

**NOT FOR DISTRIBUTION IN THE UNITED STATES.**

**THIS CIRCULAR AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this circular and/or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares in Deltic Energy Plc before the date that the Existing Ordinary Shares are marked "ex-entitlement" to the Open Offer by the London Stock Exchange, please immediately forward this circular, together with the accompanying Application Form and Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares you should retain this circular and the accompanying Application Form and Form of Proxy and should immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected. This circular and any accompanying documents should not be sent or transmitted in or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, any Restricted Jurisdiction. In addition, Shareholders in the United States will not be eligible to acquire Open Offer Shares, Open Offer Entitlements or Excess Open Offer Entitlements in connection with the Open Offer and, subject to very limited exceptions, are not eligible to acquire Placing Shares in connection with the Placing or Subscription Shares in connection with the Subscription. See Section 7 of Part IV of this circular for further information.

The total consideration under the Open Offer will be less than €8 million (or an equivalent amount) in aggregate and the Placing Shares and Subscription Shares shall only be available to qualified investors for the purposes of Article 2(e) of the UK Prospectus Regulation or otherwise in circumstances not resulting in an offer of transferable securities to the public under Section 102B of FSMA. Therefore, in accordance with Section 85 and Schedule 11A of FSMA, this circular is not, and is not required to be, a prospectus for the purposes of the Prospectus Regulation Rules and has not been prepared in accordance with the Prospectus Regulation Rules. Accordingly, this circular has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom ("FCA"), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this circular does not constitute an admission document drawn up in accordance with the AIM Rules.

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# DELTIC ENERGY PLC

*(Incorporated in England and Wales with registered number 07958581)*

**Placing and Subscription of 428,571,429 New Ordinary Shares at  
a price of 3.5 pence per share**

**Open Offer of up to 58,581,868 New Ordinary Shares at  
a price of 3.5 pence per share**

**and**

**Notice of General Meeting**

STIFEL NICOLAUS EUROPE LIMITED  
Lead Bookrunner

CANACCORD GENUITY LIMITED  
Joint Bookrunner

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**This circular should be read as a whole. Your attention is drawn in particular to the letter from the Chairman of Deltic Energy Plc which is set out in Part I of this circular and, in particular, to paragraph 13 which contains the unanimous recommendation from the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting referred to below. In addition, your attention is drawn to Part II of this circular entitled "Risk Factors" which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.**

**The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 29 September 2022. The procedure for acceptance and payment is set out in Part IV of this circular and, where relevant, in the Application Form to be sent to Qualifying non-CREST Shareholders.**

Notice of a General Meeting of Deltic Energy Plc to be held at 11.00 a.m. British Summer Time ("BST") on 30 September 2022 at the offices of K&L Gates LLP, One New Change, London EC4M 9AF is set out at the end of this circular. A Form of Proxy for use at this General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company's UK Registrars, Share Registrars Limited, 3 the Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX or you may vote online, as soon as possible but in any event so as to arrive not later than 11.00 a.m. on 28 September 2022 together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Stifel Nicolaus Europe Limited (“**Stifel**”), which is authorised by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Capital Raising and will not regard any other person (whether or not a recipient of this circular) as a client in relation to the Capital Raising and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Capital Raising or any other matter referred to herein. Its responsibilities as the Company’s joint broker under the AIM Rules for Companies are owed to the London Stock Exchange and the Company and not to any other person in respect of his decision to acquire New Ordinary Shares in reliance on any part of this circular. Stifel has not authorised the contents of, or any part of, this circular and no liability whatsoever is accepted by Stifel nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this circular or for the omission of any information. Stifel expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this circular.

Canaccord Genuity Limited (“**Canaccord**”), which is authorised by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Capital Raising and will not regard any other person (whether or not a recipient of this circular) as a client in relation to the Capital Raising and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Capital Raising or any other matter referred to herein. Canaccord has not authorised the contents of, or any part of, this circular and no liability whatsoever is accepted by Canaccord nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this circular or for the omission of any information. Canaccord expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this circular.

The Existing Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange. 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 to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares to be issued pursuant to the Placing, Subscription and the Open Offer will commence at 8.00 a.m. on 3 October 2022.

This circular does not constitute a prospectus or a prospectus equivalent document. This circular cannot be relied on for any investment contract or decision. No person has been authorised to give any information or make any representation and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors, Stifel or Canaccord. In particular, the content of the Company’s website does not form part of this circular and Shareholders and prospective shareholders should not rely on it.

Qualifying non-CREST Shareholders will find an Application Form accompanying this circular. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement at 8.00 a.m. on 3 October 2022. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked “ex-entitlement”.

If the Open Offer Entitlements are for any reason not enabled by 8.00 a.m. or such later time as the Company may decide on 15 September 2022, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements 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 circular and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this circular.

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.

Whether or not you intend to be present at the General Meeting, please complete the Form of Proxy enclosed with this circular in accordance with the instructions printed on the Form of Proxy and return it to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX by no later than 11.00 a.m. on 28 September 2022 in order to be valid. Completion and return of the Form of Proxy will not preclude you from attending and voting at the General Meeting should you so wish.

Copies of this circular are available free of charge from Deltic Energy Plc, 1st Floor 150 Waterloo Road, London, England, SE1 8SB during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted). Copies of this document are also available free of charge from the Company's website ([www.delticenergy.com](http://www.delticenergy.com)).

### **Notice to Overseas Shareholders**

None of this circular and/or the accompanying documents should be distributed, forwarded, or transmitted in, or into, the United States or any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the Restricted Jurisdictions. In addition, the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the Restricted Jurisdictions, may be restricted by law and therefore persons into whose possession this circular comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

This circular does not constitute, and may not be used for the purposes of, any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for New Ordinary Shares to or by anyone in any jurisdiction in which such offer, invitation or solicitation is unlawful or to any person to whom it is unlawful to make such offer or invitation or undertake such solicitation. The distribution of this circular and the offering of New Ordinary Shares in certain jurisdictions, including (without limitation) the Restricted Jurisdictions, may be restricted by law and, accordingly, persons into whose possession this circular comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of the jurisdiction concerned.

This circular and the Application Form do not constitute an offer of the New Ordinary Shares to any person with a registered address, or who is resident or located, in any of the Restricted Jurisdictions. This circular is being sent to Shareholders with registered addresses in the Restricted Jurisdictions for information only in connection with the General Meeting. Shareholders with registered addresses (or who are otherwise located) in the Restricted Jurisdictions will not be sent an Application Form.

None of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Australia, Canada, Japan, New Zealand, Russia or the Republic of South Africa. Subject to certain exceptions, the New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the any of the Restricted Jurisdictions. In particular, none of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements may be, directly or indirectly, offered, sold, taken up, delivered, renounced or transferred in or into the United States. There will be no public offering of any of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements in the United States.

In addition, subject to certain exceptions, Application Forms are not being posted to and no Open Offer Entitlements or the Excess Open Offer Entitlements will be credited to a stock account of any person in any of the Restricted Jurisdictions. The attention of Overseas Shareholders and other recipients of this circular who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at section 7 of Part IV of this circular. This circular and the New Ordinary Shares may not be redistributed or forwarded directly or indirectly into any Restricted Jurisdiction. For a description of the restrictions on offers, sales and transfers of the New Ordinary Shares and the distribution of this circular, see section 7 of Part IV of this circular.

## **Forward-looking statements**

This circular contains statements that are, or may be deemed to be, “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “could”, “envisages”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “should”, “will” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this circular and include statements regarding the intentions, beliefs and current expectations of the Company or the Directors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Company and the industry in which the Company operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Company operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

Prospective investors are strongly recommended to read the risk factors set out in Part II of this document for a more complete discussion of the factors that could affect the Company’s future performance and the industry in which the Company operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

The forward-looking statements contained in this document speak only as at the date of this document. The Company undertakes no obligation to update or revise publicly the forward-looking statements contained in this document to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this document, except as required in order to comply with its legal and regulatory obligations (including under the AIM Rules).

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## DIRECTORS AND ADVISERS

### Directors

Mark Lappin (*Chairman*)  
Graham Swindells (*Chief Executive Officer*)  
Andrew Nunn (*Chief Operating Officer*)  
Peter Cowley (*Non-Executive Director*)  
Peter Nicol (*Non-Executive Director*)

all of:

1st Floor  
150 Waterloo Road  
London  
England  
SE1 8SB

(the registered office of the Company)

### Company Secretary

Sarah McLeod

### Lead Bookrunner

Stifel Nicolaus Europe Limited  
150 Cheapside  
London  
England  
EC2V 6ET

### Joint Bookrunner

Canaccord Genuity Limited  
88 Wood Street  
10th Floor  
London  
England  
EC2V 7QR

### Legal Advisers to the Company

K&L Gates LLP  
One New Change  
London  
EC4M 9AF

### Legal Advisers to Stifel & Canaccord

Fieldfisher LLP  
Riverbank House  
2 Swan Lane  
London  
EC4R 3TT

### UK Registrars

Share Registrars Limited  
3 The Millennium Centre  
Crosby Way  
Farnham  
Surrey  
GU9 7XX

### Receiving Agent

Share Registrars Limited  
3 The Millennium Centre  
Crosby Way  
Farnham  
Surrey  
GU9 7XX

## CAPITAL RAISING STATISTICS

Issue Price	3.5 pence
Number of Existing Ordinary Shares in issue on the Record Date	1,405,964,855
Number of New Ordinary Shares to be issued pursuant to	
the Placing	426,285,717
the Subscription	2,285,712
the Open Offer	Up to 58,581,868
Basis of the Open Offer	1 New Ordinary Share for every 24 Existing Ordinary Shares
Enlarged Share Capital following completion of the Capital Raising <sup>(1)</sup>	Up to 1,893,118,152
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares <sup>(1)</sup>	25.7%
Gross proceeds of the Placing and the Subscription	£15 million
Gross proceeds of the Open Offer <sup>(1)</sup>	Up to £2 million
Estimated net cash proceeds of the Capital Raising <sup>(1)</sup>	Up to £16.2 million
ISIN for Existing Ordinary Shares	GB00B6SYKF01
ISIN for Open Offer Entitlements	GB00BNNL6S02
ISIN for Excess CREST Open Offer Entitlements	GB00BNNL6T19
£:US\$ exchange rate used in this circular	£1:US\$1.16

(1) Assuming the take-up in full of the Open Offer.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2022

Record Date for entitlement under the Open Offer	6.00 p.m. on 9 September
Announcement of the Placing, Subscription and Open Offer	12 September
Ex-Entitlement Date	8.00 a.m. on 13 September
Posting of this circular, the Form of Proxy and, to Qualifying non-CREST shareholders only, the Application Forms	14 September
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 15 September
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 23 September
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 26 September
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)	3.00 p.m. on 27 September
<b>Latest time and date for receipt of Forms of Proxy from Shareholders</b>	<b>11.00 a.m. on 28 September</b>
<b>Latest time and date for receipt of completed Application Forms and payment in full from Qualifying Shareholders under the Open Offer or settlement of relevant CREST instruction (as appropriate)</b>	<b>11.00 a.m. on 29 September</b>
Expected time and date of announcement of results of the Open Offer	7.00 a.m. on 30 September
General Meeting	11.00 a.m. on 30 September
Expected time of announcement of results of the General Meeting	Afternoon of 30 September
Admission effective and dealings in the New Ordinary Shares expected to commence on AIM	8.00 a.m. on 3 October
Expected date for crediting of the New Ordinary Shares in uncertificated form to CREST stock accounts	8.00 a.m. on 3 October
Expected date of dispatch of share certificates in respect of the New Ordinary Shares	by 17 October

### Notes:

- (1) If you have any questions on the procedure for acceptance and payment, you should contact Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX, or by telephone on 01252 821390 from within the UK or on +44 1252 821390 if calling from outside the UK. Calls to the 01252 821390 number are charged at your network provider's standard rates. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Share Registrars cannot provide financial advice on the merits of the Capital Raising or as to whether or not you should take up your entitlement.
- (2) The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this circular may be adjusted by Deltic in which event details of the new dates will be notified to AIM and, where appropriate, to Shareholders.
- (3) All references to time in this circular are to time in London.

## DEFINITIONS

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

<b>“2006 Act”</b>	the UK Companies Act 2006
<b>“Admission”</b>	the admission to trading on AIM of the New Ordinary Shares, which is expected to take place on 3 October 2022
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules for Companies”</b>	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
<b>“Applicant”</b>	a Qualifying Shareholder or a person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form under the Open Offer
<b>“Application Form”</b>	the application form which accompanies this circular on which Qualifying non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
<b>“Articles”</b>	the existing articles of association of the Company as at the date of this circular
<b>“BCF”</b>	billion cubic feet
<b>“Board” or “Directors”</b>	the directors of the Company from time to time
<b>“Business Day”</b>	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London, UK
<b>“Canaccord”</b>	Canaccord Genuity Limited
<b>“Capital Raising”</b>	the Placing, the Subscription and the Open Offer, taken together
<b>“Capricorn”</b>	Capricorn Energy UK Limited
<b>“CCSS”</b>	the CREST courier and sorting service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities
<b>“Company” or “Deltic”</b>	Deltic Energy Plc
<b>“CREST”</b>	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual issued by Euroclear
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001, as amended
<b>“CREST Sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor

<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
<b>“Enlarged Share Capital”</b>	the issued ordinary share capital of the Company immediately following Admission
<b>“Euroclear”</b>	Euroclear UK & International Limited, the operator of CREST
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements
<b>“Excess CREST Open Offer Entitlements”</b>	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to its Open Offer Entitlement credited to its stock account in CREST, pursuant to the Excess Application Facility which is conditional on it taking up its Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this circular
<b>“Excess Open Offer Entitlement”</b>	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Share in addition to its Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on it taking up its Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this circular
<b>“Excess Shares”</b>	New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
<b>“Existing Ordinary Shares”</b>	the Ordinary Shares in issue on the date of this Circular
<b>“Form of Proxy”</b>	the form of proxy accompanying this Circular
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“General Meeting”</b>	the general meeting of Shareholders to be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF at 11.00 a.m. BST on 30 September 2022
<b>“GCoS”</b>	geological chance of success
<b>“Independent Directors”</b>	Mark Lappin and Peter Cowley
<b>“ISIN”</b>	International Securities Identification Number
<b>“Issue Price”</b>	3.5 pence per New Ordinary Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Member Account ID”</b>	the identification code or number attached to any member account in CREST
<b>“Money Laundering Regulations”</b>	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and all other relevant legislation relating to anti-money laundering
<b>“New Ordinary Shares”</b>	up to 487,153,297 new Ordinary Shares to be issued pursuant to the Capital Raising

<b>“NPV”</b>	net present value
<b>“NSTA”</b>	the North Sea Transitional Authority
<b>“Official List”</b>	the daily official list maintained by the Financial Conduct Authority
<b>“Open Offer”</b>	the invitation to Qualifying Shareholders, conditional on passing of Resolutions 1 and 2 set out in the Notice of General Meeting at the end of this circular, to apply to subscribe for New Ordinary Shares at the Issue Price on the terms and subject to the conditions set out in Part IV of this circular and, where relevant, in the Application Form
<b>“Open Offer Entitlement”</b>	the <i>pro rata</i> basic entitlement for Qualifying Shareholders to apply to subscribe for 1 Open Offer Share for every 24 Existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer
<b>“Open Offer Shares”</b>	the 58,581,868 New Ordinary Shares for which Qualifying Shareholders are being invited to apply under the terms of the Open Offer
<b>“Ordinary Shares”</b>	the ordinary shares of £0.005 each in the capital of the Company
<b>“Overseas Shareholder”</b>	a Shareholder who is resident, or who is a citizen of, or who has a registered address in a jurisdiction outside the United Kingdom
<b>“P50”</b>	reflects a volume estimate that, assuming the accumulation is developed, there is a 50 per cent. probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a median or best case estimate of resource
<b>“Participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>“Placees”</b>	the persons who conditionally agree to subscribe for New Ordinary Shares in the Placing
<b>“Placing”</b>	the placing of the Placing Shares at the Issue Price by Stifel and Canaccord pursuant to the terms and conditions of the Placing and Open Offer Agreement, as described in Part I of this circular
<b>“Placing and Open Offer Agreement”</b>	the conditional agreement dated 12 September 2022 between the Company, Stifel and Canaccord relating to the Placing and the Open Offer
<b>“Placing Shares”</b>	the 426,285,717 New Ordinary Shares which have conditionally been placed firm with institutional and other investors by Stifel and Canaccord and are to be issued by the Company pursuant to the Placing
<b>“Prospectus Regulation Rules”</b>	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date were held in uncertificated form
<b>“Qualifying non-CREST Shareholders”</b>	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date were held in certificated form

<b>“Qualifying Shareholders”</b>	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholders who are resident in or who have a registered address in a Restricted Jurisdiction)
<b>“Record Date”</b>	6.00 p.m. BST on 9 September 2022
<b>“Receiving Agents”</b>	Share Registrars
<b>“Registrars”</b>	Share Registrars
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, the full text of which is set out in the Notice of General Meeting at the end of this circular
<b>“Restricted Jurisdiction”</b>	each and any of the United States of America, Australia, Canada, Japan, New Zealand, Russia and the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations
<b>“Shareholder”</b>	a holder of Ordinary Shares
<b>“Shell”</b>	Shell U.K. Limited
<b>“sterling”, “pounds sterling”, “£”, “pence” or “p”</b>	the lawful currency of the United Kingdom
<b>“Share Registrars”</b>	Share Registrars Limited
<b>“Stifel”</b>	Stifel Nicolaus Europe Limited
<b>“stock account”</b>	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
<b>“Subscribers”</b>	each of Graham Swindells, Andrew Nunn, Peter Nicol and Sarah McLeod, being the investors who have conditionally agreed to subscribe for New Ordinary Shares in the Subscription
<b>“Subscription”</b>	the subscriptions for 2,285,712 Subscription Shares by the Subscribers pursuant to Subscription Letters with the Company
<b>“Subscription Letters”</b>	the agreements between the Company and each of the Subscribers relating to the Subscription
<b>“Subscription Shares”</b>	the 2,285,712 New Ordinary Shares which have conditionally been subscribed for by investors, at the Issue Price, pursuant to Subscription Letters between the Company and such investors
<b>“UK Listing Authority”</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>“UK Prospectus Regulation”</b>	regulation (EU) No 2017/1129 of the European Parliament and of the Council as it forms part of the domestic law of England and Wales by virtue of the European Union (Withdrawal) Act 2018
<b>“US Securities Act”</b>	the U.S. Securities Act of 1933 (as amended)
<b>“WI”</b>	working interest; a percentage of ownership in an oil and gas licence

## Part I: Letter from the Chairman

# DELTIC ENERGY PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 07958581)

Directors:

Mark Lappin (Chairman)  
Graham Swindells (Chief Executive Officer)  
Andrew Nunn (Chief Operating Officer)  
Peter Cowley (Non-Executive Director)  
Peter Nicol (Non-Executive Director)

Registered Office:

1st Floor 150 Waterloo Road  
London  
England, SE1 8SB

14 September 2022

Dear Shareholder,

### Placing, Subscription and Open Offer and Notice of General Meeting

#### 1. Introduction

On 13 September 2022, Deltic announced that it had conditionally raised £15 million (approximately US\$17.4 million) (before expenses) through a placing and subscription of 428,571,429 New Ordinary Shares to institutional and other investors at the Issue Price of 3.5 pence per New Ordinary Share pursuant to the Placing and the Subscription.

The Board recognises and is grateful for the continued support received from Shareholders and has therefore decided to offer all Shareholders the opportunity to participate in a further issue of new equity in the Company by launching the Open Offer to issue up to 58,581,868 further New Ordinary Shares to Qualifying Shareholders at the Issue Price. Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 24 Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares through the Excess Application Facility.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of up to £2 million (up to approximately US\$2.32 million) for the Company and the gross proceeds of the Capital Raising would increase to £17 million (approximately US\$19.72 million).

The Issue Price represents a 10.9 per cent. discount to the closing price of 3.93 pence per Existing Ordinary Share on 12 September 2022, being the day of the announcement of the Capital Raising.

As the allotment and issue of the New Ordinary Shares will exceed the Directors' existing authorities to allot shares for cash on a non pre-emptive basis, the General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, *inter alia*, to complete the Capital Raising.

The New Ordinary Shares to be issued pursuant to the Capital Raising are to be admitted to trading on AIM, which is expected to take place at 8.00 a.m. on 3 October 2022.

The net proceeds of the Capital Raising (after commission and expenses of the Capital Raising) will be used principally to fund the Company's share of the Selene well, operated by Shell and expected to spud in the next 12-18 months, including the contingency mandated by the Company's regulator, the NSTA, to fund further investment in Deltic's existing licence portfolio, to enable further investment in the UK's upcoming 33rd Licensing Round, and to fund transaction costs, working capital and general corporate costs through to mid-2024. Further details on the background to and the reasons for the Capital Raising are given in section 2 below.

**The Placing, the Subscription and the Open Offer are each conditional upon, *inter alia*, the approval by Shareholders of Resolutions 1 and 2 which will be sought at the General Meeting to**

**be held at 11.00 a.m. on 30 September 2022, notice of which is set out at the end of this circular. Should Shareholder approval of these resolutions not be obtained at the General Meeting, the Capital Raising as currently envisaged will not proceed.**

**The purpose of this letter is to explain to Shareholders the background to, and reasons for, the Capital Raising by means of the Placing, the Subscription and the Open Offer. To enable the Company to implement the Placing, the Subscription and the Open Offer, the Company is seeking the approval by Shareholders of the Resolutions which are to be put to the General Meeting of the Company to be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF at 11.00 a.m. on 30 September 2022. The notice convening the General Meeting is set out at the end of this circular and a Form of Proxy is also enclosed for you to complete. This letter includes an explanation of the Resolutions.**

## **2. Background to and reasons for the Capital Raising**

Deltic has a high impact, low risk, infrastructure led exploration and appraisal portfolio in the Southern and Central North Sea, with a significant weighting towards natural gas, and a proven ability to attract world class partners such as Shell and Capricorn.

The Company has an active forward operational schedule and a funded pathway to drilling activity with two firm wells operated by Shell that will commence drilling from October 2022, and a portfolio that offers a conveyor belt of drilling and farm-out opportunities.

The Shell-operated Pensacola well (Deltic WI: 30 per cent.) in the Southern North Sea is fully-funded and due to spud in October 2022 using the Maersk Resilient rig. The Company estimates that Pensacola has a gross P50 prospective resource of 309 BCF with a GCoS of 55 per cent. and an unrisksed post tax project NPV of \$553 million gross (\$166 million net to Deltic), calculated based on a gas price of 80 pence per therm.

The Selene well (Deltic WI: 50 per cent.) in the Southern North Sea, operated by Shell, is expected to spud within the next 12-18 months following a firm investment decision in July 2022. The Company estimates that Selene has a gross P50 prospective resource of 318 BCF, with a GCoS of 70 per cent. and an unrisksed post tax project NPV of \$624 million gross (\$312 million net to Deltic), also calculated using a gas price of 80 pence per therm.

The joint venture between Deltic and Capricorn is making good progress across the five jointly-owned Southern North Sea licences, including taking delivery of new 3D seismic data across licence P2428, and is looking to mature well prospects with a view to making its first well investment decision in 2023.

Deltic's technical team has successfully completed the initial phase of geological work on its Syros prospect (Deltic WI: 100 per cent.) in the Central North Sea, and a farm-out process has now commenced.

Preparatory work in anticipation of the UK's 33rd Offshore Licensing Round (due to be launched in Q4 2022) has commenced, with Deltic looking to build on its successful track record and further strengthen and diversify its portfolio through applications on both a 100 per cent. basis and in collaboration with selected partners, with technical evaluation work well advanced.

Deltic is seeking to raise, through the Capital Raising, minimum gross proceeds of £15 million in order to fund its share of the Selene well, including contingency mandated by the Company's regulator, the NSTA, fund further investment in Deltic's existing licence portfolio, enable further investment in the UK's upcoming 33rd Offshore Licensing Round, as well as covering transaction costs, working capital and general corporate costs through to mid-2024.

### 3. Details of the Capital Raising

#### 3.1 Structure

The Directors have considered the best way to structure the proposed equity fundraising, having regard to, *inter alia*, 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 structure of the Capital Raising to comprise the Placing, the Subscription and the Open Offer is the most suitable option available to the Company and its Shareholders as a whole. The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by acquiring Open Offer Shares *pro rata* to their current holdings of Existing Ordinary Shares with the option for subscribing for more pursuant to the Excess Application Facility. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

The Issue Price of 3.5 pence per New Ordinary Share represents a 10.9 per cent. discount to the closing price of 3.93 pence per Existing Ordinary Share on 12 September 2022, the day of the announcement of the Capital Raising.

#### 3.2 Principal terms of the Placing

The Company is proposing to raise gross proceeds of approximately £14.9 million (approximately US\$17.28 million) pursuant to the Placing through the issue of 426,285,717 Placing Shares.

The Company has conditionally placed 426,285,717 Placing Shares at the Issue Price with institutions and other investors pursuant to the Placing. As the issue and allotment of the Placing Shares will exceed the Directors' existing authorities to allot shares for cash on a non pre-emptive basis, the General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, *inter alia*, to complete the Capital Raising. The Placing Shares have therefore been placed firm conditional, *inter alia*, on the passing of Resolutions 1 and 2 and, subject to the passing of Resolutions 1 and 2, will be issued and allotted at the time of Admission, which is expected to take place at 8.00 a.m. on 3 October 2022.

All of the Placing Shares have been placed with institutions and other investors and are not, therefore, being offered to existing Shareholders pursuant to the Open Offer. There will be no ability to "claw back" New Ordinary Shares from the Placing into the Open Offer. The Placing Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares and the Open Offer Shares in issue following the Capital Raising.

Under the Placing and Open Offer Agreement, the Company has appointed Stifel and Canaccord as its agents in connection with the Capital Raising to use their respective reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price.

Pursuant to the Placing and Open Offer Agreement, the Company has given certain warranties to Stifel and Canaccord regarding, *inter alia*, the accuracy of information in this document and an indemnity in favour of Stifel and Canaccord in respect of, *inter alia*, losses arising directly or indirectly out of the Capital Raising.

The Placing and Open Offer Agreement is conditional, *inter alia*, on (a) Admission taking place in respect of the Placing Shares, Subscription Shares and Open Offer Shares at 8.00 a.m. on 3 October 2022 or such later date as may be agreed by the Company, Stifel and Canaccord, being not later than 8.00 a.m. on 17 October 2022; (b) the passing of the Resolutions numbered 1 and 2 at the General Meeting; and (c) the Company complying with all of its obligations under the Placing and Open Offer Agreement. Under the Placing and Open Offer Agreement, the Company has agreed to pay placing commissions to Stifel and Canaccord based on a percentage of the Issue Price multiplied by the total number of Placing Shares together with all costs and expenses and VAT thereon, where appropriate. Each of Stifel and Canaccord are entitled, in certain limited circumstances, to terminate the Placing and Open Offer Agreement prior to Admission and to the payment of outstanding expenses on such termination.

### 3.3 *Principal terms of the Subscription*

The Company is proposing to raise gross proceeds of £80,000 (approximately US\$92,800) from the Subscribers, pursuant to the Subscription, through the issue of 2,285,712 Subscription Shares at the Issue Price. The Subscription Letters are conditional upon the passing of the Resolutions at the General Meeting and on Admission.

### 3.4 *Principal terms of the Open Offer*

Subject to the fulfilment of the conditions set out below and in Part IV of this circular, Qualifying Shareholders are being given the opportunity to subscribe for the Open Offer Shares at a price of 3.5 pence per Open Offer Share, *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

#### **1 Open Offer Share for every 24 Existing Ordinary Shares**

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

The allotment and issue of the Open Offer Shares will also need to be made following and conditional on, *inter alia*, the passing of Resolutions 1 and 2 at the General Meeting.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of approximately £2 million (approximately US\$2.32 million) for the Company.

The Open Offer Shares will, upon issue, rank *pari passu* with the Placing Shares, the Subscription Shares and the Existing Ordinary Shares.

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements may be aggregated and sold in the market, with the proceeds being retained for the benefit of the Company.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

To enable the Company to benefit from applicable exemptions to the requirement to prepare a prospectus in connection with the Open Offer, a maximum of 58,581,868 New Ordinary Shares, representing a total consideration of £2 million (approximately US\$2.32 million), will be made available to Qualifying Shareholders under the Open Offer, which will be conducted on the basis of 1 New Ordinary Share for every 24 Existing Ordinary Shares. The Open Offer is restricted to Qualifying Shareholders in order to enable the Company to benefit from exemptions from securities law requirements in certain jurisdictions outside the United Kingdom.

It should be noted that the Open Offer is not a rights issue. Accordingly, the Application Form is not a document of title and cannot be traded. Unlike a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not take up their rights to subscribe under the Open Offer.

### 3.5 *Excess Application Facility*

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements.

Qualifying non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4(ii)(j) of Part IV of this circular for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 15 September 2022. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 15 September 2022. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this circular which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements at 8.00 a.m. on 15 September 2022. Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to 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.

If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued and any outstanding Open Offer Entitlements will lapse.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part IV of this circular.

For Qualifying non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 29 September 2022. For Qualifying CREST Shareholders the relevant CREST instructions must have been settled as explained in this circular by no later than 11.00 a.m. on 29 September 2022.

### 3.6 Other information relating to the Capital Raising

The Placing, the Subscription and the Open Offer are each conditional, *inter alia*, upon:

- (a) the passing of Resolutions 1 and 2 at the General Meeting;
- (b) the Placing and Open Offer Agreement becoming unconditional in all respects (other than Admission) and not having been terminated in accordance with its terms; and
- (c) Admission of the New Ordinary Shares becoming effective at 8.00 a.m. on 3 October 2022 (or such later time and/or date as the Company, Stifel and Canaccord may agree being not later than 8.00 a.m. on 17 October 2022).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the relevant part or parts of the Capital Raising will not proceed.

A summary of the principal terms of the Placing and Open Offer Agreement is set out in section 4.3 of this Part I of this circular.

The Capital Raising will result in the issue of in total 487,153,297 New Ordinary Shares (representing, in aggregate, approximately 25.7 per cent. of the Enlarged Share Capital (assuming, in each case, full take up under the Open Offer)). The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and therefore rank equally for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares. No temporary documents of title will be issued.

Following the issue of the New Ordinary Shares pursuant to the Capital Raising, Qualifying Shareholders who take up their full entitlements, excluding any New Ordinary Shares acquired through the Excess Application Facility, in respect of the Open Offer will undergo a dilution of up to 22.6 per cent. to their interests in the Company because of the Placing and the Subscription. Qualifying Shareholders who do not take up any of their entitlements in respect of the Open Offer will experience a more substantial dilution to their interests in the Company because of the Capital Raising.

#### 4. Use of proceeds

The Placing and Subscription is expected to raise gross proceeds of approximately £15 million (US\$17.4 million) (before expenses).

The expected application of funds raised in the Placing and Subscription, after expenses, is summarised as follows:

<i>Source of Funds</i>	<i>GBP£M</i>	<i>Use of Funds</i>	<i>GBP£M</i>
Cash as at 30 June 2022	7.6	Pensacola drilling operations	5.7*
Placing and Subscription Proceeds	15.0	Selene well operations incl. site survey & long leads	9.3
		NSTA mandated contingency	1.8
		Investment in 33rd round applications	1.4
		Transaction costs, working capital & general corporate to mid 2024	4.4
<b>Total Sources</b>	<b>22.6</b>	<b>Total Uses to mid-2024</b>	<b>22.6</b>

\* GBP £1.6M costs to 30 June 2022 including site survey, long leads, engineering and operators' expenses

Additional funds raised pursuant to the Open Offer will be used to fund investment in existing licences and upcoming licence applications

#### 5. Related party transactions

IPGL Limited (“IPGL”) will acquire 57,142,857 New Ordinary Shares under the Placing at the Issue Price for gross proceeds of £2 million, and Michael Spencer, Chairman of IPGL, and his wife will separately acquire 57,107,142 New Ordinary Shares under the Placing at the Issue Price for gross proceeds of approximately £2 million. Inthallo Limited (“Inthallo”) has subscribed for 42,857,142 New Ordinary Shares under the Placing at the Issue Price for gross proceeds of £1.5 million.

Both IPGL, including the individuals associated with IPGL, and Inthallo by virtue of their respective holdings being more than 10 per cent. of the Existing Ordinary Shares of the Company, are classified as related parties of the Company and their participation in the Placing is considered a ‘related party transaction’ under Rule 13 of the AIM Rules for Companies.

Graham Swindells has agreed to subscribe for 714,285 Subscription Shares, Andrew Nunn for 428,571 Subscription Shares and Peter Nicol 857,142 Subscription Shares (in aggregate, 1,999,998 Subscription Shares) at the Issue Price. As Directors, they are each considered a related party of the Company and their subscriptions for Subscription Shares under the Subscription are considered related party transactions under the AIM Rules for Companies.

The Independent Directors consider, having consulted with Allenby Capital Limited, the Company’s nominated adviser, that the terms of the participation by IPGL Limited (including the individuals associated with IPGL), Inthallo, Graham Swindells, Andrew Nunn and Peter Nicol in the Capital Raising are fair and reasonable insofar as Shareholders are concerned.

## **6. Application for Admission**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares on AIM will commence at 8.00 a.m. on 3 October 2022.

## **7. General Meeting**

A notice convening a General Meeting of the Company, to be held at the offices of K&L Gates LLP, One New Change, London, EC4M 9AF at 11.00 a.m. on 30 September 2022 is set out at the end of this circular. At the General Meeting, the following Resolutions will be proposed:

1. an ordinary resolution to grant authority to the Directors to allot up to 487,153,297 New Ordinary Shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of £2,435,766.49. The Directors will limit this authority to the allotment of New Ordinary Shares pursuant to the Capital Raising and the authority will expire at the earlier of the conclusion of the next Annual General Meeting of the Company and 30 September 2023;
2. a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment for cash of up to 487,153,297 New Ordinary Shares with an aggregate nominal amount of up to £2,435,766.49. The Directors will again limit this authority to the allotment of New Ordinary Shares pursuant to the Capital Raising and the authority will expire at the earlier of the conclusion of the next Annual General Meeting of the Company and 30 September 2023;
3. an ordinary resolution to grant a general authority to the Directors to allot up to 1,262,078,600 shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of £6,310,393. This authority will represent approximately two-thirds per cent. of the Enlarged Share Capital (assuming full take-up of the Open Offer) and is in line with the ABI Guidelines which recommend that the directors' authority to allot share capital be limited to a sum equal to two-thirds of the issued Ordinary Share capital plus the amount required in order to satisfy outstanding share options on condition that half of this amount (representing one third of the Company's Enlarged Share Capital (assuming full take-up of the Open Offer)) can only be allotted pursuant to a rights issue; it is also in line with the authorities granted pursuant to section 551 of the Act at the Company's last AGM held on 15 June 2022; and
4. a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment for cash of up to 473,279,400 equity shares with an aggregate nominal amount of up to £2,366,397. This authority will represent approximately 25 per cent. of the Enlarged Share Capital (assuming full take-up of the Open Offer) and is in line with the Directors' existing share authorities granted in respect of the disapplication of section 561(1) granted at the Company's last AGM held on 15 June 2022.

Resolutions 1 and 3 are proposed as ordinary resolutions and Resolutions 2 and 4 are proposed as special resolutions.

To the extent Placees (or their nominees) have existing shareholdings in the Company, such Placees have agreed pursuant to the terms and conditions of the Placing to vote or procure the voting in favour of Resolutions 1 to 4 above.

## **8. Action to be taken by Shareholders**

### *8.1 General Meeting*

Shareholders will find accompanying this circular a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX as soon as possible and, in any event, so as to arrive no later than 11.00 a.m. on 28 September 2022. Alternatively, you can register your vote(s) for the General Meeting by logging on to [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the "Proxy Vote" button and

then following the on-screen instructions (you can locate your log-in details on the top of the proxy form). Completion and return of the Form of Proxy will not affect Shareholders' right to attend and vote in person at the General Meeting if they so wish. Further information regarding the appointment of proxies can be found in the notes to the Notice of the General Meeting.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

**In order for the Capital Raising to proceed, Shareholders will need to approve Resolutions 1 and 2 set out in the Notice of General Meeting. If Resolutions 1 and 2 are not passed, the Capital Raising will not proceed in the form currently envisaged, with the result that the anticipated net proceeds of the Capital Raising will not become available to fund proposed upcoming expenditure and achieve the objectives set by the Board and the Company's business plans and growth prospects may be materially adversely affected as a result (see "Risk Factors – Risks related to the Resolutions not being passed – If Resolutions 1 and 2 are not passed, the Company will not be able to proceed with the Capital Raising in the form currently envisaged" in Part III of this circular).**

**Accordingly it is important that Shareholders vote in favour of Resolutions 1 and 2, in order that the Capital Raising can proceed.**

## *8.2 Open Offer*

### *Qualifying non-CREST Shareholders*

If you are a Qualifying non-CREST Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement or both your Open Offer Entitlement and any Excess Open Offer Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in section 4(i) of Part IV of this circular and on the Application Form itself.

### *Qualifying CREST Shareholders*

If you are a Qualifying CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form accompanies this circular and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer except (subject to certain exceptions) if you are an Overseas Shareholder who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements in excess of their Open Offer Entitlements should be made in accordance with the procedures set out in section 4(ii) of Part IV of this circular, unless you are an Overseas Shareholder in which event, applications should be made in accordance with the procedures set out in section 7 of Part IV of this circular.

**The latest time for applications under the Open Offer to be received is 11.00 a.m. on 29 September 2022. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part IV of this circular.**

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

## **9. Overseas Shareholders**

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in section 7 of Part IV of this circular, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you pay particular attention to that section of this circular.

## **10. Additional Information**

Your attention is drawn to the additional information set out in Parts II to IV (inclusive) of this circular. In particular the attention of investors is drawn to the information regarding taxation set out in paragraph 6 of Part IV of this document. This information is intended only as a general guide to the current tax position under UK taxation law for certain types of investor. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.**

This circular will be available for a period of twelve months from the date of this circular on the Company's website [www.delticenergy.com](http://www.delticenergy.com) free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

## **11. Responsibility**

The Company and the Directors accept responsibility for the information contained in this circular. To the best of the knowledge and belief of the Company and the Directors (which has and who have taken all reasonable care to ensure that such is the case) the information contained in this circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **12. Irrevocable Undertakings**

The Company has received irrevocable undertakings to vote in favour of the Resolutions from Directors and management who hold, in aggregate, 5,974,878 Ordinary Shares, representing 0.42 per cent. of the Existing Ordinary Shares.

## **13. Directors' Recommendation**

The Directors consider the Capital Raising to be in the best interests of the Company and its Shareholders as a whole.

Yours faithfully

Mark Lappin  
*Executive Chairman*

## **Part II: Risk Factors**

Prospective investors should be aware that an investment in Deltic is speculative and involves a high degree of risk. In addition to the other information in this document, the Directors consider the following risk factors are of particular relevance to the Company's activities and to any investment in the Company.

The risks referred to below do not purport to be exhaustive and other risk factors not presently known or currently deemed immaterial may apply. Any one or more of these risk factors could have a materially adverse impact on the value of the Company, its business, results of operations, financial condition and/or prospects and should be taken into consideration when assessing the Company. In such circumstances, investors could lose all or part of the value of their investment. The risks are not presented in any order of priority.

Potential investors are advised to consult a person authorised under FSMA who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should carefully consider whether an investment in the Company is suitable in light of their personal circumstances and the financial resources available to them. Prospective investors should also consider carefully all of the information set out in this document and the risks attaching to the investment in the Company, including, in particular, the risks described below, before making any investment decision.

### **RISKS RELATING TO THE BUSINESS CARRIED ON BY THE COMPANY**

#### **Short-term Funding Requirements**

The Company currently has sufficient cash to fund its commitments with Shell in respect of the Pensacola exploration well and for G&A costs. However, in the event that the Resolutions are not passed at the General Meeting, and the Capital Raising therefore does not proceed, the Company will not have sufficient cash also to fund its commitments with Shell in respect of the Selene exploration well. In that scenario, if the Company was unable to raise additional funds from an alternative source, the Company would not satisfy the NSTA's financial capacity test and it is likely that the Company would lose its interest in the Selene licence, which would have a material impact on the Company's asset portfolio.

#### **Early stage of operations**

The Company's operations are at an early stage of development and future success will depend on the Directors' ability to successfully manage and exploit the current asset portfolio and to take advantage of further opportunities which may arise. There can be no guarantee that the Company can or will be able to, or that it will be commercially advantageous for the Company to, develop its assets.

Further, the Company has no assets producing positive cash flow and its ultimate success will depend on the Directors' ability to implement their strategy, generate cash flow from the sale of its projects and access debt and equity markets. Whilst the Directors are optimistic about the Company's prospects, there is no certainty that sustainable revenue streams and sustainable profitability will be achieved. The Company will not generate any material income until such a time that it has developed its asset base to the point of production or disposed of its assets and in the meantime the Company will continue to expend its cash reserves and will, in due course, need to raise debt and/or additional equity capital.

#### **Oil and natural gas exploration and development are highly speculative activities and exploration drilling may not generate commercial discoveries**

The initial key focus of the Company is its exploration activities on the Pensacola and Selene prospects, the success of which will be determined through the successful drilling of exploration wells. Drilling oil and gas wells is capital intensive, highly speculative, may be unprofitable and may result in a total loss of investment. Such wells may not identify sufficient quantities of commercially exploitable resources or reserves to be commercially viable for the Company. The Company's ability to dispose of its assets in the future, and therefore its longer-term profitability, is directly related to the success of the exploration activities and its ability to then trade these assets profitably.

The exploration and development of any projects in which the Company may have invested may be disrupted, damaged or delayed by a variety of risks and hazards which are beyond the control of the

Company. These include (without limitation) geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, “acts of God”, government regulations or delays, and availability of new technologies and alternative sources of energy. In the event that an exploration project is unsuccessful, the value of the Company’s business and any associated exploration licences may be diminished.

If the Company’s exploration activities prove to be consistently unsuccessful over a prolonged period of time it could have a material adverse effect on the Company’s business, financial condition and prospects.

**The Company’s longer-term success may be dependent on accessing oil and natural gas resources**

The results of appraisal of discoveries are capital intensive, uncertain and may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but uneconomic to develop. Furthermore, completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. Appraisal activities may be subject to delays in obtaining governmental approvals or consents, partner consent and co-operation and other issues, all of which may variously increase the Company’s costs of operations. In addition, the Company may not be able to economically develop, find, or acquire future reserves at acceptable costs.

**The Company’s actual future exploration and appraisal costs may differ materially from estimates, which may materially and adversely affect its viability in the long term**

Offshore oil and gas activities, where the Company operates, are particularly capital intensive and involve a high degree of risk. Exploration expenditure estimates are based on certain assumptions with respect to the method and timing of exploration. The Company may also rely on operator budgets for its forecasts and assumptions, where detailed costings in the form of authorisations for expenditure (“**AFE**”) may not have been prepared and may differ significantly from original forecasts. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from estimates and assumptions. This could materially and adversely affect the Company’s viability and long-term prospects.

**A substantial or extended decline in oil and natural gas prices or consumption may adversely affect the Company’s prospects, business, financial condition and results of operations**

Historically, oil and natural gas prices have been subject to large fluctuations in response to a variety of factors beyond the control of individual companies, including operational issues, natural disasters, weather, political instability or conflicts, pandemics, economic conditions or actions by major oil-exporting countries (in particular, members of OPEC+), governmental regulations and actions, and the price and availability of new technologies and alternative sources of energy. Price fluctuations can affect business assumptions, investment decisions and financial position of the companies in the upstream oil gas and power sector and therefore prospectively the Company. With increased pressure to reduce GHG emissions by replacing fossil fuel energy generation with zero emission energy generation, it is possible that peak demand for oil and gas will be reached, and oil and gas prices will be adversely impacted as and when this happens. Although the Company intends to dispose of its assets before they reach the development stage, a substantial or extended decline in the price or consumption of oil and gas could have a short or long term effect on the viability of some or all of the exploration projects which the Company will own in the future, its business financial condition, result in a reduction in revenues, net income or realised sales prices adversely affect the Company’s ability to maintain working capital requirements, impair its ability to make planned expenditures and could materially adversely affect its prospects, financial condition, results of operations and its ability to trade or sell future discoveries.

**Reliance on key personnel**

The success of the Company will be dependent on the services of key management and operating personnel, including both its existing Directors and management team and also individuals who have yet to be identified. The Directors believe that the Company’s future success will depend largely on its ability to attract and retain highly skilled and qualified personnel, and to expand, train and manage its employee base. There can be no guarantee that suitably skilled and qualified individuals will be identified and employed or

contracted on satisfactory terms or at all. If the Company fails to recruit or retain the necessary personnel, or if the Company loses the services of any of its key executives, its business could be materially and adversely affected.

### **Risk of reliance on third parties**

The Company may become exposed to a variety of risks relating to joint venture parties and contractors. The Company may become exposed to a variety of risks related to any co-venturers, joint venture parties and contractors retained by the operators of the assets owned by or licenced to the Company with which the Company contracts that may adversely affect its current and proposed activities and current and proposed interest, including:

- financial default, non-compliance with obligations or default by any supplier, contractor or participant in any joint venture or similar arrangement to which it is, or may become a party; and
- insolvency or other managerial default by any of the suppliers, contractors or participant in any joint venture or similar arrangement in the proposed exploration activities.

### **Farm-out and joint venture partners**

The Company has entered into agreements with Shell and Capricorn Energy under which they operate certain of the existing assets in which the Company has an ownership interest. From time to time, the Company may enter into additional partnership and/or farmout agreements to operate and/or fund all or a portion of the exploration and development costs associated with its existing and potential future assets. Liquidity and cash flow problems encountered by the partners and co-owners of such assets and any non-compliance by the partners and co-owners may lead to a delay in the pace of drilling or project development that may be detrimental to a project or may otherwise have adverse consequences for the Company. In addition, any farm-out partners and working interest owners may be unwilling or unable to pay their share of the costs of projects as they become due. In the case of a farm-out partner, the Company may have to obtain alternative funding in order to complete the exploration and development of the assets subject to the farm-out agreement. In the case of a working interest owner, the Company may be required to pay the working interest owner's share of the project costs. The Company cannot assure investors that it would be able to obtain the capital necessary in order to fund either of these contingencies. It is also possible that the interests of the Company and those of its joint venture partners are not aligned resulting in project delays or additional costs or losses.

### **It may be expensive and logistically burdensome to discontinue or dispose of operations should economic, physical or other conditions subsequently deteriorate**

Once the Company has an interest in an established oil and/or gas exploration operation in a particular location, it may be expensive and logistically burdensome to discontinue such an operation should economic, physical or other conditions deteriorate. This is due to, among other reasons: the significant capital investments required in connection with oil and gas exploration; the nature of contractual arrangements with partners and government authorities; and significant decommissioning costs. Additionally, because the trading of oil and gas assets is relatively illiquid, the Company's ability to discontinue or dispose of all or a partial interest in assets promptly may be limited. In the event that the Company wishes to dispose of any exploration or appraisal interest in the future, no assurance can be given that the Company would be able to sell or swap any such asset either at all or on terms acceptable to the Company. It is not possible to predict the length of time required to find such acquirers for assets or to conclude asset disposals particularly in times of political, economic or financial change or uncertainty.

### **Legislative and regulatory risks**

The Company is subject to the licensing and other regulations and approvals of the UK governmental authorities, including those relating to the exploration, decommissioning, taxation, environmental, and health and safety matters. In order to conduct its operations in compliance with these laws and regulations, the Company must obtain licences and permits from various government authorities. The Company may incur substantial costs in order to maintain compliance with these laws. Non-compliance with such regulations could lead to fines, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate and the loss of assets.

Any future regulatory changes or new regulations concerning the oil and gas industry, such as a change in oil or gas pricing policy, exploration and development policy, environmental policy or taxation rules or practice (particularly the UK's decommissioning tax relief or the Energy Profits Levy), or renegotiation or nullification of existing concession contracts, may potentially restrict the operations of the Company, impose increased compliance and regulatory capital costs, reduce investment returns or increase associated fees, increase corporate governance/ supervision costs, reduce the competitiveness of any business of the Company, reduce the ability of the Company to attract and retain licence partners, affect the ability of the Company to dispose of its assets, reduce the ability of the Company to hire and retain key personnel or impose restrictions on whether individuals may be appointed or retained as directors or senior managers of the Company and impose other restrictions and obligations which could adversely affect the Company's profitability.

**The Company may be unable to obtain or renew required licences and/or such licences may be suspended, terminated or revoked prior to their expiration**

The Company's growth will depend on its access to new resources or reserves through applications for new licences and exploration activities. Any delay in obtaining or renewing any licence may result in a delay in investment or development of a resource and could slow the Company's growth. There is no guarantee that all required licences will be granted in accordance with the applications, nor that they will be granted on conditions satisfactory for the Company to operate its business. Such licences contain conditions and requirements that must be met in order to maintain such licences. The licences may be suspended, terminated or revoked if the Company fails to comply with the relevant requirements. Further, there can be no assurance that the relevant authorities will not significantly alter the conditions or area of, or that any third party will not challenge, the licences held by the Company. There can further not be any assurance that an expired licence will be renewed.

If the Company fails to fulfil the specific terms of any of its licences or if it operates its business in a manner that violates applicable law, government regulators may impose fines or suspend or terminate the licences, any of which could have a material adverse effect on the Company's results of operations, cash flows and financial condition.

**The Company may be voted into work programmes, and associated expenditure, that it does not wish to participate in and cannot fund**

Generally, in the initial exploration and appraisal work periods in licences awarded under the UK licensing regime, a party may not withdraw from a licence at any time nor is there a right to not participate in a work programme approved by the joint venture under the voting rules. The Company may hold a minority interest in a joint venture, vote against a work programme but still be obligated to participate in the same. Based on its estimates and assumptions, subject to Completion of the Capital Raising, the Company will have raised enough equity for the initial Pensacola and Selene exploration wells. However, the Company will need to raise further equity to drill follow up appraisal wells and fund success.

**Inflation and other cost increases may have an adverse effect on the Company's results of operations and cash flows**

Significant inflation or other cost increases could increase operational costs without a corresponding increase in the sales price that the Company may receive when it disposes of its assets. Alternatively, a lag in the reduction of input costs relative to declining commodity prices will have a similar adverse effect on the Company's operations. Any such increased costs or delays in cost reductions may adversely affect the Company's profitability, cash flows and results of operations.

**Cyber risks**

The Company is at risk of financial loss, reputational damage and general disruption from a failure of its information technology systems or an attack for the purposes of espionage, extortion, terrorism or to cause embarrassment. Any failure of, or attack against, the Company's information technology systems may be difficult to prevent or detect, and the Company's internal policies to mitigate these risks may be inadequate or ineffective. The Company may not be able to recover any losses that may arise from a failure or attack.

## **FINANCIAL RISKS**

### **Need for additional capital in the longer term**

The Company may need additional funds in the longer term in order to further fund its exploration and development programmes in the event of success. Additional equity financing may be dilutive to holders of the Company's then existing Ordinary Shares and could contain rights and preferences superior to those of the Ordinary Shares. Debt financing may involve restrictions on the Company's financing and operating activities. In either case, additional financing may not be available to the Company on acceptable terms or at all. If the Company is unable to raise additional funds as needed, the scope of its operations may be reduced and, as a result, the Company may be unable to fulfil its long-term growth programme, or meet its contractual obligations under its contracts which may ultimately be withdrawn or terminated for non-compliance. If additional capital is not available it would have a material adverse effect on the Company's financial condition.

### **Capital expenditure may be higher than anticipated**

The Company has good visibility of its near term capital expenditure requirements, supported by detailed current year annual budgets. These annual budgets detail, *inter alia*, the necessary equipment, personnel and timelines for such programmes, and estimates for the year's expenditure based on the current market rates plus appropriate contingencies. In addition, regular meetings of management committees support forecast estimates for the work programme and expenditure in the next period.

However, in the longer term, future annual budgets provided by the applicable operators may turn out to be higher than currently estimated by Company (for example, for reasons of oil industry-wide cost inflation, project delays or redesign, new technology, acceleration of work programmes, and/or best practice for seismic, drilling, Health, Safety, Environment and Quality drivers and other operations). The Company may need to seek additional funds at that time, which it may not be able to secure on reasonable commercial terms or at all or it may need to divert funds from other projects to satisfy the increased capital expenditure requirements. If this happens, it may have a material adverse effect on the Company's business and financial condition in the longer term.

### **The Company may be subject to bank default**

Credit market events in the last few years have demonstrated the possibility of banks, previously thought to be secure, defaulting on their deposits. A good rating from a reputable rating agency does not provide adequate protection against default risk and, as a corporate depositor, the Company may fall outside any deposit protection schemes. In the unlikely event one or more of such banks defaults on its deposits it would have a material adverse effect on the Company's ability to fund its commitments. In such an economic environment the Company would be unlikely to be able to sell assets at reasonable values or raise equity finance and consequently might be unable to continue its business.

### **The Company is subject to changes in credit market and equity market conditions**

Following the Capital Raising, the Company will have sufficient financial resources to meet all its obligations arising within the next 12 months. However, the nature of its business is capital intensive and in the longer term, its projects may be subject to delays or cost overruns or increased scope and assets may move into the development stage. Any of these risks may create circumstances where the Company requires additional financing from credit or equity markets in the longer term and the availability of such financing is subject to market conditions. In the event that such financing were not available at that time, it would have a material adverse effect on the Company's financial condition.

## **RISKS RELATING TO THE OIL AND GAS INDUSTRY**

The Company's proposed projects will be subject to the normal risks of oil and gas projects, and such profits as may be derived from such projects are subject to numerous factors beyond the Company's control. Certain of these risk factors are discussed below.

### **Health and Safety (“HSE”) and operational risk**

The North Sea is a harsh environment. Offshore operations, such as drilling, transportation, logistics, production and export of oil and gas, carry operational and HSE risks. The risks include accidents, fatalities, injuries to people, work environment related illnesses, spills into air and sea and environmental damage. Depending on the causes and severity, the materialisation of such risks may have a material adverse effect on the Company's business.

### **Resource and reserve estimates**

Any future resource and/or reserve figures relating to future projects will be estimates and there can be no assurances that the reserves or resources are present, will be recovered or that they can be brought into profitable production. Resources and reserves estimates may require revisions based on actual production experience. Furthermore, a future decline in the market price for commodities produced by projects that the Company may invest in could render remaining resources uneconomic to recover and may ultimately result in a restatement of reserves.

### **Exploration/drilling risks**

Oil and gas drilling/exploration involves a number of risks, many of which are beyond the control of the Company, which may delay or adversely impact the projects which the Company may have acquired or which the Company may have invested. These include mechanical failures or delay, joint venture partner consents and co-operation, adverse weather conditions and governmental regulations or delays. These delays and potential impacts could result in a project's activities being damaged, delayed or abandoned and substantial losses could be incurred.

Exploration/drilling may not result in the discovery of economically viable mineral or hydrocarbon resources either due to insufficient resources being discovered, the resources not being of sufficient quality to be developed economically or the costs of any development being in excess of that required for an economic project.

There are uncertainties inherent in estimating the quantity of resources and reserves and in projecting future rates of production, including factors beyond the Company's control. Estimating the amount of hydrocarbon resources and reserves is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates.

The hydrocarbon resources data contained in the Company's public documents are estimates only and should not be construed as representing exact quantities. The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Accordingly, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. The estimates may prove to be incorrect and potential investors should not place reliance on the forward looking statements contained in this document concerning the Company's resources.

Exploration/drilling is also subject to general industry operating risks such as environmental spills or hazards, explosions, fires, blow-outs and equipment failures, the occurrence of any of which could result in losses for the projects which the Company may have acquired or in which the Company may have invested in the form of injury or loss of life, environmental damage, damage to or destruction of property and regulatory investigations that could result in curtailment of operations, fines and other additional costs.

### **Limited diversification**

Generally, risk can be reduced through diversification. Diversification is maximised for example by drilling a large number of wells on a large number of exploration prospects having differing geological characteristics, in differing regulatory jurisdictions. The Company's current strategy is focussed on gas in the UK, and therefore has limited diversification in terms of the jurisdictions that it operates in.

### **Increased pressure to reduce GHG emissions**

There is increasing concern about climate change and the link between global warming and carbon emissions generated directly and indirectly by oil and gas activities. Certain pressure groups wish oil and gas to be replaced with other energy sources which generate lower emissions. In the medium to long term, should energy generators and consumers switch to new forms of energy, including renewables, there will be a corresponding reduction in demand for oil and gas. Market sentiment towards oil and gas companies may be negatively impacted by both government regulation and by activism reducing available capital along with demand for the Company's shares from both the public and institutions. The Company may also be subject to lawsuits and court cases brought by pressure groups which could in extreme circumstances impact the Company's ability to operate.

### **Climate change and related regulation**

Many participants in the oil and gas sector are large users of energy and the reduction of the use of fossil fuels are a primary objective of Government policy to attain the overall policy of "Net Zero 2050". Various regulatory measures aimed at reducing GHG emissions and improving energy efficiency may affect the Company's operations. The level of potential increases in carbon taxes in the UK are of particular concern and may have a material adverse effect on future project economics. Policy developments at an international, regional, national and subnational level, including those related to the 2015 Paris Agreement and emissions trading systems, such as the Emissions Trading System of the European Union, could adversely affect the Company's profitability if projects that it invests in have material greenhouse gas-intensive and energy-intensive assets.

The Company expects GHG emission costs to increase from current levels and for regulations targeting reduced GHG emissions to have a wider geographical application than today. There is continuing uncertainty over the detail of anticipated regulatory and policy developments, including the targets, mechanisms and penalties to be employed, the timeline for legislative change, the degree of global co-operation among nations and the homogeneity of the measures to be adopted across different regions. This ambiguity, in turn, creates uncertainty over the long-term implications for the Company's expected projects and operating costs and the constraints the Company may face in order to comply with any such new regulations. For example, to meet regulatory targets imposed in the future, the Company may be required to adopt new technological solutions for its assets within a limited timeframe to reduce GHG emissions, and there can be no assurance that the Company would be successful in making such adaptations.

### **The emergence of new technologies that disrupt the oil and gas sector, or a gradual shift towards alternative fuels**

The oil and gas sector is dominated by large national and supermajor oil and gas companies, including Exxon, Shell, BP and Total, which possess significant cash and financial resources and class-leading technological expertise. These and other competitors are continuously investing substantial amounts in research, development and innovation. In addition, world-leading technology and automotive companies, such as Apple, Google and Tesla, are also conducting extensive research into new, potentially disruptive, technologies, such as the electrification and automation of motor vehicles and ground-breaking battery technologies, which could have a significant impact on demand for oil-based products worldwide if they were to be widely adopted.

This global research effort is, in part, in response to a trend in demand towards greater fuel efficiency and a shift to alternative fuels, prompted by heightened environmental-awareness among governments and consumers. There is a risk that greater-than-expected improvements in fuel efficiency over the near-term, whether due to technological advancements or more stringent regulation, could lower demand for diesel and gasoline. For example, automakers globally have, over recent years, significantly improved the efficiency of conventional internal combustion engines through technological innovation, and have developed increasingly competitive hybrid and fully-electric motor vehicles. Some countries offer programmes that seek to incentivise the use of more environmentally-friendly vehicles by offering subsidies or tax breaks or by directly banning the use of vehicles using conventional petroleum-based fuels beyond a certain year. Legislative changes could also be accompanied by, or serve to accelerate, a shift in consumer preference towards alternative fuels due to increased environmental awareness and the improved competitiveness of "green" technologies.

Moreover, the emergence of one or more disruptive technologies that rapidly accelerate the pace of change, or suddenly alter the direction of change, could have a negative impact on the Company's long-term strategy. There can be no assurance that the Company would be successful in adjusting its business model in a timely manner to anticipate, or react to, changes in demand resulting from changes in legislation, technologies, consumer preference or other market trends, and its failure to do so could have a material adverse effect on the Company's strategy, financial condition, results of operations and prospects.

### **Environmental regulation**

The Company's operations and assets are affected by numerous international and national laws and regulations concerning environment and health and safety matters. Environment and safety legislation (such as in relation to plugging and abandonment of wells, discharge of materials into the environment and otherwise relating to environmental protection) may affect the Company's ability to make or pursue investments and may change in a manner that may require more strict or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulation. The technical requirements of these laws and regulations are becoming increasingly complex, stringently enforced and expensive to comply with and this trend is likely to continue. The failure to comply with current environment and health and safety laws and regulations may result in regulatory action, the imposition of fines or the payment of compensation to third parties; each of which could in turn have a material adverse effect on the Company's business, financial condition and results of operations.

There may also be unforeseen environmental liabilities resulting from oil and gas activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for toxic or hazardous substances for which a company may become liable as a result of its activities may be impossible to assess against the current legal framework and current enforcement practices of the various jurisdictions. Consequently the economic impact on the Company's profitability is difficult to assess.

### **The Company will be reliant on a functioning insurance market**

The Company intends to maintain a programme of insurance to cover its exposure up to recognised industry limits. However, in the future, there may not be sufficient cover available at economic rates in conventional markets to insure all of the Company's potential liabilities. Operational insurance policies are usually placed in one-year contracts and the insurance market can withdraw cover for certain risks which can greatly increase the costs of risk transfer. Such increases are often driven by factors unrelated to the Company. In addition, insurers may come under pressure from activists to withdraw their support for the oil and gas industry reducing the underwriting capacity and increasing the cost of cover to potentially un-economic levels.

### **The Company may be at risk from uninsured hazards and/or uninsured liabilities**

The Company may be subject to substantial liability claims due to the inherently hazardous nature of its business or for acts and omissions of sub-contractors, operators or joint venture partners. Any indemnities the Company may receive from such parties may be difficult to enforce if such sub-contractors, operators or joint venture partners lack adequate resources. Although the Company intends to maintain insurance in accordance with industry practice, there may be circumstances where the Company does not have, or cannot obtain, insurance to cover certain risks at a reasonable market premium, including business interruption insurance. In addition, there can be no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover the relevant losses or liabilities. Accordingly, the Company may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage that may have a material adverse effect on the Company's business.

### **Labour disruptions**

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of the Company's investments. Any labour disruptions could increase operational costs and decrease revenues by delaying the business activities of the Company's investments or increasing the cost of substitute labour, which may not be available. Furthermore, if such disruptions are material, they could adversely affect the Company's results of operations, cash flows and financial condition.

## **RISKS RELATING TO THE OPEN OFFER AND OPEN OFFER SHARES**

### **Future sales of Ordinary Shares could adversely affect the market price of the Ordinary Shares**

Sales of additional Ordinary Shares into the public market following the Capital Raising could adversely affect the market price of the Ordinary Shares if there is insufficient demand for the Ordinary Shares at the prevailing market price.

### **Share price may fluctuate**

Publicly traded securities from time to time experience price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Ordinary Shares may prove to be volatile. The market price of the Ordinary Shares may fluctuate in response to a number of factors, many of which are beyond the Company's control, including: variations in operating results in the Company's reporting periods; changes in financial estimates by securities analysts; changes in market valuation of similar companies; announcements by the Company of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments; changes in gas prices; changes to Resource and Reserve statements; additions or departures of key personnel; any shortfall in revenues or net income or any increase in losses from levels expected by securities analysts; future issues or sales of Ordinary Shares; and stock market price and volume fluctuations. Any of these events could result in a material decline in the price of the Ordinary Shares.

### **If Resolutions 1 and 2 are not passed, the Company will not be able to proceed with the Open Offer in the form currently envisaged**

Resolution 1 to be proposed at the General Meeting will be proposed as an ordinary resolution and, in order to be passed, will require the support of a simple majority of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. Resolution 2 to be proposed at the General Meeting will be proposed as a special resolution and, to be passed, will require the support of not less than 75 per cent. of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. The Open Offer is conditional, *inter alia*, on the passing of Resolutions 1 and 2.

In the event that Resolutions 1 and 2 are not passed, the Company will not be able to proceed with the Open Offer in the form currently envisaged, with the result that the anticipated net proceeds of the Open Offer will not become available to fund proposed upcoming expenditure and achieve the objectives currently pursued by the Board. The Company's business plan and growth prospects may be adversely affected as a result.

### **Holders of Existing Ordinary Shares who do not acquire Open Offer Shares pursuant to the Open Offer will experience a further dilution of their percentage ownership of the Company's Ordinary Shares**

Shareholders' proportionate ownership and voting interest in the Company will be (subject to approvals) reduced pursuant to the Placing and the Subscription. Shareholders' proportionate ownership and voting interest in the Company will be further reduced pursuant to Open Offer to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

### **Pre-emptive rights may not be available for Overseas Shareholders of Ordinary Shares**

In the case of an increase of the share capital of the Company for cash, the existing Shareholders are entitled to pre-emption rights pursuant to the Articles of the Company and the 2006 Act unless such rights are waived by a resolution of the Shareholders at a general meeting (as proposed in respect of the Open Offer) and such an issue could dilute the interests of the then existing Shareholders. To the extent that pre-emptive rights apply in respect of future issue of Ordinary Shares by the Company for cash, certain Overseas Shareholders of Ordinary Shares may not be able to exercise pre-emptive rights for their Ordinary Shares unless the Company decides to comply with applicable local laws and regulations or an exemption from the registration requirements thereunder is available.

## **RISKS RELATING TO THE ORDINARY SHARES**

### **Illiquid nature of the Company's investments**

Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on AIM, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. The market for shares in smaller public companies is less liquid than for larger public companies. Therefore, an investment in the Ordinary Shares may thus be difficult to realise. The Ordinary Shares will not be listed on the Official List. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the Official List. There can be no assurance that an active trading market will develop after Admission or that any active trading market that may develop will be sustained.

### **The price of the Ordinary Shares may be volatile**

Following the Capital Raising, the price of the Ordinary Shares could fluctuate significantly. The price of shares sold in an offering is frequently subject to relatively higher volatility for a period of time following the offering. The price of the Ordinary Shares may be volatile and may be influenced by many factors, some of which are beyond the control of the Company, including the performance of the overall share market; other Shareholders buying or selling large numbers of Ordinary Shares; general economic conditions and market volatility; results of exploration, appraisal and development programmes and production operations; changes in securities analysts' recommendations or estimates of earnings or financial performance of the Company, its competitors or the industry, or the failure to meet expectations of securities analysts; fluctuations in the prices of oil, gas and other petroleum products, fluctuations in stock market prices and volumes; changes in laws, rules, regulations and taxes applicable to the Company and its operations; loss of key personnel and involvement in litigation. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

### **Distributions to Shareholders**

Investors should note that payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs. Pursuant to the Act, dividends may only be declared and paid if the Company has distributable profits.

In addition, the Company's ability to pay distributions to Shareholders depends on the earnings and cash flows of the companies it invests in and their ability to pay the Company distributions and to repatriate funds to it. Other contractual and legal restrictions applicable to the Company and its investments could also limit its ability to obtain cash from them. If there are changes to accounting standards or to the interpretation of accounting standards, this could have an adverse impact on the Company's ability to pay dividends. The Company's right to participate in any distribution of its investee companies' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of such companies' creditors, including lenders and trade creditors.

### **Investor profile**

The Placing and the Subscription will be marketed to institutional and sophisticated investors seeking capital appreciation. An investment in the Ordinary Shares is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise from that investment (taking into account the fact that those losses may be equal to the whole amount invested). Such an investment should be seen as medium to long term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio. The value of shares can go down as well as up, any dividend returns can fluctuate widely and investors may not realise the value of their initial investment.

### **Dilution of Shareholders' interest as a result of additional equity financing**

Although the Company will receive the net proceeds of the Capital Raising, the Directors anticipate that the Company may issue a substantial number of additional Ordinary Shares, or incur substantial additional indebtedness in the future.

Any issue of Ordinary Shares, preferred shares or convertible debt securities may significantly dilute the value of the Ordinary Shares held by existing Shareholders, cause a change of control if a substantial number of Ordinary Shares are issued, which may, *inter alia*, result in the resignation or removal of one or more of the Directors, in certain circumstances, have the effect of delaying or preventing a change of control, subordinate the rights of holders of Ordinary Shares if preferred shares are issued with rights senior to those of Ordinary Shares or adversely affect the market prices of the Company's Ordinary Shares.

Shareholders do not have the benefit of pre-emption rights in respect of the issues of future shares which are issued for non-cash consideration pursuant to any acquisitions. In addition, the Company may issue shares or convertible debt securities in exchange for cash to complete a potential acquisition, pursuant to disapplications of the pre-emption rights that exist under the Articles. The issue of such Ordinary Shares, preferred shares or convertible debt securities is likely to materially dilute the value of the Ordinary Shares held by existing Shareholders. Where a target company has an existing large shareholder, an issue of Ordinary Shares, preferred shares or convertible debt securities as consideration may result in such shareholder subsequently holding a significant or majority stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding) and could lead to a change of control.

#### **Holders of Ordinary Shares outside the UK may not be able to participate in future offerings**

The Act provides for pre-emptive rights generally to be granted to Shareholders, unless such rights are disapplied by shareholder resolution. However, Shareholders outside the UK may not be entitled to exercise these rights. For example, US holders of Ordinary Shares are customarily excluded from exercising any such pre-emption rights they may have unless a registration statement under the US Securities Act is effective with respect to those rights, or an exemption from the registration requirements or similar requirements in other jurisdictions thereunder is available. The Company has no intention to file any such registration statement, and cannot assure prospective investors that any exemption from the registration requirements would be available to enable US or other overseas holders to exercise such pre-emption rights or, if available, that it will utilise any such exemption.

#### **No guarantee that the Ordinary Shares will continue to be traded on AIM**

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

### **GENERAL RISKS**

#### **Global economic conditions may adversely affect the Company**

During periods of adverse economic conditions, the markets in which the Company operates may decline, thereby potentially decreasing revenues and causing financial losses, difficulties in obtaining access to, and fulfilling commitments in respect of, financing, and increased funding costs. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding and negatively affect the Company's operating results. Accordingly, adverse economic conditions could adversely impact the business, development, financial condition, results of operations and prospects of the Company. Furthermore, there can be no assurances that financial conditions in the global financial markets will not worsen or adversely affect the Company then prevailing financial position and performance or, indeed, those of its investments.

#### **Political and economic risks**

Whilst the Company will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Company's investments will be adversely impacted by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences, expropriation, war, terrorism, insurrection and changes to laws or Government policies governing oil and

gas exploration and operations, as well as restrictions on exports. There is also the possibility that the terms of any licence held by any project entity in which the Company has invested may be changed.

### **The Company may become involved in costly legal disputes**

The Company may from time to time become involved in legal disputes and legal proceedings related to the Company's operations or otherwise. Damages claimed under any litigation are difficult to predict, and may be material. The outcome of such litigation may materially impact the Company's business, results of operations or financial condition. While the Company will assess the merits of any such lawsuit and defend itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation. In addition, adverse publicity surrounding such claims may have a material adverse effect on the Company's business, financial condition and results of operations.

### **Taxation risk**

Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the Ordinary Shares or the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon tax law and practice at the date of this document, which is subject to change. Investors should not rely on the general guide to taxation set out in this documents and should seek their own specialist advice.

Whilst the Directors will use their reasonable endeavours to structure the Company's investments to comply with local laws and regulations, as well as with a view to mitigating the tax effect of local tax regulations, there can be no guarantee that laws and regulations which may adversely impact the Company's ability to realise its investments will apply to some or all of the Company's investments. In such circumstances, the Company's ability to invest in assets in the U.K. without suffering a material and adverse effect on its investments may be affected.

### **Force majeure**

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions, which may have a material adverse effect on the Company's future financial condition and results.

### **Pandemics**

The global Coronavirus pandemic created very significant challenges for companies, given its widespread adverse global economic, as well social and operational impact, the longer-term effects of which are continuing to unfold. There exists a risk that future pandemics may detrimentally impact the Company's operations. The Company may suffer loss including, but not limited to, loss of personnel, loss of access to resources, loss of contractors, loss of ability to attract and retain personnel, delays or increased costs in developing its projects and an adverse impact on the share price of the Company.

Future outbreaks of Coronavirus or other pandemics may result in travel restrictions and suspension of flights. These restrictions may have an immediate impact on the operations of the Company in terms of travel restrictions on key management personnel, disruption to operations and delays or increased costs in accessing resources and supplies. Additionally, if one or several of the Company's key management personnel were to contract the Coronavirus or other infectious disease, this could negatively impact the Company's ability to execute on its business strategy.

While the Company will seek to manage the effect of Coronavirus on its personnel and operations, if and when necessary, there can be no assurance that Coronavirus or another pandemic will not have an adverse effect on the future operations of the Company's projects or an investment in the Company.

## Part III: Some Questions and Answers about the Capital Raising

*The questions and answers set out in this Part III of this circular are intended to be in general terms only and, as such, you should read Part IV of this circular for full details of what action you should take. If you are in any doubt as to what 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 resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.*

*This Part III deals with general questions relating to the Capital Raising and more specific questions relating principally to the Existing Ordinary Shares held by 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 section 7 of Part IV of this circular 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 Entitlements or apply for Excess Shares pursuant to the Excess Application Facility. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV of this circular for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.*

The contents of this circular 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 circular is for your information only and nothing in this circular 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 may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer) and/or providing for new investors to acquire any shares (a placing). The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the placing and open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire an aggregate of up to 58,581,868 Open Offer Shares at a price of 3.5 pence per New Ordinary Share. If you hold Existing Ordinary Shares (provided that you hold 24 or more such 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, Canada or another Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 24 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 apply for an Open Offer Share in respect of any fraction of an Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of New Ordinary Shares may be aggregated and sold by Stifel and/or Canaccord for the benefit of the Company.

The Issue Price of 3.5 pence per Open Offer Share represents a 10.9 per cent. discount to the closing price of 3.93 pence per Existing Ordinary Share on 12 September 2022, the day of the announcement of the Capital Raising. Considering this discount, and while the market value of an Existing Ordinary Share exceeds the Issue Price, the right to subscribe for Open Offer Shares is potentially valuable.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full, in part or at all and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

The number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. Assuming that there is no Overseas Shareholder who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility.

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 the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only), and neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements 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.

## **2. What is a placing? Am I eligible to participate in the Placing?**

A placing is where specific investors procured by a company's agents agree to acquire placed shares. The Placing Shares to be issued to Placees as part of the Capital Raising do not form part of the Open Offer.

Unless you are a Placee, you will not participate in the Placing.

## **3. I hold my Existing Ordinary Shares in certificated form. How do I know whether I am able to acquire Open Offer Shares under the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or located in the United States, Canada or another Restricted Jurisdiction, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 13 September 2022 (the time when the Existing Ordinary Shares were marked "ex-entitlement" by the London Stock Exchange).

## **4. 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, Canada or another Restricted Jurisdiction, you have been sent an Application Form that shows:

- how many Existing Ordinary Shares you held at on close of business on 9 September 2022 (the Record Date for the Open Offer);
- how many Open Offer Shares are comprised in your Open Offer 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, Canada or another Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of, all of or more than 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 circular. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or a duly endorsed banker's draft for the number of Open Offer Shares you want to apply for and allow at least four Business Days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

**5. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?**

*(a) 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 sign and send the Application Form, together with your cheque or banker's draft for the full amount (as indicated in Box 8 of your Application Form), payable to "Share Registrars Limited Receiving Agent A/C" and crossed "A/C payee only", in the reply-paid envelope provided, by post or by hand (during normal business hours only) to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX to arrive by no later than 11.00 a.m. on 29 September 2022.

Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in the Application Form. 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 17 October 2022.

*(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 Box 5 of your Application Form; for example, if you are entitled to take up 10,000 shares but you only want to take up 1,000 shares, then you should write '1,000' in Box 5.

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 '1,000') by £0.035, which is the price in pounds of each Open Offer Share (giving you an amount of £35 in this example). You should write this amount in Box 8, rounding down to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then sign and return your Application Form together with your cheque or duly endorsed banker's draft for that amount, payable to "Share Registrars Limited Receiving Agent A/C" and crossed "A/C payee only", in the reply-paid envelope provided for use within the UK only, by post, or by hand (during normal business hours only) to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX, to arrive by no later than 11.00 a.m. on 29 September 2022, after which time the Application Form will not be valid.

Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part IV of this circular and will be set out in the Application Form.

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 17 October 2022.

*(c) If you want to apply for more than your Open Offer Entitlement*

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box 5, which must be the number of Open Offer Shares shown in Box 3. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 6 and then complete Box 7 by adding together the numbers you have entered in Boxes 5 and 6.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box 7 by £0.035, which is the price of each Open Offer Share. You should write this amount in Box 8, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to "Share Registrars Limited Receiving Agent A/C" and crossed "A/C payee only", in the reply-paid envelope provided (for use within the UK only) by post or by hand (during normal business hours only) to Share Registrars Limited,

3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX, to arrive by no later than 11.00 a.m. on 29 September 2022, after which time the Application Form will not be valid.

Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in 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 Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

A definitive share certificate will 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 by no later than 17 October 2022.

*(d) 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 placed, as would happen under a rights issue. Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

If you do not take up your Open Offer Entitlement then, following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be diluted by approximately 25.7 per cent. (assuming the take-up in full of the Open Offer).

If you do take up your Open Offer Entitlement in full, your interest in the Company will be diluted by approximately 22.6 per cent. as a result of the Placing and the Subscription (assuming the take-up in full of the Open Offer).

**6. 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 IV of this circular. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to take up or apply for under their Open Offer Entitlement and their Excess CREST Open Offer Entitlement respectively, and should contact their CREST member should they not receive this information.

**7. I acquired my Existing Ordinary Shares prior to the Record 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 but hold your Existing Ordinary Shares in certificated form, this probably means that you are not able to acquire Open Offer Shares under the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to acquire New Ordinary Shares under the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 9 September 2022 and who have converted them to certificated form prior to 4.30 p.m. on 23 September 2022;

- Shareholders who bought Existing Ordinary Shares before or on 13 September 2022 and who hold such ordinary shares in certificated form but were not registered as the holders of those shares at the close of business on 9 September 2022; and
- certain Overseas Shareholders.

**8. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?**

If you bought Existing Ordinary Shares at or after the Record Date you are unlikely to be able to participate in the Open Offer unless you have a *bona fide* market claim. If you bought Existing Ordinary Shares at or after 8.00 a.m. on 13 September 2022 (the ex entitlement date), you will not be eligible to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

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

Once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for.

**10. 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?**

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of New Ordinary Shares may be aggregated and sold by Stifel and/or Canaccord for the benefit of the Company.

**11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box 4 of the Application Form?**

If you want to spend more than the amount set out in Box 4 you should divide the amount you want to spend by £0.035 (being the price in pounds of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £1,000 you should divide £1,000 by £0.035, which comes to 28,571.42. You should round that down to 28,571 to give you the number of Open Offer Shares for which, in this example, you can apply without exceeding your chosen amount. Write the total number of Open Offer Shares (in this example 28,571) in Box 5. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (28,571) by £0.035 and then fill in that amount rounded down to the nearest whole penny (in this example being £999.98), in Box 8 and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of a Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box 4, you should divide the amount you want to spend by £0.035 (being the price, in pounds, of each Open Offer Share under the Open Offer). This will give

you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £1,000 you should divide £1,000 by £0.035. You should round that down to the nearest whole number (in this example, 28,571), to give you the number of shares you want to take up. Write that number (in this example, 28,571) in Box 5. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 28,571) by £0.035 and then fill in that amount rounded down to the nearest whole penny (in this example being £999.98) in Box 8 and on your cheque or banker's draft accordingly.

**12. 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 shares in the Company directly and you sold some or all of your Existing Ordinary Shares before 8.00 a.m. on 13 September 2022, 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 8.00 a.m. on 13 September 2022, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

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

You should return your Application Form with a cheque or a duly endorsed banker's draft drawn in pounds sterling on a UK bank or building society account in the accompanying reply-paid envelope (from within the United Kingdom). You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. Cheques should be drawn on a personal account of the Qualifying Shareholder who is applying for the Open Offer Shares and must bear the appropriate sort code in the top right hand corner. Third party cheques will not be accepted. You may be required to supply additional documentation to satisfy Money Laundering Regulations. The funds should be made payable to "Share Registrars Limited Receiving Agent A/C". In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted.

**14. 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.

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

You should send your completed Application Form and payment in full in the accompanying reply-paid envelope (from within the United Kingdom only) by post or by hand to: Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX. You should allow at least four Business Days for delivery if using first class post within the United Kingdom.

If you do not want to take up or apply for Open Offer Shares then you need take no further action.

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

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 29 September 2022. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

**17. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?**

It is expected that the Registrar will post all new share certificates by 17 October 2022.

**18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 2 on page 1 of the Application Form) is incorrect?**

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares on or before 8.00 a.m. on 13 September 2022 but were not registered as the holder of those shares on the Record Date for the Open Offer (6.00 p.m. on 9 September 2022), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure that you claim your entitlement.

You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 8.00 a.m. on 13 September 2022.

**19. Will the Capital Raising affect dividends on the Existing Ordinary Shares?**

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, 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.

**20. 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, Canada or another Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in section 7 of Part IV of this circular.

**21. 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 would complete the CREST deposit form (Box 13 on page 4 of the Application Form), and ensure they are delivered to CCSS to be received by 3.00 p.m. on 26 September 2022 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your rights into the CREST system, you should refer to Part IV of this circular for details on how to pay for the Open Offer Shares.

**22. Do I need to comply with the Money Laundering Regulations (as set out in section 5 of Part IV of this circular)?**

If you are a Qualifying non-CREST Shareholder, you may not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than €15,000 (or its pounds 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 section 5(i) of Part IV of this circular and Qualifying CREST Shareholders should refer to section 5(ii) of Part IV of this circular for a fuller description of the requirements of the Money Laundering Regulations.

### **23. Further assistance**

Should you require further assistance please call the Share Registrars helpline on 01252 821390 from within the UK or on +44 1252 821390 if calling from outside the UK. Calls to the 01252 821390 number will be charged at your network provider's standard rates. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons Share Registrars is only able to provide information contained in this circular and information relating to Deltic's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, accounting, tax, investment or other professional advice.

## Part IV: Terms and Conditions of the Open Offer

### To Qualifying Shareholders

#### 1. Introduction

As explained in Part I of this circular, the Company is proposing to issue up to 58,581,868 New Ordinary Shares pursuant to the Open Offer to raise up to £2 million, assuming a full take-up. Upon completion of the Open Offer, assuming a full take-up, the Open Offer Shares will represent approximately 3.09 per cent. of the Enlarged Share Capital. Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire New Ordinary Shares at the Issue Price, being the same price per share as they are being offered to Placees under the Placing and to Subscribers under the Subscription.

The Placing Shares and the Subscription Shares, which together represent approximately 87.97 per cent. of the Capital Raising, have conditionally been placed firm with institutional and other investors at the Issue Price and are not being offered to Shareholders and do not form part of the Open Offer. A summary of the Placing and Open Offer Agreement is set out in section 4.2 of Part I of this circular.

The Issue Price of the New Ordinary Shares represents a discount of 10.9 per cent. to the closing price of 3.93 pence per Existing Ordinary Share on 12 September 2022 (being the day of the announcement of the Capital Raising).

A summary of the arrangements relating to the Open Offer is set out below. This circular and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer.

**The latest time for applications under the Open Offer to be received is 11.00 a.m. on 29 September 2022. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are further set out below in this Part IV.**

#### 2. The Open Offer

Subject to the fulfilment of the terms and conditions referred to below and, where relevant, set out in the Application Form, Qualifying Shareholders are hereby invited to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 1 Open Offer Share for every 24 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

To enable the Company to benefit from exemptions to the requirement to prepare a prospectus in connection with the Open Offer, a maximum of 58,581,868 New Ordinary Shares, representing a total consideration of £2 million (approximately US\$2.32 million), will be made available to Qualifying Shareholders under the Open Offer.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. Fractions of Open Offer Shares will not be allotted, each Qualifying Shareholder's entitlement being rounded down to the nearest whole number. The fractional entitlements may be aggregated and sold for the benefit of the Company.

Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their maximum entitlement which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal

to the number of Open Offer Entitlements standing to the credit of their stock account in CREST and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlement.

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4(ii)(j) of Part IV of this circular for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Applications for Excess Open Offer Entitlements will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Any monies paid for applications in excess of their Open Offer Entitlements which are not so satisfied will be returned to the applicant (at the applicant's risk) without interest within 14 days by way of cheque or CREST payment, as appropriate. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

**Not all Shareholders will be Qualifying Shareholders. Overseas Shareholders who are located in, or who are citizens of, or have a registered address in certain overseas jurisdictions (including, without limitation, any Restricted Jurisdiction) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders or any person (including without limitation a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this circular into a jurisdiction other than the United Kingdom is drawn to section 7 of this Part IV.**

If you have received an Application Form with this circular, please refer to section 4(i) and sections 5 to 8 of this Part IV.

If you hold your Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to section 4(ii) and sections 5 to 8 of this Part IV and also to the CREST Manual for further information on the CREST procedures referred to below.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission of the Open Offer Shares will become effective and that dealings for normal settlement in the Open Offer Shares on AIM will commence at 8.00 a.m. on 3 October 2022.

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 of such shares, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 15 September 2022. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 15 September 2022. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this circular which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 15 September 2022.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

**The Open Offer is not a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, entitlements to Open Offer Shares will neither be tradeable nor sold in the market and in the event that any Open Offer Shares not applied for are sold or placed in the market, this will be for the benefit of the Company and not the Qualifying Shareholders who do not apply under the Open Offer.**

**Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to 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. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.**

**Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this circular, including in particular the important information set out in the letter from the Chairman in Part I of this circular, as well as this Part IV and the Risk Factors set out in Part II of this circular. The Open Offer is no underwritten.**

### **3. Conditions and further terms of the Capital Raising**

The Placing, the Subscription and the Open Offer are each conditional, *inter alia*, upon:

- (i) the passing of the Resolutions numbered 1 and 2 to be proposed at the General Meeting;
- (ii) Admission of the New Ordinary Shares becoming effective at 8.00 a.m. on 3 October 2022 (or such later time and/or date as Stifel, Canaccord and the Company may agree, not being later than 17 October 2022); and
- (iii) the Placing and Open Offer Agreement becoming unconditional in all respects.

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Capital Raising will not proceed.

Further details of the Placing and Open Offer Agreement are set out in section 4.2 of Part I of this circular. Further terms of the Open Offer are set out in this Part IV and in the Application Form.

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

Save as provided in section 7 of this Part IV in relation to Overseas Shareholders, the action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer, including the Excess Application Facility, or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form on the Record Date and who take up Open Offer Shares under their entitlement will be allotted 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. Further information on deposit into CREST is set out in paragraph 4(ii)(f) of this Part IV.

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 Open Offer 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 Open Offer 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.

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

**(i) If you have an Application Form in respect of your entitlement under the Open Offer**

*(a) General*

Each Qualifying non-CREST Shareholder will have received an Application Form accompanying this circular. The Application Form shows the number of Existing Ordinary Shares registered in the relevant Qualifying non-CREST Shareholder's name at the close of business on the Record Date. It also shows the number of Open Offer Shares for which such relevant Qualifying non-CREST Shareholder is entitled to apply under the Open Offer, calculated on the basis set out in section 2 of this Part IV, above. Qualifying non-CREST Shareholders may also apply for less than their maximum Open Offer Entitlements.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

The Excess Application Facility enables Qualifying Shareholders who have taken up their full Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications in excess of the Open Offer Entitlement will only be satisfied to the extent that applications made by other Qualifying Shareholders are less than their full Open Offer Entitlements and may therefore be scaled down at the Company's sole discretion.

Fractions (if any) of Open Offer Shares may be aggregated and sold by Stifel and/or Canaccord for the benefit of the Company. The instructions and other terms which are set out in the Application Form constitute part of the terms of the Open Offer.

*(b) Market Claims*

Applications for Open Offer Shares (including under the Excess Application Facility) may only be made on the Application Form and may only be made by the Qualifying 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 the Open Offer by AIM, being 8.00 a.m. on 13 September 2022. Application Forms may be split up to 3.00 p.m. on 27 September 2022.

Qualifying non-CREST Shareholders may also apply for Excess Shares in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes 5 and 6 of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in section 4 of this Part IV.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 13 September 2022, being the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by AIM, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer (including under the Excess Application Facility) may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders who have sold all or part of their registered holdings 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, subject to certain exceptions, be forwarded to or transmitted in or into the any of the Restricted Jurisdictions or to US persons.

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 procedures set out in paragraph 4(ii)(b) below.

A Qualifying non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents. However, he or she is strongly encouraged to still complete and return the Form of Proxy to the Registrars.

(c) *Application Procedures*

Applications for Open Offer Shares (including under the Excess Application Facility) by Qualifying non-CREST Shareholders may only be made on the Application Form, which is personal to the Qualifying non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below.

Qualifying non-CREST Shareholders may also apply for Excess Shares in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes 5 and 6 of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 4(i)(f) of this Part IV.

A Qualifying non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents. However, he or she is strongly encouraged to still complete and return the Form of Proxy to the Registrars.

If you are a Qualifying non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (including any application for any Excess Shares under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post or by hand (during normal business hours only) to the Company's UK registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX so as to arrive no later than 11.00 a.m. on 29 September 2022. A reply paid envelope is enclosed for use by Qualifying non-CREST Shareholders in connection with the Open Offer. Your Application Form will not be valid unless you sign it.

The Application Form represents a right personal to the Qualifying non-CREST Shareholder to apply to subscribe for Open Offer Shares (including under the Excess Application Facility); it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange.

Application Forms may be split up to 3.00 p.m. on 27 September 2022 but only to satisfy such *bona fide* market claims. Qualifying non-CREST Shareholders who have before the 'ex' date sold or transferred all or part of their shareholdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or another professional adviser authorised under the FSMA as soon as possible, since the invitation to apply for Open Offer Shares (including under the Excess Application Facility) may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

Qualifying non-CREST Shareholders who submit a valid application using the Application Form and accompanying payment will (subject to the terms and conditions set out in this Part IV, in the letter from the Chairman of the Company in Part I and in the Application Form) be allocated the Open Offer Shares applied for in full at the Issue Price (subject to the Company's discretion to accept, reject or scale back any application for any Open Offer Shares).

Applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk.

If Open Offer Shares have already been allotted to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or a duly endorsed banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall arrange (in its absolute discretion as to manner, timing and terms) to make arrangements

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 the Registrar, the Company or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders.

Please note that the Company's UK registrars cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer. If any Application Form is sent by first class post within the United Kingdom, Qualifying non-CREST Shareholders are recommended to allow at least four Business Days for delivery. The Company may in its absolute discretion elect to accept Application Forms and remittances after 11.00 a.m. on 29 September 2022. The Company may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 29 September 2022 from an authorised person (as defined in FSMA) specifying the number of Open Offer Shares concerned, and undertaking to lodge the relevant Application Form in due course.

*(d) Payments*

All payments must be in pounds sterling and cheques or duly endorsed banker's drafts should be made payable to "Share Registrars Limited Receiving Agent A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on the personal account of the individual investor to which they have sole or joint title to the funds and must be drawn on an account at a branch or a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts 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 will not be accepted except Building Society cheques or bankers' drafts where the Building Society or bank has confirmed the name of the account holder by stamping and endorsing the Building Society cheque or bankers' draft on the reverse to such effect.

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

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 3 October 2022 or such later time and date as the Company shall agree (being no later than 17 October 2022), the Open Offer will lapse and application monies will be returned by post to Applicants, at the Applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter.

The Company shall as soon as possible after 17 October 2022 refund any payment received with respect to an application for a number of Open Offer Shares in respect of an Open Offer Entitlement which has been rejected in whole or in part by the Company.

*(e) Effect of Application*

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- (i) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (ii) confirm to the Company that in making the application you are not relying on any information or representation other than that contained in this circular, and you accordingly agree that no person responsible solely or jointly for this circular or any part thereof shall have any liability for any such information or representation not so contained and that having had the opportunity to read this circular you will be deemed to have notice of all the information concerning the Company contained within this circular;
- (iii) represent and warrant to the Company that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (iv) represent and warrant to the Company that you are not a citizen or resident of a Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to the re-offer, re-sale or delivery of Open Offer Shares directly or indirectly in, into or within a Restricted Jurisdiction or to a resident of a Restricted Jurisdiction or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;
- (v) represent and warrant to the Company that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis;
- (vi) will also be asked whether or not you can represent and warrant as follows: (i) you have not received the Application Form or any other document relating to the Open Offer in an Restricted Jurisdiction, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into a Restricted Jurisdiction; (ii) you are not and were not located in a Restricted Jurisdiction at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside a Restricted Jurisdiction at the time he or she instructed you to submit the Application Form;
- (vii) request that the Open Offer Shares to which you will become entitled be issued to him on the terms set out in this circular and subject to the Memorandum and Articles of Association of the Company;
- (viii) confirm that in making the application you are not relying on and have not relied on the Company, Stifel or Canaccord or any person affiliated with the Company, Stifel or Canaccord in connection with any investigation of the accuracy of any information contained in this circular or your investment decision;
- (ix) represent and warrant to the Company that you are not and nor are you 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 Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (x) represent and warrant to the Company that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are 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;
- (xi) acknowledge that the Existing Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the rules of AIM (the "Exchange Information"), and that you are able to obtain or access the Exchange Information without undue difficulty. None of the Company, Stifel or Canaccord nor any person

acting on their behalf nor any of their respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person; and

- (xii) the purchase by you of Open Offer Shares does not trigger in the jurisdiction in which you are resident: (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or (b) any disclosure reporting obligation of the Company; or (c) any registration or other obligation on the part of the Company; or (d) the requirement for the Company to take any other action.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.

You should note that applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form. Shareholders are nevertheless requested to complete and return the enclosed Form of Proxy for use at the General Meeting to be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF at 11.00 a.m. on 30 September 2022.

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying non-CREST Shareholders under the Open Offer should be addressed to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX or by telephone on 01252 821390 from within the UK or on +44 1252 821390 if calling from outside the UK. Calls to the 01252 821390 number are charged at your network provider's standard rates. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Share Registrars cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement.

*(f) The Excess Application Facility*

The Excess Application Facility enables Qualifying Shareholders who have taken up their Open Offer Entitlement in full to apply for additional Open Offer Shares.

Qualifying non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement 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 the 58,581,868 Open Offer Shares being made available to Qualifying Shareholders as a result of applications made in respect of the Excess Application Facility, resulting in a scaling back of applications, each Qualifying non-CREST Shareholder who has made a valid application for Open Offer Shares under the Excess Application Facility and from whom payment in full for such Open Offer Shares has been received in cleared funds will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for under the Excess Application Facility but not allocated to the relevant Qualifying non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

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

**(ii) If you have Open Offer Entitlements and Excess Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer**

*(a) General*

Subject as provided in section 7 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility. Further details of Excess Offer Entitlements can be found in paragraph 4(ii)(j) of this Part IV.

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 Open Offer Entitlements and Excess Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8.00 a.m. on 15 September 2022 or such later time as the Company may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this circular will be adjusted as appropriate and the provisions of this circular applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

Qualifying CREST Shareholders who wish to apply for some or all of their entitlements to Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to the procedure for acceptance, please telephone Share Registrars on 01252 821390 from within the UK or on +44 1252 821390 if calling from outside the UK. Calls to the 01252 821390 number are charged at your network provider's standard rates. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Share Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If you are a CREST sponsored member you should consult your CREST Sponsor if you wish to apply for Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) as only your CREST Sponsor will be able to take the necessary action to make this application in CREST.

*(b) Market claims*

The Open Offer Entitlements and Excess Open Offer Entitlements will have separate ISIN/SEDOL numbers and will constitute separate securities for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess 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 Open Offer entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

*(c) USE Instructions*

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

- (i) the crediting of a stock account of Share Registrars under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess Open Offer Entitlements corresponding to the number of Open Offer Shares or Excess 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 Share Registrars 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 or Excess Shares referred to in (i) above.

*(d) Content of USE Instructions in respect of Open Offer Entitlements*

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Share Registrars);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BNNL6S02;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Share Registrars, in its capacity as a CREST receiving agent. This is 7RA36;
- (vi) the member account ID of Share Registrars, in its capacity as CREST receiving agent. This is RECEIVE;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 29 September 2022; 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 11.00 a.m. on 29 September 2022.

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 29 September 2022 in order to be valid is 11.00 a.m. on that day.

*(e) Content of USE Instructions 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 Open Offer Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to Share Registrars);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BNNL6T19;
- (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 Share Registrars in its capacity as a CREST receiving agent, which is 7RA36;
- (vi) the member account ID of Share Registrars in its capacity as CREST receiving agent, which is RECEIVE;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction which 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, which must be before 11.00 a.m. on 29 September 2022; and
- (ix) the Corporate Action Number for the Open Offer, which 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 11.00 a.m. on 29 September 2022.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) should add the following non-mandatory fields to their 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 in order to be valid is 11.00 a.m. on 29 September 2022. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 3 October 2022 or such later time and date as the Company shall agree (being no later than 17 October 2022), the Open Offer will lapse, the Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The Open Offer cannot be revoked once all conditions have been satisfied.

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

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

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and Excess Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 29 September 2022.

In particular, having regard to normal processing times in CREST and on the part of Share Registrars, 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 Open Offer Entitlements in CREST, is 3.00 p.m. on 26 September 2022, and the recommended

latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST is 4.30 p.m. on 23 September 2022, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and Excess Open Offer Entitlements prior to 11.00 a.m. on 29 September 2022.

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 by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes on page 2 of the Application Form, and a declaration to the Company from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any of the Restricted Jurisdictions 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 11.00 a.m. on 29 September 2022 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 11.00 a.m. on 29 September 2022. 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) Incorrect or Incomplete Applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Share Registrars reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (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 and/or Excess 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;
- (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).

*(j) The Excess Application Facility*

Provided that a Qualifying CREST Shareholder chooses to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Any such applications will be granted at the absolute discretion of the Company.

Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess

applications in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in section 7 of this Part IV in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess CREST Open Offer Entitlement does not in any way give Qualifying CREST Shareholders a right to the Open Offer Shares attributable to the Excess CREST Open Offer Entitlement as an Excess CREST Open Offer Entitlement is subject to scaling back in accordance with the terms of this circular.

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 Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) 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 the number of Open Offer Shares being made available, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application for Excess Shares under the Excess Application Facility, and from whom payment in full for the Excess 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, without payment of interest, and at the Applicant’s sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number, aggregated and sold by Stifel and/or Canaccord and the proceeds in respect thereof held for the benefit of the Company.

*(k) Effect of Valid Application*

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

- (i) 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 Share Registrars’ 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);
- (ii) confirm to the Company that in making the application you are not relying on any information or representation other than that contained in this circular, and you accordingly agree that no person responsible solely or jointly for this circular or any part thereof shall have any liability for any such information or representation not so contained and that having had the opportunity to read this circular you will be deemed to have notice of all the information concerning the Company contained within this circular;
- (iii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this circular and subject to the Articles of Association of the Company;
- (iv) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (v) represent and warrant that he is not applying on behalf of any 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 and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application 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 except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a nondiscretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (vi) represent and warrant 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 Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vii) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in publicly available information and agrees that no person responsible solely or jointly for this circular or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agrees that he will be deemed to have had notice of all the information concerning the Company contained within this circular; and
- (viii) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim;
- (ix) represent and warrant to the Company that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are 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;
- (x) confirm that in making the application you are not relying on and have not relied on the Company, Stifel or Canaccord or any person affiliated with the Company, Stifel or Canaccord in connection with any investigation of the accuracy of any information contained in this circular or your investment decision;
- (xi) acknowledge that the Existing Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the rules of AIM (the "Exchange Information"), and that you are able to obtain or access the Exchange Information without undue difficulty. None of the Company, Stifel or Canaccord nor any person acting on their behalf nor any of their respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person;
- (xii) the purchase by you of Open Offer Shares does not trigger in the jurisdiction in which you are resident: (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or (b) any disclosure reporting obligation of the Company; or (c) any registration or other obligation on the part of the Company; or (d) the requirement for the Company to take any other action; and
- (xiii) represent that you are not in the United States.

(l) *Company's discretion as to 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 IV;
- (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 Share Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Share Registrars have received actual notice from CRESTCo of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (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 Registrar in connection with CREST.

*(m) Issue of Open Offer Shares in CREST*

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 29 September 2022. If the conditions 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 the day on which such conditions are satisfied. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons’ Open Offer Entitlements with effect from the next Business Day. The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

## **5. Money Laundering Regulations**

*(i) Holders of Application Forms*

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations, the Registrar may require verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the “verification of identity”).

The verification of identity requirements pursuant to the Money Laundering Regulations will apply to applications with a value of €15,000 (or its Pound Sterling equivalent) or greater, or to one of a series of linked applications whose aggregate value exceeds that amount, and in the case of such applications verification of the identity of Applicant(s) for Open Offer Shares may be required.

If within a reasonable period of time following a request, for verification of identity, but in any event by 11.00 a.m. on 29 September 2022, the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the Applicant’s risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the Applicant named on the accompanying Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares through the market prior to 3.00 p.m. on 27 September 2022), by the person(s) named in Box 11 on the Application Form. If this is not practicable and the Applicant uses a cheque drawn on a building society or a banker's draft, the Applicant should:

- (i) ask the building society or bank to endorse on the cheque or draft the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or banker's draft;
- (ii) if the Applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you have any questions relating to the procedure for acceptance, please telephone Share Registrars on 01252 821390 from within the UK or on +44 1252 821390 if calling from outside the UK. Calls to the 01252 821390 number are charged at your network provider's standard rates. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Share Registrars cannot provide advice on the merits of the Capital Raising nor give any financial, legal or tax advice;
- (iii) if the Applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driving licence; and
- (iv) third party cheques may not be accepted unless covered by (i) above.

In any event, if it appears to the Receiving Agent that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting will be required.

Neither the Receiving Agent nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification. By lodging an Application Form, each Qualifying Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company, at such specified time thereafter as may be required to ensure compliance with the Regulations.

*(ii) Open Offer Entitlements and Excess Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlements or Excess Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements (and Excess Open Offer Entitlements) as agent for one or more persons and you are not a United Kingdom or European Union regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent 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 the Receiving Agent 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 the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent 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 any failure to provide satisfactory evidence.

## 6. Taxation

The following paragraphs are intended as a general guide only and are based on current UK legislation and HM Revenue and Customs practice (which is subject to change and possibly with retrospective effect) and are not exhaustive. They summarise advice received by the Directors of the Company as to the position of Shareholders who (unless the position of non-resident Shareholders is expressly referred to) are resident (and domiciled) in the United Kingdom (“UK”) for tax purposes, who are the absolute beneficial owners of their Shares and who hold their Shares as an investment. The discussion does not address all possible tax consequences relating to an investment in shares. Certain Shareholders, such as dealers in securities, employees and officers, shareholders that are exempt from taxation, insurance companies and collective investment vehicles, may be taxed differently and are not considered.

Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their independent professional adviser immediately.

### Taxation of Chargeable Gains

For the purposes of UK taxation of chargeable gains, the issue under open offer of New Ordinary Shares by the Company up to and including a Qualifying Shareholder’s maximum pro-rata entitlement should be treated by HM Revenue and Customs as a “reorganisation”. This means that a Shareholder should not be treated as making a disposal of all or part of its existing holding of Ordinary Shares by reason of the issue to that Qualifying Shareholder of New Ordinary Shares.

New Ordinary Shares allotted to a Qualifying Shareholder under the open offer will be added to the Qualifying Shareholder’s existing holding of Ordinary Shares and treated as acquired at the time the existing holding was acquired. The subscription monies for the New Ordinary Shares will be added to the base cost of the existing holding. A subsequent disposal of New Ordinary Shares by a Qualifying Shareholder may, subject to the Qualifying Shareholder’s circumstances and any available exemption or relief, give rise to a taxable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

In the case of individual Shareholders, there are two main rates of UK capital gains tax; the applicable rate will be dictated by the individual Shareholder’s amount of taxable income. Those individual Shareholders who are higher rate taxpayers or additional rate taxpayers will pay capital gains tax at 20 per cent. and those individuals who are basic rate taxpayers will pay capital gains tax at 10 per cent..

New Ordinary Shares subscribed for under the Open Offer in excess of a Shareholder’s *pro rata* entitlement will be treated as a separate acquisition from his existing holding of Ordinary Shares for the purposes of UK taxation of chargeable gains.

A Shareholder who is not UK resident will not be subject to UK tax on a gain arising on a subsequent disposal of New Ordinary Shares unless either (i) the Shareholder carries on a trade, profession or vocation in the UK through a branch, permanent establishment or agency and, broadly, holds the New Ordinary Shares for the purposes of the trade, profession, vocation, branch, permanent establishment or agency or (ii) the Shareholder falls within the anti-avoidance rules applying to temporary non-residents.

### Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No UK stamp duty or UK SDRT should be payable on the allotment or issue of New Ordinary Shares.

AIM qualifies as a “recognised growth market” for the purposes of stamp duty and SDRT; accordingly, under current law, for so long as the Ordinary Shares are admitted to trading on AIM and are not listed on any other market, no liability to stamp duty or charge to SDRT (otherwise arising) will arise in relation to Open Offer Shares (whether or not those Open Offer Shares are held within CREST).

In other circumstances (including following any listing on any market other than a “recognised growth market”), a transfer or other dealing in Ordinary Shares (including Open Offer Shares) may result in a liability to stamp duty (usually at the rate of 0.5 per cent of the amount or value of the consideration payable, rounded up to the next multiple of £5) or charge to SDRT (usually at the rate of 0.5 per cent of the consideration in money or money’s worth) may arise. A higher rate (1.5 per cent) may apply in those other circumstances in relation to transfers involving clearance services or the issue of depositary receipts.

**The statements in this paragraph relating to stamp duty and SDRT apply to any holders of Ordinary Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.**

### **Taxation of Dividends**

No UK tax will be withheld by the Company when it pays a dividend.

An individual Shareholder who is resident for tax purposes in the United Kingdom and who receives a dividend from the Company will be entitled to an effective exemption (called the “dividend nil rate”) for the first £2,000 of all dividends received (including dividends received from any other share investments in the same tax year) by that Shareholder (although such income still counts towards the basic, higher and additional rate thresholds for that Shareholder). For dividends received in aggregate above £2,000, the income tax rate will be 8.75 per cent, 33.75 per cent and 39.35 per cent for basic rate, higher rate and additional rate tax payers respectively. United Kingdom resident Shareholders with sources of income other than shares should therefore seek tax advice to determine the rates of income tax applicable to the dividends received from the Company.

A United Kingdom resident corporate Shareholder will not generally (subject to anti-avoidance rules) have to pay corporation tax on dividends received from the Company provided they fall within certain exemptions. These exemptions are broadly drafted and the general effect is to exempt all dividends from corporation tax unless they fall within certain anti-avoidance rules. Dividends paid on Open Offer Shares to United Kingdom resident corporate shareholders would generally fall within one or more of the classes of dividend qualifying for exemption from corporation tax.

A non-UK resident Shareholder may be subject to foreign taxation on dividend income.

## **7. Overseas Shareholders**

### *(a) General*

**The distribution of this circular and the Application Form and the making or acceptance of the Open Offer to 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. The comments set out in this section 7 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.**

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this circular (or any other offering or publicity materials or Application Form(s)) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

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

No person receiving a copy of this circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess 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 and/or credit of Excess 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 and/or credit of Excess 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 circular 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 himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company nor any of its respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess 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 or Excess 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 circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess 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 circular and/or an Application Form and/or transfers Open Offer Entitlements and/or Excess 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 IV and specifically the contents of this section 7.

The Company reserves the right, but shall not be obliged, 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 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 if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of an Open Offer Entitlement and/or an Excess Open Offer Entitlement to a stock account in CREST, to a member whose registered address would be in a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to sections 7(b) to 7(e) below.

Notwithstanding any other provision of this circular or the 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 banker's drafts. 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, transferred, 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 public offer of Open Offer Shares is being made by virtue of this circular or the Application Form into any Restricted Jurisdiction. Receipt of this circular and/or an Application Form and/or a credit of an Open Offer Entitlement and/or a credit of Excess Open Offer Entitlements 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 circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

*(b) United States*

None of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act or the laws of any state or other jurisdiction of the United States and, therefore, the New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be, directly or indirectly, offered, sold, taken up, delivered, renounced or transferred in or into the United States.

Accordingly, the Company is not extending the Open Offer into the United States and none of this circular, the Application Forms or the crediting of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST constitutes or will constitute an offer or an invitation to apply for an offer or an invitation to subscribe for any New Ordinary Shares in the United States. Neither this circular nor an Application Form will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to, and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to, a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Application Forms sent from, or post-marked in, the United States will be deemed to be invalid and all persons subscribing for 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 outside the United States.

*(c) Other Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Qualifying 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 or Excess 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, re-sold, 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 of Open Offer Shares is being made by virtue of this circular or the Application Forms into any Restricted Jurisdiction.

*(d) Other overseas jurisdictions*

Application Forms will be sent to Qualifying non-CREST Shareholders and an Open Offer Entitlement will be credited to the stock account in CREST of Qualifying CREST Shareholders in other overseas jurisdictions. Qualifying Shareholders in jurisdictions other than any Restricted Jurisdiction 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 circular and, if relevant, the Application Form.

Qualifying Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

*(e) Representations and warranties relating to Overseas Shareholders*

*(i) 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/or the Receiving Agent 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 a Restricted Jurisdiction;
- (ii) such person is not in the United States or a resident of any Restricted Jurisdiction or in any territory in which it is unlawful to make or accept an offer to subscribe for 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 acknowledges that the Open Offer Shares may not be sold, transferred or otherwise disposed of, except pursuant to an exemption from the prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada for a period of four months plus one day from the date of Admission;
- (iv) such person is not acting on a nondiscretionary basis on behalf of, a person located within a Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and
- (v) such person is not subscribing for Open Offer Shares with a view to the offer, sale, re-sale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction or any territory referred to in (ii) above.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it:

- (i) appears to the Company or its agents to have been executed, effected or despatched from 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;
- (ii) provides an address in any 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 paragraph 7(e)(i).

(ii) Qualifying CREST Shareholders

A CREST member who makes a valid application either on its own behalf or on behalf of one of its clients in accordance with the procedures set out in this Part IV 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) neither it nor its client is within a Restricted Jurisdiction;
- (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares;
- (iii) it acknowledges that the Open Offer Shares may not be sold, transferred or otherwise disposed of, except pursuant to an exemption from the prospectus requirements under Canadian securities laws, to any person in Canada or otherwise into Canada for a period of four months plus one day from the date of Admission;
- (iv) it is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within a Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and

- (v) neither it nor its client is subscribing for any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction, or any territory referred to in (ii) above.

The Company reserves the right to reject any USE instruction from a Restricted Jurisdiction or any territory referred to in (ii) above or by a CREST participant who is acting on a non-discretionary basis on behalf of a person located within a Restricted Jurisdiction or any territory referred to in (ii) above.

## **8. Admission, Settlement and Dealings**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject to the Placing, the Subscription and the Open Offer becoming unconditional in all respects, it is expected that Admission of the New Ordinary Shares will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 3 October 2022.

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 29 September 2022 (the latest date for applications under the Open Offer). If the conditions 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 the day on which such conditions are satisfied (expected to be 3 October 2022). On this day, Share Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 3 October 2022). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this circular, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess 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 Share Registrars in connection with CREST.

For Qualifying non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by 17 October 2022. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. All documents or remittances sent by or to Applicants or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to the Application Form.

## **9. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this circular shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this circular, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England 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.

## **10. Further information**

Your attention is drawn to the terms and conditions set out in the enclosed Application Form.

Dated: 14 September 2022

# DELTAIC ENERGY PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 07958581)*

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of Deltic Energy Plc (“**Deltic**” or the “**Company**”) will be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF at 11.00 a.m. BST on 30 September 2022 for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolutions 2 and 4 will be proposed as special resolutions.

### Resolution 1

That the directors of the Company (the “**Directors**”) be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot 487,153,297 ordinary shares in the capital of the Company of £0.005 each (“**Ordinary Shares**”) pursuant to the Capital Raising (as defined in the circular dated 14 September 2022, of which this notice forms part (the “**Circular**”)), provided that this authority shall expire on the date of the next annual general meeting of the Company or, if earlier, 30 September 2023.

### Resolution 2

That, conditional on the passing of Resolution 1, the Directors be and they are hereby empowered pursuant to Section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of 487,153,297 Ordinary Shares pursuant to the Capital Raising and shall expire on the date of the next annual general meeting of the Company or, if earlier, 30 September 2023.

### Resolution 3

That the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (“**Rights**”):

- (a) up to an aggregate nominal amount of £3,155,196.50 and
- (b) up to a further aggregate nominal amount of £3,155,196.50 provided that (i) they are equity securities (within the meaning of section 560(1) of the Act) and (ii) they are offered by way of a rights issue to holders of Ordinary Shares on the register of members at such record date as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on any such record date and to other holders of equity securities entitled to participate therein, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter,

provided that this authority shall expire on the date of the next annual general meeting of the Company or, if earlier, on 30 September 2023, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the directors shall be entitled to allot relevant securities pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the directors to allot relevant securities (other than pursuant to Resolutions 1 and 2 above in relation to the Capital Raising) be and are hereby revoked.

#### **Resolution 4**

That, conditional on the passing of Resolution 3, the Directors be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash either pursuant to the authority conferred by Resolution 3 as if section 561(1) of the Act did not apply to such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an issue or offer of securities (but, in the case of the authority granted under paragraph (ii) of Resolution 3, by way of a rights issue only) in favour of holders of Ordinary Shares on the register of members at such record date as the Directors may determine where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on any such record date but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates, or legal or practical problems under the laws of, or the requirements of any regulatory authority or stock exchange in, any territory or any other matter; and
- (b) the allotment otherwise than pursuant to 4(a) above, to any person or persons of equity securities up to an aggregate nominal amount of £2,366,397,

and shall expire upon the expiry of the general authority conferred by Resolution 3 above, save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuant of such offer or agreement as if this power had not expired.

#### **By order of the Board of Directors**

Mark Lappin  
*Executive Chairman*

14 September 2022

*Registered Office*  
1st Floor 150 Waterloo Road  
London  
England, SE1 8SB

**Notes:**

- (1) A Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies, in accordance with the Company's Articles of Association, to exercise all or any of his rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company and the appointment of a proxy does not preclude a Shareholder from attending and voting in person if he or she wishes to do so.
  - (2) You can register your vote(s) for the General Meeting either:
    - by logging on to [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the "Proxy Vote" button and then following the on-screen instructions (you can locate your log-in details on the top of the proxy form);
    - by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice;
    - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 10 below.
- To be valid, the instrument to appoint a proxy must be lodged with Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX as soon as possible but in any event so as to arrive not later than 48 hours (disregarding any day that is not a working day) before the time appointed for the meeting, being no later than 11.00 a.m. on 28 September 2022, or any adjournment thereof together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed.
- (3) A Shareholder has the right to appoint one or more persons as his proxy or proxies, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her. The person named in the enclosed Form of Proxy is the chairman of the General Meeting (which is expected to be a Director of the Company); a Shareholder has the right to appoint a person or persons other than the chairman of the General Meeting as his or her proxy or proxies. Further details are included in the notes to the Form of Proxy.
  - (4) A Shareholder who has appointed a proxy may revoke the proxy appointment in accordance with the provisions contained in the Company's Articles of Association by an instrument in writing, including another proxy, duly executed by the Shareholder or by his or her attorney authorised in writing, deposited with the Company as provided above. A Shareholder may also revoke a proxy in any other manner permitted by law, but such revocation must be prior to the exercise of rights by such proxy in respect of any particular matter.
  - (5) Proxies are being solicited by or on behalf of management for use in connection with the General Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally by regular employees of the Company or the Company's registrars (Share Registrars Limited) at a nominal cost. The costs of solicitation will be borne by the Company.
  - (6) Only those Shareholders registered in the register of members of the Company as at 11.00 a.m. on 28 September 2022 shall be entitled to attend and vote at the General Meeting to which this Notice relates in respect of the number of Ordinary Shares registered in their name at that time. Changes to the entries on the register of members of the Company after 11.00 a.m. on 28 September 2022 shall be disregarded in determining the rights of any person to attend or vote at the meeting to which this Notice relates.
  - (7) The persons named in the enclosed Form of Proxy will vote the Ordinary Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of a contrary instruction, the chairman of the General Meeting intends to vote in favour of the passing of all of the Resolutions in respect of the Ordinary Shares in respect of which he is appointed as proxy.** The enclosed Form of Proxy confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the Notice of General Meeting and with respect to other matters which may properly come before the General Meeting or any adjournment thereof. At the time of the printing of this circular, the Board of Directors knows of no such amendments, variations or other matters to come before the General Meeting, other than the matters referred to in this Notice of General Meeting. However, if any other matters which are not known to management should properly come before the General Meeting, the proxies will be voted on such matters in accordance with the best judgement of the named proxies.
  - (8) In the case of joint holders, the vote of the senior holder 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 of the Company in respect of the relevant joint holding.
  - (9) If the appointer is a corporation, the proxy must be completed under its common seal (if any) or under the hand of its duly authorised agent or officer.
  - (10) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited (EUI) specifications and

must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (CREST Participant ID: 7RA36) not later than 48 hours (disregarding any day that is not a working day) before the time appointed for holding the AGM, being no later than 11.00 a.m. on 28 September 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (11) On the date hereof, 1,405,964,855 Ordinary Shares in the capital of the Company were issued and outstanding. Each Ordinary Share entitles the holder thereof to vote on matters to be acted upon at the General Meeting.