM Rules. The Placing Agreement provides that, conditional upon Admission and completion of the Placing:

13.2.1 Optiva will be paid a commission of 5 per cent. of the total consideration paid for the Placing Shares placed by Optiva at the Placing Price;

13.2.2 Optiva will be issued the Broker Warrants;

13.2.3 Optiva will receive a £20,000 success fee (in addition to the initial £15,000 advisory fee); and

13.2.4 Beaumont Cornish will receive a £75,000 corporate adviser fee (inclusive of any fee payments up to £30,000 received by Beaumont Cornish prior to Admission) of which £15,000 will be satisfied by the issue to Beaumont Cornish of the Beaumont Fee Shares,

(in each case plus applicable VAT and disbursements).

The Company has agreed to pay all other costs and expenses relating to the Placing and the application for Admission.

The Placing Agreement is conditional upon, among other things, Admission having occurred on or before 30 November 2016. The Placing Agreement contains certain warranties by the Company and the Directors in favour of Optiva as well as an indemnity from the Company in favour of Optiva and Beaumont Cornish. It also contains provisions entitling Optiva and Beaumont Cornish to terminate the agreement prior to the completion of the Placing if, among other things, a breach of any of the warranties occurs or on the occurrence of an event fundamentally and adversely affecting the position of the Company.

13.3 On 7 November 2016 the Company, the Directors and Beaumont Cornish entered into a nominated adviser agreement under which Beaumont Cornish agrees to act as the Company's nominated adviser for an initial period of 12 months, subject to three months' notice thereafter. Beaumont Cornish will receive an annual retainer of £40,000. The agreement contains standard warranties and indemnities given by the Company to Beaumont Cornish as well as various undertakings given by the Directors to Beaumont Cornish and the Company. The Company and each of the Directors have agreed to comply with their legal obligations, and those under the AIM Rules and the London Stock Exchange, and to provide Beaumont Cornish with such information as is necessary for it to carry out its obligations to the London Stock Exchange as nominated adviser to the Company.

13.4 On 7 November 2016 the Company and Optiva entered into a broker agreement pursuant to which the Company has retained Optiva to act as its broker on an on-going basis post Admission. The Company shall pay Optiva an annual fee of £25,000. The agreement contains certain undertakings given by the Company and the Directors and indemnities given by the Company in respect of, amongst other things, compliance with all applicable laws and regulations. The appointment pursuant to the agreement continues, subject to certain events of default, for an initial term of 12 months and may be terminated prior to that time by either party giving three months' written notice, not to expire prior to such 12 month period.

13.5 On 7 November 2016, each of JDA, the Directors and Knowe entered into lock-in deeds with the Company, Beaumont Cornish and Optiva pursuant to which each of each of them have undertaken to Beaumont Cornish, Optiva and the Company that they will not, and, insofar, as they are able, they will procure that their associates will not, dispose of any interest in Ordinary Shares for the period of 12 months following Admission, save for certain limited customary exceptions. Each of them have further agreed not to dispose of any interest in Ordinary Shares for a period of 12 months from the first anniversary of the date of Admission, except with the consent of, and through Optiva (or the Company's broker from time to time), so as to maintain an orderly market in the Ordinary Shares.

In addition, on 7 November 2016, certain other shareholders (together holding 18,730,287 Ordinary Shares) entered into orderly market agreements with the Company, Beaumont Cornish and Optiva pursuant to which each have undertaken to Beaumont Cornish, Optiva and the Company that they will not dispose of any interest in Ordinary Shares for a period of 12 months from following Admission, except with the consent of, and through Optiva (or the Company's broker from time to time), so as to maintain an orderly market in the Ordinary Shares.

13.6 On 7 November 2016, the Company, Beaumont Cornish and each of Jonathan Tidswell-Pretorius and Knowe respectively entered into relationship agreements pursuant to which, conditional on Admission, each of Jonathan Tidswell-Pretorius and Knowe undertakes that, for as long as each of them, together with any of their respective associated persons, holds 15 per cent. and 10 per cent. respectively or more of the voting rights attaching to the Ordinary Shares of the Company, they will exercise such voting rights to ensure that, *inter alia*, the Company is capable at all times of carrying on its business independently of them, the board is not influenced by them and acts in the best interests of all Shareholders, and that all transactions between them and the Company are and will be made at arm's length and on normal commercial terms. In addition, for so long as Jonathan Tidswell-Pretorius (together with associated persons) holds shares in the capital of the Company representing not less than 10 per cent. of the Ordinary Shares in issue, he is entitled to nominate one representative to be appointed as a director of the Company (which will be satisfied by his appointment if he is a director of the Company). Except for Jonathan Tidswell-Pretorius's right to appoint a director, the respective obligations on Mr Tidswell-Pretorius and Knowe will be suspended whilst such persons (together with their respective associated persons) cease to have an interest in 15 per cent. and 10 per cent. respectively or more of the voting rights attaching to the Ordinary Shares (on a fully diluted basis taking into account any options or conversion rights held in respect of Ordinary Shares).

Material contracts relating to the Lidsey Licence

13.7 On 2 December 1983, Production Licence PL241 was made between the Secretary of State and a number of other companies, who have transferred their interests prior to the Group's acquisition of such interests. This licence incorporates the Model Clauses. Further details are set out in Part VI of this document.

13.8 On 28 February 2014 AWB2 entered into an agreement in relation to the land at Lidsey with Joan Mary Eggins. AWB3 is able to enjoy this through a group sharing right. The term of the lease is 10 years from 22 January 2013. The annual rent is £40,000, subject to an annual increase in line with RPI. There is no statutory right of renewal at the end of the contractual term, but there is a contractual right of renewal for a further 10 year period. The authorised use includes carrying out of any searching, drilling, testing and boring for, development and extraction of petroleum. There are full reinstatement provisions. The tenant (being an Angus Group company) must keep the landlord fully indemnified for all costs, charges, claims and demands brought against the landlord in relation to the authorised use by the tenant.

13.9 The Angus Group has entered into the following agreements in respect of its interest in the Lidsey Licence:

13.9.1 in relation to the acquisition of the Lidsey Licence, on 6 July 2012 AWB1 entered into an agreement with Key Petroleum Limited to acquire the entire issued share capital of Key Petroleum (UK) Limited (the "**Key Petroleum Agreement**"). Under the terms of this agreement, AWB1 acquired the entire issued share capital of that company, which held the Lidsey Licence and the Brockham Licence in consideration for £100,000, the second and last instalment of which was paid on 6 July 2013;

13.9.2 in relation to the transfer of an aggregate 20 per cent. participating interest in the Lidsey Licence to Doriemus, (i) a joint operating agreement dated 30 October 2013 between AWB3 (1), Doriemus (2) and AHL (3) (as amended by an amendment agreement between the parties dated 21 November 2013), (ii) farm-out agreements (each in respect of a 10 per cent. participating interest) between the same parties dated 21 November 2013, (iii) deeds of assignment (each in respect of a 10 per cent. participating interest) between AWB3 (1), Doriemus (2) and the Secretary of State (3) dated 9 January 2014, pursuant to which Doriemus acquired such interests for an aggregate consideration of £380,000 and 100 million shares in Doriemus, and has the right to an additional 10 per cent. of production from the first additional Lidsey well, and is responsible for an additional 10 per cent. of the costs in respect thereof. Further details of joint operating agreement are set out in Part VI of this document;

13.9.3 in relation to the transfer of a 10 per cent. participating interest in the Lidsey Licence to BCL, (i) a farm-out agreement between AWB3 (1), Brockham Energy LLP (an associated party of BCL) (2) and AHL (3) dated 3 December 2013 (effective as of 1 September 2013) (the "**Brockham Farm-out Agreement**"), (ii) a deed of novation between Doriemus (1), AWB3 (2) and BCL (3) dated 25 April 2014 (effective as of 1 September 2013), and (iii) a deed of assignment between AWB3 (1), BCL (2), Doriemus (3) and the Secretary of State (4) dated 25 April 2014. Pursuant to such farm-out agreement, the Angus Group has agreed to carry the participating interest costs of BCL; and

13.9.4 in relation to the transfer of a 20 per cent. participating interest in the Lidsey Licence to Terrain, the following agreements dated 25 June 2015: (i) a sale and purchase agreement between Terrain (1) and AWB3 (2), (ii) a novation and amendment of joint operating agreement between AWB3 (1), Terrain (2), Doriemus (3) and BCL (4), (iii) an assignment of percentage interest between Terrain (1) and AWB3 (2), (iv) a deed of licence assignment between Terrain (1), AWB3 (2), BCL (3), Doriemus (4) and the Secretary of State (5), and (v) a deed of release executed by Terrain (releasing Terrain's interest in the purchase price deposit it had paid on signing the sale and purchase documentation). Under the sale and purchase agreement, Terrain paid AWB3 consideration of £130,000.

13.10 On 20 November 2015 the Company, AHL and AWB3 (the "**Angus Parties**") entered into an agreement (the "**Brockham Agreement**") with BCL, Meredith Brodie and BE LLP (being the "**Brockham Parties**") pursuant to which the Angus Parties were obliged to make various payments to the Brockham Parties in consideration for the Brockham Parties agreeing to, amongst other things, suspend the date upon which certain pre-emption rights to acquire interests in the Brockham and Lidsey Licences could arise under a side letter entered into by these parties dated 3 December 2013 ("**Brockham Side Letter**"), give consent for off-site water to be injected at Brockham and certain breaches of this side letter and the Brockham lease were waived. The payments made, or to be made to the Brockham Parties by the Angus Parties include:

- a payment of £55,000;
- the Brockham Shares;
- the Brockham Warrants in respect of such number of Ordinary Shares as is equal in value to £50,000 at the Placing Price, such warrants to be exercisable at the Placing Price for a period of two years from Admission.

The Angus Parties agree to make certain additional payments to the Brockham Parties, such payments being £2,000 per month if AWB3's daily average oil production is 100 barrels or greater, and £4,000 per month in the event that AWB3's daily average oil production is 150 barrels or greater. In addition, the Angus Parties agree not to dispose of their interests in the Lidsey or Brockham Licences prior to 31 March 2017.

The obligations of the parties to the Brockham Side Letter continue, as amended by the above agreement. Under the terms of this Brockham Side Letter, the Angus Parties are obliged to offer AWB3's interests in Brockham and Lidsey to Brockham Energy LLP in certain circumstances, including insolvency events in relation to AWB3, in the event that AWB3 and AHL fail to pay to Brockham Energy LLP sums due to it, or in the event that AHL undertakes a transaction by which AWB3 will cease to be a wholly owned subsidiary of AHL, or under which AWB3 sells any part of the Lidsey or Brockham Licences.

In addition, the Angus Parties agree to provide Brockham Energy LLP with first option over any interests in Lidsey or Brockham until 31 March 2017, and it agrees not to otherwise dispose of interests until such time (except for the 5 per cent. farm-in by Alba).

Material contracts relating to the Brockham Licence

13.11 Production Licence PL235, dated 28 October 1983 made between the Secretary of State and a number of other companies, who have transferred their interests prior to the Group's acquisition of such interests. This licence incorporates the Model Clauses. Further details are set out in Part VI of this document.

13.12 On 15 August 2013 AWB3 entered into a lease with Meredith Brodie, relating to land at Felton's Farm, Brockham. The term of the lease is 10 years from 14 August 2013. The annual rent is £40,000, subject to annual increase in line with RPI. There is no statutory right of renewal at the end of the contractual term. The authorised use includes petroleum exploration, appraisal, development, production and decommissioning in respect of the two existing wells. Landlord consent will be required (not to be unreasonably withheld or delayed) for drilling new wells and side tracks. There are full reinstatement provisions. This lease was varied on 20 November 2015 to delay the obligation to establish a restoration fund until 31 March 2017. In addition, under the Brockham Side Letter the parties agreed that certain payments were to be made by AHL which is in effect a guarantee of rent. When taken with the payments under the lease, the total payable under this agreement is £140,000 per annum.

13.13 The Angus Group has entered into the following agreements in respect of its interest in the Brockham Licence:

13.13.1 the Key Petroleum Agreement transferred the Brockham Licence in addition to the Lidsey Licence. See paragraph 13.9.1, above;

13.13.2 in relation to the transfer of a 20 per cent. participating interest in the Brockham Licence to Terrain, (i) a sale and purchase agreement between Terrain (1) and AWB3 (2) dated 4 July 2013 (effective as of 30 June 2013), (ii) a joint operating agreement between Terrain (1) and AWB3 (2) (effective as of 30 June 2013), (iii) an assignment of percentage interest between Terrain (1) and AWB3 (2) dated around 4 July 2013, and (iv) a deed of licence assignment between Terrain (1), AWB3 (2) and the Secretary of State (3) dated around 4 July 2013, pursuant to which Terrain acquired such interest for an aggregate consideration of £450,000. Further details of the joint operating agreement are set out in Part VI of this document;

13.13.3 in relation to the transfer of a 10 per cent. participating interest in the Brockham Licence to BCL, (i) the Brockham Farm-out Agreement, (ii) a deed of novation between Terrain (1), AWB3 (2) and BCL (3) dated 25 April 2014 (effective as of 1 September 2013), and (iii) a deed of assignment between AWB3 (1), BCL (2), Terrain (3) and the Secretary of State (4) dated 25 April 2014. Pursuant to such farm-out agreement, the Angus Group has agreed to carry the participating interest costs of BCL;

13.13.4 in relation to the transfer of a 10 per cent. participating interest in the Brockham Licence to Doriemus, (i) a farm-out agreement between AWB3 (1) and Doriemus (2) dated 28 January 2014, (ii) a deed of novation between Terrain (1), BCL (2), AWB3 (3) and Doriemus dated June 2014, (iii) a deed of assignment between AWB3 (1), Doriemus (2), Terrain (3) and BCL (4) dated June 2014, and (iv) a deed of novation between Terrain (1), BCL (2), AWB3 (3) and Doriemus (4) dated June 2014, pursuant to which Doriemus paid a consideration of £100,000. Under the farm-out agreement, Doriemus would have been required to fund £100,000 of the new well costs at Brockham; if Doriemus' participating interest share of joint account costs exceeded £100,000, AWB3 would have been responsible for the additional amount which would otherwise have been due from Doriemus; and if Doriemus' participating interest share of joint account costs did not exceed £100,000, AWB3's share of joint account costs would have been reduced by such excess. On 6 October 2016 it was agreed between the parties that Doriemus would fund its participating interest share of such costs (i.e. 10 per cent.) in full and that the provisions of the January 2014 farm-out agreement in this respect would not apply; and

13.13.5 in relation to the transfer of a 5 per cent. participating interest in the Brockham Licence to Alba, (i) an option deed between Alba (1), AWB3 (2) and AHL (3), dated 23 October 2015, and (ii) a farm-out agreement between AWB3 (1) and Alba (2) dated 14 September 2016, pursuant to which, Alba has agreed to become immediately liable for its financial commitments on the basis that ABW3 holds the 5 per cent. participating interest on trust for Alba. Under the financial commitments Alba is required to fund 10 per cent. of the costs of the new Brockham well, from spudding to first oil, but capped, for all dry hole costs, at a maximum of £187,125, plus a maximum of a further 10 per cent. of any AFE in relation to the production / well testing of the new Brockham well. Following the satisfaction of such payments, Alba's financial obligations will revert to follow its pro-rata participating interest (i.e. 5 per cent.). Completion of the farm-out agreement (and therefore the formal transfer of the 5 per cent. participating interest) is conditional on the satisfaction of certain conditions precedent, including the approval of the other licence participants and of the OGA.

13.14 The Brockham Agreement, summarised at paragraph 13.10, above, also relates to the Brockham Licence.

Material agreements relating to the Horse Hill Licences and disposal of the Angus Group's interests

13.15 Since the incorporation of HHDL, Angus has entered into the following agreements in relation to HHDL:

13.15.1 on 15 September 2014, AHL, and certain third parties entered into an investment agreement in relation to HHDL. This agreement set out the terms and conditions on which the parties operated HHDL, as holder of the Horse Hill Licence. Under the terms of this agreement, AHL retained a 40 per cent. interest in HHDL, with the investors receiving the remaining 60 per cent. of shares between them;

13.15.2 on 16 December 2014 AHL sold a 5 per cent. interest in HHDL to Danadav Investments Ltd, for the purchase price of £250,000, and a 5 per cent. interest to Essendon Investments Ltd, for the purchase price of £250,000;

13.15.3 on 6 March 2015, AHL entered into an agreement with UKOG, under which it sold an 8 per cent. interest in HHDL to UKOG for the price of £580,000 in cash;

13.15.4 on 28 October 2015 the Company completed the sale of a 5 per cent. interest in HHDL to Alba. This agreement, dated 24 September 2015 included an option to acquire a further 5 per cent. shareholding in HHDL on the same terms (which lapsed without being exercised), plus the option to farm into 5 per cent. of the Brockham Licence on a "two for one promote" basis. The consideration payable for this was 137,729,178 new ordinary shares in Alba, £365,000 in cash, and 45,909,726 warrants to subscribe for ordinary shares in Alba at the price of 0.5 pence per share, exercisable over 18 months following completion of that agreement. A number of these shares and warrants were issued to third parties at Angus' direction in order to satisfy amounts owing. The Group retains no interest in any Alba securities.

13.15.5 on 23 February 2016, AHL disposed of a 5 per cent. interest in HHDL to Regency for a consideration of £400,000, settled by way of £223,730 in cash, and as to £176,270 by the issue of 54,236,919 new ordinary shares in Regency at a price of 0.325 pence per share. In addition, as part of the transaction, Angus was issued with options over 17,898,183 in Regency, exercisable at a price of 0.39 pence within 18 months of the day of grant. The Company retains no interest in any Regency securities.

13.15.6 on 15 April 2016, AHL disposed of its remaining 12 per cent. interest in HHDL to UKOG for consideration of £1,800,000, to be satisfied as to £1,000,000 in cash, and £800,000 by the issue and allotment of 43,886,116 shares in UKOG at a price of 1.8229 pence each. As

part of this agreement, it was agreed that Angus would accept the Isle of Wight Licence, and that Jonathan would resign from the board of HHDL (as Angus no longer held any interest therein). The Group retains no interest in any UKOG securities.

Under the above agreements Angus Group companies have given and received various warranties and indemnities which are usual for these types of transactions.

Material agreements relating to the Angus Group's structure

13.16 On 14 October 2015, AHL entered into agreements with all of the holders of ordinary shares in AHL at such time (the "**Sellers**"), for a share for share exchange regarding the ordinary shares in AHL and Ordinary Shares. Under the terms of the agreement the Sellers sold the ordinary shares in AHL with full title guarantee and limited warranties in consideration for an equal percentage of the shareholding at such time in the Company.

13.17 On 3 July 2013, AHL entered into an agreement with JDA. Pursuant to this agreement, consultancy services were provided by JDA, for a consultancy fee of £50,000 and 5 per cent. of petroleum proceeds net to AHL in PEDL137, or, should AHL decide to divest all or part of its interest before production, 12.5 per cent. of the value of a sale of all or part of AHL's interest in such licence. On or around 14 October 2015 the Angus Group transferred certain shares in Alba to JDA Consulting Limited in full and final settlement of all fees and amounts otherwise due to JDA Consulting Limited. On 22 April 2016 AHL and the Company entered into an agreement with JDA to formally change the terms of the previous agreement, such that the obligations of AHL under that agreement were to be met by the issue and allotment of 6,000,000 ordinary shares of £0.01 each. In addition, on 22 April 2016 JDA, AHL and the Company entered into an agreement formalising the position, and confirming that no further fees were due from the Angus Group to JDA.

13.18 On 22 April 2016 the Company and AHL entered into an agreement with Paul Vonk, pursuant to which Paul Vonk was to be issued 3,000,000 ordinary shares of £0.01 each in the Company in lieu of fees and shares in AHL, to which he was otherwise entitled for services provided to the Company to such date.

13.19 On 22 April 2016 the Company entered into an agreement with Michael Lakin, pursuant to which Michael Lakin was issued 1,000,000 ordinary shares of £0.01 each in the Company in consideration for his 5 per cent. shareholding in AWB2.

13.20 On 24 November 2015 the Company entered into an agreement with AWB1, pursuant to which AWB1 transferred its 95 per cent. shareholding in AWB2 to the Company in consideration for £5,700,000, which was charged to intercompany account.

Miscellaneous agreements

13.21 On 13 October 2015, AHL entered into a convertible loan deed with Energists, relating to the loan of US$200,000 from Energists (of which a previous director of the Company, Jonathan Hill, is a controlling party). This agreement was amended on 31 August 2016, and pursuant to this agreement, as amended, the loan is repayable on or before 12 October 2017. Interest to 12 October 2016 is payable at a rate of 6 per cent. over LIBOR, and for the remainder of the term at 8.25 per cent. Interest is payable monthly in cash. The principal sum of the loan can (after 11 April 2017) be converted into Ordinary Shares, or will be converted upon Admission into the Conversion Shares.

13.22 On 31 August 2016 the Company entered into a joint venture agreement for the purpose of governing the running of JVCo. The Company holds 80 per cent. of the issued share capital of JVCo, and Brantwood Assets Limited (a company incorporated in the British Virgin Islands) holds the remaining shares. There are two directors of JVCo; each appointed by one of the participants. The current directors are Paul Vonk (appointed by Angus) and Jonathan Hill (appointed by Brantwood Assets Limited)

The material terms are the JVCo are that Brantwood Assets Limited seeks to present JVCo with opportunities within the United States. JVCo is expected to acquire businesses, assets, projects or companies within the oil and gas sector, which it will manage following completion. Any opportunity must be unanimously approved before JVCo invests. All funds required by JVCo for

investment will, at Angus' discretion be provided by Angus by way of loans, which would be repaid before either participant is entitled to receive any profits from the operations of JVCo. The agreement includes standard pre-emption, drag and tag along rights.

13.23 On 10 August 2016, AHL entered into binding heads of agreement, under which it agreed to dispose of its interest in the Isle of Wight Licence to Doriemus, for £200,000, satisfied by the issue and allotment of 500,000,000 ordinary shares in Doriemus. See paragraph 3.3 of this Part VII for information on the Company's current holding of shares in Doriemus.

13.24 On 7 November 2016, AWB1, AWB2 and AWB3 entered into a deed of release with Ventureforth 2000 Limited ("Ventureforth"), pursuant to which Ventureforth agreed to release and discharge such Angus Group companies from all obligations and liabilities in respect of loans made by Ventureforth to such Angus Group companies, and to release all security over such companies in respect thereof.

14. Share Option Scheme and other Share Incentive Plans

14.1 The Directors believes that it is important that directors, employees of, and consultants to the Group are appropriately and properly motivated and rewarded and have adopted the Share Option Scheme for that purpose.

14.2 On 13 October 2016, the Company adopted the Share Option Scheme, which is an Enterprise Management Incentive Scheme. The rules of the Share Option Scheme are as follows:

Dilution limit

The Directors intend to grant options over Ordinary Shares with a nominal value of up to 10 per cent. of the issued share capital of the Company in aggregate under all the Company's share incentive schemes. Such options are intended to be split between executive directors and senior management (up to 60 per cent.), non-executive directors (up to 20 per cent.) field personnel (up to 20 per cent.) although owing to the requirements of EMI schemes, not all of such options may be granted pursuant to the Share Option Scheme. In addition, being an EMI scheme restricts the value of Ordinary Shares that can be issued pursuant to the Share Option Scheme by reference to the maximum number of shares that are eligible for EMI tax treatment (£250,000 per option holder, and £3 million for all participants, as determined by reference to the market value of the shares at the date of grant).

Grant of options

The Share Option Scheme enable employees and eligible directors of the Company, and certain subsidiaries from time to time, to be granted options to acquire Ordinary Shares. No option can be transferred or assigned. No amount is payable on grant of an option. The option holder agrees to enter into a joint election if required to do so by the Group prior to the exercise of any Option.

Vesting of options

The Options vest as to 40 per cent., upon the share price being 25 per cent. above the Placing Price, based on the 30 day VWAP, a further 40 per cent. on the share price being 40 per cent. above the Placing Price based on the 30 day VWAP, and the final 20 per cent. on the share price reaching 50 per cent. above the Placing Price, based on the 30 day VWAP.

Exercise of options

Options may be exercised in whole or part in accordance with the rules of the Share Option Plan and other such rules and regulations as are applicable to the Company. Options can be exercised at any time after vesting, until the option holder dies or is no longer employed by the Angus Group. Any unexercised options lapse on the day immediately preceding the tenth anniversary of the date of grant of the Option.

Assignment

The Company is liable for any stamp duty payable on any transfers of the shares under the Share Option Scheme. However, except upon transfer to the personal representative of an option holder in the event of the death of the option holder, the Options are not assignable or transferable. In the event of any purported transfer (including charging of the Option), the Option shall immediately lapse). In the event of the death of the option holder, the personal representative of such holder may exercise the Options for a period of one year beginning on the date of death, unless such Options would lapse prior to such date, in which case the Options shall lapse on the earlier date.

Adjustment of options

In the event of a reorganisation of the Company , the number of shares subject to option and the exercise price may be adjusted as the board may determine.

Takeover

In the event of a takeover offer, if the board resolves, the Options which have not vested may be exercised for a period ending immediately before the acquiring party obtains control of the Company. Any Options not so exercised shall lapse.

14.3 As referred to in paragraph 17 of Part I and paragraph 8.4 of Part VII of this document, the Company intends to put in place, following Admission, a further share incentive scheme pursuant to which option grants are proposed to be made (on similar vesting and exercise terms) to certain non-executive Directors who would not be eligible for awards under the Share Option Scheme.

15. Working Capital

Taking into account the net proceeds of the Placing, the Company and the Directors are of the opinion, having made due and careful enquiry, that the Group will have sufficient working capital for its present requirements, that is, for at least 12 months from the date of Admission.

16. Litigation

The Angus Group is not nor has it been involved in any governmental, legal or arbitration proceedings which may have or have had during the last 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Angus Group nor, so far as the Company is aware, are any such proceedings pending or threatened.

17. Intellectual Property

The Angus Group is dependent on certain licences, contracts, permissions and consents which are material to its business or profitability, comprising:

17.1 the Brockham Licence;

17.2 the Lidsey Licence;

17.3 the Joint Operating Agreements in respect of the Brockham Licence and the Lidsey Licence (and related farm-out and ancillary agreements), as referred to in paragraphs 3 and 4 of Part VI and paragraphs13.9 and 13.13 of Part VII of this document;

17.4 certain leases and agreements relating to the use of land at the Brockham and Lidsey oil fields, as referred to in paragraphs 13.8, 13.10 and 13.12 of Part VII of this document; and

17.5 certain permissions and consents, as referred to in paragraph 5 of Part VI of this document.

Except as set out above, the Angus Group is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Angus Group business or profitability.

18. Employees

Since incorporation, the Angus Group has had 5 employees, all of whom are based in the UK.

19. Related Party Transactions

Except as disclosed in Note 25 to the Financial Information on the AHL Group set out at Part IV(D) of this document, the Angus Group is not party to any transactions with related parties, for the period covered by the historical financial information up to the date of this document.

20. No significant changes

Except as described in this document, there has been no significant change in the financial or trading position of the Company since incorporation.

21. Mandatory bids and compulsory acquisition rules relating to the Ordinary Shares

Other than as provided by the City Code and Chapter 28 of the Act, there are no rules or provisions relating to mandatory bids and/or squeeze out and sell-out rules that apply to the Ordinary Shares.

The City Code is issued and administered by the Panel.

The City Code will apply to the Company from Admission and the Shareholders will be entitled to the protection afforded by the City Code,

There have been no public takeover bids for the Company's Ordinary Shares.

Mandatory bid provisions

Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

Except where the Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Panel should be consulted in advance in such cases.

Squeeze-out

Under the Act, if a "takeover offer" (as defined in section 974 of the Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the Ordinary Shares to which the offer relates and not less than 90 per cent. of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10 per cent.. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

Sell-out

The Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. in value of the Ordinary Shares and not less than 90 per cent. of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

22. General

22.1 Except as disclosed in this document, no exceptional factors have influenced the Company's activities.

22.2 Except as disclosed in this document, there are no environment issues that may affect the Group's utilisation of its tangible fixed assets.

22.3 Except as disclosed in this document, there have been no significant authorised or contracted capital commitments at the date of publication of this document.

22.4 The expenses of Admission and the Placing are estimated at £487,500 (exclusive of VAT) and are payable by the Company.

22.5 Payments aggregating at over £10,000 have been made to the OGA, the Department for Energy and Climate Change, the Environment Agency, Mole Valley District Council and Arun District Council and regulation authorities or similar bodies by the Angus Group, or on its behalf, with regards to the acquisition and maintenance of its oil and gas properties. These payments, since the acquisition of the Group's interest in the Licences, total approximately £360,906.

22.6 Except as stated in this document and for payments totalling £22,002 paid to SP Angel Corporate Finance LLP and for the advisers named on page 6 of this document and trade suppliers, no person has received, directly or indirectly, from the Company within the 12 months preceding the date of this document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price or any other benefit with a value of £10,000 or more at the date of Admission.

22.7 Beaumont Cornish is authorised and regulated in the United Kingdom by the FCA. Beaumont Cornish has given and not withdrawn its written consent to the issue of this document with references to its name in the form and context in which they appear.

22.8 Optiva is authorised and regulated in the United Kingdom by the FCA. Optiva has given and not withdrawn its written consent to the issue of this document with references to its name in the form and context in which they appear.

22.9 The Company's reporting accountants Crowe Clark Whitehill LLP has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its report and letter and references to it and to its name in the form and context in which they respectively appear. Furthermore, Crowe Clark Whitehill LLP confirms that the information contained in Parts IV and V of this document is, to the best of their knowledge, correct on its facts and contains no material omissions. Crowe Clark Whitehill LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

22.10 Crowe Clark Whitehill LLP has no material interest in the Company.

22.11 The Competent Person, Xodus has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its report and letter and references to it and to its name in the form and context in which they respectively appear.

22.12 The Competent Person has confirmed to each of the Company and Beaumont Cornish that (i) they have reviewed the information which relates to information contained in the report on the Company in this document, set out in Part III "Competent Person's Report", which is contained in a portion of this document other than in such report, and (ii) such information contained in a portion of this document other than such report is, to the best of the Competent Person's knowledge, correct on its facts, accurate, balanced, complete, not inconsistent with such report and contains no material omissions likely to affect its import.

22.13 The Competent Person has no material interests in the Company.

22.14 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, the information is complete and accurate and no facts have been omitted which would render the reproduced information inaccurate or misleading.

22.15 The Placing Shares will be issued and allotted under the laws of England and their currency will be pounds sterling.

22.16 The Placing Price represents a premium of 5.8 pence above the nominal value of an Ordinary Share which is 0.2 pence.

22.17 It is expected that CREST accounts will be credited as applicable on the date of Admission. The Company's ISIN number is GB00BYWKC989. Where investors have requested to receive their Ordinary Shares in certificated form, temporary documents of title will not be issued pending despatch of share certificates. Share certificates will be despatched by first-class post within 14 days of the date of Admission.

23. Availability of this document

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the offices of Fladgate LLP at 16 Great Queen Street, London WC2B 5DG from the date of this document for a period of at least one month from Admission. This document is also available at the Company's website www.angusenergy.co.uk.

Dated 7 November 2016