

THE QUOTED COMPANY ALLIANCE (QCA) CODE

The Quoted Company Alliance has developed its standards for governance in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. The underlying principle of the Quoted Companies Alliance Corporate Governance Code (“QCA”) is to ensure that the company is “managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term”.

The Directors of Angus Energy recognise that good corporate governance is a key foundation for the long-term success of the Company. Therefore the Board has chosen to follow the rigorous standards set forth by the Quoted Companies Alliance in the QCA Code. The correct application of the QCA Code requires us to apply the principles set out in the QCA Code and also to publish certain related disclosures; these may appear in our Annual Report, be included on our website or we can adopt a combination of the two approaches.

The corporate governance framework which the Group operates is based upon practices which the Board considers appropriate for the size, risks and operations of the business. To see how the Company addresses the key governance principles defined in the QCA Code please refer to the below table.

Cameron Buchanan, acting Non-Executive Chairman

This disclosure was last reviewed and updated on 28 September 2018

THE PRINCIPLES OF THE QUOTED COMPANY ALLIANCE (QCA) CODE

DELIVER GROWTH

QCA Code Principle	Application (as set out by QCA)	What we do and why
1. Establish a strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the company’s purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a	Angus Energy Plc provides shareholders with a full discussion of corporate strategy within our Annual Report. A dedicated section explains how we will establish long term shareholder value. Please see pages 6 & 7 of our Report and Accounts for the year ended 30 September 2017. The Company is focused around 3 key strategic goals: 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.

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	<p>clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.</p>	<p>The Management team actively evaluates projects that simultaneously de-risk the current portfolio and create long term shareholder value. Projects are evaluated based on many characteristics to mitigate risk to our current activities they include but are not limited to alignment with the Company's core competencies, geography, time horizon and value creation.</p> <p>Further, a core component of the Company's activities include an active dialogue with our legal and legislative advisors to ensure the Company remains up to date on current legislation, policy and compliance issues.</p> <p>The key challenges to the business and how they may be mitigated are detailed on pages 8 & 9 of our Report and Accounts for the year ended 30 September 2017.</p>
<p>2. Seek to understand and meet shareholder needs and expectations</p>	<p>Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base.</p> <p>The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.</p>	<p>Angus Energy encourages two-way communication with institutional and private investors.</p> <p>The Group's major shareholders maintain an active dialogue to and ensure that their views are communicated fully to the Board.</p> <p>Where voting decisions are not in line with the company's expectations the Board will engage with those shareholders to understand and address any issues. The Company Secretary is the main point of contact for such matters.</p> <p>The Company seeks out appropriate platforms to communicate to a broad audience its current activities, strategic goals and broad view of the sector and other related issues. This includes but is not limited to media interviews, website videos</p>

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		<p>in -person investor presentations and written content.</p> <p>Communication to all stakeholders is the direct responsibility of the Senior Management team. Managers work directly with professionals to ensure all inquiries (through established channels for this specific purpose ie email, phone) are addressed in a timely matter. And that the Company communicates with clarity on its proprietary internet platforms.</p> <p>Senior management routinely provides interviews to local media, and business reporters in support of the company's activities.</p> <p>The Board routinely reviews the Company communication policy and programmes to ensure the quality communication with all stakeholders.</p>
<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations.</p> <p>Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the</p>	<p>In all endeavours, the Company gives due consideration to the impact on its neighbours. The Company seeks out methodologies, processes and expertise in order to address the concerns of the non-investment community. As such, it actively identifies the bespoke needs of local communities and their respective planners.</p> <p>For example, the company provides for local hotlines and establishes community liaison groups to address local questions and concerns.</p> <p>Angus Energy seeks to maintain positive relationships within the communities we operate. As such, Angus Energy is dedicated to ensuring:</p> <ul style="list-style-type: none"> • Open and honest dialogue • Engagement with stakeholders at all stages of development • Proactively address local concerns • Actively minimise impact on our neighbours

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	<p>company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model.</p> <p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.</p>	<ul style="list-style-type: none"> • Adherence to a strict health and safety code of conduct <p>As a responsible OGA approved and EA permitted UK operator, Angus Energy is committed to utilising industry best practices and achieving the highest standards of environmental management and safety.</p> <p>Our operations:</p> <ul style="list-style-type: none"> • Continuously assess and monitor environmental impact • Promote internally and across our industry best practices for environmental management and safety • Constant attention to maintaining our exemplary track record of safe oil and gas production <p>The Company has also established a scholarship programme for community residents seeking secondary or further education.</p> <p>For more information please see our the Sustainability section of our Annual Report on pages 9 & 10 of our Report and Accounts for the year ended 30 September 2017.</p>
<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer.</p>	<p>Risk Management on pages 8 & 9 of our Annual Report for the year ended 30 September 2017 details risks to the business, how these are mitigated and the change in the identified risk over the last reporting period.</p> <p>The Board considers risk to the business at every Board meeting (at least 4 meetings are held each year) and the risk register is updated at each meeting. The Company formally reviews and</p>

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	<p>Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).</p>	<p>documents the principal risks to the business at least annually.</p> <p>Both the Board and senior managers are responsible for reviewing and evaluating risk and the Executive Directors meet at least monthly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading.</p>

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

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<p>5. Maintain the board as a well- functioning, balanced team led by the chair</p>	<p>The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.</p> <p>The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper</p>	<p>Oversight of Angus Energy is performed by the Company's Board of Directors. Cameron Buchanan, the acting Non-Executive Chairman, is responsible for the running of the Board and Paul Vonk, the Managing Director, has executive responsibility for running the Group's business and implementing Group strategy.</p> <p>All Directors receive regular and timely information regarding the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. In addition, minutes of the</p>

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	<p>assessment of the matters requiring a decision or insight.</p> <p>The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement.</p> <p>The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Directors must commit the time necessary to fulfill their roles.</p>	<p>meetings of the Directors of the main UK subsidiary are circulated to the Group Board of Directors. All Directors have direct access to the advice and services of the Company Secretary and are able to take independent professional advice in the furtherance of the duties, if necessary, at the company's expense.</p> <p>The Board comprises of one Executive Director and three Non-Executive Directors with a mix of significant industry and business experience within public companies. The Board considers that all Non- executive Directors bring an independent judgement to bear.</p> <p>All Directors must commit the required time and attention to thoroughly fulfil their duties.</p> <p>The Board has a formal schedule of matters reserved to it and is supported by the Audit, Remuneration, Nomination and AIM Rules compliance committee. The Schedule of Matters Reserved and Committee Terms of Reference are available on the Company's website and can be accessed on the Corporate Governance page of this website.</p>
<p>6. Ensure that between them the directors have the</p>	<p>The board must have an appropriate balance of sector,</p>	<p>The nomination committee will determine the composition of</p>

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<p>necessary up-to-date experience, skills and capabilities</p>	<p>financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition.</p> <p>The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board.</p> <p>As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.</p>	<p>the board of the Group and appointment of senior employees. It will develop succession plans as necessary and report to the Directors. Where new Board appointments are considered the search for candidates is conducted, and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender.</p> <p>The Board carries out an evaluation of its performance annually, taking into account the Financial Reporting Council's Guidance on Board Effectiveness.</p> <p>The Company Secretary supports the Chairman in addressing the training and development needs of Directors.</p> <p>As a small company, all members of the Board share responsibility for all Board functions. As such the Board will from time to time engage outside consultants to provide an independent assessment.</p>
<p>7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.</p>	<p>The Board carries out an evaluation of its performance annually, taking into account the Financial Reporting Council's Guidance on Board Effectiveness.</p>

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	<p>The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.</p> <p>It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.</p>	<p>All Directors undergo a performance evaluation before being proposed for re- election to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role.</p> <p>Appraisals are carried out each year with all Executive Directors.</p> <p>All continuing Directors stand for re-election every 3 years.</p> <p>Succession planning at the current time is limited due to the current size of the Board.</p> <p>Details of the board performance effectiveness process will be included in the Annual Report and Accounts 2018.</p>
<p>8. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.</p> <p>The policy set by the board should be visible in the actions and decisions of the chief</p>	<p>Our Annual Report for the year ended 30 September 2017 details the ethical values of Angus Energy including environmental, social and community and relationships. These are set out on pages 9 and 10 of the Annual Report.</p> <p>The Group is committed to maintaining and promoting high standards of business integrity.</p>

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	<p>executive and the rest of the management team.</p> <p>Corporate values should guide the objectives and strategy of the company.</p> <p>The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.</p> <p>The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.</p>	<p>Company values, which incorporate the principles of corporate social responsibilities (CSR) and sustainability, guide the Group's relationships with clients, employees and the communities and environment in which we operate. The Group's approach to sustainability addresses both our environmental and social impacts, supporting the Group's vision to remain an employer of choice, while meeting client demands for socially responsible partners.</p> <p>Company policy strictly adheres to local laws and customs while complying with international laws and regulations. These policies have been integral in the way group companies have done business in the past and will continue to play a central role in influencing the Group's practice in the future.</p>
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:</p> <ul style="list-style-type: none"> • size and complexity; and • capacity, appetite and tolerance for risk. 	<p>The Company has adopted a model code for directors' dealings and persons discharging managerial responsibilities appropriate for an AIM company, considering the requirements of the Market Abuse Regulations "MAR"), and take reasonable steps to ensure compliance is also applicable to the Group's employees (AIM Rule 21 in relation to directors' dealings).</p>

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	<p>The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.</p>	<p>The role & responsibilities of each director are set out at pages 13- 15 of the 2017 Annual Report.</p> <p>Our Corporate Governance Statement on pages 13 & 14 of our Report & Accounts for the year ended 30 September 2017 details the company’s governance structures and why they are appropriate and suitable for the company, together with details and members of the Audit Committee, Remuneration Committee, Nomination Committee and AIM Rules compliance committee.</p> <p>The terms of reference of the committee can be found here:</p> <p>Audit: https://goo.gl/s8wn2d</p> <p>Remuneration: https://goo.gl/s8wn2d</p> <p>Nomination: https://goo.gl/s8wn2d</p> <p>AIM Compliance: https://goo.gl/TRrRBC</p> <p>The Company maintains are schedule of matters reserved for the Board, which can be found here: [link]</p>

BUILD TRUST

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<p>10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.</p>	<p>A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.</p> <p>In particular, appropriate communication and reporting structure should exist between the board and all constituent parts of its shareholder base. This will assist:</p> <ul style="list-style-type: none"> • the communication of shareholders' views to the board; and • the shareholders' understanding of the unique circumstances and constraints faced by the company. <p>It should be clear where these communication practices are described (annual report or website).</p>	<p>The Company encourages two-way communication with both its institutional and private investors and responds quickly to all queries received. The Managing Director talks regularly with the Group's major shareholders and ensures that their views are communicated fully to the Board.</p> <p>The Board recognizes the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM.</p> <p>To the extent that voting decisions are not in line with expectations, the Board will engage with shareholders to understand and address any issues.</p> <p>In addition to the investor relations activities carried out by the Company as set out above, and other relevant disclosures included on this Investor Relations section of the Company's website, reports on the activities of each of the Committees during the year will be set out in the Annual Report and Accounts for the year ending 30 September 2018.</p>