

THIS CIRCULAR, THE ENCLOSED FORM OF PROXY AND THE APPLICATION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Circular or 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 resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this Circular and the accompanying Application Form (for Qualifying Non-CREST Holders) and the Form of Proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale of transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, please retain the documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

The total consideration under the Open Offer shall be less than €8,000,000 (or an equivalent amount) in aggregate. 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 Rules published by the Financial Conduct Authority and has not been approved by the Financial Conduct Authority 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. The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM conditional, amongst other things, on the Resolutions being passed at the General Meeting. It is anticipated that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence at 8.00 a.m. on 4 March 2019.

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 United Kingdom 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. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this Circular. The AIM Rules are less demanding than those of the Official List of the UK Listing Authority.

Cabot Energy Plc

(incorporated in England and Wales with registered number 02933545)

**Proposed Subscription and Open Offer to raise up to £2,852,899
(approximately US\$3.7 million) in aggregate**

Proposed Share Capital Reorganisation involving a 100:1 Share Consolidation

Issue Price of 10 pence per New Ordinary Share post Consolidation

and

Notice of General Meeting

Nominated Adviser and Broker

SP Angel Corporate Finance LLP

You should read this Circular in its entirety, together with the Application Form and the Form of Proxy. Your attention is drawn to the letter from the Chairman of Cabot Energy Plc which is set out in Part I of this Circular and which contains the unanimous recommendation from the Board that you vote in favour of the Resolutions at the General Meeting. You should also carefully read Part IV of this Circular entitled "Risk Factors" which describes certain risks associated with an investment in Cabot Energy.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 28 February 2019. The procedure for acceptance and payment is set out in Part III of this Circular and, where relevant, in the Application Form.

Notice convening the General Meeting of the Company to be held at 12.00 p.m. on 1 March 2019 at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT is set out at the end of this Circular. Shareholders have been provided with a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the General Meeting in person, please complete, sign and return the Form of Proxy to the Registrar in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by no later than 12.00 p.m. on 27 February 2019. The completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person at the General Meeting should they wish to do so.

The distribution of this Circular and/or the accompanying Application Form or Form of Proxy outside the UK may be restricted by law. Persons outside the UK who come into possession of this Circular should inform themselves about and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of the securities laws of such jurisdictions. This Circular does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe or buy, the Subscription Shares or the Open Offer Shares to any person in any Restricted Jurisdiction. In particular, this Circular is not for distribution in or into the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, Japan or the Russian Federation. Accordingly, the Subscription Shares and/or the Open Offer Shares may not, subject to certain exceptions, be offered directly or indirectly in or into the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, Japan or the Russian Federation. The Subscription Shares and/or the Open Offer Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, Japan or the Russian Federation and they may not be offered or sold directly or indirectly within those Restricted Jurisdictions or to or for the account or benefit of any national, citizen or resident of such jurisdictions.

SP Angel Corporate Finance LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and no one else (including the recipients of this Circular) as nominated adviser and will not be responsible to anyone other than the Company for providing the protections afforded to customers of SP Angel Corporate Finance LLP or for advising any other person in connection with the matters described in this Circular. SP Angel Corporate Finance LLP makes no representation, express or implied, with respect to the accuracy or completeness of any information contained in this Circular and accepts no responsibility for, nor does it authorise, the contents of, or the issue of this Circular, or any other statement made or purported to be made by the Company, or on its behalf, in connection with the Company or any of the other matters described in this Circular and, accordingly, to the fullest extent permitted by law disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have in respect of this Circular or any other statement.

Forward-looking statements

Certain statements contained in this Circular are or may constitute "forward-looking statements". These statements may be identified by words such as "expects", "looks forward to", "anticipates", "targets", "aims", "may", "would", "could", "intends", "plans", "believes", "seeks", "estimates", "will", "project" or words of similar meaning. They include all matters that are not historical facts. Such statements are based on the current expectations and certain assumptions of the Directors, and are, therefore, subject to certain risks and uncertainties. Forward-looking statements are not guarantees of future performance and a number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. The forward-looking statements in this Circular speak only as of the date of this Circular. Except as required by law, the Company disclaims any obligation to update any such forward-looking statements to reflect future events or developments.

In making the forward-looking statements in this Circular, Cabot Energy has also made assumptions regarding the timing and results of exploration activities; the enforceability of Cabot Energy's contracts; the costs of expenditures to be made by Cabot Energy; future crude oil prices; access to local and international markets for future crude oil production, if any; Cabot Energy's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the political situation and stability in the jurisdictions in which Cabot Energy operates; the regulatory, legal and political framework governing such contracts, royalties, taxes and environmental matters in the jurisdictions in which Cabot Energy, conducts and will conduct its business and the interpretation of applicable laws; the ability to renew its licenses on attractive terms; Cabot Energy's future production levels; the applicability of technologies for the recovery and production of Cabot Energy's oil resources; operating costs; availability of equipment and qualified contractors and personnel; Cabot Energy's future capital expenditures; future sources of funding for Cabot Energy's capital program; Cabot Energy's future debt levels; geological and engineering estimates in respect of Cabot Energy's resources; the geography of the area in which Cabot Energy is conducting exploration and development activities; the impact of increasing competition on Cabot Energy; and the ability of Cabot Energy to obtain financing, and if obtained, to obtain acceptable terms. Although Cabot Energy considers the assumptions that it has utilised to be based on reliable information, such forward looking statements are based on a number of assumptions which may prove to be incorrect.

As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise.

To the extent available, the industry, market and competitive position data contained in this Circular come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data.

This Circular should not be considered as a recommendation by Cabot Energy or any of their respective advisers and/or agents that any person should subscribe for or purchase any securities of Cabot Energy. Prospective purchasers of securities of Cabot Energy are required to make their own independent investigation and appraisal.

Qualifying Shareholders

Qualifying Non-CREST Holders will find an Application Form enclosed with this Circular. Qualifying CREST Holders (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 13 February 2019. 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 Ordinary Shares prior to the date on which the Ordinary Shares were marked "ex" the entitlement by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. on 25 February 2019 or such later time as the Company may decide, an Application Form will be sent to each Qualifying CREST Holder in substitution for the Open Offer Entitlements credited to his stock account in CREST. Qualifying CREST Holders 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.

Unless otherwise stated, an exchange rate of US\$1.2964: £1 has been used throughout this Circular.

CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events	4
Subscription, Open Offer and Admission Statistics	6
Directors, Secretary and Advisers	7
Part I: Letter from the Chairman of the Company	8
Part II: Questions and Answers about the Open Offer	19
Part III: Terms and Conditions of the Open Offer	26
Part IV: Risk Factors	47
Part V: Definitions	52
Notice of General Meeting	57

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates and times set out below are based on the Company's current expectations and may be subject to change. References to times in this Circular are to London times, unless otherwise stated.

Record Date for entitlement under the Open Offer	6.00 p.m. on 8 February 2019
Announcement of the Proposals	7.00 a.m. on 12 February 2019
Publication of this Circular, the Application Form and the Form of Proxy	12 February 2019
Ex-entitlement date for the Open Offer	12 February 2019
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Holders into CREST	8.00 a.m. on 13 February 2019
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 22 February 2019
Recommended latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 25 February 2019
Recommended latest time and date for splitting of Application Forms	3.00 p.m. on 26 February 2019
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions	12.00 p.m. on 27 February 2019
Latest time and date for receipt of applications by Qualifying Non-CREST Holders and Qualifying CREST Holders under the Open Offer	11.00 a.m. on 28 February 2019
General Meeting	12.00 p.m. on 1 March 2019
Expected time and date of announcement of the results of the General Meeting and Open Offer	4.30 p.m. on 1 March 2019
Record date for Share Capital Reorganisation	6.00 p.m. on 1 March 2019
Admission effective and dealings expected to commence in the New Ordinary Shares on AIM	8.00 a.m. on 4 March 2019
Completion of the Share Capital Reorganisation	8.00 a.m. on 4 March 2019
Expected date for crediting of the Fundraising Shares issued to CREST stock accounts in uncertificated form	8.00 a.m. on 4 March 2019
Expected date for dispatch of definitive share certificates (where applicable)	On or prior to w/c 18 March 2019

Notes:

- (1) The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or who are located or resident in countries outside the UK, details of which are set out in paragraph 6 of Part III of this Circular. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements will not be credited to the stock accounts in CREST of, Shareholders with registered addresses in any of the Restricted Jurisdictions.
- (2) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company in its discretion and after consultation with its financial and legal advisers, in which event details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement to a Regulatory Information Service.
- (3) References to times in this document are to London times unless otherwise stated.

- (4) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.
- (5) **If you require assistance please contact Neville Registrars' helpline on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

SUBSCRIPTION, OPEN OFFER AND ADMISSION STATISTICS

Number of Existing Ordinary Shares in issue as at the date of this Circular	661,986,961
Number of Existing Ordinary Shares in issue as at the date of the General Meeting	661,987,000
Number of New Ordinary Shares in issue immediately following Share Capital Reorganisation	6,619,870
Issue Price	10 pence
Subscription statistics	
Number of Subscription Shares	20,828,987
Subscription Shares as a percentage of the Enlarged Issued Share Capital ⁽¹⁾	59.26%
Gross proceeds of the Subscription	£2,082,899
Open Offer statistics	
Basis of Open Offer	1 Open Offer Share for every 85.9723377 Existing Ordinary Shares
Maximum number of Open Offer Shares	7,700,000
Open Offer Shares as a percentage of the Enlarged Issued Share Capital ⁽¹⁾	21.91%
Maximum gross proceeds of the Open Offer	£770,000
Overall statistics	
Enlarged Issued Share Capital following completion of the Proposals ⁽¹⁾	35,148,857
Fundraising Shares as a percentage of the Enlarged Issued Share Capital ⁽¹⁾	81.17%
Maximum gross proceeds of the Fundraising	£2,852,899
Maximum estimated net proceeds of the Fundraising	£2,726,951
Existing Ordinary Share ISIN	GB00B0D47T64
Open Offer Entitlement ISIN	GB00BGR7LB38
Excess CREST Open Offer Entitlement ISIN	GB00BGR7LC45
New Ordinary Share ISIN	GB00BGR7LD51
New SEDOL Code	BGR7LD5

(1) Assuming full subscription under the Open Offer and no exercise of any options or warrants prior to Admission.

DIRECTORS, SECRETARY AND ADVISERS

Directors	James D Dewar (<i>Interim Independent Non-Executive Chairman</i>) Petro Mychalkiw (<i>Chief Financial Officer</i>) Campbell J Airlie (<i>Chief Technical Officer</i>) Paul J Lafferty (<i>President, Cabot Energy Inc.</i>) Rachel S J Maguire (<i>Independent Non-Executive Director</i>)
Registered Office	Riverbank House 2 Swan Lane London EC4R 3TT
Company Secretary	William J Anderson
Nominated Adviser and Broker	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
Legal advisers to the Company	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Registrars and Receiving Agent	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

PART I

LETTER FROM THE CHAIRMAN OF THE COMPANY

CABOT ENERGY PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02933545)

Directors:

James D Dewar (*Interim Independent Non-Executive Chairman*)
Petro Mychalkiw (*Chief Financial Officer*)
Campbell J Airlie (*Chief Technical Officer*)
Paul J Lafferty (*President, Cabot Energy Inc.*)
Rachel S J Maguire (*Independent Non-Executive Director*)

Registered Office:

Riverbank House
2 Swan Lane
London
EC4R 3TT
United Kingdom

12 February 2019

Dear Shareholder,

**Proposed Subscription and Open Offer to raise up to £2,852,899
(approximately US\$3.7 million) in aggregate**

Proposed Share Capital Reorganisation involving a 100:1 Share Consolidation

Issue Price of 10 pence per New Ordinary Share post Consolidation

and

Notice of General Meeting

1. Introduction

The Company proposes to raise, conditional amongst other things, upon the passing of the Resolutions and on Admission:

- (a) £2,082,899 (approximately US\$2.7 million) by way of the Subscription of 20,828,987 Subscription Shares at the Issue Price; and
- (b) up to a further £770,000 (approximately US\$1 million) by way of an Open Offer to Qualifying Shareholders through the issue of up to 7,700,000 Open Offer Shares at the Issue Price.

The net proceeds of the Fundraising will be used primarily to fund the partial settlement of amounts owed to the Group's creditors, predominantly trade creditors of Cabot Canada.

As part of the Proposals, the Company proposes that every 100 Existing Ordinary Shares will be consolidated into one New Ordinary Share to reduce the number of Ordinary Shares in issue and increase the share price with a view to decreasing the spread between the bid and offer price. Accordingly, the proportion of Existing Ordinary Shares held by each Shareholder immediately before the Share Capital Reorganisation will, save for fractional entitlements, be the same as the proportion of New Ordinary Shares held by each Shareholder immediately after the Share Consolidation, but before the completion of the other Proposals.

The Issue Price of 10 pence per New Ordinary Share is adjusted to take account of the Share Capital Reorganisation and represents a discount of approximately 80 per cent (adjusted to take account of the Share Capital Reorganisation) to the middle market closing price per Existing Ordinary Share on 11 February 2019 being the last business day prior to the announcement of the Proposals and 93.44 per cent to the middle market closing price on 28 December 2018 being the last business day prior to the Company's announcement of the intention to undertake a fundraising in February 2019.

The Directors do not believe that the Issue Price is representative of the true underlying value of the Company. However, the Directors note that by virtue of the Open Offer, Qualifying Shareholders will have an opportunity to participate in the Fundraising at the same price as the Subscribers pursuant to the Subscription.

The purpose of this Circular is to give you details of, and the reasons for, the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this Circular.

2. Background to and reasons for the Proposals

On 31 December 2018, the Company announced the need to undertake a fundraising in February 2019 which has resulted in the publication of the Proposals. Prior to that, the Company stated in its Interim Results dated 28 September 2018 that additional funding was required by the end of 2018 in order to: (i) settle overdue Canadian trade creditors arising predominantly from the previous management team's 2017 and 2018 Canada work programme cost overruns; (ii) fund ongoing corporate costs; and (iii) deliver production growth in Canada and develop the Group's Italian assets. The work programmes (and associated costs) were under review.

As first reported by the Company on 20 November 2018, the Company's Canadian crude oil revenues were unexpectedly and adversely impacted by the increased discount of the Edmonton Light Oil contract price from the West Texas Intermediate crude oil benchmark price. The Edmonton Light Oil price uncertainty has also eliminated the short-term asset sales market, which would also have normally been a further funding option open to the Company for all or part of its assets in Canada. However, a failure to settle the Group's Canadian trade creditors via the proceeds of the Fundraising would cause an immediate cessation of operating activities, shut-in of the well production and acceleration of abandonment liabilities which, if not collateralised in cash, would result in the reversion of the assets and licences to the Alberta government. Therefore, the Board determined that a sale of assets to benefit Shareholders is not a currently available option. The Company announced on 1 February 2019 that, whilst the discount has been restored to normal historical levels since December 2018 due to the Alberta Government's temporary curtailment of larger producers, the Directors intend to monitor this impact before committing to the next phase of capital investment for production growth.

The net proceeds of the Fundraising will be applied to the partial settlement of the material overdue Canadian trade creditors and certain creditors in the UK as well as providing short term working capital through to the end of Q1 2019, at which time the Company intends to approach the market again to seek further equity and debt funding for a growth business case.

3. Information on Cabot Energy

Cabot Energy is an oil and gas exploration and production company quoted on AIM. The Group is focussed on creating predictable production growth in Canada, which will deliver cash flow and demonstrable value for shareholders in a reasonable time-frame and developing high-impact exploration projects in Italy.

The financial and operating concerns that became apparent during Q2 2018 resulted in the cancellation of the 2018 summer drilling programme and resulted in a complete restructuring of the Board and management of the Company. The first step involved the appointment of a new senior executive management team in June 2018 and comprised: Scott Aitken, the CEO of High Power Petroleum, who was appointed Chief Executive Officer of Cabot Energy, Petro Mychalkiw assumed the role of Chief Financial Officer and Campbell Airlie assumed the newly created role of Chief Technical Officer. The new senior management team's first priority was to undertake a comprehensive strategic, operational and financial review and implement essential systems to assess the overall position of Cabot Energy and improve future capital investment decisions and outcomes. James Dewar was subsequently appointed as interim independent non-executive Chairman in July 2018 and Rachel Maguire was appointed as an independent non-executive director in November 2018. Given the challenging financial circumstances faced by the Company, members of the senior executive management team have not drawn a salary since June 2018.

Canadian Assets

Gross oil production in Canada during 2018 averaged 703 bopd, in line with the Company's forecast of 711 bopd, an increase of 71 per cent on 2017 (411 bopd) with a gross production exit rate (based on daily reports for the last week of 2018) of 546 bopd.

The new management team prioritised subsurface analysis and planning as a core strength area for the Company going forward, with new workflows and management of deliverables being implemented by Mr Campbell Airlie, Chief Technical Officer, and a subsurface team leader, both newly created roles. Critically, the performance of the six horizontal wells drilled in the winter of 2017/2018 were assessed as the basis of learning and forward production estimates for these and similar new wells.

Progress in these areas was announced by the Company on 6 November 2018, when it published an updated reserves report on the Canadian assets as determined by an independent reserves consultant (McDaniel & Associates Consultants Ltd, Calgary) on the Canadian assets as at 30 September 2018. The report stated an increase in gross 2P reserves of 26 per cent to 3.6 mmmboe and a net present value (pre-tax), using a 10 per cent discount rate ("NPV10"), of the net 2P reserves of US\$48.3 million (net to the Company), or US\$13.4/boe. The report, which is available on Cabot Energy's website (www.cabot-energy.com), assumes continued capital investment in 2019. Moreover, a 339 per cent increase in net 2P reserves plus mid-case contingent and prospective resources of 42.2 mmmboe was generated from a basin-wide study and land acquisitions, resulting in 282 well locations able to be drilled in the Company's predominantly 100 per cent owned and operated mineral rights. The Company also commissioned a third party to conduct an independent facilities review for all its main processing and pipelines in the area and confirmed a greater than 30,000 bpd capacity available for fluids processing and transportation.

As part of the Company's strategic, operational and financial review, management also undertook a comprehensive cost analysis of its Canadian operations. This analysis identified significant operating and capital expenditure cost over-runs compared with the approved budgets, resulting in significant creditor liabilities and insufficient funds for a 2018 summer work programme. Additionally, it was evident that there was poor planning for previously carried out and proposed work programmes. The 2018 summer work programme was, therefore, effectively cancelled, with work being restricted to only non-discretionary safety or environmentally related activities; this resulted in a declining overall production in the second half of 2018.

Moving forward, a zero-based budgeting structure for new operating and capital expenditures has been implemented.

Operational planning, procurement cost-control and reporting systems have now been implemented to the standard required for a multi-well, multi-rig capital expenditure programme in preparation for future funding of drilling activities.

Italian Assets

Reflecting the importance of the Italian portfolio upside to Shareholders, the Board strengthened the Company's operations with a newly created position of Business Development Director, appointing an Italian-speaking executive, Hugo d'Apice in July 2018 to manage the operated and non-operated licences held in Italy, alongside the sub-surface activities to study and explore the prospects and leads.

On 21 November 2018 the Company announced the results of the independent resources report on its 100 per cent owned and operated offshore permits in the Southern Adriatic and Sicily Channel, as determined by Lloyds Register Senergy. The report stated a total mean gross prospective resources of 933 mmmboe (793 mmmboe net to Cabot Energy), split between gross 653 mmmboe in the Adriatic Cygnus Prospect (513 mmmboe net to Cabot Energy) and gross 280 mmmboe in the Sicily Channel Vesta Prospect (all net to Cabot Energy).

Operationally, in the Adriatic, the Environmental Impact Assessment (EIA) approval was received to conduct a 3D seismic programme over the licence areas. A positive opinion has been received on the pre-seismic ante-operum work subsequently undertaken. Since one of the data recorders for the ante-operum work was not recoverable, replacement data is required. New acoustic recording equipment with an improved recovery system has been deployed to Brindisi and will be deployed as soon the weather permits. Data collection will be completed for the beginning of Q2 2019. Seismic acquisition is planned for 2020.

With respect to the Sicily Channel licences, the EIA and exploration drilling permit have now been received for the Vesta oil prospect, although the licence work programme remains in suspension, pending rig availability.

For the Po Valley Cascina Alberto exploration permit, the Company previously farmed out to Shell Italia, whereby the Company has a carry on €4 million of seismic costs and €50 million on the drilling of an exploration well for which Cabot Energy has a 20 per cent carried interest. Shell Italia has made systematic planning progress engaging with over 100 local communities in advance of their proposed 500 line-km 2D seismic acquisition programme.

The Italian government is currently considering an amendment to the law covering oil and gas exploration activities that applies to both onshore and offshore licences that, if enacted, could materially impact the Company's proposed activities in Italy in the medium term. The amendment would result in a moratorium on all future work on exploration permits or applications for new exploration permits during which all existing permits will be suspended, and no exploration activities will be allowed, for up to two years. Should this legislation be enacted, then the Company will need to evaluate its future strategy in both its onshore Po Valley Cascina Alberto exploration permit with its partner, Shell Italia, and in its 100 per cent owned and operated offshore permits in the Southern Adriatic and Sicily Channel, based on the detail in the resulting legislation, the Company's obligations and its objectives.

With respect to the previously announced transaction with Rockhopper plc and as announced on 3 January 2019, as Italian government approval of the transaction was not received by the 31 December 2018 long stop date, the Company and Rockhopper plc mutually agreed to not proceed with the proposed transaction. Had the deal received Government approval in 2019 there would have been a positive short-term revenue impact, though changes to the deal economics significantly reduced its value. Cabot Energy was also exposed to considerable uncertainty over abandonment costs which were already being incurred on the assets and continued into the long term.

Australian Assets

The Company also has onshore exploration interests in the Otway basin Australia. The Company's current management were successful in securing a six month suspension of the work programme period to 28 February 2019 but are unlikely to submit a forward-looking work programme to the regulator, which may result in the Company forfeiting or relinquishing the licence.

Group Financial Position

The new Board and management team forensically assessed the Company's financial position during Q3 2018. As announced by the Company in its interim results on 28 September 2018, despite raising net equity proceeds of US\$15.3 million in January 2018 and achieving positive cash flows in Canada for the six months to 30 June 2018, the Company still had US\$10.7 million of trade payables and cash of US\$6.2 million at 30 June 2018 (US\$10.3 million of trade payables and cash of US\$1.8 million at 31 December 2017). The significant outstanding Canadian trade payables position reflected the cost over-runs on budgeted activities in addition to unbudgeted work programme activities in 2017 and H1 2018 in Canada.

On 1 February 2019, the Company announced that it was in the process of securing voluntary binding agreements with a significant majority, by value, of the Canadian trade creditors in order to reduce the settlement payments, to reschedule and defer these payments and to secure certainty about the future cost of supply terms during 2019. Whilst still in progress, the Company is confident that a minimum of US\$0.7 million of settlement discounts will be secured, representing approximately 17 per cent of the total Canada trade creditor balance. However, the Fundraise and the Canadian operating cash flows during Q1 2019 are not sufficient to fully settle the discounted Canada trade creditor balance and, therefore, this represents a risk to business continuity.

Whilst the independent reserves report announced on 6 November 2018 was a very positive endorsement of the performance and development value of the Group's Canadian assets, its release coincided with an unprecedented and unexpected increase in the discount of the Company's Edmonton Light Oil selling price compared to the West Texas Intermediate benchmark price, as announced by the Company on 20 November 2018. Although the update on 1 February 2019 highlighted the temporary success of the Alberta government's intervention in curtailing production and restoring the discount to normal historic levels since December 2018, the continuing Edmonton Light Oil sales price uncertainty and the Company's reduced Canada production volumes have prevented the Company from accessing debt financing on acceptable terms or trade finance via its crude oil sales marketeer.

In view, namely of the above, the Directors have identified a two-stage funding approach as the best way forward:

- (a) to raise minimum equity finance in February 2019 of approximately US\$2.7 million from existing Shareholders, at a price reflecting the business uncertainty, to principally enable the partial settlement of overdue trade creditors of Cabot Canada; and
- (b) to secure additional funding by the end of Q1 2019 for accretive production growth through drilling once the Directors have greater confidence of the Edmonton Light Oil selling price.

4. Details of the Fundraising and Use of Proceeds

The Company has conditionally raised £2,082,899 (approximately US\$2.7 million) (gross) through the Subscription and is proposing to raise up to a further £770,000 (approximately US\$1 million) under the Open Offer. Both the Subscription and the Open Offer are conditional, amongst other things, upon the passing of the Resolutions and on Admission.

The Subscription

Pursuant to the Subscription Agreements, the Subscribers have conditionally agreed to subscribe for 20,828,987 Subscription Shares raising £2,082,899 (approximately US\$2.7 million) in aggregate at the Issue Price. The Subscription is conditional, *inter alia*, on the passing of the Resolutions and the Subscription Agreements becoming unconditional in all respects and not having been terminated prior to Admission.

Pursuant to the terms of its Subscription Agreement H2P has conditionally agreed to subscribe for 15,427,337 Subscription Shares at the Issue Price. It has also agreed with the Company to prepay part of its subscription monies at the request of Cabot Energy. Up to £192,850 (approximately US\$250,000) will be paid to the Company within five Business Days of the Company making a written request with up to a further £578,500 (approximately US\$750,000) to be prepaid on the mutual agreement of both parties. In the event that the Subscription does not complete, any prepayments by H2P will be deemed to be a subordinated unsecured debt by the Company accruing interest of 8 per cent per annum.

Paul Lafferty, an executive Director of the Company has also entered into a Subscription Agreement with the Company pursuant to which he has conditionally agreed to subscribe for an aggregate of 96,129 Subscription Shares at the Issue Price.

The interests of H2P and Paul Lafferty in the Enlarged Issued Share Capital on completion of the Subscription are set out in paragraph 6 of this Part 1.

City Financial, an existing Shareholder with an interest of 8.5 per cent in the Existing Issued Share Capital, has conditionally agreed to subscribe for 3,856,834 Subscription Shares at the Issue Price for an aggregate investment of £385,683 (approximately \$500,000). On Admission, City Financial will have an interest in 4,419,311 New Ordinary Shares, representing a maximum of approximately 16.10 per cent of the Enlarged Issued Share Capital (assuming no subscriptions under the Open Offer and no exercise of options or warrants prior to Admission).

The Subscription Agreements with each of H2P and City Financial contain certain warranties given by the Company including the accuracy of information contained in this Circular and other matters relating to the Group and its business.

The Open Offer

The Board has decided to make an Open Offer so that all Qualifying Shareholders have an opportunity to participate at the same Issue Price as the Subscribers have done in the Subscription. Accordingly, up to 7,700,000 Open Offer Shares are being made available to Qualifying Shareholders at a price of 10 pence per share (being the same as the Issue Price for the Subscription) under the terms of the Open Offer, with a view to raising up to £770,000 (approximately US\$1 million) (before expenses). Only Qualifying Shareholders on the Company's register of members as at the Record Date may participate in the Open Offer.

Subject to the fulfilment of the terms and conditions referred to in this Circular and, where relevant, set out in the Application Form, Qualifying Shareholders are being given the opportunity to subscribe for

Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares on the Record Date, free of expenses, payable in full, in cash on application, on the basis of:

1 Open Offer Share for every 85.9723377 Existing Ordinary Shares

For the avoidance of doubt, Shareholders should note that while entitlements under the Open Offer are calculated by reference to holdings of Existing Ordinary Shares on the Record Date, the Open Offer Shares which Shareholders will receive are New Ordinary Shares arising from the Share Capital Reorganisation and this is reflected in the above Open Offer ratio.

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders may apply for more or fewer Open Offer Shares than they are entitled to under the Open Offer and applications in excess of the Open Offer Entitlements will be dealt with under the Excess Application Facility. 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 (subject to the Company's sole discretion) *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. It is the Directors' intention that in such case excess applications will be scaled down on a pro-rata basis, as far as practicable.

In the event that valid acceptances are not received in respect of all of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility provided always that the applications meet the Qualifying Criteria. To the extent that additional Open Offer Shares are not subscribed by existing Shareholders, Open Offer Entitlements will lapse. Further information on the Open Offer and the Excess Application Facility and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part III of this Circular and in the Application Form, which you should read in full. Qualifying Shareholders who subscribe for Open Offer Shares represent, warrant, covenant, agree and acknowledge that they have reviewed the representations, warranties, covenants, agreements and acknowledgements set out in Paragraph 11 of Part III of this Circular and, in applying for Open Offer Shares, are deemed to have given such representations, warranties, covenants, agreements and acknowledgements.

If you have received an Application Form with this Circular, please refer to paragraph 4.5(a) and paragraphs 5 to 11 of Part III of this Circular. If you hold your Ordinary Shares in CREST and have received a credit of Open Offer Entitlements and Excess Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.5(b) and paragraphs 5 to 11 of Part III of this Circular and also to the CREST Manual for further information on the CREST procedures referred to below.

For Qualifying Non-CREST Holders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD 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 28 February 2019. For Qualifying CREST Holders, the relevant CREST instructions must have settled as explained in this Circular by no later than 11.00 a.m. on 28 February 2019.

The Open Offer is conditional, amongst other things, upon Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 4 March 2019 (or such later time and/or date as the Company may determine, being not later than 8.00 a.m. on 31 March 2019). Accordingly, if such conditions are not satisfied, or, if applicable, waived, the Open Offer will not proceed and any Open Offer Entitlements admitted to CREST will thereafter be disabled.

Funds received from the Open Offer will provide additional working capital for the Company. Further details concerning the Open Offer are set out in paragraph 10 of this Part 1.

Cash Position and Use of Proceeds

As at 31 January 2019, the Company held unaudited cash on the balance sheet of approximately US\$0.5 million.

The gross proceeds of the Subscription of £2,082,899 (approximately US\$2.7 million) are intended to be applied as follows:

- £1,333,000 (approximately US\$1,730,000) for the partial settlement of the Group's creditors, predominantly trade creditors of Cabot Canada;
- £360,000 (approximately US\$470,000) to fund the Group's corporate expenses;
- £260,000 (approximately US\$340,000) for Directors' and executive management's accrued but unpaid compensation since June 2018; and
- £130,000 (approximately US\$160,000) incurred in respect of professional legal, financial advisory and broking fees relating to the Proposals.

The Company expects that the proceeds of the Subscription will provide the minimum level of working capital for the Group during Q1 2019. However, Shareholders should be aware that this is highly dependent upon the Edmonton Light Oil sales prices achieved during Q1 2019 and the successful conclusion of the payment arrangements with the trade creditors of Cabot Canada. In addition, H2P has agreed that it will not press for payment of approximately US\$116,000 to settle the outstanding deferred consideration due to H2P pursuant to the sale and purchase agreement between the Company and H2P dated 19 December 2017 well after the Company's proposed growth strategy fundraising.

Although the proceeds of the Open Offer cannot be determined, it is the current intention of the Board that any proceeds from the Open Offer will be applied to fund the Group's ongoing working capital requirements.

On completion of the Fundraising, it is the Company's intention to then seek further equity and/or debt funding, on terms yet to be agreed, which, subject to the level of funding raised, will allow the Company to settle the remainder of the overdue Canadian trade creditors and fund the Group's corporate expenses and may be sufficient to commence a Canadian production development programme or fund Italy offshore exploration seismic acquisition costs.

Given the near-term requirement for a further equity fundraise following the Proposals, the Directors are seeking shareholder authority to disapply pre-emption rights of approximately 44 per cent of the Company's Enlarged Issued Share Capital (assuming full take-up of the Open Offer), which is in excess of the level recommended by National Association of Pension Funds, in order that the Board can provide certainty to investors in respect of the Group's proposed funding requirements at the end of Q1 2019 and to avoid the management time and costs involved in seeking further shareholder approval again before the Company's next annual general meeting.

5. Share Capital Reorganisation

The Company's current issued share capital consists of 661,986,961 Existing Ordinary Shares. Following the Proposals, the Directors consider that the Enlarged Issued Share Capital would be much higher than similar sized companies on AIM and the Directors believe that this would negatively affect investors' perception of the Company. The Directors believe therefore that it is in the best interests of the Company to undertake a 1-for-100 share consolidation to reduce the number of Ordinary Shares in issue and increase the share price with a view to decreasing the spread between the bid and offer prices. Under the Share Consolidation, holders of Existing Ordinary Shares will receive:

1 New Ordinary Share for every 100 Existing Ordinary Shares

and so in proportion to the number of Existing Ordinary Shares held on the Record Date.

In addition, as the Issue Price is below the nominal amount of the ordinary shares immediately following the consolidation, it is proposed that each of the issued ordinary shares be sub-divided into one New Ordinary Share of 1p and one deferred share of 99p ("**Deferred B Shares**"). The Deferred B Shares will have no value or voting rights and subscribers will not be issued with a share certificate in respect of the Deferred B Shares.

Following the Share Capital Reorganisation, Shareholders will still hold the same proportion of the Company's ordinary share capital as before the Share Capital Reorganisation. Other than a change in nominal value, the New Ordinary Shares will carry equivalent rights under the Articles to the Existing Ordinary Shares.

To effect the Share Capital Reorganisation, it will be necessary to issue an additional 39 Existing Ordinary Shares so that the Company's issued ordinary share capital is exactly divisible by 100. These additional Existing Ordinary Shares will be issued to the Registrar before the record date for the Share Capital Reorganisation. Since these additional shares would only represent a fraction of a New Ordinary Share, this fraction will be sold pursuant to the arrangements for fractional entitlements contained in the Articles.

Following the Share Capital Reorganisation and assuming the maximum number of shares are issued pursuant to the Fundraising, the Company's issued ordinary share capital will comprise 35,148,857 New Ordinary Shares.

The Share Capital Reorganisation will give rise to fractional entitlements to a New Ordinary Share where any holding is not precisely divisible by 100. No certificates regarding fractional entitlements will be issued. Instead, in accordance with the authority in the Articles and Resolution 1(c), any New Ordinary Shares in respect of which there are fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable on behalf of those Shareholders entitled to the fractions and, where the amount of the proceeds is £3.00 or more, the proceeds of sale will be returned to you in proportion to your fractional entitlement. Proceeds of less than £3.00 will be retained by the Company and used to offset the cost of undertaking the Share Capital Reorganisation.

For the avoidance of doubt, the Company is only responsible for dealing with fractions arising on registered holdings. For Shareholders whose shares are held in the nominee accounts of stockbrokers, intermediaries, or other nominees, the effect of the Share Consolidation on their individual shareholdings will be administered by the stockbroker or nominee in whose account the relevant shares are held. The effect is expected to be the same as for shareholdings registered in beneficial names, however, it is the stockbroker's responsibility to deal with fractions arising within their customer accounts, and not the Company's.

Due to the proposed Share Capital Reorganisation, the Company needs to amend its Articles to establish the Deferred B Shares, and set out the rights and obligations attaching thereto. Resolution 1(d) to be considered at the General Meeting proposes that the Articles be amended.

Resolution 1, which is summarised in paragraph 9 below, sets out the proposed steps to effect the proposed Share Capital Reorganisation.

6. Interests of H2P and the Directors

As at the date of this Circular, H2P has an interest in a total of 376,686,081 Existing Ordinary Shares representing approximately 56.9 per cent of the current voting rights of the Company.

Following completion of the Proposals (by virtue of Share Capital Reorganisation and the issue of the Subscription Shares), H2P will have a resultant interest in a total of 19,194,197 New Ordinary Shares which represents:

- approximately 54.61 per cent of the Enlarged Issued Share Capital (assuming full subscription of the Open Offer and no exercise of options or warrants prior to Admission); or
- approximately 69.93 per cent of the Enlarged Issued Share Capital (assuming no subscriptions under the Open Offer and no exercise of options or warrants prior to Admission).

Following completion of the Proposals (by virtue of Share Capital Reorganisation and the issue of the Subscription Shares) Paul Lafferty will be interested in 108,027 New Ordinary Shares representing approximately 0.31 per cent of the Enlarged Issued Share Capital (assuming full subscription of the Open Offer and no exercise of options or warrants prior to Admission).

None of the other Directors currently hold Ordinary Shares, nor are they participating in the Fundraising.

7. Related Party Transactions

H2P is a substantial shareholder of the Company and therefore regarded as a related party as defined by the AIM Rules. The subscription by H2P is therefore deemed to be a related party transaction for the purposes of Rule 13 of the AIM Rules.

Paul Lafferty is a Director of the Company and therefore regarded as a related party as defined by the AIM Rules. The subscription by Paul Lafferty is therefore deemed to be a related party transaction for the purposes of Rule 13 of the AIM Rules.

The Independent Directors, being James Dewar and Rachel Maguire consider, having consulted with SP Angel, the Company's nominated adviser, that the terms of the aforementioned subscriptions by H2P and Paul Lafferty are fair and reasonable insofar as Shareholders are concerned.

8. Application for Admission

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM conditional on the Resolutions being passed at the General Meeting. The Enlarged Issued Share Capital is expected to be admitted to AIM and commence trading at 8.00 a.m. on 4 March 2019.

The Fundraising Shares will rank *pari passu* in all respects with the New Ordinary Shares in issue following completion of the Share Capital Reorganisation including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

9. General Meeting

Shareholders will find a Notice convening the General Meeting of the Company at the end of this Circular. The General Meeting will be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT at 12.00 p.m. on 1 March 2019 to consider and, if thought appropriate, pass the Resolutions summarised below.

Shareholders should be aware that, if any of the Resolutions are not approved by Shareholders at the General Meeting, the Proposals will not complete and the Company will therefore be required to seek alternative sources of finance which may or may not be forthcoming. If such alternative financing cannot be secured, the Company is unlikely to be able to continue as a going concern.

Resolution 1 – Share Capital Reorganisation

Resolution 1 will be proposed as a special resolution which:

- (a) consolidates 100 Existing Ordinary Shares into a new ordinary share of 100 pence each in the capital of the Company;
- (b) subdivides each resulting ordinary share into a New Ordinary Share of 1p each and one Deferred B Share of 99p each and the New Ordinary Shares will have the same rights and be subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares in the Articles and the Deferred B Shares will have the rights and be subject to the restrictions attached to Deferred B Shares as set out in the Articles;
- (c) authorises the Directors to deal with any fractional entitlements resulting from the steps mentioned in (a) and (b) above. These fractional entitlements will be aggregated and sold in the market on your behalf and, where the amount of the proceeds is £3.00 or more, the proceeds of sale will be returned to you in proportion to your fractional entitlement. Proceeds of less than £3.00 will be retained by the Company and used to offset the cost of undertaking the Share Capital Reorganisation; and
- (d) the Articles be amended to create the new Deferred B Shares and to set out the rights pertaining to such shares.

Resolution 2 – Authority to allot the Fundraising Shares

Resolution 2 will be proposed as an ordinary resolution of the Company. The Directors will be seeking authority in accordance with section 551 of the Companies Act to allot:

- (a) up to 28,528,987 Fundraising Shares (being the maximum required for the purposes of issuing the Subscription Shares and the Open Offer Shares) and representing approximately 431 per cent of the Existing Ordinary Shares (adjusted to take account of the Share Capital Reorganisation); and
- (b) after allowing for the issue of up to 28,528,987 Fundraising Shares to be issued pursuant to the Fundraising, a further 17,575,000 New Ordinary Shares (representing approximately 50 per cent of the Company's Enlarged Issued Share Capital) (assuming full take-up of the Open Offer).

Resolution 3 – Disapplication of pre-emption rights

The provisions of section 561(1) of the Companies Act to the extent that they are not disapplied, confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up wholly in cash. It is proposed that, in order to provide the Board with flexibility to raise further funds that statutory pre-emption rights be disapplied in respect of such number of New Ordinary Shares which represents approximately 44 per cent of the Company's Enlarged Issued Share Capital (assuming full take-up of the Open Offer).

Resolution 3 will therefore be proposed as a special resolution to disapply statutory pre-emption provisions in connection with:

- (a) the allotment of up to 20,828,987 New Ordinary Shares pursuant to the Subscription;
- (b) the allotment of up to 7,700,000 New Ordinary Shares pursuant to the Open Offer;
- (c) rights or other pre-emptive issues; and
- (d) any other issues of equity securities for cash which do not, in aggregate, exceed a nominal value of £154,000 being 15,400,000 New Ordinary Shares.

10. Action to be taken by Shareholders

General Meeting

A Form of Proxy for use in connection with the General Meeting is enclosed with this Circular. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return a Form of Proxy in accordance with the instructions printed thereon so as to be received by the Registrar, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD, not later than 12.00 p.m. on 27 February 2019. Completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, if you wish to do so.

Open Offer

Qualifying Ordinary Shareholder

If you are a Qualifying Ordinary Shareholder, you will have received an Application Form with this Circular, which gives details of your entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for the number of Open Offer Shares you are entitled to under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you) or more or less Open Offer Shares than you are entitled to under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 4.5(a) of Part III of this Circular and on the Application Form itself.

Qualifying CREST Holder

If you are a Qualifying CREST Holder, no Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 4.5(b) of Part III of this Circular.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 28 February 2019. 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 III of this Circular. Further details also appear in the Application Form which has been sent to Qualifying Non-CREST Holders.

Qualifying CREST Holders 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.

11. 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 6 of Part III 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.

12. Additional Information

Your attention is drawn to the additional information set out in Parts II to IV (inclusive) of this Circular. **In particular, you should carefully read Part IV of this Circular entitled “Risk Factors” which describes certain risks associated with an investment in Cabot Energy.**

13. Directors’ Recommendation

The Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of all Resolutions 1 to 3 as Paul Lafferty, currently the only shareholding Director, intends to do in respect of his own shareholding. If the Resolutions are not passed, the Fundraising will not proceed and the Company may not be able to continue to trade as a going concern.

Yours faithfully,

J D Dewar
Interim Non-Executive Chairman

Cabot Energy Plc

PART II

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part II are intended to be in general terms only and, as such, you should read Part III 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 II deals with general questions relating to the Subscription and the Open Offer 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 paragraph 6 of Part III 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 III 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 (the Open Offer).

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire an aggregate of up to 7,700,000 Open Offer Shares at a price of 10 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States or 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 85.9723377 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 Fundraising Shares will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

For the avoidance of doubt, Shareholders should note that while entitlements under the Open Offer are calculated by reference to holdings of Existing Ordinary Shares on the Record Date, the Open Offer Shares which Shareholders will receive are New Ordinary Shares arising from the Share Capital Reorganisation and this is reflected in the above Open Offer ratio.

Open Offer Shares are being offered to Qualifying Shareholders in the Open Offer at the Issue Price, which represents a discount of 80 per cent (adjusted to take account of the Share Capital Reorganisation) to the closing mid-market price of an Existing Ordinary Share of 0.5 pence on 11 February 2019 (being the last business day prior to the publication of the Announcement).

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 additional Open Offer Shares through the Excess Application Facility.

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 (at the Company's sole discretion) *pro rata* to the number of additional Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

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 Holders 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 will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only), and the Open Offer Entitlements will not be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

2. 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 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 12 February (the time when the Existing Ordinary Shares are expected to be marked "ex-entitlement" by the London Stock Exchange).

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

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

- how many Existing Ordinary Shares you held at 6.00 p.m. on 8 February 2019 (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 or one of the Restricted Jurisdictions, 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 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.

4. 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?

4.1 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 for the amount (as indicated in Box 5 of your Application Form), payable to "Neville Registrars Limited re clients account" and

crossed "A/C payee only", in the reply-paid envelope provided, by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD to arrive by no later than 11.00 a.m. on 28 February 2019. 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 18 March 2019.

4.2 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 8 of your Application Form. For example, if you are entitled to take up 1,000 shares but you only want to take up 500 shares, then you should write '500' in Box 8.

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, 500) by £0.10, which is the price in pounds of each Open Offer Share (giving you an amount of £50 in this example). You should write this amount in Box 9, rounding down to the nearest whole penny and this should be the amount your cheque is made out for. You should then sign and return your Application Form together with your cheque for that amount, payable to "Neville Registrars Limited re clients account" and crossed "A/C payee only", in the reply-paid envelope provided, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, United Kingdom (during normal business hours only if by hand), to arrive by no later than 11.00 a.m. on 28 February 2019, 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 III 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 18 March 2019.

4.3 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 6 which must be the number of Open Offer Shares shown in Box 4. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 7 and then complete Box 8 by adding together the numbers you have entered in Boxes 6 and 7.

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 8 by £0.10, which is the price in pounds of each Open Offer Share. You should write this amount in Box 9, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque for that amount, payable to "Neville Registrars Ltd re clients account" and crossed "A/C payee only", in the reply-paid envelope provided, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD (during normal business hours only if by hand), to arrive by no later than 11.00 a.m. on 28 February 2019, 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 (at the Company's sole discretion) *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 18 March 2019.

4.4 *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. If you do not take up your Open Offer Entitlement then, following the issue of Open Offer Shares pursuant to the Open Offer, your interest in the Company will be diluted, although you should note that even if a Qualifying Shareholder subscribes for his full entitlement to the Open Offer Shares, his proportionate interest in the Company will be diluted by the issue of Fundraising Shares pursuant to the Subscription.

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

CREST members should follow the instructions set out in Part III 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.

6. 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 Holders, however, will not receive an Application Form but may still be eligible to acquire Fundraising Shares under the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 8 February 2019 and who have converted them to certificated form;
- Shareholders who bought Existing Ordinary Shares before 8 February 2019 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 8 February 2019; and
- certain Overseas Shareholders.

If this applies to you please contact the Receiving Agent using the details set out in the answer to question 21 below.

7. 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 after the Record Date you are unlikely to be able to participate in the Open Offer, as the Existing Ordinary Shares are expected to start trading ex-entitlement on the London Stock Exchange at 8.00 a.m. on 12 February 2019.

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. If you buy Existing Ordinary Shares at or after 6.00 p.m. on 8 February 2019, you will not be eligible to participate in the Open Offer in respect of those Existing Ordinary Shares.

8. 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.

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

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.

10. 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 5 of the Application Form?

If you want to spend more than the amount set out in Box 5, you should divide the amount you want to spend by £0.10 (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 £100.04 you should divide £100.04 by £0.10, which comes to 1,000.4. You should round that down to 1,000 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, 1,000) in Box 8. To get an accurate amount to put on your cheque, you should multiply the whole number of Open Offer Shares you want to apply for (1,000) by £0.10 and then fill in that amount rounded down to the nearest whole penny (in this example being £100.00), in Box 9 and on your cheque.

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, applications made under the Excess Application Facility will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders. 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 Holders 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 5, you should divide the amount you want to spend by £0.10 (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 £50 you should divide £50 by £0.10. You should round that down to the nearest whole number (in this example, 500), to give you the number of shares you want to take up. Write that number (in this example, 50) in Box 8. Then to get an accurate amount to put on your cheque, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 500) by £0.10 and then fill in that amount rounded down to the nearest whole penny (in this example, being £50.00) in Box 9 and on your cheque.

11. 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 sell some or all of your Existing Ordinary Shares before the ex-entitlement date, 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.

12. I hold my Existing Shares in certificated form. How do I pay?

You should return your Application Form with a cheque 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 or you may be required to supply additional documentation to satisfy

Money Laundering Regulations. The funds should be made payable to “Neville Registrars Limited re clients account”. In each case, the cheque should be crossed “A/C Payee only”. Third party cheques will not be accepted, except bankers’ drafts or buildings society cheques which have been endorsed by the bank or building society on the back of the draft or cheque, as appropriate. Payments via CHAPS, BACS or electronic transfer will not be accepted.

13. 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 to a greater extent than if you apply.

14. 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) by post or by hand (during normal business hours only) to: Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, United Kingdom. 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.

15. 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 by 11.00 a.m. on 28 February 2019. 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.

16. 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 18 March 2019.

17. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 3 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 before 6.00 p.m. on 8 February 2019 but were not registered as the holder of those shares on the Record Date for the Open Offer, 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 12 February 2019.

18. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement.

Shareholders with registered addresses or who are located in the United States or another Restricted Jurisdiction are not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III of this Circular.

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

If you are a Qualifying Ordinary Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (Box 13 on page 4 of the Application Form), and ensure they are delivered to the CREST courier and sorting service to be

received by 3.00 p.m. on 25 February 2019 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 III of this Circular for details on how to apply for the Open Offer Shares.

20. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 5 of Part III of this Circular)?

If you are a Qualifying Ordinary 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 Holders should refer to paragraph 5.1(a) of Part III of this Circular and Qualifying CREST Shareholders should refer to paragraph 5.1(b) of Part III of this Circular for a fuller description of the requirements of the Money Laundering Regulations.

21. Further assistance

Should you require further assistance please call Neville Registrars, the Receiving Agent, on 0121 585 1131 (from inside the United Kingdom), or +44 (0)121 585 1131 (from outside the United Kingdom), which is available between the hours of 9.00 a.m. to 6.00 p.m. on any Business Day. Calls to the 0121 585 1131 number will be charged at your standard network rate. Calls to the +44 (0)121 585 1131 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that, for legal reasons, the Receiving Agent is only able to provide information contained in this Circular 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 III

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

- 1.1 The Company proposes to raise up to £770,000 (approximately US\$1 million) by way of an Open Offer of up to 7,700,000 Open Offer Shares at the Issue Price (being the same as the Issue Price for the Subscription).
- 1.2 The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. Any Qualifying Shareholder who has sold or transferred all or part of his registered holding of Existing Ordinary Shares before the date upon which the Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange at 8.00 a.m. on 12 February 2019, is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchasers under the rules of the London Stock Exchange.
- 1.3 A summary of the arrangements relating to the Open Offer is set out below. This Circular and, for Qualifying Non-CREST Holders, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part III which gives details of the procedure for application and payment for the Open Offer Shares.

2. The Open Offer

- 2.1 Subject to the fulfilment of the terms and conditions referred to in this Circular and, where relevant, set out in the Application Form, Qualifying Shareholders are being given the opportunity to apply for Open Offer Shares at the Issue Price, free of expenses, payable in full in cash on application, on the basis of:

1 Open Offer Share for every 85.9723377 Existing Ordinary Shares

registered in the name of each Qualifying Shareholder at the Record Date and so on in proportion to any other number of Ordinary Shares then held. Qualifying Shareholders may apply for more or less Open Offer Shares than they are entitled to under the Open Offer. 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 (subject to the Company’s sole discretion) *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. The Open Offer Entitlements of Qualifying CREST Holders will be credited to their stock account in CREST and in addition Qualifying CREST Holders will receive credit in respect of excess shares available. Any monies paid in excess of the amount due in respect of an application will be returned to the applicant (at the applicant’s risk and without payment of interest) within 14 days. To the extent that Open Offer Shares are not subscribed by existing Shareholders, Open Offer entitlements will lapse.

Shareholders should note that while entitlements under the Open Offer are calculated by reference to holdings of Existing Ordinary Shares on the Record Date, the Open Offer Shares which Shareholders will receive are New Ordinary Shares arising from the Share Capital Reorganisation and this is reflected in the above Open Offer ratio.

- 2.2 Fractions of Open Offer Shares will not be allotted and each Qualifying Shareholder’s entitlement will be rounded down to the nearest whole number. Qualifying Shareholders may apply for any number of Open Offer Shares (i.e. more or less Open Offer Shares than they are entitled to under the Open Offer). A Qualifying Ordinary Shareholder’s entitlement is equal to the number of Open Offer Entitlements as shown on their Application Form and a Qualifying CREST Holder’s entitlement is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST. Any monies paid in excess of the amount due in respect of an application (because an excess application has been scaled back or otherwise) will be returned to the applicant (at the applicant’s risk and without payment of interest) within 14 days. 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.

- 2.3 If you have received an Application Form with this Circular, please refer to paragraph 4.5(a) and paragraphs 5 to 11 of this Part III.
- 2.4 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 paragraph 4.5(b) and paragraphs 5 to 11 of this Part III and also to the CREST Manual for further information on the CREST procedures referred to below.
- 2.5 The Open Offer is not a rights issue. Qualifying CREST Holders should note that although the 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 Holders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any 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, but will be made available under the Excess Application Facility and the net proceeds will be retained for the benefit of the Company.
- 2.6 The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission of the Open Offer Shares will become effective and that dealings will commence in the Open Offer Shares at 8.00 a.m. on 4 March 2019.
- 2.7 The Existing Ordinary Shares are already admitted to CREST and applications will be made for the New Ordinary Shares to be admitted to CREST. All such Open Offer Shares, when issued and fully paid, may be held and transferred by means of CREST.
- 2.8 Application has been made for the Open Offer Entitlements and the Excess Open Offer Entitlements to be admitted to CREST. The conditions to such admission having already been met, the Open Offer Entitlements and the Excess Open Offer Entitlements are expected to be admitted to CREST with effect from 13 February 2019.
- 2.9 The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the New Ordinary Shares in issue immediately following the Share Capital Reorganisation 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.

3. Conditions and Further Terms of the Open Offer

- 3.1 The Open Offer is conditional, amongst other things, upon Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 4 March 2019 (or such later time and/or date as the Company may determine, not being later than 8.00 a.m. on 31 March 2019). Accordingly, if any of such conditions are not satisfied or, if applicable, waived, the Open Offer will not proceed.
- 3.2 Further terms of the Open Offer are set out in this Circular and in the Application Form.

4. Procedure for Application and Payment

- 4.1 The action to be taken by a Qualifying Shareholder in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his entitlement under the Open Offer or Open Offer Entitlements and Excess Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.
- 4.2 Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form 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. However, it will be possible for Qualifying Shareholders to deposit entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.5(b)(viii) of this Part III.

4.3 CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the 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 in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

4.4 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.

4.5 Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

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

(i) **General**

(A) Qualifying Non-CREST Holders will have received an Application Form enclosed with this Circular. The Application Form shows the number of Existing Ordinary Shares registered in your name at the close of business on the Record Date. It also shows the number of Open Offer Shares you are entitled to apply for under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to you. You may apply for more or less Open Offer Shares than you are entitled to should you wish to do so. The total number of Open Offer Shares is fixed and will not be increased in response to any applications in excess of what is available under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. 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 (at the Company's sole discretion) *pro rata* to the number of additional Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without the payment of interest as soon as practicable.

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

(ii) **Market Claims**

(A) Applications 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 the London Stock Exchange, being 8.00 a.m. on 12 February 2019. Application Forms may be split up to 3.00 p.m. on 26 February 2019. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Ordinary Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the 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 any Restricted Jurisdiction.

- (B) 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 4.5(b)(vii) below.

(iii) **Application Procedures**

- (A) If you are a Qualifying Ordinary Shareholder and wish to apply for all, or some of or more than your entitlement to Open Offer Shares under the Open Offer 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 business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, United Kingdom, United Kingdom, so as to arrive no later than 11.00 a.m. on 28 February 2019. A reply paid envelope is enclosed for use by Qualifying Non-CREST Holders within the United Kingdom in connection with the Open Offer.
- (B) Please note that the Receiving Agent 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 Holders 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 that date. The Company may, 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.

(iv) **Payments**

- (A) All payments must be in pounds sterling and cheques should be made payable to "Neville Registrars Limited re clients account" and crossed "A/C payee only". Cheques must be drawn on the sole or joint account of the Shareholder named on the Application Form at an account at a branch of 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 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. Payments via CHAPS, BACS or electronic transfer will not be accepted.
- (B) Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Neville Registrars Limited to seek special clearance of cheques 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 their absolute discretion

to treat as invalid acceptances in respect of which cheques are not so honoured.

- (C) 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 4 March 2019 or such later time and date as the Company may determine (being no later than 8.00 a.m. on 31 March 2019), 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 interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(v) **Effect of Application**

- (A) 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.
 - (B) By completing and delivering an Application Form, the applicant gives the representations, warranties, covenants, agreements and acknowledgements set out in paragraph 11 of this Part III.
 - (C) 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.
 - (D) 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 Holders under the Open Offer should be addressed to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, United Kingdom, or by telephone on 0121 585 1131 from within the UK or on +44 (0)121 585 1131 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday. Calls to the 0121 585 1131 number will be charged at your standard network rate. 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. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement.
- (b) If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

(i) **General**

- (A) Subject as provided in paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Holder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares for which he is entitled to apply under the Open Offer. A Qualifying CREST Holder may apply for more or less Open Offer Shares than he is entitled to should he wish to do so. 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 (at the Company's sole discretion) *pro rata* to the number of additional Open Offer Shares applied for by Qualifying CREST Shareholders under the Excess Application Facility. Further details of the Excess Application Facility are set out in paragraph 2 of this Part III.
- (B) 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 Holder in respect of which the Open Offer Entitlements have been allocated.

- (C) If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Holders cannot be credited by, 3.00 p.m. or such later time as the Company may decide on 25 February 2019, an Application Form will be sent out to each Qualifying CREST Holder in substitution for the 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 Holders with Application Forms will apply to Qualifying CREST Holders who receive Application Forms.
- (D) CREST members who wish to apply for some, all or more than their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent at Neville Registrars Limited using the contact details set out in paragraph (iii) below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(ii) **Market claims**

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of 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.

(iii) **Excess Application Facility**

- (A) Qualifying CREST Holders at the Record Date who wish to make applications for additional Open Offer Shares (in excess of their initial *pro rata* entitlement) should follow the instructions below for submitting a USE (as defined below) in respect of the Excess Application Facility.
- (B) All enquiries in connection with the procedure for making an excess application should be addressed to the Receiving Agent at Neville Registrars Limited or by phone on 0121 585 1131 or, if calling from outside the UK on +44 (0)121 585 1131. Calls to the Receiving Agent on 0121 585 1131 are charged at your standard network rate. Lines are open 9.00 a.m. to 5.00 p.m. (Monday to Friday) London time. Calls to the Receiving Agent on +44 (0)121 585 1131 from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. The Receiving Agent cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(iv) **USE Instructions**

- (A) CREST members who wish to apply for Open Offer Shares in respect of some, all or more than their 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:

- (1) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
 - (2) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (1) above.
- (v) **Content of USE Instructions**
- (A) 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:
 - (1) 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 the Registrar);
 - (2) the ISIN of the Open Offer Entitlement. This is GB00BGR7LB38;
 - (3) the CREST participant ID of the accepting CREST member;
 - (4) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
 - (5) the participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 7RA11;
 - (6) the member account ID of the Registrar, in its capacity as a CREST receiving agent. This is CABBASIC;
 - (7) 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 (1) above;
 - (8) the intended settlement date. This must be on or before 11.00 a.m. on 28 February 2019; and
 - (9) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
 - (B) 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 28 February 2019.
 - (C) 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:
 - (1) a contact name and telephone number (in the free format shared note field); and
 - (2) a priority of at least 80.
 - (D) In the event that the Open Offer does not become unconditional by 8.00 a.m. on 4 March 2019 or such later time and date as the Company may determine (being no later than on 8.00 a.m. on 31 March 2019), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST

Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(vi) ***Content of USE Instructions in respect of the Excess Application Facility***

- (A) 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:
- (1) the number of excess Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
 - (2) the ISIN of the Excess Application Facility. This is GB00BGR7LC45;
 - (3) the participant ID of the accepting CREST member;
 - (4) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
 - (5) the participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 7RA11;
 - (6) the member account ID of the Registrar, in its capacity as a CREST receiving agent. This is CABXS;
 - (7) 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 paragraph (1) above;
 - (8) the intended settlement date. This must be on or before 11.00 a.m. on 28 February 2019; and
 - (9) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
- (B) 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 28 February 2019.
- (C) 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:
- (1) a contact name and telephone number (in the free format shared note field); and
 - (2) a priority of at least 80.
- (D) In the event that the Open Offer does not become unconditional by 8.00 a.m. on 4 March 2019 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 a.m. on 31 March 2019), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest (if any) earned on such monies will be retained for the benefit of the Company.

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

- (A) A Qualifying Ordinary 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 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.
- (B) 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 following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 February 2019.
- (C) In particular, having regard to normal processing times in CREST and on the part of the Registrar, 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 25 February 2019, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 22 February 2019, in either case so as to enable the person acquiring or (as appropriate) holding the 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 prior to 11.00 a.m. on 28 February 2019.
- (D) 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, warranty, covenant, agreement and acknowledgement to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes as set out in the CREST deposit form which forms part of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction 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.

(viii) **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 28 February 2019 will constitute a valid application under the Open Offer.

(ix) **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 28 February 2019. 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.

(x) ***Incorrect or Incomplete Applications***

- (A) If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:
- (1) to reject the application in full and refund the payment to the CREST member in question;
 - (2) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question; and
 - (3) 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.

(xi) ***Effect of Valid Application***

- (A) A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:
- (1) give the representations, warranties, covenants, agreements and acknowledgements set out in paragraph 11 of this Part III;
 - (2) 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 the 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); and
 - (3) 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.

(xii) ***Company's discretion as to Rejection and Validity of Applications***

- (A) The Company may in its sole discretion:
- (1) 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 III;
 - (2) 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;
 - (3) treat a properly authenticated dematerialised instruction (in this subparagraph the first instruction) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or, thereafter, either the Company or Registrar have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of

the Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (4) 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 the Registrar in connection with CREST.

5. Money Laundering Regulations

5.1 Holders of Application Forms

- (a) To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the verification of identity requirements). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.
- (b) The person lodging the Application Form with payment and in accordance with the other terms as described above (the acceptor), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5, the relevant Open Offer Shares) and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.
- (c) If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.
- (d) If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the cheque was drawn.
- (e) Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Receiving Agent and the Company from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

- (f) The verification of identity requirements will not usually apply:
- (i) if the applicant is an organisation required to comply with the Money Laundering Directive ((EU) 2015 /849) on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; or
 - (ii) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
 - (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name.
- (g) In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:
- (i) if payment is made by cheque in sterling drawn on a branch in the British Isles of a bank or building society which bears a UK bank sort code number in the top right hand corner, the following applies. Cheques should be made payable to "Neville Registrars Limited re clients account" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only" in each case. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the Application Form; or
 - (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.1(g)(i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, The Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide, with the Application Form, written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, United Kingdom, United Kingdom (during normal business hours only if by hand) or by telephone as set out below.
- (h) To confirm the acceptability of any written assurance referred to in paragraph 5.1(g)(i) above, or in any other case, the acceptor should contact the Receiving Agent on 0121 585 1131 or if you are calling from outside the UK on +44 (0)121 585 1131. Calls to the 0121 585 1131 number will be charged at your standard network rate. Other network providers' costs may vary. 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. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.
- (i) If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of £10,000 or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.
- (j) If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 28 February 2019, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion,

as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 **Open Offer Entitlements in CREST**

- (a) If you hold your Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some or more than your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, 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.
- (b) Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a representation, warranty, covenant, agreement, acknowledgement 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 failure to provide satisfactory evidence.

6. **Overseas Shareholders**

6.1 The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

(a) **General**

- (i) The distribution of this Circular and the Application Form and the making 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 UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK 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.
- (ii) 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) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required.
- (iii) Receipt of this Circular and/or an Application Form and/or a credit of Open Offer Entitlements and 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 any jurisdiction in which it may be illegal to make such an invitation or offer including, without limitation, and subject to certain exemptions, the Restricted Jurisdictions and, in those circumstances, and subject to certain exemptions, this Circular and/or

the Application Form must be treated as sent for information only and should not be copied or redistributed.

- (iv) Due to restrictions under the securities laws of the Restricted Jurisdictions, Application Forms will not be sent to, and Open Offer Entitlements will not be credited to stock accounts in CREST of, Overseas Shareholders who are resident in, or who are citizens of, or who have a registered address in, a Restricted Jurisdiction, or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.
- (v) No person receiving a copy of this Circular and/or an Application Form and/or a credit of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form and/or credit of Open Offer Entitlements or 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 and such Application Form and/or credit of Open Offer Entitlements or 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.
- (vi) It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself 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. Any such person may also be required to demonstrate to the Company, at the Company's sole discretion, that their application for Open Offer Shares is in accordance with all laws, notes and regulations applicable to them.
- (vii) Neither the Company nor SP Angel nor any of their respective representatives is making any representation to any offeree or purchaser of 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.
- (viii) 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 or 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 or Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares unless the Company is satisfied 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 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 III and specifically the contents of this paragraph 6.

- (ix) Subject to paragraphs 6.1(b) to (f) below, any person (including, without limitation, custodians, agents, nominees and trustees) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.
 - (x) The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched by an Overseas Shareholder who is resident in, or who is a citizen of, or who has a registered address in, a Restricted Jurisdiction or on behalf of such a person by their agent or intermediary 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 Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.
 - (xi) The attention of Overseas Shareholders is drawn to paragraphs 6.1(b) to (f) below. Notwithstanding any other provision of this Circular or the Application Form, the Company reserves the right to permit any Qualifying Shareholder who is resident in, or who is a citizen of, or who has a registered address in, a Restricted Jurisdiction to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.
 - (xii) Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or where such an Overseas Shareholder is a Qualifying CREST Holder, through CREST.
 - (xiii) Due to restrictions under the securities laws of the Restricted Jurisdictions, subject to certain exceptions, Overseas Shareholders who are resident in, or who are citizens of or who have a registered address in, a 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.
 - (xiv) 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.
 - (xv) No public offer of Open Offer Shares is being made by virtue of this Circular or the Application Forms into any Restricted Jurisdiction. Receipt of this Circular and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- (b) **United States**
- (i) Subject to certain exceptions, this Circular is intended for use only in connection with offers of Open Offer Shares outside the United States and any other Restricted Jurisdiction and neither this Circular nor any Application Form is to be sent or given to any person within the United States or any other Restricted Jurisdiction. The Open Offer Shares offered hereby are not being and will not be registered under the Securities Act or securities laws of any US state or jurisdiction and will not be offered

or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other applicable laws.

- (ii) Subject to certain exceptions, the Open Offer Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act.
 - (iii) Each person to which the Open Offer Shares are distributed, offered or sold outside the United States will be deemed by its subscription for the Open Offer Shares to have represented and agreed, on its behalf and on behalf of an investor accounts for which it is subscribing the Open Offer Shares, as the case may be, that:
 - (A) it is acquiring the Open Offer Shares from the Company in an “offshore transaction” as defined in Regulation S under the Securities Act; and
 - (B) the Open Offer Shares have not been offered to it by the Company or SP Angel by means of any “directed selling efforts” as defined in Regulation S under the Securities Act.
 - (iv) Each subscriber acknowledges that the Company will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber or purchaser by its subscription for the Open Offer Shares, as the case may be, are no longer accurate, it shall promptly notify the Company. If such subscriber is subscribing for the Open Offer Shares as a fiduciary or agent for one or more investor accounts, each subscriber or purchaser represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.
 - (v) Each subscriber acknowledges that it will not resell the Open Offer Shares without registration or an available exemption or safe harbour from registration under the Securities Act.
- (c) ***Other Restricted Jurisdictions***
- (i) The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.
 - (ii) 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 territories***
- Application Forms will be sent to Qualifying Non-CREST Holders and Open Offer Entitlements and Excess Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Holders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Circular and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares. The participation by any such Qualifying Shareholder in the Open Offer will be at the absolute discretion of the Company.

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

(i) *Qualifying Non-CREST Holders*

- (A) 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 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 any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.
- (B) 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 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 (ii) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the representation and warranty required by this sub-paragraph 6.1(e)(i).

(ii) *Qualifying CREST Holders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III 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 any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring 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 any of the above territories.

(f) **Waiver**

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

7. Admission, Settlement and Dealings

7.1 The result of the Open Offer is expected to be announced on 1 March 2019. Application will be made to London Stock Exchange for Admission to trading of the Open Offer Shares. It is

expected that Admission of the Open Offer Shares will become effective and that dealings such shares, fully paid, will commence at 8.00 a.m. on 4 March 2019.

- 7.2 The Existing Ordinary Shares are already admitted to CREST and applications will be made for the New Ordinary Shares to be admitted to CREST. All such Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.
- 7.3 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 28 February 2019 (being the latest practicable date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 4 March 2019, the Receiving Agent 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 on 4 March 2019). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.
- 7.4 Notwithstanding any other provision of this Circular, the Company reserves the right to send Qualifying CREST Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.
- 7.5 For Qualifying Non-CREST Holders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be dispatched by post by 18 March 2019. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register of members of the Company. 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 paragraph 4.5(a)(iii) of this Part III, and the Application Form.
- 7.6 The result of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as reasonably practicable after the results are known.

8. Times and Dates

- 8.1 The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are dispatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this Circular and in such circumstances shall make an announcement on a Regulatory Information Service.
- 8.2 If a supplementary circular is published by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this Circular, the latest date for acceptance under the Open Offer shall be extended to the date that is at least three Business Days after the date of publication of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. Governing Law and Jurisdiction

The terms and conditions of the Open Offer as set out in this Circular, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England. 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, this Circular or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this Circular or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Circular and, where applicable, the Application Form, 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 further information set out in this Circular and also to the terms, conditions and other information printed on any Application Form.

11. Warranties

Each Qualifying Shareholder applying for Open Offer Shares represents, warrants, covenants, agrees and acknowledges as follows:

- 11.1 the Company and others will rely upon its representations, warranties, covenants, agreements and acknowledgements set forth herein, and it agrees to notify the Company promptly in writing if any of its representations, warranties, covenants, agreements or acknowledgements ceases to be accurate and complete;
- 11.2 it has read and understood and accepted the terms and conditions of the Open Offer contained in this Circular and its application for Open Offer Shares shall be on and subject to the terms and conditions of this Circular and, if it is a Qualifying Ordinary Shareholder, the Application Form;
- 11.3 it agrees that all applications, and contracts resulting therefrom, and all non-contractual claims under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- 11.4 it is a Qualifying Shareholder originally entitled to Open Offer Entitlements or if it has received some or all of its Open Offer Entitlements from a person other than the Company, it is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- 11.5 it may lawfully acquire the Open Offer Shares to be subscribed by it pursuant to the Open Offer and has the capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Open Offer Shares and will honour such obligations;
- 11.6 it agrees that its obligations under the Open Offer shall not be capable of rescission or termination by it in any circumstance;
- 11.7 in agreeing to acquire the Open Offer Shares, it is relying on the information contained in this Circular and any announcement made by or on behalf of the Company through a Regulatory Information Service and it is not relying on any information given or representation, warranty, undertaking, agreement or statement made at any time by the Company or its officers, directors, agents, employees or advisers, or any other person in relation to the Company or its subsidiary undertakings, the Open Offer or the Open Offer Shares, and neither the Company nor any other person will be liable for any Qualifying Shareholder's decision to participate in the Open Offer based on any other information, representation, warranty, undertaking, agreement or statement which Qualifying Shareholders may have obtained or received. In addition, it has neither received nor relied on any confidential price-sensitive information. Nothing in this paragraph shall exclude the liability of any person for fraud;
- 11.8 it is entitled to acquire the Open Offer Shares under the terms of the Open Offer and the laws of all relevant jurisdictions which apply to it (the "Applicable Securities Laws") and it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has not taken any action or omitted to take any action which will or may result in the Company or any of their officers, directors, agents, employees or advisers acting in breach of any law or regulatory requirement of any territory or jurisdiction in connection with the Open Offer or its entitlement;
- 11.9 it is not, nor is it applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that it is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome) and the Qualifying Shareholder is not

applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of its application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is or may be prevented by law (except where proof satisfactory to the Company has been provided to the Company that the Qualifying Shareholder is able to accept the invitation by the Company pursuant to an applicable exemption and free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor such person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- 11.10 it irrevocably appoints any director of the Company as its agent for the purpose of executing and delivering to the Company and/or the Receiving Agent any documents on its behalf necessary to enable it to be registered as the holder of Open Offer Shares;
- 11.11 it is not, and nor is it applying for Open Offer Shares as nominee or agent for, a person who is or may be liable to notify and account for stamp duty or stamp duty reserve tax at any of the increased rates referred to in sections 67 to 72 inclusive and sections 93 to 97A inclusive of the Finance Act 1986 (Depositary Receipts and Clearance Services) and, in the event of any breach of this warranty, it agrees that neither the Company nor any other person will have any liability to it or other persons in respect of such duty or tax;
- 11.12 the Applicable Securities Laws do not require the Company to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind in connection with the Open Offer in the jurisdiction in which it is resident;
- 11.13 the purchase by it of Open Offer Shares does not trigger in the jurisdiction in which it is 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;
- 11.14 the offer and sale to it of Open Offer Shares was not made through an advertisement of the Open Offer Shares in printed media of general and regular paid circulation, radio or television or any other form of advertisement;
- 11.15 it and any person acting on its behalf is aware of the obligations in connection with money laundering under the Money Laundering Regulations to the extent applicable to it and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Money Laundering Regulations;
- 11.16 it agrees to be bound by the terms of the Articles of the Company in force immediately following Admission of the Open Offer Shares;
- 11.17 it will not deal or cause or permit any other person to deal in all or any of the Open Offer Shares unless and until Admission of the Open Offer Shares becomes effective;
- 11.18 the Company is relying on one or more exemptions from the registration requirements of the Securities Act and, as a consequence of acquiring the Open Offer Shares pursuant to such exemption(s), certain protections, rights and remedies provided by applicable securities laws will not be available to it, including an obligation on the Company to provide it with a prospectus or other disclosure document, and, save for this Circular, no offer document, admission document or prospectus has been, or is required to be, prepared in connection with the Open Offer;
- 11.19 it has not received a prospectus or admission document or, save for this Circular, any other offering document in connection with the Open Offer, and no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Open Offer Shares or the fairness or suitability of the investment in the Open Offer Shares nor have such authorities passed upon or endorsed the merits of the offering of the Open Offer Shares;
- 11.20 it acknowledges that the 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 it is able to obtain or access the Exchange Information without undue difficulty;

- 11.21 neither the Company nor SP Angel 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;
- 11.22 if it is acquiring any Open Offer Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, covenants, agreements and acknowledgements on behalf of each such account;
- 11.23 it acknowledges that the Open Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
- 11.24 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Circular (or any part thereof) to or within the United States, nor will it do any of the foregoing;
- 11.25 it is purchasing the Open Offer Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Open Offer Shares in any manner that would violate the Securities Act or any other applicable securities laws, and it does not have a present arrangement to effect any distribution of the Open Offer Shares to or through any person or entity;
- 11.26 it is not acquiring any Open Offer Shares for resale in the United States and it has not and will not deliver or forward any advertisement or other offering material in relation to the Open Offer Shares in or into the United States;
- 11.27 it will indemnify and hold the Company and its respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, agreements and covenants in this Circular. All representations, warranties, agreements and covenants given by it in this Circular are given to the Company and will survive completion of the Open Offer;
- 11.28 it is acquiring the Open Offer Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act;
- 11.29 at the time it received the offer to purchase the Open Offer Shares it was not in the United States;
- 11.30 it: (i) understands and acknowledges that the offering and sale of the Open Offer Shares are not being, and will not be, made, directly or indirectly, in or into, or by the use of the mails or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States; and (ii) acknowledges that no Application Form will be accepted by any such use, means, instrumentality or facility or from within the United States, and doing so may render such Application Form invalid;
- 11.31 its receipt and execution of the Application Form each occurred outside the United States; and
- 11.32 it is not acquiring the Open Offer Shares as a result of or due to, and will not engage in, any “directed selling efforts” (as defined in Regulation S under the Securities Act) in the United States in respect of the Open Offer Shares, which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Open Offer Shares, including placing an advertisement in a publication with a general circulation in the United States, nor has it seen or been aware of any activity that, to its knowledge, constitutes directed selling efforts in the United States.

PART IV

RISK FACTORS

Potential investors should carefully consider the risks described below before making a decision to invest in the Company. This Part IV contains what the Directors believe to be certain of the principal risk factors associated with an investment in the Company. It should be noted that this list is not exhaustive and that other risk factors will apply to an investment in the Company. If any of the following risks actually occur, the Company's business, financial condition and/or results or future operations could be materially adversely affected. In such circumstances, the trading price of the New Ordinary Shares could decline and an investor may lose all or part of their investment. There can be no certainty that the Company will be able to implement successfully the strategy set out in this document or documents referred to in this document. Additional risks and uncertainties (such as changes in legal, regulatory or tax requirements) not currently known to the Directors or which the Directors currently deem to have an immaterial impact, may also have an adverse effect on the Company if they occur.

This Circular contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company which are described below and elsewhere in this Circular. Existing or prospective investors should carefully consider the other information in this Circular. The risks listed below do not necessarily comprise all the risks associated with an investment in the Company.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under FSMA and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

1. Principal risks and uncertainties relating to the Group

General Investment Risks

- 1.1 The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others which are extraneous. Investors may realise less than the original amount invested and could lose their entire investment.
- 1.2 Notwithstanding your holding of Existing Ordinary Shares, an investment in the Company may not be suitable for all recipients of this Circular. Recipients of this Circular are accordingly strongly advised to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom, or if you are taking advice in another jurisdiction, from an appropriately authorised independent professional before making any decision to invest.
- 1.3 Potential investors should be aware that the value of shares and the income from them can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share quoted on the Official List of the London Stock Exchange. Furthermore, the London Stock Exchange has not itself examined or approved the contents of this Circular.
- 1.4 A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.
- 1.5 The Company's business may be materially affected by the inability to recruit sufficient personnel of the right quality or qualifications, or by the loss of key personnel.
- 1.6 At present, the Company's senior executives being Scott Aitken (Chief Executive Officer), Petro Mychalkiw (Chief Financial Officer) and Campbell Airlie (Chief Technical Officer) provide services to the Company in their capacity as employees of H2P, Cabot Energy's parent company. They

have not to date signed detailed and definitive service agreements and, therefore save in respect of the appointment letters previously entered into by Petro Mychalkiw and Campbell Airlie in their capacities as non-executive directors, they have no formal contractual commitments to the Company. Accordingly, following the completion of the Proposals, there is a risk that the Company might not be able to secure their services as executives in the medium to long term.

- 1.7 The market value of the Ordinary Shares may not necessarily reflect the underlying net asset value of the Company.
- 1.8 The Company will need to raise additional funds in the future to ensure future growth and expansion. Any equity offerings to new investors could result in earnings dilution for existing Shareholders and applicants under the Open Offer. Further, there can be no guarantee or assurance that additional funds can be raised when necessary.

Oil and Gas Investment Sectoral Risks

- 1.9 Any investments made by the Company in the oil and gas sector may be subject to fluctuations in the value of oil and gas and changes in petroleum prices can make this sector particularly volatile from an investment perspective.
- 1.10 The Company does and may continue to make investments and operate in currencies other than its reporting currency (US dollars) resulting in a risk from exchange rate fluctuations.
- 1.11 The Company's activities are likely to face competition from other entities seeking to fund oil and gas production, exploration, processing and related businesses and provide services similar to those which will be offered by the Company. Some of these competitors may have significantly greater resources and competitive advantages than the Company.
- 1.12 The market perception of securities related to the oil and gas exploration and production sector may change and, accordingly, the value of the Ordinary Shares and of any investments made by the Company may decline.
- 1.13 Future changes to the oil and gas prices or the political environments in the jurisdictions within which the Group invests may adversely impact the value of the Group's current, future or potential portfolio. Unexpected political change can occur at the national or local level and may include, but not be limited to, changes to licensing or permitting, the approval of work programmes by regulatory agencies, community engagement requirements, changes to environmental, or operational permitting or working practices, any of which could render anticipated project non-commercial.
- 1.14 The Group is subject to extensive environmental regulations and while the Group believes that it makes current provisions for compliance with the environmental laws and regulations of the countries in which it operates, any future changes and developments in environmental regulation may adversely affect the timing and financial viability of its existing and future operations.

Current reserves and resource data in this Circular are only estimates and are inherently uncertain

- 1.15 Current reserves and resources data in this Circular are only estimates and are inherently uncertain. The reserves and resources data set forth in this Circular involve subjective judgements and determinations and are based on available geological, technical, contractual and economic information. The estimation of underground accumulations of oil and gas is a subjective process aimed at understanding the statistical probabilities of recovery. These are not exact determinations. Estimates of the quantity of economically recoverable oil and gas reserves, rates of production, net present value of future cash flows and the timing of development expenditures depend upon several variables and assumptions, including the following: (i) historical production from the area compared with production from other comparable producing areas; (ii) interpretation of geological and geophysical data; (iii) effects of regulations adopted by governmental agencies; (iv) future percentages of international sales; (v) future oil and gas prices; (vi) capital expenditure; and (vii) future operating costs, tax on the extraction of commercial hydrocarbons, development costs and workover and remedial costs. The assumptions upon which the estimates of the Company's hydrocarbon reserves, resources or

production profiles have been based may change over time or prove to be incorrect. The Company may be unable to recover and produce the estimated levels or quality of hydrocarbons set out in this document and if this proves to be the case, the Group's business, reputation, prospects, financial condition and results of operations could be materially adversely affected.

- 1.16 As all reserves and resources estimates are subjective, each of the following items may differ materially from those assumed in estimating reserves and resources: (i) the quantities and qualities of oil and gas that are ultimately recovered; (ii) the production and operating costs and capital expenditure incurred; (iii) the amount and timing of additional exploration and future development expenditures; and (iv) future oil and gas prices.
- 1.17 Many of the factors, assumptions and variables used in estimating reserves and resources are beyond the Company's control and may prove to be incorrect over time. Evaluations of reserves and resources necessarily involve multiple uncertainties. The accuracy of any reserves or resources evaluation depends on the quality of available information and petroleum engineering and geological interpretation. Exploration drilling, interpretation and testing and production after the date of the estimates may require substantial upward or downward revisions to the Company's reserves or resources data. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources. Moreover, different reservoir engineers may make different estimates of reserves and cash flows based on the same available data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be material. The estimation of reserves and resources may also change because of acquisitions and disposals, new discoveries and extensions of existing fields as well as the application of improved recovery techniques.

Territorial Risks

- 1.18 The Group's interests may be affected by political and economic upheavals. Although the Group currently operates within jurisdictions that welcomes foreign investment and are generally stable, there is no assurance that the current economic and political situation in these jurisdictions will not change significantly in the future. Local, regional and world events could result in changes to the petroleum, tax or foreign investment laws, or revisions to government policies in a manner that renders the Group's current and future interests uneconomic which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Risks relating to Canada

- 1.19 The Company's assets in Canada are in a remote location in North West Alberta. The availability of service providers is more limited than in other areas in Alberta, which can be either time or price disruptive to work programmes. Winters are harsh and there are lengthy periods of thaw and wet weather when operations are significantly hampered. Oil export from the area is via third party pipeline and this limits the exportability should that routing be unavailable.

Risks relating to Italy

- 1.20 The Company's assets in Italy comprise onshore (farmed out to Shell Italia) and offshore in the Southern Adriatic and Sicily Channel, both offshore areas being 100 per cent owned and operated by Cabot Energy. The farmed-out onshore asset is in an area where there are local sensitivities to oil & gas development, requiring additional resources from the operator for stakeholder and local engagement. Both offshore areas have existing offshore production infrastructure in place and are adjacent to license areas producing in 2018 but there has historically been little offshore activity in Italy. The Italian government is currently considering an amendment to the law covering oil and gas exploration activities that, if enacted, could materially impact the Company's licences and proposed activities in Italy in the medium term. The potential amendment would result in a moratorium on all future work on exploration permits or applications for new exploration permits during which all existing permits will be suspended, and no exploration activities will be allowed, for up to two years. Given this legislation may be enacted in Italy in the short term that impacts both onshore and offshore activity, there could be uncertainty in the medium term associated with the Company activities in Italy from both a regulatory and operational perspective as compared to prolific oil and gas development areas such as the United States, the United Kingdom or the Norwegian North Sea.

2. Risks relating to the Ordinary Shares

The Proposals and the need for access to additional financing

- 2.1 If the Proposals are completed it will enable the Company to partially settle certain overdue payables due to Canadian trade creditors and provide short term working capital through to the end of Q1 2019. However, failure to complete a minimum fundraising of \$2.7 million under the Proposals would cast significant doubt upon the Company's continued ability to operate as a going concern as it may be unable to realise its assets and discharge its liabilities in the normal course of business.
- 2.2 In addition, the Company expects to need to raise additional equity finance by the end of Q1 2019 for a growth business case. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may impact on cashflows available to Shareholders and may involve restrictions in financing and operating activities. In addition, there can be no assurance that the Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to it. If the Group is unable to obtain additional financing by the end of Q1 2019 it may be required to reduce the scope of its operations or to cease trading.

The market of the Ordinary Shares may fluctuate significantly

- 2.3 The market price of the Ordinary Shares may, in addition to being affected by the Company's actual or forecast operating results, fluctuate significantly as a result of factors beyond the Company's control, including among others fluctuations in stock market prices and volumes, and general market volatility.

Such events could result in a material decline in the market price of the Ordinary Shares, regardless of the actual performance of the Group. Shareholders should be aware that the value of the Ordinary Shares may go down as well as up and may not reflect the underlying asset values or prospects of the Company.

Investment in publicly quoted securities

- 2.4 Investment in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the "Official List" in the UK and traded on the London Stock Exchange's main market for listed securities. An investment in Ordinary Shares traded on AIM may be difficult to realise. Admission to AIM does not guarantee that there will be a liquid market for New Ordinary Shares. An active public market for New Ordinary Shares may not develop or be sustained after Admission and the market price of the Ordinary Shares may fall below the Issue Price. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Potentially volatile share price and liquidity

- 2.5 The share price of companies quoted on AIM can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise their investment in the Company may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

H2P is a controlling shareholder

- 2.6 H2P is a controlling shareholder of the Company. Following completion of the Proposals, H2P will 54.61 per cent of the Enlarged Issued Share Capital (assuming full take up of the Open Offer). The Company believes that the involvement of H2P has been and will continue to be positive and important in the successful pursuit and implementation of its strategy. H2P may have the power, by virtue of its shareholding interest and through its board nominees, to cause the business of the Company to be conducted for its own benefit rather than for the benefit of all Shareholders. The Company has entered into a relationship agreement with H2P to ensure that it does not preclude the independent conduct of, or otherwise exercise undue influence over the affairs of

the Company. Nevertheless, H2P does have the power to control the outcome of most matters to be decided by vote at a shareholders' meeting for so long as they continue to hold the majority of the Company's issued share capital.

3. Risks relating to the Open Offer

There may be volatility in the price of the Open Offer Shares

- 3.1 The Issue Price may not be indicative of the market price for the Open Offer Shares following Admission. The market price of the Open Offer Shares could be volatile and subject to significant fluctuations due to a variety of factors, including changes in sentiment in the market regarding the Company, the sector or equities generally, any regulatory changes affecting the Group's operations, variations in the Group's operating results and/or business developments of the Group and/ or its competitors, the operating and share price performance of other companies in the industries and markets in which the Group operates, news reports relating to trends in the Group's markets or the wider economy and the publication of research analysts' reports regarding the Company or the sector generally.
- 3.2 In addition, to the extent that Shareholders do not take-up the Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be reduced and the percentage that their Existing Ordinary Shares represents of the Enlarged Share Capital will be reduced accordingly. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

The Open Offer could have an adverse effect on the market price of the Ordinary Shares and/or a dilutive effect on shareholders

- 3.3 The issue of New Ordinary Shares as part of the Open Offer, as well as any additional offering by the Company, whether or not on a pre-emptive basis, could have an adverse effect on the market price of the Ordinary Shares as a whole. If such issue takes place or if additional funds are raised through the issue of equity or equity linked instruments, Shareholders may experience a dilution in their percentage holdings of Ordinary Shares where any such issue is not made on a pre-emptive basis.

Pre-emptive rights may not be available for US and other non-UK holders of Ordinary Shares

- 3.4 In the case of an increase in the share capital of the Company for cash, the Shareholders are generally entitled to pre-emption rights pursuant to the Companies Act unless such rights are waived by a special resolution of the Shareholders at a general meeting or in certain circumstances stated in the Articles, and such an issue could dilute the interests of the Shareholders. To the extent that pre-emptive rights are applicable, US and certain other non-UK holders of Ordinary Shares may not be able to exercise pre-emptive rights for their shares unless the Company decides to comply with applicable local laws and regulations and, in the case of US holders, unless a registration statement under the US Securities Act is effective with respect to those rights or an exemption from the registration requirements thereunder is available. The Open Offer Shares to be issued will not be registered under the US Securities Act. Qualifying Shareholders who have a registered address, or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers about whether they require any governmental or other consents or need to observe any other formalities to enable them to take-up their Open Offer Entitlements or acquire Open Offer Shares.

The risks listed above do not necessarily comprise all those associated with an investment in the Company.

PART V

DEFINITIONS

“2D seismic”	geophysical data that depicts the subsurface strata in two dimensions
“2P”	the sum of proved and probable reserves
“3D seismic”	geophysical data that depicts the subsurface strata in three dimensions. 3D seismic typically provides a more detailed and accurate interpretation of the subsurface strata than 2D seismic
“Admission”	the admission of the Subscription Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange governing the admission to, and the operation of, AIM
“Announcement”	the announcement of the Proposals made via the Regulatory Information Service on 12 February 2019
“Application Form”	the application form accompanying this Circular to be used by Qualifying Non-CREST Holders in connection with the Open Offer
“Articles”	the articles of association of the Company as at the date of this Circular
“Board”	the board of directors of the Company
“boe”	barrels of oil equivalent. One barrel of oil is approximately the energy equivalent of 5,800 cf of natural gas
“bopd”	barrels of oil per day
“bpd”	barrels per day
“Business Day(s)”	any day on which banks in London are open for business (excluding Saturdays, Sundays and public holidays)
“Cabot Canada”	Cabot Energy Inc, a wholly owned subsidiary of the Company
“Canadian Assets”	all licences, wells and facilities relating to the Rainbow Assets and the Virgo Assets, Alberta, Canada
“Circular”	this Circular
“City Financial”	City Financial Investment Company Limited
“Companies Act”	the Companies Act 2006, as amended
“Company” or “Cabot Energy”	Cabot Energy plc, a Company incorporated in England and Wales with company number 02933545 whose registered office is Riverbank House, 2 Swan Lane, London, EC4R 3TT, United Kingdom
“contingent resources”	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies

“CREST”	the computerised settlement system (as defined in the Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
“CREST payment”	as such term is defined in the CREST Manual issued by Euroclear
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Deferred B Shares”	a deferred share of 99p issued as part of the Share Capital Reorganisation. The Deferred B Shares will have no value or voting rights
“Directors”	the directors of the Company at the date of this Circular, as set out on page 7 of this Circular
“enabled for settlement”	in relation to Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear)
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company immediately following the Share Capital Reorganisation and the issue of the Fundraising Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	to the extent that the Open Offer Entitlements to Open Offer Shares are not subscribed for in full by Qualifying Shareholders, the facility for Qualifying Shareholders to apply for additional Open Offer Shares over and above their Open Offer Entitlements, subject to the terms and conditions
“Excess CREST Open Offer Entitlements”	in respect of Qualifying CREST Holders, the entitlement to apply for Open Offer Shares in addition to their Open Offer Entitlement credited to his stock account in CREST under the Excess Application Facility, subject to the terms and conditions of the Open Offer
“Excess Shares”	New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
“Existing Ordinary Share(s)” or “Existing Issued Share Capital”	the 661,986,961 ordinary shares of 1 penny each in issue at the date of this Circular
“FCA”	the Financial Conduct Authority of the United Kingdom
“Form of Proxy”	the form of proxy which accompanies this Circular for use in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	together the Subscription and the Open Offer

“Fundraising Share(s)”	up to 28,528,987 New Ordinary Shares to be issued pursuant to the Subscription and the Open Offer
“General Meeting”	the general meeting of the Company to be held at 12.00 p.m. on 1 March 2019, notice of which is set out at the end of this Circular
“Group”	the Company and its subsidiaries and subsidiary and associated undertakings at the date of this Circular (and “Group Company” shall mean any such company)
“H2P”	High Power Petroleum LLC
“H2P UK”	High Power Petroleum (NOP) UK Limited, a wholly-owned subsidiary of H2P
“Independent Directors”	Jim Dewar and Rachel Maguire
“Issue Price”	10 pence per New Ordinary Share
“lead”	a conceptual exploration idea usually based on minimal data but with sufficient support from geological analogues and the like to encourage further data acquisition and/or study on the basis that hydrocarbon accumulations of unknown size may be found in the future
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“mmbbls”	millions of barrels of oil
“mmboe”	millions of barrels of oil equivalent
“Money Laundering Regulations”	the Money Laundering, Terrorist Financing and transfer of Funds (information on the payer) Regulations 2017 and obligations in connection with money laundering under the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
“New Ordinary Share(s)”	the ordinary shares of 1p each in the capital of the Company arising from the Share Capital Reorganisation
“Notice”	the notice convening the General Meeting which is set out at the end of this Circular
“Official List”	the Official List maintained by the United Kingdom Listing Authority
“Open Offer”	the invitation to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out or referred to in Part III of this Circular and, where relevant, the Application Form
“Open Offer Entitlement”	the <i>pro rata</i> basic entitlement for Qualifying Shareholders to subscribe for 1 Open Offer Share for every 85.9723377 Existing Ordinary Shares held on the Record Date pursuant to the Open Offer
“Open Offer Share(s)”	up to 7,700,000 Fundraising Shares to be offered to Qualifying Shareholders pursuant to the Open Offer
“Ordinary Share(s)”	the Existing Ordinary Shares and/or the New Ordinary Shares, as the context requires

“Overseas Shareholder(s)”	Shareholders who are resident in, or who are citizens of, or have registered addresses in, territories other than the United Kingdom
“Proposals”	the Subscription, the Open Offer, the Share Capital Reorganisation and the additional authorities set out in the Resolutions
“prospect”	a project associate with a potential accumulation of oil or natural gas that is sufficiently well defined to represent a viable drilling target
“prospective resources”	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects
“proven reserves”	those reserves which on the available evidence are virtually certain to be technically and economically producible (i.e. having a better than 90 per cent chance of being produced)
“Qualifying CREST Holder(s)”	holders of Ordinary Shares in uncertificated form on the register of members of the Company on the Record Date
“Qualifying Criteria”	<p>the restriction on the number of Open Offer Shares that each Qualifying Shareholder may receive under the Open Offer on the basis that no Qualifying Shareholder will be entitled to receive in excess of such number of Open Offer Shares as would</p> <p>(a) bring its aggregate interest in the Company to more than 29.9 per cent of the Enlarged Issued Share Capital, where it did not previously exceed that threshold; or</p> <p>(b) would result in any qualifying shareholder that already owns more than 50 per cent of the Existing Ordinary Shares, decreasing its percentage holding to below 50 per cent</p>
“Qualifying Non-CREST Holders”	holders of Ordinary Shares in certificated form on the register of members of the Company on the Record Date
“Qualifying Shareholders”	Qualifying Non-CREST Holders and Qualifying CREST Holders (other than certain Overseas Shareholders)
“Rainbow Assets”	the mineral leases, production facilities and wells in the Rainbow area of northwest Alberta, Canada
“Record Date”	6.00 p.m. in London on 8 February 2019
“Receiving Agent”	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom
“Registrar”	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, United Kingdom
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
“Regulation S”	Regulation S under the Securities Act
“Regulatory Information Service”	as such term is defined in the AIM Rules
“reserves”	those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known

	accumulations from a given date forward under defined conditions
“Resolutions”	the resolutions to be proposed at the General Meeting which are set out in the Notice
“resources”	deposits of naturally occurring hydrocarbons which, if recoverable, include those volumes of hydrocarbons either yet to be found (prospective) or if found the development of which depends upon a number of factors (technical, legal and/or commercial) being resolved (contingent)
“Restricted Jurisdiction(s)”	the United States of America, Canada, Australia, New Zealand, the Republic of South Africa, Japan and/or the Russian Federation
“Securities Act”	the U.S. Securities Act of 1933, as amended
“Share Capital Reorganisation”	the consolidation and sub-division of the Existing Ordinary Shares into the New Ordinary Shares and the Deferred B Shares pursuant to Resolution 1 in the Notice
“Shareholder(s)”	holder(s) of Ordinary Share(s) from time to time
“SP Angel”	SP Angel Corporate Finance LLP, the Company’s nominated adviser and broker, a company incorporated in England and Wales with registered number OC317049, whose registered office is at Prince Frederick House, 35-39 Maddox Street, London W1S 2PP
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
“Subscribers”	H2P, City Financial, Paul Lafferty and Northeastern Oilfield Services Limited
“Subscription”	the conditional subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the conditional subscription agreements dated on or about the date of this Circular between the Company and each of the Subscribers
“Subscription Shares”	20,828,987 Fundraising Shares to be issued in the capital of the Company pursuant to the Subscription
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland, its territories and possession, and all areas subject to its jurisdiction
“Virgo Assets”	the mineral leases, facilities and wells in the Virgo area of northwest Alberta, Canada

A reference to “£” is to pounds sterling, the lawful currency of the UK.

A reference to “United States Dollars”, “US\$” or “\$” is to United States dollars, the lawful currency of the United States of America.

A reference to “€”, “EUR” or “Euro” is to currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Cabot Energy Plc

(Registered in England and Wales with company number 02933545)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Cabot Energy plc (the "**Company**") will be held on Friday, 1 March 2019 at 12.00 p.m. at Fieldfisher LLP's offices, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom. The business of the meeting will be to consider and, if thought appropriate, to pass the following resolutions (the "**Resolutions**") which in the case of Resolution 2 will be proposed as an ordinary resolution and Resolutions 1 and 3 will be proposed as special resolutions.

SPECIAL RESOLUTION

1. THAT:

- (a) every 100 ordinary shares of 1p each in the capital of the Company in issue at 6.00 p.m. on 1 March 2019 ("**Existing Ordinary Shares**") be consolidated into one new ordinary share of 100p each in the capital of the Company, having the same rights as the Existing Ordinary Shares as set out in the Company's articles of association ("**Articles**");
- (b) each ordinary share of 100p each in the capital of the Company arising from the consolidation referred to in sub-paragraph (a) of this resolution be subdivided and reclassified into one new Ordinary Share of 1p each ("**New Ordinary Shares**") and one deferred share of 99p each ("**Deferred B Shares**"), the New Ordinary Shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares in the Articles and the Deferred B Shares having the rights and being subject to the restrictions attached to Deferred B Shares as set out in the Articles (as amended pursuant to sub-paragraph (d) of this Resolution);
- (c) the Board is authorised to aggregate and sell any fractional entitlements to New Ordinary Shares resulting from the share capital reorganisation referred to in sub-paragraphs (a) and (b) of this resolution and, where the amount of the proceeds of the fractional entitlements is less than £3.00, such proceeds may be retained by the Company;
- (d) the Articles be amended as follows:
 - (i) by deleting the definition of "Deferred Shares" in its entirety and replacing with the following definition at Article 2.1 (in alphabetical order):

"Deferred A Shares: the deferred A shares of 4p in the capital of the Company with the rights set out in Article 6";
 - (ii) by deleting each reference of "Deferred Shares" throughout the Articles and replacing with "Deferred A Shares";
 - (iii) by inserting the following definition at Article 2.1 (in alphabetical order):

"Deferred B Shares: the deferred B shares of 99p in the capital of the Company with the rights set out in Article 6.9";
 - (iv) by inserting the following as article 6.9:

"6.9. The Company has in issue the Deferred B Shares. The rights and restrictions attached to the Deferred B Shares shall be as follows:

6.9.1 As regards income the holders of the Deferred B Shares shall not be entitled to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year or any other income or right to participate therein.

6.9.2 As regards capital on a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption on purchase by the

Company of any of its shares) the holders of the Deferred B Shares shall be entitled to receive the amount paid up on their shares after there shall have been distributed (in cash or *in specie*) to the holders of the ordinary shares the amount of £100,000,000 in respect of each ordinary share held by them respectively. For this purpose distributions in currency other than sterling shall be treated as converted into sterling, and the value for any distribution *in specie* shall be ascertained in sterling, in each case in such manner as the directors of the Company in general meeting may approve. The Deferred B Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

6.9.3 As regards voting the holders of Deferred B Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat.

6.9.4 The rights attached to the Deferred B Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares. In addition, neither the passing by the Company of any resolution for the cancellation of the Deferred B Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred B Shares and accordingly the Deferred B Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable legislation, without sanction on the part of the holders of the Deferred B Shares.

6.9.5 Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the Deferred B Shares for an aggregate consideration of £1.

6.9.6 The Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the Deferred B Shares a transfer/cancellation of the Deferred B Shares and/or an agreement to transfer/cancel the same, without making any payment to the holders of the Deferred B Shares to such person or persons as the Company may determine as custodian thereof and, pending such transfer and/or cancellation and/or purchase, to retain the certificate(s) if any, for such shares.

6.9.7 The Company may, at its option and subject to compliance with the provisions of applicable legislation, at any time after the adoption of this Article, cancel such shares by way of reduction of capital for no consideration.

6.9.8 Notwithstanding any other provision of these Articles, and unless specifically required by the provisions of applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the Deferred B Shares."

ORDINARY RESOLUTION

2. THAT, conditional on the passing of Resolution 1 above, the directors of the Company are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**") in substitution for all previous authorisations to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company ("**Rights**"):
 - (a) up to an aggregate nominal amount of £208,290 in connection with the subscription by each of High Power Petroleum LLC, City Financial Investment Company Limited, Paul Lafferty and Northeastern Oilfield Services Limited of New Ordinary Shares at a price of 10 pence (the "**Issue Price**") per share (the "**Subscription**");

- (b) up to an aggregate nominal amount of £77,000 in connection with an open offer made to the Company's shareholders to subscribe for New Ordinary Shares at the Issue Price, on the terms and conditions set out or referred to in Part III of the circular of which this notice forms part and, where relevant, the accompanying application form (the "Open Offer"); and
- (c) otherwise than in connection with the Subscription or the Open Offer up to an aggregate nominal amount of £175,750,

and this authorisation shall, unless previously revoked by resolution of the Company, expire 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company and that the Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights in pursuance of any such offer or agreement as if this authorisation had not expired.

SPECIAL RESOLUTION

3. THAT the directors of the Company are 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 authorisation conferred by Resolution 2 above as if section 561 of the Act did not apply to the allotment, provided that this power is limited to:
- (a) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities made (i) to holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on the record date for such offer and (ii) to holders of other equity securities as may be required by the rights attached to those securities or, if the directors consider it desirable, as may be permitted by such rights, but subject in each case to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;
 - (b) the allotment (otherwise than pursuant to paragraph (a) above) of further equity securities:
 - (i) up to an aggregate nominal amount of £208,290 in connection with the Subscription;
 - (ii) up to an aggregate nominal amount of £77,000 in connection with the Open Offer; and
 - (iii) otherwise than in connection with the Subscription or the Open Offer up to an aggregate nominal amount of £154,000,

and this power shall, unless previously revoked by resolution of the Company, expire 15 months after the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, and that the Company may, at any time before the expiry of this power, make offers or enter into agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

BY ORDER OF THE BOARD

W J Anderson
Company Secretary

Registered Office:
Riverbank House
2 Swan Lane
London
EC4R 3TT
United Kingdom

Notes to the Notice of General Meeting:

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only shareholders entered on the register of members of the Company at 6.00 p.m. on 27 February 2019 (or in the event that this meeting is adjourned, on the register of members at 6.00 p.m. on the day preceding the date fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. A shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
3. The appointment of a proxy will not preclude a shareholder from attending in person at the meeting and voting if he or she wishes to do so.

Appointment of proxy using the accompanying proxy form

4. A proxy form is enclosed. To appoint more than one proxy, please photocopy the form. Please state each proxy's name and the number of shares in relation to which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy form is one of multiple forms being returned. All proxy forms must be signed and should be returned together in the same envelope. In the case of joint shareholders, the signature of any one of them will suffice, but the names of all joint holders should be stated.
5. To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered by hand or sent by post to the offices of the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, so as to be received not less than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be).

Appointment of proxy through CREST

6. CREST members who wish to appoint a proxy or proxies for the meeting, including any adjournments of the meeting, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via 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.
7. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Neville Registrars Limited (ID 7RA11) no later than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be). 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 Neville Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. 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 or her 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.
9. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Changing proxy instructions

10. To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

Termination of proxy appointments

11. In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

Joint shareholders

12. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

Corporate representatives

13. A corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative at the meeting. Corporate representatives should bring with them to the meeting: (i) an original or certified copy of the resolution authorising them; or (ii) an original letter on the shareholder's letterhead, signed by an authorised signatory, confirming that they are so authorised.

Issued shares and total voting rights

14. As at the date of this notice of general meeting, the Company's issued share capital comprised 661,986,961 ordinary shares of 1p each fully paid. The Company does not hold any shares in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice of general meeting is 661,986,961.

Communication

15. Shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
- (a) calling Neville Registrars Limited's shareholder helpline on 0121 585 1131 or from overseas on +44 (0)121 585 1131 (charged at the applicable international rates). Lines are open from 9.00 a.m. to 5.00 p.m. on business days (i.e. Monday to Friday but excluding public holidays); or
 - (b) in writing to the Company by email to info@cabot-energy.com.
16. You may not use any electronic address provided in this notice of general meeting or in any related documents (including the accompanying proxy form) to communicate with the Company for any purposes other than those expressly stated.

