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If you have sold or otherwise transferred all of your shares in Chariot Oil & Gas Limited prior to the Ex-entitlement Date, please forward this document and the accompanying documents to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was made for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your shares in Chariot Oil & Gas Limited prior to the Ex-entitlement Date, you should contact your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form. However, this Circular and/or any accompanying documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.

The total consideration under the Open Offer shall be less than €5 million (or an equivalent pounds sterling amount) in aggregate and so, in accordance with Section 85 and Schedule 11A of FSMA, the Open Offer does not require the issue of a prospectus for the purposes of the Prospectus Rules. The Placing Shares are only available to qualified investors for the purposes of the Prospectus Directive or otherwise in circumstances not resulting in an offer of transferable securities to the public under Section 102B of FSMA. Therefore neither the Placing nor the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the FCA pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body and has not been approved for the purposes of Section 21 of FSMA.

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Counsel takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or the opinions expressed with regard to it. The London Stock Exchange has not approved the contents of this document.

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## **CHARIOT OIL & GAS LIMITED**

*(incorporated and registered in Guernsey with registered number 47532)*

### **Proposed Placing of 82,582,747 New Ordinary Shares and Open Offer of 33,609,150 New Ordinary Shares of 1 pence each at 13 pence per New Ordinary Share and Notice of General Meeting**

*Nominated Advisor*

**finnCap Ltd**

*Joint Brokers*

**finnCap Ltd  
Cenkos Securities plc**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company set out in Part 1 of this Circular explaining the background to, and reasons for, the Fundraising and the recommendation by the Directors to the Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting, referred to below, and to the Risk Factors set out in Part 2 of this Circular.**

Copies of this document will be available free of charge until 27 March 2018 at the offices of finnCap Ltd, 60 New Broad St, London EC2M 1JJ during normal business hours.

The Directors of the Company, whose names appear on page 5 of this document, have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in this document. All the Directors accept responsibility accordingly.

The Existing Ordinary Shares are admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Application will be made for the Placing and Open Offer Shares to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and that dealings will commence in the Placing and Open Offer Shares on 28 March 2018. The Placing and Open Offer Shares will be issued free of expenses and will, on issue, rank *pari passu* in all respects with the existing Ordinary Shares in issue, including the right to receive all dividends and distributions declared, made or paid after the date of issue.

Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled thereto or by a person entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Existing Ordinary Shares prior to the date on which the relevant Existing Ordinary Shares are marked “ex” the entitlement by the London Stock Exchange. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer.

If the Basic Entitlements and Excess Entitlements are for any reason not enabled by 7 March 2018 or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for its Basic Entitlement and Excess Entitlement credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST Sponsored Members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Open Offer. The Application Form is personal to Qualifying Non-CREST Shareholders and cannot be transferred, sold or assigned except to satisfy *bona fide* market claims.

The latest time for acceptance and payment under the Open Offer is 10.00 a.m. on 23 March 2018. The procedure for application is set out in Part 3 of this document and, in respect of the Qualifying Non-CREST Shareholders, the Application Form.

Notice of a General Meeting of the Company, to be held at the offices of finnCap Ltd, 60 New Broad Street, London EC2M 1JJ at 10.00 a.m. on 27 March 2018, is set out at the end of this document.

If you are unable to attend and vote at the General Meeting, a Form of Proxy for use at the General Meeting is enclosed. To be valid, a Form of Proxy should be completed, signed and returned so as to be received by Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham BR3 4ZF, as soon as possible, but in any event so as to be received not later than 10.00 a.m. on 23 March 2018. Completion and return of a Form of Proxy will not prevent a Shareholder from attending the General Meeting and voting in person. Please refer to the detailed notes contained in the Notice of GM and the Form of Proxy.

The distribution of this Circular in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any other jurisdiction should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the laws of such jurisdiction. This document does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. For the avoidance of doubt, such restricted jurisdictions include, but are not limited to, the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa. This document has been prepared to comply with English law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. No person should construe the contents of this document as legal, tax or financial advice and recipients of this document should consult their own advisers as to the matters described in this document.

None of the Placing Shares or Open Offer Shares have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of the Fundraising or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Until 40 days after Admission, an offer or sale of the Placing Shares and the Open Offer Shares within the United States by any dealer (whether or not participating in the offer) may violate the registration requirements of the United States Securities Act of 1933, as amended (“**Securities Act**”) if such offer or sale is made otherwise than pursuant to an available exemption from registration under the Securities Act.

finnCap and Cenkos, which are authorised and regulated in the United Kingdom by the FCA, are acting as joint brokers (and finnCap is also the Company’s nominated advisor for the purposes of the AIM Rules) exclusively for the Company and no one else and will not be responsible to any other person for providing protections afforded to their customers nor for providing advice in relation to the contents of this document. No representation or warranty, express or implied, is made by the Brokers as to the accuracy of any information or opinions contained in this document or the omission of any material information, nor have the Brokers authorised the contents of this document for any purpose and no liability whatsoever is accepted by the Brokers. The Brokers expressly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

### **Cautionary note regarding forward-looking statements**

This document contains statements about the Company that may be deemed to be “forward-looking statements”.

All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements may include, without limitation, statements relating to future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, etc.

These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual result, performance or achievements of any person, or industry, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code on Takeovers and Mergers, the Prospectus Rules and/or FSMA), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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## **Directors, Company Secretary and Advisers**

<b>Directors</b>	George Canjar, <i>Non-Executive Chairman</i> Larry Bottomley, <i>Chief Executive Officer</i> Adonis Pouroulis, <i>Non-Executive Director</i> Robert Sinclair, <i>Non-Executive Director</i>
<b>Company Secretary</b>	International Administration Group (Guernsey) Limited
<b>Registered Office</b>	Regency Court Gategny Esplanade St Peter Port Guernsey GY1 1WW
<b>Nominated Adviser and Broker</b>	finnCap Ltd 60 New Broad Street London EC2M 1JJ
<b>Broker</b>	Cenkos Securities plc 6-8 Tokenhouse Yard London EC2R 7AS
<b>Legal Advisers to the Company</b>	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP
<b>Legal Advisers to the Nominated Adviser and Brokers</b>	K&L Gates LLP One New Change London EC4M 9AF
<b>Receiving Agent and Registrar</b>	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## Expected Timetable of Principal Events

Record Date for entitlements under the Open Offer	5.30 p.m. on 2 March 2018
Dispatch of the Circular, the Form of Proxy and, to Qualifying Non-CREST Shareholders only, the Application Form	6 March 2018
Ex-entitlement date for the Open Offer	7 March 2018
Basic Entitlements and Excess Entitlements credited to stock accounts of Qualifying CREST Shareholders	7 March 2018
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 19 March 2018
Latest time and date for depositing Basic Entitlements and Excess Entitlements into CREST	3.00 p.m. on 20 March 2018
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 21 March 2018
Latest time for receipt of Forms of Proxy	10.00 a.m. on 23 March 2018
Latest time and date for receipt of completed Application Forms from Qualifying Non-CREST Shareholders and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	10.00 a.m. on 23 March 2018
General Meeting	10.00 a.m. on 27 March 2018
Announcement of the results of the Open Offer	27 March 2018
Announcement of the results of the General Meeting	27 March 2018
Issue of Placing Shares and Open Offer Shares	28 March 2018
Admission and commencement of dealings in the Enlarged Share Capital expected to commence on AIM	8.00 a.m. on 28 March 2018
CREST accounts expected to be credited	28 March 2018
Definitive share certificates to be dispatched by	6 April 2018

*Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.*

## Key Statistics

Closing price of Existing Ordinary Shares on 23 February 2018	20.3 pence
Basis of Open Offer	1 Open Offer Share for every 8 Existing Ordinary Shares
Issue Price	13 pence
Number of Existing Ordinary Shares in issue on the Record Date	268,873,197
Number of New Ordinary Shares to be issued the Company pursuant to the Placing	82,582,747
Number of New Ordinary Shares to be issued pursuant to the Open Offer*	33,609,150
Minimum dilution as a result of the Placing	23 per cent.
Enlarged Share Capital if no take-up under the Open Offer	351,455,944
Enlarged Share Capital if full take-up under the Open Offer*	385,065,094
Gross proceeds of the Fundraising*	£15.1 million
Net proceeds of the Fundraising*	£14.3 million
ISIN of the Ordinary Shares	GG00B2R9PM06
SEDOL of the Ordinary Shares	B2R9PM0
ISIN for Basic Entitlements	GG00BD6GZY15
ISIN for Excess Entitlements	GG00BD6GZZ22

\*assuming full take-up under the Open Offer

## Definitions

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

“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“Application Form”	the application form enclosed, in the case of Qualifying Non-CREST Shareholders, with this Circular for Qualifying Non-CREST Shareholders to apply for Open Offer Shares;
“Basic Entitlement”	the pro rata entitlement of Qualifying Shareholders to subscribe for 1 Open Offer Share for every 8 Existing Ordinary Shares registered in their name as at the Record Date, on and subject to the terms of the Open Offer;
“Board” or “Directors”	the directors of the Company whose names are set out on page 5 of this document;
“Brokers”	finnCap and Cenkos;
“Business Day”	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday;
“Cenkos”	Cenkos Securities plc;
“Circular”	this document, posted to Shareholders on 6 March 2018;
“Company” or “Chariot”	Chariot Oil & Gas Limited, a company incorporated and registered in Guernsey with company number 47532;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited;
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual and the CREST Glossary of Terms;
“CREST Member”	a person who has been admitted to Euroclear as a member (as defined in the CREST Order);
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time);
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST Sponsor;
“CREST Sponsored Member”	a CREST Member admitted to CREST as a sponsored member;
“Enlarged Share Capital”	the Company’s issued ordinary share capital immediately following Admission;



“Euroclear”	Euroclear UK & Ireland Limited;
“Excess Application”	Open Offer Shares which may be applied for by Qualifying Shareholders under the Excess Application Facility;
“Excess Application Facility”	the arrangement, documented in the Application Form, pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, their entitlement (in addition to his Basic Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Basic Entitlement in full and which may be subject to scaling back in accordance with the provisions of this Circular;
“Excess Entitlement”	in respect of a Qualifying Shareholder, their entitlement to apply for Open Offer Shares pursuant to the Excess Application Facility and which may be subject to scaling back in accordance with the provisions of this Circular;
“Excess Shares”	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility;
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 7 March 2018;
“Existing Ordinary Shares”	the ordinary shares of 1 penny each in the capital of the Company as at the date of this document, being 268,873,197 Ordinary Shares;
“FCA”	the Financial Conduct Authority;
“finnCap”	finnCap Ltd whose registered office is at 60 New Broad Street, London EC2M 1JJ;
“Form of Proxy”	the form of proxy attached to this document for use by Shareholders in connection with the GM;
“Fundraising”	together, the Placing and the Open Offer;
“FSMA”	Financial Services and Markets Act 2000, as amended;
“GFSC Handbook”	The Guernsey Financial Services Commission Handbook for Legal Professionals, Accountants and Estate Agents on Countering Financial Crime and Terrorist Financing;
“GM” or “General Meeting”	the general meeting of the Company to be held at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ at 10.00 a.m. on 27 March 2018, notice of which is set out in Part 6 of this document;
“Group”	the Company and its subsidiaries at the date hereof and “ <b>Group Company</b> ” shall be construed accordingly;
“HMRC”	Her Majesty’s Revenue & Customs;
“Issue Price”	13 pence per New Ordinary Share;
“Listing Rules”	the listing rules of the FCA made in accordance with section 73A(2) of FSMA;

“London Stock Exchange”	London Stock Exchange plc;
“MAR”	means Regulation (EU) No. 596/2014 of the European Parliament and of the Council on Market Abuse and all related delegated and implementing acts, technical standards, advice and guidelines from time to time together with any related guidance contained in the Disclosure Guidance and Transparency Rules issued by the FCA;
“Money Laundering Regulations”	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Criminal Justice Act 1993, the Proceeds of Crime Act 2002, the GFSC Handbook, POCL and the other relevant enactments as referred to in the GFSC Handbook;
“New Ordinary Shares”	the new Ordinary Shares in the capital of the Company to be issued in connection with the Placing and Open Offer;
“Notice of GM” or “Notice of General Meeting”	the notice of General Meeting which forms part of this document;
“Open Offer”	the invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form;
“Open Offer Entitlement”	the entitlement of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer;
“Open Offer Shares”	the 33,609,150 New Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer;
“Ordinary Shares”	the ordinary shares of 1 penny each in the capital of the Company;
“Overseas Shareholder”	a Shareholder with a registered address outside of the United Kingdom;
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant;
“PDMR”	has the meaning given under Article 3(25) of MAR;
“Placees”	the placees subscribing for Placing Shares pursuant to the Placing;
“Placing”	the proposed placing by finnCap and Cenkos, as joint brokers and agents for the Company, of the Placing Shares;
“Placing Agreement”	the conditional placing and open offer agreement dated 27 February 2018 between finnCap, Cenkos and the Company, details of which are set out in the letter from the Chairman;
“Placing Shares”	the 82,582,747 New Ordinary Shares to be allotted on the terms of the Placing Agreement;
“POCL”	the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 as amended;
“Prospectus Directive”	directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading;

“Prospectus Rules”	the prospectus rules of the Financial Conduct Authority made under Part VI of the Financial Services and Markets Act 2000;
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST at the Record Date;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares in certificated form at the Record Date;
“Qualifying Shareholders”	holders of Ordinary Shares on the register of members of the Company at the Record Date with the exclusion of Shareholders with a registered address in or who are resident in any Restricted Jurisdiction;
“Record Date”	5.30 p.m. on 2 March 2018;
“Receiving Agent”, “Link Market Services” or “Link Asset Services”	Link Asset Services, a trading name of Link Market Services Limited, whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
“Regulatory Information Service”	has the meaning given under the AIM Rules;
“Resolutions”	the resolutions to be proposed at the GM, as set out in the Notice of GM;
“Restricted Jurisdiction”	each and any of Australia, Canada, Japan, the Republic of South Africa, New Zealand and the United States and any other jurisdiction where the extension or the availability of the Open Offer would breach any applicable law;
“Securities Act”	US Securities Act of 1933 (as amended);
“Shareholders”	holders of Existing Ordinary Shares;
“subsidiary”	has the meaning given in section 1159 of the Companies Act 2006;
“UK” or “the United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the Ordinary Shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction;
“USE”,	unmatched stock event;
“£”, “pounds sterling”, “pence” or “p”	the lawful currency of the United Kingdom;
“\$” or US\$”	the lawful currency of the United States; and
“€”	the lawful currency of the members states of the European Union that have adopted and retained a common single currency through the monetary union of the Eurozone.

## PART 1

### LETTER FROM THE CHAIRMAN

# CHARIOT OIL & GAS LIMITED

*(incorporated and registered in Guernsey with registered number 47532)*

*Directors:*

George Canjar (*Non-Executive Chairman*)  
Larry Bottomley (*Chief Executive Officer*)  
Adonis Pouroulis (*Non-Executive Director*)  
Robert Sinclair (*Non-Executive Director*)

*Registered Office:*

Chariot Oil & Gas Ltd  
Regency Court  
Glategny Esplanade  
St Peter Port  
Guernsey  
GY1 1WW

6 March 2018

Dear Shareholder,

**Conditional Placing of 82,582,747 New Ordinary Shares  
Open Offer of up to 33,609,150 New Ordinary Shares at 13 pence per Ordinary Share  
Notice of GM**

#### 1. Introduction

On 27 February 2018, Chariot Oil & Gas Limited announced that through a conditional Placing from institutional investors it had raised approximately US\$15 million (£10.7 million) before expenses, by the issue of 82,582,747 New Ordinary Shares at 13 pence each. The Company also announced that it proposed to make an Open Offer to existing Shareholders to raise up to €5 million (£4.4 million), by the issue of up to a further 33,609,150 New Ordinary Shares at 13 pence each. The Issue Price of 13 pence per Ordinary Share represents the same price at which Ordinary Shares are to be issued to institutional investors and existing Shareholders.

The Fundraising has been undertaken to deliver a two-well programme within the near term comprising the drilling of Prospect S in Namibia, in addition to the carried drilling of the RD-1 well in Morocco by Eni, with success in either of these wells being potentially transformational for Chariot. Further details on the specific work planned by the Company and rationale for the Fundraising are set out in paragraph 2 of this Part 1.

The Board is grateful for the continuing support received from all Shareholders, and accordingly wishes to offer Shareholders the opportunity to participate in the Fundraising by launching the Open Offer, whereby the Company proposes to issue up to 33,609,150 further New Ordinary Shares to Qualifying Shareholders at 13 pence each.

The Board believes that raising equity finance using a combination of the Placing and the Open Offer is the most appropriate and optimal structure for the Company at this time. This allows both existing shareholders and new investors the opportunity to participate in the Fundraising and avoids the requirement for the Company to produce a prospectus, which is a costly and complex process. The amount offered pursuant to the Open Offer is restricted to the sterling equivalent of €5 million at the time the offer to Qualifying Shareholders is made in order for the Company to rely on the exemption from issuing a prospectus in section 85(5) and paragraph 9 of Schedule 11A of FSMA and on paragraph 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended).

Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 8 Existing Ordinary Shares held at 5.30 p.m. on the Record Date, being 2 March 2018. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares as an Excess Entitlement at the discretion of the Directors, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer.

Larry Bottomley is intending to participate in the Open Offer as set out in paragraph 7 of this Part I.

The Placing and the Open Offer are conditional, *inter alia*, upon the passing of resolutions 1 and 2 of the Resolutions by Shareholders at the General Meeting, notice of which is set out at Part 6 of this document.

Admission of the Placing Shares and the Open Offer Shares to trading on AIM is expected to occur no later than 8.00 a.m. on 4 April 2018 or such later time(s) and/or date(s) as finnCap, Cenkos and the Company may agree. Neither the Placing nor the Open Offer have been underwritten.

The purpose of this letter is to outline the reasons for, and to explain the terms of, the Fundraising, to explain why the Board considers the Fundraising to be in the best interests of the Company and Shareholders as a whole and to seek your approval to the Resolutions at the forthcoming General Meeting, to be held at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ on 27 March 2018 at 10.00 a.m.

## **2. Background to and Reasons for the Placing and Open Offer**

The Fundraising has been undertaken to deliver a two-well programme targeting giant potential prospects which would significantly increase Chariot's access to hydrocarbons within the near term, comprising the drilling of Prospect S in Namibia in addition to the carried drilling of the RD-1 well in Morocco by Eni. Success in either of these two wells has the potential to create transformational value and de-risk the running room in each licence.

The RD-1 well (Rabat Deep permits, Morocco) is to be drilled by the Saipem 12000, a sixth generation ultra-deepwater drillship, and is expected to spud in March 2018. The Group has previously partnered with Woodside and Eni in these permits, recovering all back-costs and securing a capped carry through drilling. Netherland Sewell & Associates ("**NSAI**") estimate for this prospect is 768mmbbbls gross mean prospective resource, with Chariot Oil and Gas Investments (Morocco) Limited, a wholly owned subsidiary of the Company, holding 10 per cent. equity interest in these permits.

Prospect S (Central Blocks, Namibia) is targeted for the second half of 2018 and will be funded by net proceeds of the Fundraising. The NSAI estimate of gross mean prospective resources of this prospect at current equity levels is 300mmbbbls net to Chariot, with a potential upside of 1.4Bnbbls net in other prospects within this licence.

The Company is looking to capitalise on the low cost window in the oil services sector and, having captured the bottom of the seismic market with extensive 2D and 3D surveys in Morocco, Namibia and Brazil, has made the decision to accelerate drilling plans to take full advantage of the historic low in the rig market to exploit these high-margin prospects as the industry returns to exploration. Pre-emptive funding and firm drilling commitment would allow the Company to enter partnering discussions from a position of financial strength and at a commercial advantage, which supports the aim of maximizing the retention of licence equity and ensures that these wells are drilled at the optimum point on the cost cycle.

Chariot continues to pursue partners for its exploration licences, and funding the drilling through the Placing strengthens the Company's negotiating position and offers the potential to accelerate subsequent exploration drilling, if successful, while benefiting from the current cost cycle. In the Central Blocks in Namibia, with success in Prospect S and with partnering, Chariot will aim to drill the neighbouring Prospect W back-to-back and benefit from a cost reduction by potentially using the same rig. Similarly, partnering in any of the Group's licences has the potential to liberate funds to progress the drilling programme, specifically at Kenitra-1 (Kenitra Permit, Morocco), targeted for the first half of 2019. Chariot estimates the gross mean prospective resource at the current equity level as 350mmbbbls net, with a potential upside of 800mmbbbls in other prospects in the Kenitra and Mohammedia permits. Through the Fundraising and partnering, Chariot could drill an additional two prospects increasing the total potential wells drilled from two wells in the next 18 months to four wells within the next 24 months.

## **3. Current Trading and Prospects**

Chariot holds a portfolio of drill-ready assets in emerging and frontier regions of the Atlantic margins. The Company has diversified its portfolio to encompass the giant-potential, underexplored deep-water regions offshore Morocco, Namibia and Brazil, which has provided a range of risk and maturity across its asset base with the potential for sustained drilling opportunities.

Across its licences, the Group has acquired substantial seismic datasets and a great deal of in-house technical work has been carried out to date. The Company has identified over three billion barrels of gross mean prospective resources within its acreage, both in giant prospects and multiple leads with significant follow-on potential, and the team continues to focus on maturing key targets for drilling.

The focus of the continued investment in each of the Group's assets is driven by the Company's ultimate goal of achieving a drilling campaign which creates transformational value for Shareholders. Whilst seeking transformational upside prospects, the Group has a proven track record of prudent risk management strategy and capital discipline.

Risk management has been delivered through portfolio diversity, with assets in Namibia, Morocco and Brazil across a range of basins and of varied exploration maturity; application of technology through the acquisition of extensive 3D seismic data sets and quality sub-surface analysis; active portfolio management, which includes both relinquishment and new licence awards and levered partnering with Petrobras, BP, AziNam, Cairn, Woodside and Eni. The Group will continue to balance risk, cost and prize by looking to secure partners to gain third party validation and share the capital requirements of its forward exploration programme, while optimising transformational value through protecting equity if successful.

#### **4. Portfolio Update**

##### *Namibia*

The Group was one of the first oil and gas explorers to secure its licence areas in deepwater offshore Namibia. As a result Chariot holds, through its subsidiaries, a significant acreage position totalling approximately 16,800km<sup>2</sup> within the Luderitz Basin adjacent to third-party wells which have proven mature source rock and excellent quality reservoir. Enigma Oil & Gas Exploration (Proprietary) Limited, a wholly owned subsidiary of Chariot Oil & Gas Investments (Namibia) Limited which in turn is a wholly owned subsidiary of the Company, holds a 65 per cent. interest and operatorship in the Central Blocks in partnership with AziNam (20 per cent.), which entered into the licence through an earlier partnering process, while the state oil company NAMCOR and a local partner Ignitus Oil & Gas hold a 10 per cent. and 5 per cent. carried interest respectively.

The Group has in excess of 6,000km<sup>2</sup> of 3D seismic data acquired in two separate campaigns which has been used to describe seven prospects in the play proven by drilling in neighbouring acreage. Within the Central Blocks preparation for drilling Prospect S in H2 2018 is underway (gross mean prospective resources 459mmbbls, NSAI estimate). An additional partnering process is ongoing with a data room open with the strategy to undertake back-to-back drilling potentially with the same rig on Prospect W (gross mean prospective resource 284mmbbls), subject to success in Prospect S. Drilling preparations are underway with an Environmental Impact Assessment and associated studies in progress. Detailed well engineering and tendering on rig, services, logistics and long-lead items are underway. Discussions are ongoing to determine any potential synergies and cost-saving with third-party drilling planned for 2H, 2018.

##### *Morocco*

In Morocco, the Group holds acreage across three groups of permits: Rabat Deep, Kenitra and Mohammedia, which are situated up to 50km offshore in northern Morocco and cover a combined area of approximately 12,800km<sup>2</sup>.

In Rabat Deep, Chariot Oil & Gas Investments (Morocco) Limited (10 per cent.) is partnered with Eni (40 per cent., operator), Woodside (25 per cent.) and the state oil company ONHYM (25 per cent.), with the commitment well to be funded by Eni as part of their farm-in to the permits. Spud of RD-1 (768mmbbls gross mean prospective resources) is expected in March 2018. As the Company announced on 7 September 2017, Eni, the operator of the Rabat Deep licence, secured the Saipem 12000, a sixth generation ultra-deep-water drillship, for a drilling programme to include a one-well drilling slot in Rabat Deep in Morocco. The Rabat Deep permits contains a further six Jurassic leads and success in the RD-1 well would materially de-risk these and offer significant follow-on exploration potential.

The Group used its regional depth of understanding of the petroleum systems to expand its portfolio in Morocco, securing first the Mohammedia permits in June 2016 and then, in early 2017, the Kenitra permit, in line with its new venture strategy. In Mohammedia and Kenitra, Chariot Oil & Gas Investments (Morocco) Limited holds 75 per cent. equity and operatorship, with the remaining 25 per cent. held by ONHYM. The

Group has legacy 3D seismic data in these licences on which a number of prospects and leads have been identified. The Group has subsequently acquired additional 2D and 3D seismic in Q1 2017 by taking advantage of the collapse in costs in the seismic market. The LKP-1a prospect (Mohammedia permits) is drill-ready with the 1,027km<sup>2</sup> 3D campaign targeting additional prospectivity in this area. Preparation for drilling is underway and a dataroom across both licences is currently open. A partnering process on the already identified and independently audited LKP-1a prospect (350mmbbls gross mean prospective resources), and for the internally assessed Kenitra-A lead (464mmbbls gross mean prospective resources), is ongoing, with the aim of drilling Kenitra-1 subject to partnering. Depending on the outcome of the partnering process, there exists a possibility of drilling prospect LKP-1a back-to-back with the Kenitra-1 well subject to success in Kenitra-1.

The Group has commenced preparations for drilling in Morocco. This includes Environment Impact Assessment submission and detailed well engineering work on candidate prospects.

#### *Brazil*

Following the highly successful drilling campaigns on the conjugate margin of Côte d'Ivoire and Ghana, the 11th licensing round in the Brazilian Barreirinhas basin, where the potential for hydrocarbon generation is anticipated to be similar, was highly competitive. Despite this competition, the Group secured 100 per cent. of licences BAR-M-292, 293, 313 and 314 as operator on a seismic option and with a low signature bonus whilst many of the neighbouring operators in the region took on significantly higher signature bonus payments and drilling commitments within the first exploration phase.

In March 2016, the Group completed the acquisition of a 775km<sup>2</sup> 3D seismic survey which encompassed a large roll-over structure and numerous leads that the team had identified on legacy 2D seismic. This data has been processed and the final data has been interpreted in-house. This technical evaluation focused on the description of reservoir distribution and the identification of both stratigraphic and structural traps. The Company has identified a large structural prospect with multiple targets which will be the subject of an independent audit of resource potential, with the proprietary 3D seismic data displaying clear turbidite reservoir geometries extending from the shallow-water of the Group's licences down dip towards the neighbouring block to the north. The description of the prospect inventory has been completed ahead of anticipated third party drilling in neighbouring acreage which will test the basin and directly de-risk the Group's acreage which is located within the same play fairway, but critically in an updip setting. Partnering on these licences is expected to commence following completion of the independent audit.

## **5. Use of Proceeds**

The Company is proposing to raise up to approximately US\$21 million (before expenses) (£15.1 million) pursuant to the Placing and the Open Offer at the Issue Price of 13 pence per New Ordinary Share.

*Approximate gross proceeds of the conditional Placing will be used, alongside the Company's existing cash resources as follows:*

Drill Prospect S exploration well, Namibia	US\$15 million
<b>Total</b>	<b>US\$15 million</b>

*Gross proceeds of the Open Offer will be used, in summary, as follows:*

Ongoing work programmes and working capital	Up to US\$6 million
<b>Total</b>	<b>Up to US\$6 million</b>

As at 31 December 2017, the unaudited cash balance of the Company was US\$15.2 million.

## **The Issue Price and the Placing**

The Issue Price represents a discount of approximately 36 per cent. to the closing price of an Ordinary Share of 20.3 pence on 23 February 2018 (being the latest practicable date prior to any announcement of the Fundraising).

In setting the Issue Price, the Directors have considered the price at which the New Ordinary Shares need to be offered to investors to ensure the success of the Fundraising and have held discussions with a number of key institutional investors which have agreed to subscribe for the New Ordinary Shares at that price. In structuring the Fundraising, the Directors have had regard, among other things, to the current market conditions, the level of the Company's share price and the importance of pre-emption rights to Shareholders.

After considering these factors, the Directors have concluded that the Placing and the Open Offer is the most suitable option available to the Company and its Shareholders. The Open Offer component of the Fundraising provides an opportunity for all Qualifying Shareholders to participate by subscribing for Open Offer Shares *pro rata* to their current holding of Ordinary Shares and to have the opportunity to request Ordinary Shares in excess of their *pro rata* holding as an Excess Entitlement, to be allocated at the discretion of the Directors.

Pursuant to the Placing, 82,582,747 New Ordinary Shares have been conditionally placed with certain institutional investors, subject to the passing of resolutions 1 and 2 of the Resolutions at the General Meeting.

The Placing is to be effected pursuant to the Placing Agreement, further details of which can be found in paragraph 5 of Part 5 of this document.

The Board is, as always, mindful that unexpected events, including operational outcomes or events outside the Board's control, may result in the proceeds of the Fundraising being deployed in a differing manner to that set out above or on a differing timescale to that currently envisaged.

### **Principal Terms of the Open Offer**

The Board is offering Qualifying Shareholders the opportunity to subscribe for Open Offer Shares on a pre-emptive basis by launching the Open Offer to issue up to 33,609,150 New Ordinary Shares to Qualifying Shareholders at the Issue Price.

The Open Offer is conditional on the Placing becoming unconditional and the Placing Agreement becoming unconditional in all respects, including admission of the Open Offer Shares to trading on AIM becoming effective by no later than 8.00 a.m. on 4 April 2018 or such later time and/or date (being no later than 8.00 a.m. on 11 April 2018) as finnCap and the Company may agree.

#### *Basic Entitlement*

On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

#### **1 Open Offer Share for every 8 Existing Ordinary Shares**

held at the Record Date, being 2 March 2018. Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

#### *Excess Entitlement*

Qualifying Shareholders are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. The Excess Entitlement will be allocated at the full discretion of the Directors. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for an Excess Entitlement at the discretion of the Directors. If excess applications are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back in such manner as the Directors may determine in their absolute discretion. Therefore excess applications may not be satisfied in full. No Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he has specified on the Application Form or through CREST. Qualifying Shareholders who hold fewer than 8 Ordinary Shares at the Record Date will be able to apply under the Excess Application Facility.



### Overseas Shareholders

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Existing Shareholders with registered addresses in any jurisdiction other than the United Kingdom since to do so would require compliance with the relevant securities laws of that jurisdiction. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or dispatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would be not be in the UK.

Notwithstanding the foregoing and any other provision of the Circular or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Part 3 of the Circular, together with the accompanying Application Form in the case of Qualifying Non-CREST Shareholders, contains the terms and conditions of the Open Offer.

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

### EIS/VCT Schemes

The Directors do not expect either the Placing Shares or the Open Offer Shares to constitute a qualifying holding for venture capital trust schemes or to satisfy the requirements for tax relief under the enterprise investment scheme. Therefore the Company has not applied for confirmation from HMRC in this regard.

## 6. Working Capital

The Company is of the opinion that, taking into account the net proceeds of the Placing, the working capital available to the Group will be sufficient for the Group's present requirements, that is, for at least the next 12 months following the date of Admission.

## 7. PDMR Participation

Larry Bottomley, being a Director of the Company, has undertaken to make application to participate in the Open Offer and will make application to subscribe for at least 241,000 Open Offer Shares, as detailed in the table below:

	<i>As at the date of this document</i>		<i>As at Admission</i>	
	<i>Number of Ordinary Shares held</i>	<i>Number of Open Offer Shares to be subscribed for</i>	<i>Number of Ordinary Shares held*</i>	<i>Percentage of Enlarged Share Capital**</i>
<i>PDMR</i>				
L Bottomley	554,446****	241,000***	795,446	0.21%

\* assuming Mr Bottomley's application for Open Offer Shares is satisfied in full

\*\* assuming no outstanding share awards are exercised between the date of this document and Admission and also assuming full subscription under the Open Offer, including by the Director as set out in this table

\*\*\* includes Ordinary Shares to be applied for under the Excess Entitlement facility (which may be subject to scale back by the Directors)

\*\*\*\* includes 20,104 Ordinary Shares held by P Bottomley, the spouse of L Bottomley (being a connected person)

## **8. Risk Factors and additional information**

The attention of Shareholders is drawn to the risk factors set out in Part 2 of this document, and the information contained in Parts 3, 4 and 5 of this document which provide additional information on the Open Offer and the Company.

## **9. General Meeting**

The Board is seeking the approval of Shareholders at the General Meeting to allot the New Ordinary Shares.

The Notice of GM, which is to be held at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ at 10.00 a.m. on 27 March 2018, is set out at Part 6 of this document. At the General Meeting, the following Resolutions will be proposed:

1. Resolution 1, which is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £1,161,919 being equal to 116,191,897 New Ordinary Shares (i.e. the number of New Ordinary Shares available under the Placing and Open Offer);
2. Resolution 2, which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to allot up to 116,191,897 New Ordinary Shares pursuant to the Placing and Open Offer on a non-pre-emptive basis; and
3. Resolution 3, which is a special resolution to replace Article 3.1 of the Company's existing articles of incorporation which provides that "The share capital of the Company is £4,000,000 divided into 400,000,000 Ordinary Shares of 1 penny each" with a new article stating that the issued share capital of the Company is comprised of Ordinary Shares of 1 penny each.

The authorities to be granted pursuant to resolutions 1 and 2 of the Resolutions shall expire on the date falling 6 months from the date of the passing of such Resolutions (unless renewed, varied or revoked by the Company prior to or on that date by special resolution) and are in addition to the authorities granted at the Company's last annual general meeting.

## **10 Action to be Taken**

### **General Meeting**

You will find enclosed with this document a Form of Proxy for use by Shareholders at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Link Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and in any event not later than 10.00 a.m. on 23 March 2018, being 48 hours before the time appointed for holding the General Meeting. Completion of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so choose.

### **Open Offer**

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares must complete the Application Form enclosed with this document in accordance with the instructions set out in paragraph 3 of Part 3 of the Circular and on the accompanying Application Form and return it with the appropriate payment to Link Asset Services Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 10.00 a.m. on 23 March 2018.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3 of Part 3 of this document. The relevant CREST

instructions must have settled in accordance with the instructions in paragraph 5 of Part 3 of this document by no later than 3.00 p.m. on 7 March 2018.

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

#### **11. Irrevocable Undertakings**

Chariot has received irrevocable undertakings to vote in favour of the Resolutions from Directors who hold, in aggregate, 29,792,586 Ordinary Shares, representing 11.1 per cent. of the Existing Ordinary Shares.

**Accordingly, the Company is in receipt of irrevocable undertakings to vote in favour of the Resolutions in respect of 29,792,586 Ordinary Shares representing in aggregate 11.1 per cent. of the Existing Ordinary Shares.**

#### **12. Recommendation**

**The Directors believe that the Fundraising and the passing of the Resolutions are in the best interests of the Company and Shareholders, taken as a whole. Accordingly the Directors unanimously recommend Shareholders to vote in favour of the Resolutions, as they will do in respect of their Ordinary Shares in the Company, representing 11.1 per cent. of the Existing Ordinary Shares.**

**The Placing and Open Offer are conditional, inter alia, upon the passing of resolutions 1 and 2 of the Resolutions at the General Meeting. Shareholders should be aware that if resolutions 1 and 2 of the Resolutions are not approved at the General Meeting, the Placing and Open Offer will not proceed.**

Yours faithfully

**George Canjar**

*Non-Executive Chairman*

## PART 2

### RISK FACTORS

**An investment in Ordinary Shares involves a high degree of risk. Accordingly, prospective investors and Shareholders should carefully consider the risks set out below before making a decision to invest in the Company. The investment offered in this document may not be suitable for all of its recipients. Potential investors and Shareholders are accordingly advised to consult a professional adviser authorised under FSMA, who specialises in advising on the acquisition of shares and other securities, before making any investment decision. A prospective investor should consider carefully whether an investment in the Company is suitable in light of his or her personal circumstances and the financial resources available to him or her.**

**Prospective investors and Shareholders should carefully consider the risks described below before making a decision to invest in the Company. This Part 2 contains what the Directors believe to be the principal risk factors associated with an investment in the Company. However, the risks listed do not purport to be an exhaustive summary of the risks affecting the Group and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or which the Directors deem immaterial may also have an adverse effect on the Group. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.**

**If any of the following risks were to materialise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his or her investment.**

**This document contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Group which are described below and elsewhere in this document. Prospective investors and Shareholders should carefully consider the other information in this document.**

**There can be no certainty that the Group will be able to successfully implement its strategy.**

#### **1. Risks relating to the Ordinary Shares**

##### ***Investment risk***

An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his investment in the Company and he/she may lose all of his/her investment.

Investors should be aware that the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of an investment in the Company, any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors.

Market conditions may affect the Ordinary Shares regardless of the Group's operating performance or the overall performance of the sector in which the Group operates. Share market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets, or its trading performance and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others of which may be outside the Group's control.

If the Group's operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline. In addition, if the market for the securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Ordinary Shares may fall for reasons unrelated to the Group's business, results of operations or financial condition. Therefore, investors might be unable to resell their Ordinary Shares at or above the Issue Price.

### ***Future need for access to capital***

The Group may need to raise further funds to carry out the implementation of its business plan. In particular, the net proceeds proposed to be raised by way of the Fundraise is not sufficient of itself to drill Prospect S and the Group will therefore require sufficient working capital to complete the drilling. Although the Directors anticipate that the Group will have sufficient working capital for this purpose, there can be no assurance that further funds will not be required in the future to complete the drilling or carry out the implementation of the Group's business plan. Any additional equity financing may be dilutive to Shareholders, and project or debt financing, if available, may involve restrictions in on-going financing and operating activities. In addition, there can be no assurance that the Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to it. If the Group is unable to obtain additional financing as needed it may be required to reduce the scope of its operations or anticipated expansion, stop drilling and/or cease trading.

### ***Investment in publicly quoted securities***

Investments in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the "Official List" of the FCA in the UK and traded on the London Stock Exchange's main market for listed securities. An investment in the Ordinary Shares traded on AIM may be difficult to realise. AIM has been in existence since 1995 and is a market designed for small and growing companies, but its future success and liquidity as a market for Ordinary Shares cannot be guaranteed.

### ***Potentially volatile share price and liquidity***

The share prices of companies quoted on AIM can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise their investment in the Company may be influenced by a significant number of factors, some specific to the Group and its operations and some which affect quoted companies generally.

These factors could include the performance of the Group, large purchases or sales of Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

## **2. General Risks**

### ***Economic conditions and current economic weakness***

Any economic downturn, either globally or locally, in any area in which the Group operates may have an adverse effect on the Group. A more prolonged economic downturn may lead to an overall decline in the potential value of the Group's assets, restricting the Group's ability to deliver on its strategy. In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured and the Directors consider that the current level of market risk is higher than normal given geo-political unrest and a slowdown in the growth of emerging economies. If economic conditions remain uncertain, the Group might see lower levels of growth than in the past, which could have an adverse impact on the Group's operations and business results.

### ***Changes in tax laws or their interpretation could affect the Group's financial condition or prospects***

The nature and amount of tax which the Group expects to pay and the reliefs expected to be available to the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any of the jurisdictions affecting the Group. Any

limitation in the availability of relief under these treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

### ***Force majeure***

The economics of the Group's projects may be adversely affected by risks outside the control of the Group, including labour unrest, civil disorder, war, subversive activities, sabotage, fires, floods, acts of God, explosions or other catastrophes or epidemics.

### ***Currency fluctuations could materially adversely affect the Group's results***

As the Group's potential future revenue streams may come from abroad, exchange rate fluctuations could have a material adverse effect on the Group's profitability or the price competitiveness of its products. There can be no guarantee that the Group would be able to compensate for, or hedge against, such adverse effects and therefore, adverse exchange rate movements could have a material adverse effect on the Group's business, results of operations and/or financial condition.

## **3. Risks related to the oil and gas industry**

### ***Oil and gas pricing and demand***

The price of and demand for oil and gas is highly dependent on a number of factors, including worldwide supply and demand levels, energy policies, weather, competitiveness of alternative energy sources, global economic and political developments and the volatile trading patterns of the commodity futures markets. Oil and gas prices have fluctuated widely in recent years and may continue to do so in the future. Lower oil and gas prices will adversely affect the Group's future revenues, business or financial condition and the future valuation of its reserves. In periods of sharply lower commodity prices, the Group may curtail future production and capital spending projects and may defer or delay drilling wells because of lower cash flows. In addition, the demand for and supply of oil and gas worldwide may affect the Group's level of future production.

### ***Exploration and drilling for oil and gas is speculative***

The key focus of the Group is its exploration activities, the success of which will be determined through the successful drilling and completion of exploration wells. The exploration for and drilling of oil and gas wells is speculative and may be unprofitable. The Group may not identify commercially exploitable deposits or successfully drill, complete or develop oil and gas reserves. Completed wells may never produce oil or gas, or may not produce sufficient quantities to be profitable or commercially viable. An investment in the New Ordinary Shares is suitable only for individuals who are financially able to withstand a complete loss of their investment.

### ***The exploration for, development and production of, oil, gas and other natural resources is technically challenging and involves a high degree of risk***

The operations of the Group may be disrupted by a variety of risks and hazards which are beyond the control of the Group, including environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, political unrest and conflicts, unusual or unexpected geological formations, flooding, earthquake and extended interruptions due to inclement or hazardous weather conditions, explosions and other accidents. These risks and hazards could also result in damage to, or destruction of wells or production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. Given the Group's focus on growth, its projects may require the construction and commissioning of production facilities and other forms of infrastructure for the Group to realise their full potential. Delays in the construction and commissioning of these projects or other technical difficulties may result in the Group's current or future projected target dates for production being delayed or further capital expenditure being required. If the Group fails to meet its work and/or expenditure obligations, the rights granted under its licences/agreement with the government may be forfeited and the Group may be liable to pay large sums, which could jeopardise its ability to continue operations.

### ***Estimates***

This document contains estimates of the Group's gross prospective resources. These estimates are based upon various assumptions and the process of estimating resources is complex. This process requires

significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir and is therefore inherently imprecise.

Actual future production, oil and natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable oil and gas reserves will most likely vary from those estimated. Any significant variance could materially affect the estimated quantities and present value of resources set forth in this document. The Group's properties may also be susceptible to hydrocarbon drainage from production by other operators on adjacent properties. In addition, the Group may adjust estimates of resources to reflect production history, results of exploration and development, prevailing oil and natural gas and resources prices and other factors, many of which are beyond its control.

### ***Competition***

The oil and gas industry is very competitive and the Group will face competition in the countries within which it will conduct its activities. Some of the Group's competitors have access to greater financial and technical resources which may convey to them a competitive advantage. As a result, the Group may not be able to gain access to future growth opportunities.

### ***Major release of oil or gas at an exploration, appraisal or production site***

The operations of the Group may be disrupted by a variety of risks and hazards, including environmental hazards, industrial accidents, occupational and health hazards, technical failures, inclement or hazardous weather conditions, explosions or other accidents. These risks and hazards could result in damage to, or the destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Group maintains insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Group will be able to obtain such insurance coverage at reasonable rates (or at all) or that any coverage it obtains will be adequate and available to cover any such claims.

## **4. Country specific risks**

### ***Economic and political***

The Group's current interests are in Namibia, Morocco and Brazil, where there may be a number of associated risks over which it will have no, or limited, control. These may include contract renegotiation, contract cancellation, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing and petroleum export licensing and export duties as well as government control over domestic oil and gas pricing.

### ***Foreign exchange***

The cash raised in the Fundraising will be denominated in sterling, whilst it is expected that the majority of the Group's financial obligations will be denominated in United States dollars. This may result in additions to the Group's reported costs. The Group may not engage in foreign exchange hedging to minimise such exchange rate risk.

### ***Legal***

Namibia, Morocco, Brazil and other jurisdictions in which the Group might operate in the future may have less developed legal systems than more established economies which could result in risks such as (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that production sharing agreements, joint ventures, licences, licence applications or other legal

arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

## **5. Risks related to the Group**

### ***Licences***

The licences held by the Group and the associated petroleum agreements impose certain obligations on the Group to carry out an agreed work programme. If the Group is unable to deliver on its obligations through lack of funds or as a result of other circumstances the ownership of some or all of the Group's licences may be put at risk. The licences are also valid for a limited period and although renewal of the licences is possible in certain circumstances there is a risk that the licences may not be renewable.

### ***Dependence on key personnel***

The success of the Group, in common with other businesses of a similar size, will be dependent on the expertise and experience of its directors and senior management. The loss of key personnel could harm the business or cause delay in the plans of the Group whilst management time is directed at finding suitable replacements. The future success of the Group is in part dependent upon its ability to identify, attract, motivate and retain staff with the requisite experience. Measures are in place and are under review to reward and retain key individuals and to protect the Group from the impact of staff turnover. However, risks in this area cannot be totally eliminated.

### ***Reliance on third parties***

The Group may contract with third parties for commercial evaluation and support, equipment and services. The failure of a third party to perform its obligations and quality could subject the Group to additional costs, delays or abandonment of the projects.



## PART 3

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### Introduction

As explained in the letter from the Chairman set out in Part 1 of this document, the Company is proposing to raise up to £15.1 million before expenses by way of the Placing and Open Offer, of which up to £4.4 million will be raised from the offer of the Open Offer Shares at the Issue Price to Qualifying Shareholders under the Open Offer.

The purpose of this Part 3 is to set out the terms and conditions of the Open Offer. Up to 33,609,150 New Ordinary Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The record date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 5.30 p.m. on 2 March 2018. Application Forms are enclosed with this document for Qualifying Non-CREST Shareholders and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST on 7 March 2018.

The Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares. Further details on the Excess Application Facility are set out in paragraph 3.1 of this Part 3 and in Part 4.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 10.00 a.m. on 23 March 2018 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 28 March 2018.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part 3 which gives details of the procedure for application and payment for the Open Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the other Ordinary Shares in issue, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 33,609,150 Open Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Entitlement to the extent that other Qualifying Shareholders do not take up their Basic Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement as at the Record Date.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

#### 1. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings, payable in full on application. The Issue Price represents a discount of approximately 36 per cent. to the closing price of

an Ordinary Share of 20.3 pence on 23 February 2018 (being the latest practicable date prior to any announcement of the Fundraising).

Qualifying Shareholders have basic entitlements of:

### **1 Offer Share for every 8 Existing Ordinary Shares**

registered in their name on the Record Date. Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

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

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 6) and your Basic Entitlement (in Box 7).

If you are a Qualifying CREST Shareholder, application will be made for your Basic Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 7 March 2018. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Entitlement. Further details in relation to the Excess Application Facility are set out below and in Part 4 of this document and, for Qualifying Non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Basic Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part 3 for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, Open Offer Shares will be scaled back in such manner as the Directors may determine in their absolute discretion.

Please refer to paragraphs 3.1(f) and 3.2(k) of this Part 3 for further details of the Excess Application Facility.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.**

**The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3.**

The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

## **2. Conditions and further terms of the Open Offer**

The Open Offer is conditional on Admission of the Open Offer Shares by 4 April 2018 or such later date as finnCap, Cenkos and the Company may agree, resolutions 1 and 2 of the Resolutions being passed and the Placing becoming unconditional.

If Admission of the Open Offer Shares does not occur, then all application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form within 10 Business Days of Admission.

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 28 March 2018.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur at 8.00 a.m. on 28 March 2018, when dealings in the Open Offer Shares are expected to begin.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

## **3. Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Basic Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account, as detailed below.

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of their Existing Ordinary Shares held in certified form at the Record Date. It will also show Qualifying Shareholders their Basic Entitlement that can be issued in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be issued Open Offer Shares in CREST.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be issued Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(f) of this Part 3.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Qualifying Shareholders who do not want to apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.**

**3.1 If you are a Qualifying Non-CREST Shareholder and have an Application Form in respect of your Basic Entitlement under the Open Offer**

(a) *General*

Subject to paragraph 6 of Part 3 in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the Basic Entitlement allocated to them set out in Box 7. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 8 shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Basic Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Basic Entitlement should they wish to do so by completing Box 3 on the Application Form. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement at the Record Date. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that Excess Applications by Qualifying Shareholders will be met in full or in part or at all.

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

(b) *Bona fide market claims*

Applications by Qualifying Non-CREST Shareholders to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 21 March 2018. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into the United States of America or any other Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 below.

(c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Basic Entitlement or in addition to their Basic Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares

if they have agreed to take up their Basic Entitlements in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be posted to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or returned by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (during normal business hours only) so as to be received by Link Asset Services by no later than 10.00 a.m. on 23 March 2018. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 10.00 a.m. on 23 March 2018. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 10.00 a.m. on 23 March 2018; or
- (ii) Applications in respect of which remittances are received before 10.00 a.m. on 23 March 2018 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) *Payments*

All payments must be in pounds sterling and made by cheque made payable to Link Market Services Limited RE: Chariot Oil & Gas Limited - Open Offer A/C and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or the British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Link Asset Services to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Open Offer Shares have already been issued to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-Crest Shareholder's application is subsequently otherwise deemed to be invalid, Link Asset Services shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-Crest Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Link Asset Services, finnCap, Cenkos or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-Crest Shareholders.

(e) *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through Link Asset Services reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Link Asset Services in respect of Open Offer Shares will be held in a separate non-interest bearing account.

(f) *The Excess Application Facility*

Provided they choose to take up their Basic Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Box 3 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, the Excess Shares will be scaled back in such manner as the Directors may determine in their absolute discretion. No assurance can be given that Excess Applications will be met in full or in part or at all. Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed 33,609,150 Open Offer Shares, resulting in a scale back of applications, or should the Directors decide at their discretion to scale back the Open Offer for any other reason, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

Qualifying Non-CREST Shareholders who hold fewer than 8 Ordinary Shares at the Record Date will be able to apply under the Excess Application Facility.

(g) *Effect of application*

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);
- (iv) represents and warrants to the Company that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company that if he has received some or all of his Basic Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Basic Entitlement by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares, to which he will become entitled to have issued to him on the terms set out in this document and the Application Form;
- (vii) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in any Restricted Jurisdiction or to, or for the benefit of a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that application in the United States or to, or for the benefit of, a person who he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (viii) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Link Asset Services, Corporate Actions, The Registry, 34

Beckenham Road, Beckenham, Kent BR3 4TU, or you can contact them on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(h) *Proxy*

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by completing and returning the enclosed Form of Proxy.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2(f) below for more information.

**3.2 If you have a Basic Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer**

(a) *General*

Subject to paragraph 6 of Part 3 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer plus the number of Excess Shares for which he is entitled to apply under the Excess CREST Open Offer Entitlement. Entitlements to Open Offer Shares will be rounded down to the nearest whole number. Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 33,609,150 Open Offer Shares, the Excess Entitlement of Qualifying CREST Shareholders will be scaled back in accordance with paragraph (k) below. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

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

If for any reason the Basic Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 7 March 2018, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Basic Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Please note that Link Asset Services cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Basic Entitlements or to apply for Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for



Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Basic Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Unmatched Stock Event (“USE”) instructions*

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

- (i) the crediting of a stock account of Link Asset Services under the participant ID and member account ID specified below, with a number of Basic Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Link Asset Services in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 3.2(c)(i) above.

(d) *Content of USE instruction in respect of Basic Entitlements*

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Link Asset Services);
- (ii) the ISIN of the Basic Entitlement. This is GG00BD6GZY15;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (v) the participant ID of Link Asset Services in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link Asset Services in its capacity as a CREST receiving agent. This is 29441CHA;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 10.00 a.m. on 23 March 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 10.00 a.m. on 23 March 2018. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 23 March 2018 in order to be valid is 10.00 a.m. on that day. In the event that the Placing and Open Offer do not become unconditional by 8.00 a.m. on 4 April 2018 (or such later time and date as the Company and finnCap determine being no later than 8.00 a.m. on 11 April 2018), the Open Offer will lapse, the Basic Entitlements admitted to CREST will be disabled and Link Asset Services will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

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

- (i) the number of Excess Shares for which application is being made (and hence being delivered to Link Asset Services);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GG00BD6GZZ22;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Link Asset Services its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link Asset Services in its capacity as a CREST receiving agent. This is 29441CHA;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 10.00 a.m. on 23 March 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 10.00 a.m. on 23 March 2018.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 23 March 2018 in order to be valid is 10.00 a.m. on that day.

In the event that the Placing and Open Offer do not become unconditional by 8.00 a.m. on 4 April 2018 (or such later time and date as the Company and finnCap determine being no later than 8.00 a.m. on 11 April 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Link Asset Services will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Deposit of Basic Entitlements into, and withdrawal from, CREST*

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlement and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 10.00 a.m. on 23 March 2018. After depositing their Basic Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by Link Asset Services.

In particular, having regard to normal processing times in CREST and on the part of Link Asset Services, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 20 March 2018 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 19 March 2018 in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlement and the entitlement to apply for Excess Shares under the Excess Application Facility, as the case may be, prior to 10.00 a.m. on 23 March 2018.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Link Asset Services by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and Link Market Services from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 10.00 a.m. on 23 March 2018 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 10.00 a.m. on 23 March 2018. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are, however, encouraged to vote at the General Meeting. Qualifying CREST Shareholders may appoint a proxy by completing and returning the enclosed Form of Proxy.

(j) *Incorrect or incomplete applications*

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

(k) *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Basic Entitlement in full, to apply for Excess Shares in excess of their Basic Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, the Excess Shares will be scaled back in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part 3 in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Basic Entitlement and the Excess CREST Open Offer Entitlement will be admitted to CREST, they will have limited settlement capabilities. Neither the Basic Entitlement nor the Excess CREST Open Offer Entitlement will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlement will not transfer with the Basic Entitlement claim, but will be transferred as a separate

claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 33,609,150 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, or should the Directors decide at their discretion to scale back the Open Offer for any other reason, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and your Excess CREST Open Offer Entitlement should be addressed to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or you can contact them on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Market Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

Qualifying CREST Shareholders who hold fewer than 8 Ordinary Shares at the Record Date will be able to apply under the Excess Application Facility.

(l) *Effect of valid application*

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to the Open Offer Shares in accordance with the above procedures thereby:

- (i) represents and warrants to the Company and Link Asset Services that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Link Asset Services' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company and Link Asset Services that all applications under the Open Offer and contracts resulting therefrom, and only non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company and Link Asset Services that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person

responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);

- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
  - (vi) represents and warrants to the Company and Link Asset Services that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
  - (vii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the memorandum of incorporation and articles of incorporation of the Company from time to time;
  - (viii) represents and warrants to the Company and Link Asset Services that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
  - (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
  - (x) confirms that in making the application he is not relying and has not relied on Link Asset Services or any person affiliated with the Company or Link Market Services in connection with any investigation of the accuracy of any information contained in this document or his investment decision.
- (m) *Company's discretion as to the rejection and validity of applications*
- The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3;
  - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
  - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Link Asset Services receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Link Asset Services has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Link Asset Services in connection with CREST.
- (n) *Lapse of the Open Offer*
- In the event that the Open Offer does not become unconditional by 8.00 a.m. on 4 April 2018 or such later time and date as the Company may agree (being no later than 8.00 a.m. on 11 April 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Link Asset Services will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

#### **4. Money Laundering Regulations**

##### **4.1 Holders of Application Forms**

To ensure compliance with the Money Laundering Regulations, Link Asset Services may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Link Asset Services. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to Link Asset Services to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “relevant Open Offer Shares”) shall thereby be deemed to agree to provide Link Asset Services with such information and other evidence as they may require to satisfy the verification of identity requirements.

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

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

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and Link Asset Services from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (or equivalent pounds sterling amount).

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

- (i) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Link Market Services Limited RE Chariot Oil & Gas Limited – Open Offer A/C" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque to such effect. The account name should be the same as that shown on the Application Form; or
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Link Asset Services. If the agent is not such an organisation, it should contact Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

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

If the Application Form(s) is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 10.00 a.m. on 23 March 2018, Link Asset Services has not received evidence satisfactory to it as aforesaid, Link Asset Services may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

#### 4.2 **Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlement as agent for one or more persons and you are not a UK or EU



regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Link Asset Services is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Link Asset Services before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to Link Market Services such information as may be specified by Link Asset Services as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Link Asset Services as to identity, who may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **5. Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 27 March 2018. Applications will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Subject to the Placing and Open Offer becoming unconditional in all respects (save only as to admission), it is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 28 March 2018.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 10.00 a.m. on 23 March 2018 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 28 March 2018, Link Asset Services will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Link Market Services in connection with CREST.

No temporary documents of title will be issued and, transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

## **6. Overseas Shareholders**

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

### **6.1 General**

**The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or**

**citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.**

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

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

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

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

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

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 and specifically the contents of this paragraph 6.

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

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

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

## 6.2 **United States**

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

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States unless they are relying on an exemption from the registration requirements of the Securities Act.

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

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

### 6.3 **Restricted Jurisdictions**

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

### 6.4 **Other overseas territories**

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

### 6.5 **Representations and warranties relating to Overseas Shareholders**

#### (a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and Link Asset Services that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a

person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or Link Asset Services may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

## 6.6 **Waiver**

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

## 7. **Times and Dates**

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

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

## 8. **Taxation**

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

## **9. Further information**

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

## **10. Governing law and jurisdiction**

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

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

## PART 4

### QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part 4 are intended to be in general terms only and, as such, you should read Part 3 of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part 4 deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part 3 of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part 3 of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Shareholder helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the helpline cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

#### 1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing Shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 33,609,150 New Ordinary Shares at a price of 13 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Offer Share for every 8 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price represents a discount of approximately 36 per cent. to the closing price of an Ordinary Share of 20.3 pence on 23 February 2018 (being the latest practicable date prior to any announcement of the Fundraising).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement. Applications made under the Excess Application Facility may be allocated in such manner as the Directors may determine in their absolute discretion, if applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares, and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Placing.

**2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States of America or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares on or after 7 March 2018 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

**3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?**

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any other Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (during normal office hours only) so as to be received by them by no later than 10.00 a.m. on 23 March 2018, after which time Application Forms will not be valid.

**4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?**

**(a) If you do not want to take up your Open Offer Entitlement**

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 10.00 a.m. on 23 March 2018, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for their Basic Entitlement under the Open Offer, their proportionate economic interest is nevertheless likely to be diluted by the issue of New Ordinary Shares pursuant to the Excess Application Facility and the Placing.



(b) **If you want to take up some but not all of your Open Offer Entitlement**

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 2 and 4 of your Application Form; for example, if you are entitled to take up 45 shares but you only want to take up 25 shares, then you should write '25' in Boxes 2 and 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '25') by £0.13, which is the price in pounds of each Open Offer Share (giving you an amount of £3.25 in this example). You should write this amount in Box 5 and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Link Market Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (during normal office hours only) so as to be received by them by no later than 10.00 a.m. on 23 March 2018, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to "Link Market Services Limited RE Chariot Oil & Gas Limited – Open Offer A/C" and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the back of the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4 of Part 3).

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Link Asset Services to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 10 Business Days from Admission.

(c) **If you want to take up all of your Open Offer Entitlement**

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 5 of your Application Form), by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (during normal office hours only) so as to be received by them by no later than 10.00 a.m. on 23 March 2018, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to Link Market Services Limited RE Chariot Oil & Gas Limited – Open Offer A/C and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or British Isles which is either a settlement member of the Cheque and Credit Clearing Company

Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the back of the cheque to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 10 business days from Admission.

(d) **If you want to apply for more than your Basic Entitlement**

Provided you have agreed to take up your Basic Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement as at the Record Date. You should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of Excess Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4. For example, if you have an Open Offer Entitlement for 45 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '45' in Box 2, '30' in Box 3 and '75' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '75') by £0.13, which is the price in pounds sterling of each Offer Share (giving you an amount of £9.75 in this example). You should write this amount in Box 5. You should then return your Application Form by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (during normal office hours only) so as to be received by them by no later than 10.00 a.m. on 23 March 2018, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you, at your own risk, by no later than 10 Business Days from Admission.

**5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?**

CREST members should follow the instructions set out in Part 3 of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Basic Entitlement and (ii) how to apply for Open Offer Shares in excess of their Basic Entitlement under the Excess Application Facility provided they choose to take up their Basic Entitlement in full and should contact them should they not receive this information.

**6. I acquired my Existing Ordinary Shares prior to the Ex-entitlement Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Shareholders who hold their Existing Ordinary Shares in certificated form, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 2 March 2018 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 7 March 2018 but were not registered as the holders of those shares at the close of business on 2 March 2018; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Shareholder helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Market Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

**7. Can I trade my Open Offer Entitlement?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a bona fide market claim. Open Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares are not underwritten.

**8. What if I change my mind?**

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to Link Asset Services, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

**9. What if the number of Open Offer Shares to which I am entitled is not a whole number: am I entitled to fractions of Open Offer Shares?**

If the number is not a whole number, you will not receive a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number.

**10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 7 March 2018, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 2 March 2018, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

**11. I hold my Existing Ordinary Shares in certificated form. How do I pay?**

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in pounds sterling and made by cheque made payable to Link Market Services Limited RE Chariot Oil & Gas Limited – Open Offer A/C and crossed “A/C Payee Only”. Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or British Isles which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant’s name at the building society or bank by stamping or endorsing the back of the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted.

**12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced. Even if a Qualifying Shareholder subscribes for their Basic Entitlement under the Open Offer, their proportionate economic interest is nevertheless likely to be diluted by the issue of New Ordinary Shares pursuant to the Excess Application Facility and the Placing.

**13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?**

You should send your completed Application Form together with the monies in the appropriate form, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (during normal office hours only). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?**

Link Asset Services must receive the Application Form by no later than 10.00 a.m. on 23 March 2018, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

**15. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

**16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?**

It is expected that Link Asset Services will post all new share certificates within 10 Business Days from Admission.

**17. If I buy Existing Ordinary Shares after the Record Date but before the Ex-Entitlement Date, will I be eligible to participate in the Open Offer?**

If you bought your Existing Ordinary Shares after the Record Date, you are likely to be able to participate in the Open Offer in respect of such Ordinary Shares.

### **18. Will I be taxed if I take up my entitlements?**

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

### **19. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part 3 of this document.

### **20. Do I need to comply with Money Laundering Regulations?**

If you are a Qualifying Non-CREST Shareholder, you do not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than €15,000 (or its Sterling equivalent) or if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution.

Qualifying Non-CREST Shareholders should refer to paragraph 4.1 of Part 3 of this Circular and Qualifying CREST Shareholders should refer to paragraph 4.2 of Part 3 of this Circular for a fuller description of the requirements of the Money Laundering Regulations.

### **21. Further assistance**

Should you require further assistance please call the Shareholder helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Market Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## PART 5

### ADDITIONAL INFORMATION

#### 1. The Company

- (a) The Company is incorporated under the name Chariot Oil & Gas Limited and trades under the name Chariot Oil & Gas.
- (b) The Company was incorporated and registered in Guernsey on 13 August 2007 with the name Namquest Holdings Limited and registered number 47532. The Company changed its name by special resolution on 16 November 2007 to Chariot Oil & Gas Limited.
- (c) The entire issued share capital of the Company was admitted to trading on AIM on 19 May 2008.
- (d) The liability of Shareholders is limited. The liability of its members is limited.
- (e) The Company is governed by and its securities were created under The Companies (Guernsey) Law, 2008.
- (f) The Company's registered office is located at Regency Court, Gategny Esplanade, St Peter Port, Guernsey GY1 1WW.

#### 2. Securities being offered/admitted

- (a) The Ordinary Shares are ordinary shares of 1 pence each in the capital of the Company and were issued in British Pounds Sterling.
- (b) The Ordinary Shares may be held in certificated form or under CREST. The Company's secretary, International Administration Group (Guernsey) Limited, is responsible for keeping the Company's register of members.

#### 3. Share Capital of the Company

- (a) The issued share capital of the Company as at 5.30 p.m. on 2 March 2018 was as follows:

<i>Issued and fully paid up share capital</i>	
<i>£</i>	<i>Number</i>
2,688,732	268,873,197 Ordinary Shares

- (b) The issued share capital of the Company following Admission, assuming the Open Offer is subscribed in full, will be as follows:

<i>Issued and fully paid up share capital</i>	
<i>£</i>	<i>Number</i>
3,850,651	385,065,094 Ordinary Shares

#### 4. Directors' and Other Interests

- (a) As at the date of this document and as expected to be immediately following the Admission, the holdings (direct and indirect) of the Directors and persons closely associated with them are as follows:

Name	Number of Ordinary Shares prior to the Placing and Open Offer	% of the Ordinary Share Capital prior to the Placing and Open Offer	Number of Ordinary Shares following the Placing and Open Offer	% of issued Share Capital following the Placing and Open Offer*
George Canjar	291,573	0.11	291,573	0.08
Larry Bottomley	554,446	0.21	795,446*	0.21
Adonis Pouroulis	28,554,671	10.62	28,554,671	7.42
Robert Sinclair	412,000	0.15	412,000	0.11

\* assuming full take up under the Open Offer, no scale back by the Directors under the Open Offer

#### 5. Agreements relating to the Fundraising

On 27 February 2018, the Company and each of the Brokers entered into the Placing Agreement in connection with the Placing and Open Offer. Pursuant to the Placing Agreement, each of the Brokers has agreed to use their respective reasonable endeavours to place the Placing Shares with prospective Placees. The Brokers' obligations under the Placing Agreement in respect of the Placing Shares and Open Offer Shares are conditional, *inter alia*, on: (a) shareholder approval of resolutions 1 and 2 of the Resolutions; (b) none of the warranties contained in the Placing Agreement being untrue, inaccurate or misleading as at the date of the Placing Agreement and at all times before and at the date of Admission; (c) the Company allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement; (d) Admission taking place not later than 8.00 a.m. on 4 April 2018 or such later date as the Company and the Brokers may otherwise agree but not being later than 8.00 a.m. on 11 April 2018; and (e) there having been since the date of the Placing Agreement no development or event which will or is likely to have a material adverse effect on the Company (or of its subsidiaries).

The Placing Agreement contains warranties and indemnities from the Company in favour of the Brokers together with provisions which enable the Brokers to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are found to be untrue or inaccurate in any material respect.

Each of the Brokers is entitled, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company in certain circumstances. Following Admission, the Placing Agreement is not capable of rescission or termination. Under the Placing Agreement, the Company has agreed to pay the Brokers certain fees and commissions.

#### 6. Licences and agreements relating to the Group's Namibian and Moroccan assets

(a) **Petroleum Exploration Licence (PEL0071) in Namibia**

Enigma Oil & Gas Exploration (Proprietary) Limited (a wholly owned subsidiary of Chariot), AziNam Ltd, National Petroleum Corporation of Namibia (Pty) Ltd and Ignitus Oil and Gas (Pty) Ltd entered into a petroleum agreement with the Government of Republic of Namibia on 27 August 2014 (the "**Namibia Licence**").

(b) **Rabat Deep Petroleum Agreement in Morocco**

Chariot Oil & Gas Investments (Morocco) Limited entered into a petroleum agreement with the National Office of Hydrocarbons and Mines ("**ONHYM**") on 25 October 2012 (the "**RD Agreement**"). The RD Agreement was approved by joint order number 846-13 issued by the Ministry in charge of Energy and the Ministry of Finance on 20 December 2012 and subsequently amended by orders issued on 14 April 2014, 10 November 2014, 14 December 2015 and 20 December 2016. Under the RD Agreement, it is agreed that Chariot

Oil & Gas Investments (Morocco) Limited holds a 10 per cent. interest in the RD Permits (defined below), with ONHYM holding a 25 per cent. interest, Woodside Energy (Morocco) PTY Ltd (“**Woodside**”) holding a 25 per cent. interest and ENI Maroc B.V. (“**ENI**”) holding a 40 per cent. interest.

(c) **Rabat Deep Petroleum Exploration Permits in Morocco**

Chariot Oil & Gas Investments (Morocco) Limited was granted exploration permits on 2 January 2013 in relation to offshore areas in Rabat Deep under order numbers 1362-13, 1363-13, 1364-13, 1365-13, 1366-13 and 1367-13 (the “**RD Permits**”). The RD Permits were amended on 16 December 2014, 16 December 2015 and 24 October 2016.

(d) **Rabat Deep Farm-out Agreements**

(A) **Farm-out Agreement between Chariot Oil & Gas Investments (Morocco) Limited and Woodside**

On 16 September 2014, Chariot Oil & Gas Investments (Morocco) Limited entered into a farm-out agreement assigning 33.33 per cent. of the Company’s interest in the RD Agreement to Woodside. This reduced Chariot Oil & Gas Investments (Morocco) Limited’s interest in the RD Permits to 50 per cent.

(B) **Farm-out Agreement between Chariot Oil & Gas Investments (Morocco) Limited and ENI**

On 19 September 2016, Chariot Oil & Gas Investments (Morocco) Limited entered into a farm-out agreement assigning 80 per cent. of the Company’s legal and beneficial interest of the RD Agreement to ENI. This reduced Chariot Oil & Gas Investments (Morocco) Limited’s interest in the RD Permits to 10 per cent.

(e) **Mohammedia Petroleum Agreement**

Chariot Oil & Gas Investments (Morocco) Limited entered into a petroleum agreement with ONHYM on 15 June 2016 (the “**M Agreement**”). The M Agreement was approved by joint order number 2600-16 on 9 December 2016. Under the M Agreement, it was agreed that Chariot Oil & Gas Investments (Morocco) Limited holds a 75 per cent. interest in the M Permits (defined below), with ONHYM holding a 25 per cent. interest.

(f) **Mohammedia Offshore Exploration Permits**

Chariot Oil & Gas Investments (Morocco) Limited was granted exploration permits the “**M Permits**”) on 12 December 2016 under order numbers 3011-16, 3012-16 and 3013-16.

(g) **Kenitra Petroleum Agreement**

Chariot Oil & Gas Investments (Morocco) Limited entered into a petroleum agreement with ONHYM on 15 February 2017 (the “**K Agreement**”). The K Agreement was approved by joint Order number 1800-17 dated 5 May 2017. Under the K Agreement, it was agreed that Chariot Oil & Gas Investments (Morocco) Limited holds a 75 per cent. interest in the K Permit (defined below), while ONHYM holds a 25 per cent. interest.

(h) **Kenitra Petroleum Exploration Permits**

Chariot Oil & Gas Investments (Morocco) Limited was granted an exploration permit in relation to the Kenitra offshore area (the “**K Permit**”) on 8 May 2017 under order number 1827-17 commencing on 14 April 2017.



## **7. General**

- (a) The approximate gross proceeds of the Placing are expected to be £10.7 million and of the Open Offer are expected to be £4.4 million, assuming the Open Offer is fully subscribed and not scaled back.
- (b) The total costs and expenses relating to the Placing and Open Offer are payable by the Company and are estimated to amount to approximately £0.8 million (excluding Value Added Tax).
- (c) The net proceeds of the Placing and Open Offer are expected to be £14.3 million, assuming the Open Offer is fully subscribed and not scaled back.
- (d) finnCap has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- (e) Cenkos has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.

## PART 6

### NOTICE OF GENERAL MEETING

# CHARIOT OIL & GAS LIMITED

*(A company incorporated in Guernsey with registered number 47532)*

NOTICE IS HEREBY GIVEN that a General Meeting of Chariot Oil & Gas Limited (the “**Company**”) will be held at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ at 10.00 a.m. on 27 March 2018 for the purpose of considering and, if thought fit, passing the resolutions set out below (“**Resolutions**”). Expressions used in this Notice of General Meeting have the meanings given to them in the circular to shareholders of the Company dated 6 March 2018 (the “**Circular**”) of which this Notice of General Meeting forms part (unless the context otherwise requires).

### ORDINARY RESOLUTION

1. THAT the directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Article 3.5 of the Articles of Incorporation of the Company (the “**Articles**”) to exercise all powers of the Company to allot relevant securities (as defined in Article 3.5(b) of the Articles) up to the aggregate nominal amount of £1,161,919 (being 116,191,897 Ordinary Shares) pursuant to the Placing and Open Offer, in addition to and without prejudice to any previous authority given to the Directors pursuant to Article 3.5 of the Articles or otherwise, and shall expire on the date falling 6 months from the date of the passing of this resolution unless such authority is renewed, varied or revoked by the Company in general meeting save that the Company may at any time before such expiry make an offer or agreement which might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.

### SPECIAL RESOLUTIONS

2. THAT, subject to and conditional upon Resolution 1 being duly passed, the Directors be and they are hereby empowered pursuant to Article 3.7 of the Articles, in addition to and without prejudice to any previous authority given to the Directors pursuant to Article 3.7 of the Articles or otherwise, to allot equity securities (as defined in Article 3.8(a) of the Articles) for cash pursuant to the Placing and Open Offer as if Article 3.6(a) of the Articles did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 1 above (as varied from time to time by the Company in general meeting) PROVIDED THAT such power shall be limited to the allotment of 116,191,897 Ordinary Shares issued pursuant to or in connection with the authority in Resolution 1 and shall expire on the date falling 6 months from the date of the passing of this resolution unless such power is renewed or extended prior to or at such meeting except that the Company may before expiry of any power contained in this resolution make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

3. THAT Article 3.1 of the Articles be deleted in its entirety and be replaced with the following new Article 3.1:

“3.1 The issued share capital of the Company is comprised of Ordinary Shares of 1 penny each.”

Dated 6 March 2018

By order of the Board of Directors  
International Administration Group (Guernsey) Limited  
Company Secretary of  
Chariot Oil & Gas Limited

**Notes:**

1. A member of the Company entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy to attend, speak and vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. An instrument for the purposes of appointing a proxy is enclosed. To be valid, the instrument and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must be received by Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham BR3 4ZF no later than 10.00 a.m. on 23 March 2018 or not less than 48 hours (excluding any day that is not a Business Day) before the time appointed for holding any adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, before the time appointed for taking the poll and, in default, the instrument shall not be treated as valid.
3. Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. In the case of a member which is a company, this proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
6. Pursuant to Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009, the Company gives notice that only those shareholders entered on the relevant register of members (the “**Register**”) for certificated or uncertificated shares of the Company (as the case may be) 48 hours before the time of the General Meeting (the “**Specified Time**”) will be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at the time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the General Meeting. Should the General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned General Meeting. Should the General Meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in the notice.



## Chariot Oil & Gas Limited

**General Meeting to be held on 27 March 2018 at 10.00 a.m.**

### Form of Proxy

Please print clearly in BLACK INK and in BLOCK CAPITALS. Please read the NOTES below before completing this Form of Proxy.

Name (full): .....

Address (full): .....

..... Postcode: .....

I/We the above mentioned shareholder(s) of Chariot Oil & Gas Limited (the "Company") hereby appoint

Name (full): .....

Address (full): .....

..... Postcode: .....

or failing him/her the Chairman of the General Meeting (the "GM" or the "Meeting") (note that a proxy need not be a member of the Company but must attend the Meeting in person) as my/our proxy to vote in my/our name(s) and on my/our behalf to attend, speak and vote on my/our behalf at the GM of the Company which will be held at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ on 27 March 2018 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote on the following resolutions (the "Resolutions") as I/we have indicated by marking the appropriate box with an "X". If no indication is given, my/our proxy will vote or abstain from voting at his/her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is properly put before the meeting.

Ordinary Resolution	FOR	AGAINST	WITHHELD
1. To authorise the Directors of the Company to exercise all powers of the Company to allot relevant securities up to the aggregate nominal amount of £1,161,919 (being 116,191,897 Ordinary Shares of one penny each) ("Ordinary Shares") in addition to and without prejudice to any previous authority given to the Directors, such authority to expire on the date falling 6 months from the date of the passing of this Resolution in accordance with Article 3.5 of the Company's Articles of Incorporation ("Articles").			
<b>Special Resolutions</b>			
2. Subject to Resolution 1 being passed, to empower the Directors to allot equity securities in accordance with Article 3.7 of the Articles as if Article 3.6(a) of the Articles did not apply provided that such power be limited to the allotment of 116,191,897 Ordinary Shares issued pursuant to or in connection with the authority in Resolution 1, such authority to expire on the date falling 6 months from the date of the passing of this Resolution.			
3. To authorise the deletion of article 3.1 of the Articles in its entirety and to replace it with the following new Article 3.1: "3.1 The issued share capital of the Company is comprised of Ordinary Shares of 1 penny each."			

Shareholder signature: ..... Dated: .....2018

**Notes:**

- As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
- Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
- A proxy does not need to be a member of the Company but must attend the Meeting to represent you. To appoint as your proxy a person other than the Chairman of the Meeting, insert their full name in the box. If you sign and return this Form of Proxy with no name inserted in the box, the Chairman of the Meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the Meeting and are aware of your voting intentions.
- Please indicate above how you wish your votes to be cast in respect of each Resolution by placing an "X" (or entering the number of shares which you are entitled to vote) in the appropriate box. If you sign this Form of Proxy and return it without an indication of how your proxy will vote on any particular matter, your proxy will exercise his/her discretion as to whether and, if so, how he/she votes and he/she may also vote on any other business (including any amendments to the Resolutions) which may be properly conducted at the Meeting. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes for and against each Resolution.
- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
- In the case of a corporation, this proxy should either be given under the corporation's common seal or signed for and on its behalf by a duly authorised officer or attorney of the corporation.

Upon completing this Form of Proxy, please sign it and return it to Link Asset Services, PXS I, 34 Beckenham Road, Beckenham, BR3 4ZF.

This Form of Proxy must be received by Link Asset Services by no later than 10.00 a.m. on 23 March 2018 or not less than 48 business hours before the time appointed for holding any adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, before the time appointed for taking the poll, together with such power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority. Completion and return of this Form of Proxy will not, however, preclude a holder(s) of shares from attending and voting at the Meeting if he/she/so wishes and is so entitled.