

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before taking any action. The whole of this document should be read. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should in particular carefully consider the section entitled “Risk Factors” set out in Part II of this document.**

If you have sold or transferred all of your Ordinary Shares on or before the Record Date please forward this document, together with the accompanying Application Form, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other party through whom the sale or transfer was effected for transmission to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK or a Qualifying Overseas Jurisdiction if to do so would constitute a violation of the relevant law and/or regulations of such jurisdiction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or transferred only part of your registered holding of Ordinary Shares on or before the Record Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not comprise a prospectus in accordance with the Prospectus Rules and has not been drawn up in accordance with the Prospectus Rules. This document has not been approved by the Financial Conduct Authority or by any other authority in any jurisdiction.

The Company’s Ordinary Shares are currently admitted to trading on AIM. Applications will be made to the London Stock Exchange for the Placing Shares and Open Offer Shares to be admitted to trading on AIM. It is expected that the First Admission will become effective, and dealings for normal settlement in the Placing Shares will commence, at 8.00 a.m. on 9 January 2014. It is expected that the Second Admission will become effective, and dealings for normal settlement in the Open Offer Shares will commence, at 8.00 a.m. on 21 January 2014. Neither the Placing Shares nor the Open Offer Shares will be admitted to trading on any other investment exchange.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. 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 UKLA has examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List.**

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## **EUROPA OIL & GAS (HOLDINGS) PLC**

*(Registered in England and Wales under number 5217946)*

**Open Offer of up to 19,332,855 new Ordinary Shares at 6 pence per share**

*Nominated adviser and broker*



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You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company which is set out in Part I of this document. This letter explains the background to, and reasons for, the Placing and the Open Offer.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the applicable securities laws of any state of the United States or any province or territory of Canada, Japan or Australia. Accordingly, unless a relevant exemption from such requirements is available, the Open Offer Shares may not, subject to certain exceptions, be offered, sold, taken up, re-sold or delivered, directly or indirectly, within the United States, Canada, Japan or Australia or in any other country, territory or possession where to do so may contravene local securities laws or regulations. Shareholders who believe that they, or persons on whose behalf they hold Ordinary Shares, are eligible for an exemption from such requirements should refer to paragraph 7 of Part III of this document to determine whether and how they may participate.

**Overseas Shareholders and any person (including, without limitation, nominees, custodians and trustees) who has a contractual or other legal obligation to forward this document or an Application Form to a jurisdiction outside the UK or a Qualifying Overseas Jurisdiction should read paragraph 7 of Part III of this document.**

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Applications under 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 arising out of the sale or transfer of Ordinary Shares prior to the date on which the relevant Ordinary Shares are marked “ex” the entitlement by the London Stock Exchange. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer. The latest time for application and payment in full under the Open Offer is 11.00 a.m. on 17 January 2014 and the procedure for application and payment is set out in Part III of this document.

finnCap Limited (“**finnCap**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is Europa’s nominated adviser and joint broker for the purposes of the AIM Rules. finnCap is acting exclusively for the Company and will not be responsible to any other person for providing the protections afforded to its customers nor for providing advice in relation to the contents of this document or any other matter referred to herein. finnCap has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by finnCap as to any of the contents or the completeness of this document.

#### **FORWARD-LOOKING STATEMENTS**

This document contains “forward-looking statements” which includes all statements other than statements of historical fact including, without limitation those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “might”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

## CONTENTS

<i>Clause</i>		<i>Page</i>
Expected timetable of principal events		4
Share capital and Placing and Open Offer statistics		5
Directors, secretary and advisers		6
Definitions		7
Glossary		10
Part I	Letter from Chairman of Europa Oil & Gas (Holdings) plc	11
Part II	Risk Factors	18
Part III	Terms and Conditions of the Open Offer	24
Part IV	Additional information	37

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	5.00 p.m. on 19 December 2013
Publication and posting of this document and Application Form	20 December 2013
Ex-entitlement Date	20 December 2013
Basic Entitlements and Excess Entitlements credited to stock accounts in CREST for Qualifying Shareholders	23 December 2013
Recommended latest time and date for requested withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 13 January 2014
Latest time and date for depositing Basic Entitlements and Excess Entitlements into CREST	3.00 p.m. on 14 January 2014
Latest time for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 15 January 2014
<b>Latest time and date for receipt of Application Form and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)</b>	<b>11.00 a.m. on 17 January 2014</b>
Announcement of the results of the Open Offer	20 January 2014
Admission and dealings in the Open Offer Shares to commence on AIM	21 January 2014
CREST accounts credited with Open Offer Shares	21 January 2014
Definitive share certificates for the Open Offer Shares to be dispatched (if appropriate) by	31 January 2014

*If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service (as defined in the AIM Rules) announcement. All events listed in the above timetable are conditional on the conditions in the Open Offer Agreement becoming unconditional in all respects.*

*In this document, all references to times and dates are to those observed in London, United Kingdom.*

*If you have any questions on the procedure for acceptance and payment, you should contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, telephone: 0870 889 4072 from the UK or +44 870 889 4072 from overseas.*

*Calls to the 0870 889 4072 number cost approximately 8 pence per minute (excluding value added tax) plus your service provider's network extras. Calls to the +44 870 889 4072 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that Computershare cannot provide financial advice on the merits of the Fundraising or as to whether or not you should take up your entitlement.*

*The ISIN code for the Ordinary Shares is GB00B03CJS30. The ISIN code for the Open Offer Basic Entitlements is GB00BH6Y0N71. The ISIN for Open Offer Excess Entitlements is GB00BH6Y0P95.*

## SHARE CAPITAL AND PLACING AND OPEN OFFER STATISTICS

Number of Existing Ordinary Shares	137,855,504
Number of Placing Shares to be issued under the Placing	47,694,665
Number of Open Offer Shares available under the Open Offer	19,332,855
Enlarged Share Capital	204,883,024
Issue Price of Placing Shares and Open Offer Shares	6 pence
Market capitalisation of the Company on Second Admission at the Issue Price	£12.3 million
Approximate Percentage of the Enlarged Share Capital represented by the Placing Shares	23.3 per cent.
Approximate Percentage of the Enlarged Share Capital represented by the Open Offer Shares	9.4 per cent.
Approximate Percentage of the Enlarged Share Capital represented by the Placing Shares and the Open Offer Shares in aggregate	32.7 per cent.
Estimated gross proceeds of the Placing and Open Offer	£4.02 million

**Note:**

Information given in relation to the ordinary share capital of the Company and the proceeds of the Placing and Open Offer immediately following Second Admission have been calculated on the basis that the Placing comprises 47,694,665 Placing Shares at a price of 6 pence per share, raising £2.86 million (before expenses), that all Open Offer Shares are subscribed for by Qualifying Shareholders at a price of 6 pence per share, raising approximately £1.16 million, and that no options or warrants are exercised between the date of this document and Second Admission.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	William H Adamson ( <i>Non-executive Chairman</i> ) Hugh GD Mackay ( <i>Chief Executive Officer</i> ) Phil Greenhalgh ( <i>Finance Director</i> ) William Ahlefeldt-Laurvig ( <i>Non-executive Director</i> ) Roderick JHM Corrie ( <i>Non-executive Director</i> )
<b>Registered Office</b>	6 Porter Street London W1U 6DD Telephone number: 020 7224 3770
<b>Website:</b>	<a href="http://www.europaoil.com">www.europaoil.com</a>
<b>Company Secretary</b>	Phil Greenhalgh
<b>Nominated Adviser and Broker to Company</b>	finnCap Ltd 60 New Broad Street London EC2M 1JJ
<b>Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Solicitor to the Company</b>	<i>As to English Law</i> Charles Russell LLP 5 Fleet Place London EC4M 7RD  <i>As to Jersey Law</i> Mourant Ozannes 22 Grenville Street St Helier Jersey JE4 8PX
<b>Solicitor to the Nominated Adviser and Broker</b>	Jones Day 21 Tudor Street London EC4Y 0DJ
<b>Registrar</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ

## DEFINITIONS

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

<b>“Act”</b>	the Companies Act 2006 (as amended)
<b>“Admission”</b>	First Admission and Second Admission
<b>“AIM Rules”</b>	the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange as amended from time to time
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“Application Form”</b>	the application form relating to the Open Offer and enclosed with this document for use by Qualifying Shareholders
<b>“Articles”</b>	the articles of association of the Company (as amended from time to time)
<b>“Basic Entitlement”</b>	entitlement to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part III of this document
<b>“Board” or “the Directors”</b>	the directors of the Company, as at the date of this document, whose names are set out on page 6 of this document
<b>“City Code”</b>	the City Code on Takeovers and Mergers
<b>“Closing Date”</b>	the date on which the Open Offer will close, being 11.00 a.m. on 17 January 2014 or such later time and date as the Directors and Broker may agree
<b>“CREST”</b>	the relevant system (as defined in the Uncertified Securities Regulations 2001 (SI 2001 No 3875)) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear UK & Ireland Limited, in accordance with the same regulations
<b>“CREST member”</b>	a person who has been admitted by Euroclear UK & Ireland as a system-member (as defined in the CREST Regulations)
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual issued by Euroclear UK & Ireland
<b>“CREST Regulations”</b>	the Uncertified Securities Regulations 2001, as amended
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
<b>“EIS”</b>	the Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007
<b>“Enlarged Share Capital”</b>	the issued Ordinary Share capital of the Company immediately following Second Admission comprising the Existing Ordinary Shares and the New Ordinary Shares assuming full subscription under the Open Offer and the Placing and assuming no exercise of any warrants and options between the date of this document and Second Admission

<b>“Europa” or “Company” or “EOG”</b>	Europa Oil & Gas (Holdings) plc, a company registered in England and Wales with company number 5217946
<b>“Excess Entitlement”</b>	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part III of this document
<b>“Existing Ordinary Shares”</b>	the 137,855,504 Ordinary Shares in issue as at the date of this document being the entire issued share capital of the Company prior to the Placing and the Open Offer
<b>“Ex-entitlement Date”</b>	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 20 December 2013
<b>“FCA”</b>	the Financial Conduct Authority of the UK
<b>“finnCap” or “Broker”</b>	finnCap Ltd, a company incorporated in England and Wales with registered number 06198898, whose registered office is at 60 New Broad Street, London, EC2M 1JJ, the Company’s nominated adviser and broker
<b>“First Admission”</b>	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“Fundraising”</b>	together, the Placing and Open Offer
<b>“Group”</b>	together the Company and its subsidiary undertakings
<b>“HMRC”</b>	Her Majesty’s Revenue & Customs
<b>“Issue Price”</b>	6 pence per Ordinary Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Ordinary Shares”</b>	the Placing Shares and the Open Offer Shares
<b>“Official List”</b>	the Official List of the UKLA
<b>“Open Offer Agreement”</b>	the open offer agreement dated 19 December 2013 between (1) the Company and (2) finnCap, in relation to the Open Offer
<b>“Open Offer Entitlements”</b>	entitlements to subscribe for shares pursuant to the Basic Entitlement and Excess Entitlement
<b>“Open Offer Shares”</b>	up to 19,332,855 new Ordinary Shares to be issued pursuant to the Open Offer
<b>“Open Offer”</b>	the offer to Qualifying Shareholders, constituting an invitation to apply for the Open Offer Shares on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form.
<b>“Ordinary Shares”</b>	ordinary shares of one pence each in the capital of the Company having the rights and being subject to the restrictions contained in the Articles
<b>“Overseas Shareholders”</b>	Shareholders on the Record Date with registered addresses, or who are citizens or residents of, or incorporate in, countries outside of the United Kingdom



<b>“Placing Agreement”</b>	the placing agreement dated 15 December 2013 between (1) the Company and (2) finnCap providing for, <i>inter alia</i> , the Placing and First Admission
<b>“Placing Shares”</b>	the 47,694,665 new Ordinary Shares which have been conditionally placed with institutional investors pursuant to the Placing and subject to the terms and conditions in the Placing Agreement
<b>“Placing”</b>	the conditional non pre-emptive placing undertaken by finnCap, as agent for the Company, of the Placing Shares at the Issue Price with institutional investors pursuant to the terms of the Placing Agreement and as detailed in this document
<b>“Prospectus Rules”</b>	the rules made by the FCA pursuant to sections 73A(1) and (4) of FSMA
<b>“Publicly Available Information”</b>	any information published by the Company using a Regulatory Information Service
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in uncertified form
<b>“Qualifying Non-CREST Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in certificated form
<b>“Qualifying Overseas Jurisdiction”</b>	any and all of the Republic of Ireland, the Netherlands and Poland
<b>“Qualifying Shareholders”</b>	subject to any restrictions imposed on Overseas Shareholders, holders of Ordinary Shares whose names appear on the register of members of the Company on the Record Date
<b>“Record Date”</b>	5.00 p.m. on 19 December 2013
<b>“Registrar” or “Receiving Agent” or “Computershare”</b>	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ
<b>“Regulatory Information Service”</b>	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list on the website of the London Stock Exchange
<b>“Second Admission”</b>	the admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“Shareholders”</b>	registered holders of Ordinary Shares
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UKLA”</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>“VCT Scheme”</b>	the Venture Capital Trust scheme under the provisions of Part 6 of the Income Tax Act 2007

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

A reference to US\$ is to United States of America (USA) dollars, being the lawful currency of the USA.

A reference to € or Euro is to the lawful currency of the Euro area.

## GLOSSARY

<b>“bcf”</b>	billion cubic feet
<b>“boepd”</b>	barrels of oil equivalent per day
<b>“cash box” or “cash box placing structure”</b>	a placing of new shares issued in such a way as to fall within the exemption afforded by section 565 Companies Act 2006 (i.e., issue of new shares for non cash consideration)
<b>“Celtique Energie Petroleum”</b>	Celtique Energie Petroleum Ltd
<b>“CPR”</b>	competent person’s report
<b>“DECC”</b>	United Kingdom Department of Energy & Climate Change
<b>“Egdon Resources”</b>	Egdon Resources UK Limited
<b>“EIS”</b>	Enterprise Investment Scheme
<b>“FEL”</b>	frontier exploration licences
<b>“Kosmos”</b>	Kosmos Energy Ireland
<b>“mmbbl”</b>	million barrels
<b>“LO”</b>	licensing option
<b>“Union Jack Oil”</b>	Union Jack Oil plc

## PART I

### LETTER FROM THE CHAIRMAN

#### EUROPA OIL & GAS (HOLDINGS) PLC

*(incorporated and registered in England and Wales with registered number 5217946)*

*Directors:*

William H Adamson (*Non-executive Chairman*)  
Hugh GD Mackay (*Chief Executive Officer*)  
Phil Greenhalgh (*Finance Director*)  
William Ahlefeldt-Laurvig (*Non-executive Director*)  
Roderick JHM Corrie (*Non-executive Director*)

*Registered Office*  
6 Porter Street  
London W1U 6DD

20 December 2013

Dear Shareholder,

#### **Open Offer of up to 19,332,855 new Ordinary Shares at 6 pence per share**

##### **1. Introduction**

On 16 December 2013, Europa announced that it had conditionally raised £2.86 million (before expenses) by the issue of 47,694,665 New Ordinary Shares pursuant to the Placing. The Company also announced that it proposed to raise up to a further £1.16 million by the issue of up to a further 19,332,855 New Ordinary Shares pursuant to the Open Offer, giving a total Fundraising of up to approximately £4.02 million. Certain Directors have undertaken to make applications to participate in the Open Offer and will make application to subscribe for an aggregate 2,666,665 Open Offer Shares to raise approximately £0.16 million.

The Fundraising has been undertaken to provide funding for Europa's near-term work programme and projects. In particular, the proceeds of the Placing of £2.86 million alongside the commitments of certain Directors to participate in the Open Offer amounting to, in aggregate, a further £0.16 million, will be used to fund the Company's contribution to expected drilling of an exploration well at Kiln Lane, PEDL-181, and to further its work in Ireland, including the commissioning of a CPR on its existing assets in the region. The proceeds of the Open Offer will provide further funding for the Company's work programme, as well as additional funds for progressing a range of other projects and activities.

The Board are grateful for the continuing support received from all Shareholders, and accordingly wishes to offer Shareholders the opportunity to participate in the Fundraising by launching the Open Offer, whereby the Company proposes to issue up to 19,332,855 further New Ordinary Shares to Qualifying Shareholders at the Issue Price of 6 pence per New Ordinary Share.

Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 1.4024 Open Offer Shares for every 10 Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer. The Open Offer is not underwritten and is not conditional on the Placing.

Further details on the background to and the reasons for the Fundraising are provided below, in paragraph 2 of this Part I.

The purpose of this letter is to outline the reasons for, and to explain the terms of, the Open Offer and to explain why the Board considers the Open Offer to be in the best interests of the Company and Shareholders as a whole. The Directors intend to participate in respect of their own beneficial holdings as set out in paragraph 5 of this Part I.

## 2. Background to the Company and Strategy

Europa is a UK-based oil and gas company with exploration, production and appraisal assets across three core geographies in Europe, namely, the UK, where it has three producing assets in addition to its exploration interests, and onshore France and offshore Ireland where the Company has highly prospective licenses which the Directors believe offer highly compelling hydrocarbon exploration opportunities.

A summary of Europa's principal assets and activities is provided below:

### *United Kingdom*

In the UK, the Company has a portfolio of both production and exploration assets.

#### *Production*

The Company has interests in three producing oilfields in the East Midlands region of the UK – a 100 per cent. working interest in both the West Firsby and Crosby Warren fields and a 65 per cent. non-operated interest in the Whisby-4 well. Total net production for the last financial year to 31 July 2013 was 182 boepd. Since that date, these assets have continued to perform in accordance with the Board's expectations, with average production of 172 boepd for the four month period ending 30 November 2013.

#### *Exploration*

##### *PEDL-181 (Kiln Lane-1)*

Europa has a 50 per cent. interest in and is the operator of the PEDL-181 licence in the Humber Basin, with Egdon Resources UK Limited and Celtique Energie Petroleum Ltd, each holding a 25 per cent. interest. PEDL-181 is located in the Carboniferous petroleum play and covers an area of over 540 km<sup>2</sup>. The Board consider that the licence has good potential for conventional oil and gas. It is located in a working hydrocarbon system where a number of other discoveries have been made in adjacent licences but PEDL-181 itself has been overlooked by the industry and has not been previously drilled. The Board are also aware that the area may have potential as a shale gas resource.

Europa has conducted considerable technical work on PEDL-181 during the last 18 months including acquisition of a 78 km 2D seismic in the first quarter of 2013, reprocessing of an existing 150 km<sup>2</sup> 3D survey together with detailed regional evaluation and prospect specific mapping. The outcome of this work is the identification of a drillable conventional oil and gas prospect at the Kiln Lane location in the east of the licence approximately 28 km from Europa's producing Crosby Warren oil field. This previously unknown prospect is a robust structural closure prospective for Carboniferous sandstone reservoirs. Exploration success at this location would be a significant milestone and would substantially derisk a number of leads for possible follow-up drilling. Europa's research indicates that the Kiln Lane prospect has gross mean unrisked resources of 2.9 mmbo and a chance of success of 36 per cent. In the event of exploration success Europa intends to conduct an extended well test for the purpose of enabling a fast track development.

The table below sets out the indicative gross and net mean unrisked resources of Kiln Lane (*Source: Europa internal technical analysis*):

<i>Kiln Lane Unrisked Resources</i>	<i>Gross</i>	<i>Net to EOG</i>
P90	0.50	0.25
P50	1.80	0.90
P10	6.70	3.35
Mean	2.90	1.45

On 18 December 2013, the Company submitted a firm commitment to DECC to drill the Kiln Lane well and, following preliminary discussions with DECC, it is anticipated that phase 1 of the PEDL-181 licence will be extended by one year until 30 June 2015 to enable fulfilment of this drilling commitment.

Accordingly, Europa, and its partners, have commenced the site selection process and expect to submit a planning application in March 2014 for the drilling of an exploration well. It is currently expected that this well will spud in the second half of 2014.

### *PEDL-180 (Wressle)*

PEDL-180 covers an area of 100 km<sup>2</sup> of the East Midlands Petroleum Province south of the Crosby Warren field. Europa has a 33.3 per cent. working interest in the block with its partners Egdon Resources (25 per cent. and operator), Celtique Energie (33.3 per cent.) and Union Jack Oil (8.3 per cent.). 49 km<sup>2</sup> of 3D seismic acquisition covering PEDL-180 and PEDL-182 was acquired in the first quarter of 2012 and has been processed and interpreted. The operator estimates the Wressle prospect to hold mean gross un-risked recoverable resources of 2.1 mmbo.

Drilling at Wressle is anticipated to take place in the first quarter of 2014, with Europa's share of the costs fully funded from its existing resources.

### *PEDL-182 (Broughton)*

PEDL-182 is an area of 40 km<sup>2</sup> to the north of PEDL-180. Europa has a 33.3 per cent. working interest in the block with its partners Egdon Resources (33.3 per cent. and operator), Celtique Energie (33.3 per cent.). The Broughton prospect was previously drilled by BP plc and flowed oil. A CPR in May 2012 (available on Europa's website) estimated the Broughton prospect to hold mean gross un-risked recoverable resources of 1.85 mmbo. The Board and its partners in this licence will consider its intentions and plans in respect of the licence in light of drilling results at PEDL-180.

### *PEDL-142 (Holmwood)*

Europa considers Holmwood to be one of the most exciting undrilled exploration prospects in the UK. As set out in the Company's final results and report for the year ended 31 July 2013, the Board continues to work with its legal advisers in preparation for a hearing in the Court of Appeal at the end of April, or early May, 2014 in respect of Europa's application for planning permission for a temporary exploration well on this site.

## ***Ireland***

### *Exploration*

The Board continue to be particularly excited by the potential of its two FELs in the South Porcupine Basin offshore southwest Ireland; FEL 2/13 (formerly LO 11/7 containing the Mullen prospect) and FEL 3/13 (formerly LO 11/8, Kiernan).

Europa, based on technical work to date and interpretation of pre-existing 2D seismic, estimates Mullen and Kiernan together to have gross mean un-risked indicative resources of 482 million barrels of oil and 1.612 billion barrels of oil equivalent respectively. On 18 April 2013, the Board considers that significant technical and financial validation was provided in relation to its Irish prospects when Europa announced a farm-in to both licences. Kosmos agreed to farm-in, earning an 85 per cent. interest and operatorship. In May 2013, the Irish government approved the conversion of the two LOs to FELs. Kosmos will fund the majority of the costs of developing these prospects, including a 3D seismic survey over each licence, and subject to both companies wishing to continue into further phases, Kosmos will pay 100 per cent. of the costs of the first exploration well subject to caps of \$90 million in FEL 2/13 and \$110 million in FEL 3/13. Europa must pay its equity share of the general and administrative costs during the well phase, but, under the terms of the farm out agreement, these costs are capped at \$450,000 on each licence.

Further information in respect of the Mullen and Kiernan prospects were provided to Shareholders in the Company's announcements dated 6 November 2012 and 16 January 2013 and detailed summary of the Company's work with Kosmos to date is set out in the Company's annual report and accounts for the year ended 31 July 2013 (available on the Company's website).

The 3D seismic survey was completed in October 2013, with the interpretation anticipated to be available at the end of June 2014, at which time decisions will be made in respect of drilling of the Kiernan and Mullen prospects. The Board believes that the earliest date for a first exploration well on either prospect would be during 2015. Meanwhile, a CPR is to be scheduled to be commissioned during the course of 2014.

The Board believes that the technical insights that Europa has gained from its work in the South Porcupine Basin provides a competitive edge which will stand it in good stead as it seeks to participate in the next licensing round in Ireland, expected to open in April 2014.

Summaries of the farm out agreements and joint operating agreements relating to the Mullen and Kiernan prospects are set out in paragraphs 6.1 to 6.4 (inclusive) of Part IV of this document.

## **France**

### *Exploration*

Europa holds a 100 per cent. interest in the onshore Béarn des Gaves permit in the Aquitaine basin, the heartland of the French oil industry, and a 100 per cent. interest in the Tarbes Val d'Adour permit. Whilst the latter remains subject to renewal by the relevant French authorities, the Company's permit in Béarn des Gaves was renewed in October 2013 for a period of five years commencing March 2012.

The Béarn des Gaves permit contains two prospects: Berenx Deep and Berenx Shallow.

Berenx Deep is an appraisal project having previously been explored and drilled by EssoRep with two wells, Berenx-1 (1969) and Berenx-2 (1972), both encountering strong gas shows over a 500m thick gas bearing zone. In 1975 Berenx-2 was re-entered, drill stem tested and flowed gas to surface from the same carbonate reservoir that delivered 9 tcf and 2 tcf from nearby fields at Lacq and Meillon. Ongoing re-evaluation and interpretation of existing seismic and well data on Berenx Deep has resulted in the better definition of a shallow gas prospect, Berenx Shallow. Previous exploration on the concession had focused only on the deep lying gas prospectivity. A thorough review by the Company of historic well results, re-interpretation of structure and proven hydrocarbon bearing reservoir distribution in the shallow (less than 4000m) Cretaceous and Late Jurassic carbonate sediments has resulted in an upgrade in the Company's estimation of the Berenx Shallow gas prospectivity to estimated potential gross mean un-risked resources of 416 bcf.

The table below sets out the indicative gross and net (on the basis of assumed and indicative farm-down) risked resources of Berenx Deep and Berenx Shallow (*Source: Europa internal technical analysis*):

	<i>Berenx Deep</i>		<i>Berenx Shallow</i>	
	<i>Gross</i>	<i>Net to EOG*</i>	<i>Gross</i>	<i>Net to EOG**</i>
	<i>bcf</i>	<i>bcf</i>	<i>bcf</i>	<i>bcf</i>
P90	11.0	4.0	44.0	22.0
P50	46.0	18.0	68.0	34.0
P10	212.0	85.0	97.0	48.0
Mean	94.2	37.7	69.3	34.7

\* assuming farm-down to 40 per cent.

\*\* assuming farm-down to 50 per cent.

The Board remain committed to the farm-out of the permit whilst also undertaking well permitting and drilling to confirm a well location for Berenx Shallow ahead of drilling in 2014. The Board continue to contemplate a farm-out of both Berenx Deep and Berenx Shallow assets.

### **3. Use of proceeds of the Placing and Open Offer**

#### *Placing*

The Placing has raised gross proceeds of approximately £2.86 million, which will fund the Company's near-term work programme and projects across the United Kingdom, Ireland and France.

The below table sets out a summary of the Board's current intentions for the deployment of the proceeds of the Placing and the commitments of certain Directors to participate in the Open Offer amounting to, in aggregate, a further £0.16 million. Further details of the Board's intentions are provided in the Company's announcement in respect of the Placing of 13 December 2013.

<i>Use of Proceeds</i>	<i>£ million</i>
<b>UK, Kiln Lane/PEDL-181</b>	1.15
Well cost	0.5
Extended well test	0.25
Well planning, permitting and other	
<b>Ireland</b>	
Contribution toward JV working capital costs	
Costs of participation in next licensing round	
CPR to be commissioned in 2014	0.6
<b>Working capital</b>	
Including farm-out costs and preliminary well planning at Berenx Shallow, France	0.5
<b>Total</b>	3.0

### ***Open Offer***

The Board believes that the net proceeds of the Placing, when combined with the commitments from certain Directors in the Open Offer will be sufficient to meet the Group's near-term work programme and working capital requirements. However, the Board have decided to make the Open Offer to Shareholders, which will provide further funding for the Company's work programme, as well as additional funds for progressing a range of other projects and activities.

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

#### **4. Principal terms of the Open Offer**

The Board are offering Qualifying Shareholders the opportunity to subscribe for Open Offer Shares on a pre-emptive basis on the same terms as the Placing by launching the Open Offer to issue up to 19,332,855 Open Offer Shares to Qualifying Shareholders at the Issue Price.

#### ***Basic Entitlement***

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

#### **1.4024 Open Offer Shares for every 10 Existing Ordinary Shares**

held at the Record Date. Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

#### ***Excess Entitlement***

Qualifying Shareholders subscribing for their full Basic Entitlement (and Qualifying Shareholders whose Basic Entitlement is zero) are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. If valid applications for Excess Entitlements exceed the total number of Open Offer Shares not issued to Qualifying Shareholders pursuant to their Basic Entitlements, applications for Excess Entitlements will be scaled back by the percentage amount by which the total number of applications for Excess Entitlements exceeds the total number of Open Offer Shares available as Excess Entitlements. No Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

The Open Offer is not being underwritten and consequently there may be fewer than 19,332,855 Open Offer Shares issued pursuant to the Open Offer.

## ***Overseas Shareholders***

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

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

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

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

## **5. Directors' shareholdings**

Certain Directors, being Bill Adamson, Hugh Mackay, Phil Greenhalgh and Roderick Corrie, have undertaken to make applications to participate in the Open Offer and will make applications to subscribe for, in aggregate, 2,666,665 Open Offer Shares, as detailed in the table below:

<i>Director</i>	<i>As at the date of this document</i>		<i>As at Second Admission</i>		
	<i>Number of Ordinary Shares held</i>	<i>Number of Open Offer Shares to be subscribed for</i>	<i>Value of Open Offer Shares to be subscribed for</i>	<i>Number of Ordinary Shares*</i>	<i>per cent. of Enlarged Share Capital**</i>
Bill Adamson	575,000	166,666	£10,000	741,666	0.36%
Hugh Mackay	860,824	1,666,666	£100,000	2,527,490	1.23%
Phil Greenhalgh	250,000	333,333	£20,000	583,333	0.28%
Roderick Corrie	103,496	500,000	£30,000	603,496	0.29%

\* Assuming each Director's application for Open Offer Shares is satisfied in full

\*\* Assuming the Open Offer is fully subscribed and assuming no warrants or options are exercised between the date of this document and Second Admission

## **6. Action to be taken by Shareholders in respect of the Open Offer**

### ***Qualifying Non-CREST Shareholders***

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



### ***Qualifying CREST Shareholders***

If you are a Qualifying CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form will accompany this document and you will receive a credit to your appropriate stock account in CREST in respect of your Basic Entitlement and also in respect of your Excess Entitlement (equal to 25 Open Offer Shares per 10 Existing Ordinary Shares held). If you wish to take up more Open Offer Shares as an Excess Entitlement then please contact Computershare to arrange a further credit of Open Offer Shares as an Excess Entitlements to your CREST account.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 17 January 2013. 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 document.

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

### **7. EIS/VCT Schemes**

The Company has applied for and is awaiting confirmation of advance assurance from HMRC that the Open Offer Shares with VCT Schemes are expected to constitute a qualifying holding for such VCT Schemes. HMRC has also been requested to provide advance assurance that the Open Offer Shares should satisfy the requirements for tax relief under the EIS. The Company has previously applied for and received confirmation of advance assurance of qualifying status under VCT Schemes and the EIS, the most recent being 26 February 2013. A new application has been submitted and it is expected that an updated advance assurance will be provided by HMRC to the Company, although **Shareholders should be mindful that no guarantees or assurance can be given in this regard.**

### **8. Further Information**

Your attention is drawn to the additional information set out in Parts II to VI (inclusive) of this circular.

Yours faithfully

**WH Adamson**  
*Chairman*

## **PART II**

### **RISK FACTORS**

**ALL THE INFORMATION SET OUT IN THIS DOCUMENT SHOULD BE CAREFULLY CONSIDERED, IN PARTICULAR THE ATTENTION OF PROSPECTIVE INVESTORS AND SHAREHOLDERS IS DRAWN TO THE RISKS DESCRIBED BELOW. THE ORDINARY SHARES SHOULD BE REGARDED AS A SPECULATIVE INVESTMENT AND AN INVESTMENT IN ORDINARY SHARES SHOULD ONLY BE MADE BY THOSE WITH THE NECESSARY EXPERTISE TO FULLY EVALUATE THE INVESTMENT. INVESTMENTS MAY FALL AS WELL AS RISE IN VALUE. THE DIRECTORS BELIEVE THAT THE FOLLOWING RISKS SHOULD BE CONSIDERED CAREFULLY BY INVESTORS BEFORE ACQUIRING ORDINARY SHARES. PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT AN INDEPENDENT ADVISER AUTHORISED UNDER FSMA.**

If any of the following risks actually materialise, the Company's business, financial condition, and prospects could be materially and adversely affected to the detriment of the Company and its Shareholders. In that case, the market price and liquidity of Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost.

The Directors consider the following risks to be material, but the risks listed do not necessarily comprise all those associated with an investment in the Company and the Ordinary Shares. There may be additional risks that the Directors do not currently consider to be material or of which the Directors are not currently aware. No inference ought to be drawn as to the relative importance, or the likelihood of the occurrence, of any of the following risks by reference to the order in which they appear.

Investors should also take their own tax advice as to the consequences of owning Ordinary Shares in the Company as well as receiving returns from it. No representation or warranty, express or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any Ordinary Shares in the Company and neither the Company, the Directors nor finnCap will be responsible for any tax consequences for any such investors.

Save where the context requires otherwise, references in this Part II to "the Company" shall be deemed to include references to the Group as a whole.

#### **Risks specific to the Company and its business**

##### ***Exploration risks***

All drilling to establish productive hydrocarbon reserves is inherently speculative. The techniques presently available to geophysicists, geologists, petro-physicists, reservoir and petroleum engineers, and other technical specialists to identify the existence and location of accumulations of hydrocarbons are indirect and subject to a wide variety of variables which are subjective in nature with respect to the environment in which they exist and are not precise on their application, and therefore, a considerable amount of personal judgment is involved in the selection of any prospect for drilling or identifying potentially profitable producing hydrocarbon accumulation. In addition, even when drilling successfully and a well is completed as a producing gas well, unforeseeable operating problems may arise which render it uneconomical to produce such gas.

Whilst the Company is extremely encouraged by the prospectivity of its Irish licences (and the Directors consider the farm-in of Kosmos to be a helpful endorsement), exploration is at an early stage and it is possible that the prospect inventory delivered following interpretation of the 2013 3D seismic will not meet commercial criteria and that discretionary exploration drilling will not be conducted.

##### ***Project development and production risks***

If the Company achieves exploration success in relation to its exploration assets that leads to a decision to develop production operation, the development and ongoing production from such operations may be

adversely affected by various factors including the following, which also apply to the Company's producing assets: failure to achieve predicted production flow rates, mechanical failure or plant breakdown; unanticipated reservoir problems, unforeseen capital expenditure, adverse weather conditions, industrial and environmental accidents, industrial disputes, delays due to government actions, infrastructure availability and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

### ***Operational risks***

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected rock formations, well blow-outs, explosions, flooding and extended interruptions due to inclement or hazardous weather conditions and other acts of God. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. No assurance can be given that the Company will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

The occurrence of any of these hazards can delay activities of the Company and may result in liability. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past activities for which it was not responsible.

In addition, the risk of the temporary or permanent loss of one of the Company's major customers would present operational issues that may have an impact on revenue and cashflow as the Company would need to put in place operating and logistical arrangements with alternative customers.

### ***Reserve and resource estimates***

The estimation of hydrocarbon resources and reserves is in part an interpretative process and the accuracy of any such estimates is a function of the quality of available data, and of engineering and geological interpretation and judgement, and thus may prove inaccurate. This may result in alterations to development and production plans which may, in turn, adversely affect operations. No assurances can be given that the volume and quality of reserves recovered, and rates of production achieved, will not be less than anticipated or will fluctuate over time. The Company prepares resource and reserve estimates and takes decisions, based on its own employee's professional judgements and experience. In addition, the Company periodically contracts the services of independent professional experts to prepare resource and reserve estimates and in 2012 did so in relation to its assets at West Firsby, Crosby Warren, Whisby, Broughton, Wressle, Holmwood and Berenx Deep.

### ***Political risk***

Political risk is the risk that assets will be lost through expropriation, unrest or war. Europa seeks to minimise political risk by operating in countries with relatively stable political systems, established fiscal and mining codes and a respect for the rule of law but there can be no guarantee that the Company will not be adversely affected by political risk.

### ***Permits and other authorisations and/or such concessions, rights, licences, permits and other authorisations may be suspended, terminated or revoked prior to their expiration***

The Company conducts its operations pursuant to concessions, licences, permits and other authorisations and through contracts with its joint venture partners. Any delay in obtaining or renewing a licence, permit or other authorisation may result in a delay in investment or development of resources and may have a material adverse effect on the Company's results of operations, cash flows and financial condition, as would any failure to obtain the renewal or extension of a licence. In particular, there is a risk that the anticipated extension of the PEDL-181 licence (Kiln Lane) to 30 June 2015 will not be granted (although on the basis of conversations with DECC, the Company believes that the licence will be extended, on the proviso that the Company is committed to drilling).

In addition, any of the Company's existing and future mineral rights and concessions, licences, permits and other authorisations may be suspended, terminated or revoked if the Company fails to comply with the relevant requirements. If the Company fails to fulfil the specific terms of any of its existing or future rights, concessions, licences, permits and other authorisations or if it operates its business in a manner that violates applicable law, government regulators may impose fines or suspend or terminate the relevant right, concession, licence, permit or other authorisation, any of which could have a material adverse effect on the Company's results of operations, cash flows and financial condition.

#### ***Increasing Competitiveness of Alternative Energy Sources***

The increasing competitiveness of alternative energy sources, including solar and wind power, may lead to less demand for oil and gas in the medium-to-long term, and in turn, the Company's services. Without the benefit of government subsidies or mandates, alternative energy sources have generally not been competitive with oil and gas. However, changes in technology and consumer preferences have begun to alter fuel choices, an example being the growing popularity of alternatively fuelled vehicles.

Furthermore, alternative energy sources have been increasingly competitive due to governmental support in the forms of tax relief and subsidies for alternative energy providers, the adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Governments are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources. These measures could reduce demand for oil and gas in the medium-to-long term, thereby reducing demand for the Company's services.

#### ***Reliance on Key Personnel***

The Company's success, in part, depends upon the continued performance, efforts, abilities and expertise of its key management personnel as well as other management and technical personnel including those employed or to be employed on a contractual basis. The loss of the services of certain of these personnel could have a material adverse effect on the financial position, financial performance, cash flows, growth prospects, ability to pay dividends and the share price of the Company.

#### ***Insurance Risks***

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with gas exploration and production is not always available and, where available, the costs can be prohibitive.

***The Company is exposed to financial and operational risks inherent in joint operating projects. A failure by any of the Company's joint operating partners to meet its obligations may materially and adversely affect the Company's business, cash flow, financial condition and operations and may, in particular, adversely affect the implementation of the Company's development plans***

The Company is party to joint operating agreements in relation to the assets at Holmwood (PEDL-143), Wressle (PEDL-180), and various blocks under PEDL-181. The Company is also party to an agreement in relation to the asset at Whisby.

The agreements referred to above contain provisions relating to the sharing of costs and obligations of the parties. If any joint venture partner defaulted in meeting its obligations or does not pay its proportion of such costs, the Company may be required to meet such costs itself, which may materially and adversely affect the Company's business, cash flow, financial condition and operations and may, in particular, adversely affect the execution of the Company's development plan summarised in Part I of this document.

### ***Title to licence areas***

While the Company has undertaken all the customary due diligence in the verification of title to its licences and real estate, this should not be construed as a guarantee of title. The licences and real estate may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

There is also the risk that the Company will not obtain the necessary planning and other local authority consents to its onshore activities. In particular, the Leith Hill Action Group submitted an appeal to the Court of Appeal on 19 September 2013 following the Company's successful High Court challenge on 25 July 2013 in relation to Surrey County Council's refusal to grant planning permission to drill at the Holmwood site. Further details regarding the appeal will be announced in due course.

### ***Contractual disputes and litigation risk***

The Company is exposed to possible litigation risks including contractual and property / planning disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation.

Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation other than the planning appeal in relation to the Holmwood asset referred to above. Information about any dispute that comes into the public domain could cause reputational damage to the Company.

### ***Environmental protection***

The Company's exploration, development and production activities are subject to extensive laws and regulations governing environmental impact and protection. The Company is also subject to various reclamation-related requirements. A failure to comply with environmental laws and regulations (including as a result of technical failures) may result in enforcement actions causing operations to cease or be curtailed, the imposition of fines and penalties, and may include corrective measures requiring significant capital expenditures. In addition, certain types of operations require the submission and approval of environmental impact assessments.

### ***Compliance risk***

In common with all companies and employers, the Company and its directors are subject to the risk of liability for fines and imprisonment for applicable legislation and regulations including breaches of health & safety, employment, anti-corruption, environmental and taxation legislation.

### ***Commodity risk***

Commodity risk is the risk that the price earned for oil and gas will fall to a point where it becomes uneconomic to extract them from the ground. The commodities in Europa's portfolio are oil and gas. The price of oil and gas are affected by numerous factors totally beyond the control of the Company, including producer hedging activities, demand, political and economic conditions and production levels. Future commodity prices may go down as well as up.

### ***Liquidity risk***

Liquidity risk is the risk of running out of working and investment capital. Europa's goal is to finance its exploration activities with cash flow from operations, but in the absence of such cash flow, the Company relies on the issue of equity share capital, joint venture, farm-out and option agreements to finance its activities. There can be no assurance that adequate funding will be available when required to finance the Company's activities, nor that the estimated costs of the Company's activities will not be exceeded. In particular, the Company's estimates of costs for drilling at Kiln Lane may prove to be insufficient. Furthermore, whilst the Company is applying process rigour to the recently commenced farm-out process relating to Berenx Shallow, there can be no assurance that the Company will be able to successfully farm-out financing obligations in respect of this asset.

### ***Currency risk***

Fluctuations in currency exchange risks can significantly impact cash flows. The Company finances its overseas operations by transferring pounds sterling from the UK to meet local expenses in France and Ireland.

Because the primary market for the Ordinary Shares and the underlying business of the Company are in a currency other than Euro, investors from countries whose currency is the Euro are reminded that changes in exchange rates may also have an adverse effect on the value, price or income of the Ordinary Shares.

### ***Market risk***

The availability of a ready market for gas and hydrocarbon products which may be sold by the Company depends upon numerous factors beyond its control, the exact effects of which cannot be accurately predicted. These factors (the list of which is not exhaustive) include: general economic activity, the world gas price, the marketability of the hydrocarbons produced, action taken by other producing nations, the availability of transportation capacity, the availability and pricing of competitive fuels, and the extent of governmental regulation and taxation.

### ***EIS/VCT status***

HMRC has previously provided advance assurance that the Ordinary Shares of the Company will qualify under the EIS and VCT Schemes, the most recent assurance being provided on 26 February 2013. A new application has been submitted and it is expected that an updated advance assurance will be provided by HMRC. Whilst the Directors intend, so far as possible, to conduct the activities of the Group in such a way as to allow it to maintain its status as a qualifying EIS/VCT investment, circumstances may arise where the Directors believe that the interests of the Company are not best served by acting in a way that preserves such status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder. Neither the Company nor the Directors give any warranties or undertakings that this status will not be withdrawn. Should the law regarding EIS and/or VCT treatment change, then any reliefs or qualifying status previously obtained may be lost.

### ***Changes in legislation***

The Company's activities are subject to local laws and regulations governing exploration, development, production, exports, taxes, employment standards, environmental impact, occupational health and safety and other matters. Such laws and regulations are subject to change and can become more stringent, and compliance can therefore become more costly. The Company applies the expertise of its management, its advisors, its employees and contractors to ensure compliance with current laws.

## **Risks relating to the Company's Ordinary Shares**

### ***Value of Ordinary Shares and liquidity***

It is likely that the Company's share price will fluctuate and may not always accurately reflect the underlying value of the Company's business and assets. The price of the Ordinary Shares may go down as well as up and investors may realise less than the original sum invested. The price that investors may realise for their holdings of Ordinary Shares, if and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous. Such factors may include the possibility that the market for the Ordinary Shares is less liquid than for other equity securities and that the price of the Ordinary Shares is relatively volatile.

The Directors are unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares.

### ***Suitability***

An investment in the Company involves a high degree of risk and may not be suitable for all investors. Investors are reminded that the price at which they may realise their Ordinary Shares and the timing of any

disposal of them may be influenced by a large number of factors, some specific to the Company and its proposed operations, some which may affect the sector in which the Company operates and some which relate to the operation of financial markets generally. These factors could include the performance of the Company's operations, large purchases or sales of shares in the Company, liquidity or absence of liquidity in the Ordinary Shares, legislative or regulatory changes relating to the business of the Company and general economic conditions.

## **General risks**

### ***Financial markets and global economic outlook***

The performance of the Company will be influenced by global economic conditions and, in particular the conditions prevailing in the United Kingdom, France and Ireland. The global economy has experienced difficulties in recent years. If these levels of market disruption and volatility recur, the Company is likely to experience difficulty in securing debt finance, if required, to fund its long term development strategy. The Company may be exposed to increased counterparty risk as a result of business failures in the countries in which it operates and will continue to be exposed if counterparties fail or are unable to meet their obligations to the Company. The precise nature of all the risks and uncertainties the Company faces as a result of the global economic outlook cannot be predicted and many of these risks are outside of the Company's control.

### ***Changes in tax and other legislation***

The information in this document is based upon current tax and other legislation and any changes in legislation or in the levels and basis of, and reliefs from, taxation may affect the value of an investment in the Company. There can be no certainty that the current taxation regime in the UK, in France and in Ireland where the Company operates will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Company's operations, which may have a material adverse effect on the financial position of the Company. Individual tax circumstances may differ from investor to investor and persons wanting to invest are advised to seek tax advice based upon their own circumstances.

### ***Additional capital requirements***

The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

### ***Admission to trading on AIM***

The Existing Ordinary Shares are, and the New Ordinary Shares will be, admitted to trading on AIM 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. The Ordinary Shares will not be admitted to the Official List. An investment in AIM quoted shares may carry a higher risk than an investment in shares quoted on the Official List.

The investment described in this document is speculative and may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his/her personal circumstances and the financial resources available to him/her.

## PART III

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. Introduction

As explained in the letter set out in Part I of this document, the Company hereby invites Qualifying Shareholders to apply, on and subject to the terms and conditions set out in this document and in the Application Form, and subject to the Articles of the Company, for Open Offer Shares at the Issue Price, free from all expenses, payable in cash in full on application. Qualifying Shareholders are being given the opportunity to subscribe for their Basic Entitlement at the Issue Price payable in full on application and free of all expenses, *pro rata* to their existing shareholdings.

In addition to their Basic Entitlement, Qualifying Shareholders are invited to subscribe for additional Open Offer Shares, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer, as an Excess Entitlement at the Issue Price, free from all expenses, payable in cash in full on application as they may choose.

The Open Offer has been structured such that the maximum amount that can be raised by the Company under the Open Offer is £1.16 million.

The Issue Price represents a discount of approximately 21 per cent. to the closing mid-market price of 7.625 pence per Existing Ordinary Share on 13 December 2013.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares and the Placing Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue. The allotment and issue of the Open Offer Shares will be made upon and be subject to the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings in the Open Offer Shares will commence on AIM at 8.00 a.m. on 21 January 2014.

**If a Qualifying Shareholder does not wish to apply for Open Offer Shares he should not complete or return the Application Form.**

A maximum number of 19,332,855 Open Offer Shares will be offered to Qualifying Shareholders as part of the Open Offer. In no circumstances will more than this number of Ordinary Shares be issued pursuant to the Open Offer.

#### 2. Principal terms and conditions of the Open Offer

Qualifying Shareholders are being given the opportunity to subscribe for their Basic Entitlement at the Issue Price payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

##### **1.4024 Open Offer Shares for every 10 Existing Ordinary Shares**

held at the Record Date. Basic Entitlement will be rounded down to the nearest whole number of Ordinary Shares and fractional entitlements which would have otherwise arisen will not be issued.

Qualifying Shareholders subscribing for their full Basic Entitlement (and Qualifying Shareholders whose Basic Entitlement is zero) are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. If valid applications for Excess Entitlements exceed the total number of Open Offer Shares not issued to Qualifying Shareholders pursuant to their Basic Entitlements, applications for Excess Entitlements will be scaled back by the percentage amount by which the total number of applications for Excess Entitlements



exceeds the total number of Open Offer Shares available as Excess Entitlements. No Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

The Open Offer is not being underwritten and consequently there may be fewer than 19,332,855 Open Offer Shares issued pursuant to the Open Offer.

Qualifying Shareholders may apply for, on and subject to the terms and conditions set out in this document and in the accompanying Application Form, any whole number of Open Offer Shares at the Issue Price.

Only Qualifying Shareholders will be eligible to make an application for Open Offer Shares. Overseas Shareholders should refer to paragraph 7 below.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue and the Application Form is not a negotiable document and cannot be traded. Applications for Open Offer Shares may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.

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

The Open Offer is conditional on, *inter alia*, the delivery by the Company to finnCap of a certificate confirming the accuracy of the representations and warranties contained in the Open Offer Agreement immediately prior to Second Admission and to Second Admission occurring by not later than 8.00 a.m. on 21 January 2014 or such later date as the Company and finnCap may agree, but in any event not later than 5.00 p.m. on 31 January 2014.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of the Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 31 January 2014. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by as soon as possible after Admission on 21 January 2014.

All monies received by the Receiving Agent in respect of Open Offer Shares will be credited to a non-interest bearing account by the Receiving Agent.

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

### **4. Procedure for Application and Payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of the Open Offer or you have Open Offer Entitlements credited to your CREST stock account.

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form will receive a personalised Application Form. The Application Form will show the number of Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Basic Entitlement and the total number of Open Offer Shares available under their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold Existing Ordinary Shares partly in certificated and

partly 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 Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.1.2(f) of Part III of this document.

**Qualifying Shareholders who do not wish to apply for any Open Offer Shares under the Open Offer should not complete or return the Application Form or submit a USE message through CREST. Qualifying Shareholders who hold their Ordinary Shares through a nominee and who wish to apply for Open Offer Shares must contact their nominee as such Qualifying Shareholders will not be able to apply for Open Offer Shares directly using the Application Form.**

#### 4.1.1 *If you receive an Application Form in respect of your Open Offer Entitlements under the Open Offer*

##### (a) *General*

Subject as provided in paragraph 7 of this Part III in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date. It also shows the number of Open Offer Shares for which you may apply pursuant to your Basic Entitlement, (on an initial *pro rata* basis) as shown by the total number of Open Offer Shares allocated to you. You may apply for less than your initial *pro rata* entitlement should you wish to do so. You may also apply for additional Open Offer Shares by completing Boxes E and F on the Application Form relating to your Excess Entitlement.

Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim. If valid applications for Excess Entitlements exceed the total number of Open Offer Shares not issued to Qualifying Shareholders pursuant to their Basic Entitlements, applications for Excess Entitlements will be scaled back by the percentage amount by which the total number of applications for Excess Entitlements exceeds the total number of Open Offers Shares available as Excess Entitlements. The instructions and other terms set out in the Application Form forms part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

##### (b) *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Non-CREST Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to 7.00 a.m. on 20 December 2013, the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer by the London Stock Exchange. Non-CREST Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 15 January 2014. The Non-CREST Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should 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.

Qualifying Non-CREST Shareholders who have sold all of their registered holdings prior to 7.00 a.m. on 20 December 2013 should, if the market claim is to be settled outside CREST, complete Box J on the Non-CREST Application Form and immediately send it to the broker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee, or directly to the purchaser or transferee, if known. Subject to certain exceptions, the Non-CREST Application Form should not, however, be forwarded to or transmitted in or into any Restricted Jurisdiction or the United States. If the market claim is to be settled outside CREST, the beneficiary of the claim should

follow the procedures set out in the accompanying Non-CREST 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 4.3 below.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred part only of their Existing Ordinary Shares shown on Box A of their Non-CREST Application Form prior to 7.00 a.m. on 20 December 2013 should, if the market claim is to be settled outside CREST, complete Box J of the Non-CREST Application Form and immediately deliver the Non-CREST Application Form, together with a letter stating the number of Non-CREST Application Forms required (being one for the Qualifying Non-CREST Shareholder in question and one for each of the purchasers or transferees), the total number of Existing Ordinary Shares to be included in each Non-CREST Application Form (the aggregate of which must equal the number shown in Box A of the Non-CREST Application Form) and the total number of Open Offer Entitlements to be included in each Non-CREST Application Form (the aggregate of which must equal the number shown in Box B), to the broker, bank or other agent through whom the sale or transfer was effected or return it by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 7AH, so as to be received by 3.00 p.m. on 14 January 2014. The Receiving Agent will then create new Non-CREST Application Forms, mark the Non CREST Application Forms “Declaration of sale or transfer duly made” and send them by post to the person submitting the original Non-CREST Application Form.

(c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares should complete the Application Form in accordance with the instructions printed on it. If valid applications for Excess Entitlements exceed the total number of Open Offer Shares not issued to Qualifying Shareholders pursuant to their Basic Entitlements, applications for Excess Entitlements will be scaled back by the percentage amount by which the total number of applications for Excess Entitlements exceeds the total number of Open Offers Shares available as Excess Entitlements.

Completed Application Forms should be posted in the pre-paid envelope accompanying the Application Form or returned by post or by hand (during normal business hours only) to the Receiving Agent, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 17 January 2014, after which time Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Qualifying Shareholders are recommended to allow at least four working days for delivery if posted by first class post. If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Computershare Investor Services PLC between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0870 889 4072 from within the UK or +44 (0870) 889 4072 if calling from outside the UK. Calls to the 0870 889 4072 number cost 8 pence per minute (including VAT) plus your service provider’s network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. 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.

**All payments must be in pounds sterling and made by cheque or bankers’ draft and should be made payable to “Computershare Investor Services plc re: Europa Oil & Gas (Holdings) PLC a/c” and crossed “A/C payee only”.** Cheques and bankers’ drafts must be drawn in sterling on a bank or building society in the UK which is either a settlement member of the Cheques & Credit Clearing Company Limited or the CHAPS & Town Clearing Company Limited or a member of the Committee of Scottish or Belfast Clearing Houses or which has arranged for its cheques and bankers’ drafts to be cleared through facilities provided for the members of either of those companies or committees and must bear the appropriate sorting code in the top right hand corner. **No application will be considered unless these requirements are fulfilled. Eurocheques will not be accepted.**

Cheques should be drawn on the personal account to which the Qualifying Shareholder has sole or joint title to the funds. Third party cheques will not be accepted with the exception of bankers' drafts/building society cheques where the bank/building society has confirmed the name of the account holder on the back of the draft/cheque and has added their stamp. The account name must be the same as that of the applicant. Cheques and bankers' drafts will be presented for payment upon receipt and it is a term of the Open Offer that cheques will be honoured on first presentation. If cheques or bankers' drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If all the conditions of the Open Offer have not been fulfilled or (where appropriate) waived by 8.00 a.m. on 21 January 2014 (or such later date as the Company and its advisers may agree but in any event not later than 5.00 p.m. on 31 January 2014), application monies will be returned, without interest, by crossed cheque in favour of the applicant(s) (at the applicant's risk) through the post as soon as is practicable after that date.

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

- (i) Application Forms received after 11.00 a.m. on 17 January 2014; or
- (ii) Applications in respect of which remittances are received before 11.00 a.m. on 17 January 2014 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

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

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

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

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to the Receiving Agent, Computershare Investor Services PLC between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0870 889 4072 from within the UK or +44 (0870) 889 4072 if calling from outside the UK. Calls to the 0870 889 4072 number cost 8 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. 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.

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

(a) *General*

Each Qualifying CREST Shareholder will receive a credit to his stock account in CREST in respect of his Basic Entitlement and also in respect of his Excess Entitlement (equal to 25 Open Offer Shares per 10 Existing Ordinary Shares held). If you wish to take up more Open Offer Shares as an Excess Entitlement then please contact Computershare to arrange a further credit of Open Offer Shares as an Excess Entitlements to your CREST account. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of whom the Open Offer Entitlements have been allocated. If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 23 December 2013, or such later time and/or date as the Company and the Brokers may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of 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, Computershare Investor Services PLC between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0870 889 4072 from within the UK or +44 (0870) 889 4072 if calling from outside the UK. Calls to the 0870 889 4072 number cost 8 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. 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.

(b) *Market claims*

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. 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.

(c) *Unmatched Stock Event ("USE") instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear which, on its settlement, will have the following effect: (i) the crediting of a stock account of the Receiving Agent 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 (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent 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 (i) above.

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

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

- (i) the number of Open Offer Shares for which application is being made and the number of Basic Entitlements being delivered to the Receiving Agent;
- (ii) the ISIN of the Basic Entitlement. This is GB00BH6Y0N71;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 3RA21;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is EUROPAOG;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 17 January 2014; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 17 January 2014. In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 17 January 2014 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 21 January 2014 or such later time and date as the Company and the Broker determine (being no later than 5.00 p.m. on 31 January 2014), 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 Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE instruction in respect of Excess Entitlements*

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

- (i) the number of Excess Entitlements for which application is being made;
- (ii) the ISIN of the Excess Entitlements. This is GB00BH6Y0P95;

- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 3RA21;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is EUROPAOG;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Entitlements referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 17 January 2014; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 17 January 2014. In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 17 January 2014 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 21 January 2014 or such later time and date as the Company and the Broker determine (being no later than 5.00 p.m. on 31 January 2014), 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 Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

A Qualifying Non-CREST Shareholder's entitlements to apply for Open Offer Shares under the Open Offer set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlements under the Open Offer are 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) to the provisions of the Application Form. A holder of an Application Form who is proposing to deposit the entitlements set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable a person holding or acquiring such Open Offer Entitlements following their deposit into CREST, to take all necessary steps in connection with taking up such entitlements prior to 3.00 p.m. on 14 January 2014. A holder of an Application Form who deposits his Open Offer Entitlement into his CREST account, will receive a credit to such account for his Open Offer Entitlement which will be managed by the Registrar.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, 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, is 3.00 p.m. on 14 January 2014 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 13 January 2014 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 17 January 2014. Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that they are not a citizen or resident of any territory other than one of the UK or one of the Qualifying Overseas Jurisdictions and where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 17 January 2014 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action.

Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 17 January 2014. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Incorrect or incomplete applications*

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

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

(j) *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:



- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(k) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 21 January 2014 or such later time and date as the Company and finnCap may agree (being no later than 31 January 2014), 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 Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

## **5. Warranties**

A Qualifying Shareholder who makes or is treated as making a valid application for Open Offer Shares:

- (i) represents and warrants that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prohibited or restricted by legal or regulatory requirements from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the payment procedures described in this Part III;
- (iii) agrees that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) confirms that in making the application he is not relying on any information or representation in relation to the Company other than that contained in or referred to in this document or any Publicly Available Information.;

- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to relevant Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants that in relation to each and every Open Offer Entitlement that he has received from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) requests that the New Ordinary Shares to which he will become entitled shall be issued to him on the terms set out both in this document and the Application Form (if applicable, in the case of the latter), subject to the memorandum of association and articles of association of the Company;
- (viii) represents and warrants that they are resident in the UK or one of the Qualifying Overseas Jurisdictions and not resident of any other territory and they will not offer to sell, directly or indirectly, any of the Open Offer Shares (or any rights in respect of such Open Offer Shares) in any such other territory or for the benefit of a resident of any other territory other than one of the Qualifying Overseas Jurisdictions. In addition, completion of an Application Form will constitute a representation and warranty that the person in whose name registration is applied for is a resident of the UK or one of the Qualifying Overseas Jurisdictions and not resident in any other territory and that they do not hold and have not acquired the Open Offer Shares comprised in the Application Form for the account or benefit of a resident of any such other territory or with a view to the offer, sale or delivery, directly or indirectly, of any Open Offer Shares or any rights in respect of such Open Offer Shares in any territory other than the UK or one of the Qualifying Overseas Jurisdictions or to a resident of any other territory;
- (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (x) confirms that in making the application he is not relying and has not relied on the Broker or any person affiliated with the Broker in connection with any investigation of the accuracy of any information contained in this document or his investment decision; and
- (xi) represents and warrants that acceptance by them of their application for subscription under the Open Offer will not result in them and/or persons acting in concert with them obtaining an interest in greater than 29.9 per cent. of the total number of Ordinary Shares in issue following the Open Offer.

## 6. Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations 2007 (the “**Regulations**”), it is a term of the Open Offer that the Registrar may, at their absolute discretion, require verification of identity from any person completing an Application Form or sending a USE message through CREST (the “**Applicant**”) for more than a sterling equivalent of €15,000 and, without prejudice to the generality of the foregoing, in particular any person who either (i) tenders payment by way of a cheque or banker’s draft drawn on an account in the name of any person or persons other than the Applicant or (ii) appears to the Registrar to be acting on behalf of some other person.

This may involve verification of the identity of any person on whose behalf the Applicant appears to be acting.

Lodging of an Application Form and sending the USE message through CREST with the appropriate remittance constitutes a warranty by the Applicant that the Regulations will not be breached by the acceptance of the remittance and an undertaking to provide such evidence of identity at the time of lodging an Application Form or, in the absolute discretion of the Company, within a reasonable time thereafter (in each case to be determined at the absolute discretion of the Company and the Registrar) as may be required to ensure compliance with the Regulations.

If satisfactory evidence of identity has not been received by the Registrar within a reasonable period of time, then the Application Form or USE message through CREST in question may be rejected, in which event the application will not proceed any further and the application monies (without interest) will be returned to the bank account on which the cheque was drawn at the Applicant's own risk.

Where possible Applicants should make payment by their own cheque. If a bankers' draft or building society cheque is used, the Applicant should:

- write his/her name and address on the back of the draft or cheque and, in the case of an individual, record his/her date of birth against his/her name; and
- ask the bank or building society to endorse on the reverse of the draft or cheque the full name and account number of the person whose account number is being debited and stamp such endorsement.

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting Registrar's right to require verification of identity as indicated above).

## **7. Overseas Shareholders**

### **7.1 General**

**The distribution of this document and the making of the Open Offer to persons located or resident in, or who are citizens of, or who have a registered address in, countries other than the UK or a Qualifying Overseas Jurisdiction may be restricted by the law or regulatory requirements of the relevant overseas jurisdiction. Any failure to comply with such restrictions may constitute a violation of the securities laws of the relevant overseas jurisdiction. The attention of Overseas Shareholders is drawn to the representations and warranties set out in paragraph 5 above, which will be given or treated as given in relation to each and every application for Open Offer Shares. Any Overseas Shareholder unable to give such representations and warranties should not apply for Open Offer Shares.**

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would be not be in a Qualifying Overseas Jurisdiction.

Copies of this document and/or Application Forms will only be posted to Qualifying Non-CREST Shareholders with a registered address in the United Kingdom or a Qualifying Overseas Jurisdiction and Open Offer Entitlements will only be credited to the CREST stock accounts of Qualifying CREST Shareholders with a registered address in the United Kingdom or a Qualifying Overseas Jurisdiction. Such Qualifying Shareholders may apply for Open Offer Shares in accordance with the instructions set out in this document and, if relevant, the Application Form.

Receipt of this document and/or the Application Form and/or a credit of Open Offer Entitlement to a stock account in CREST will not constitute an invitation to subscribe for Open Offer Shares in those jurisdictions in which it would be illegal to make such an invitation or any related offer and/or acceptance and, in those circumstances, this document and/or the Application Form will be sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or the Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than one of the Qualifying Overseas Jurisdictions may treat the same as constituting an invitation or offer to him or her, or use the Application Form and/or credit of Open Offer Entitlement to a stock account in CREST, unless in the relevant territory such an invitation or offer could lawfully be made to him/her and such an Application Form and/or a credit of Open Offer Entitlement 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.

Accordingly, persons receiving a copy of this document and/or the Application Form should not, in connection with the Open Offer or otherwise, distribute or send the same to any person in, or citizen or resident of, or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee in any such jurisdiction, he or she must not seek to apply for Open Offer Shares. Any person who does forward this document and/or the Application Form into any such jurisdictions (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 7.

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

**If you are in any doubt as to your eligibility to take up Open Offer Shares, you should contact an appropriate professional adviser immediately.**

### **7.2 *Qualifying Overseas Jurisdiction***

Qualifying Shareholders who have a registered address in a Qualifying Overseas Jurisdiction may take up Open Offer Shares in accordance with the instructions set out in this document and the Application Form.

## **8. *Governing Law***

The terms and conditions of the Open Offer as set out in this document and (in the case of Qualifying Non-CREST Shareholders) the Application Form shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and the Application Form.

By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

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

Application will be made for the Admission of the New Ordinary Shares to trading on AIM. The result of the Open Offer is expected to be announced on or about 20 January 2014 and, subject to the Open Offer becoming unconditional in all respects, trading in the Open Offer Shares is anticipated to commence on AIM for normal settlement on 21 January 2014.

Application will be made for the New Ordinary Shares to be admitted to CREST with effect from Second Admission and applicants for Open Offer Shares will be able to hold their Open Offer Shares in certificated or uncertificated form.

Notwithstanding any other provision of this document or of the Application Form, the Company reserves the right 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 any part of CREST), or on the part of the facilities and/or systems operated by the Company's registrars in connection with CREST. This right may also be exercised if the correct details in respect of *bona fide* market claims (such as the Member Account ID and Participation ID details) are not provided as requested on the Application Form.

For more information as to the procedure for application in each case, Qualifying Shareholders are referred to the Application Form.

## PART IV

### ADDITIONAL INFORMATION

#### 1. The Company

- 1.1 The Company was incorporated and registered as a public limited company in England and Wales under the Companies Act 1985 on 31 August 2004 with registered number 5217946. On 11 November 2004 the Company was admitted to AIM. The liability of the members of the Company is limited.
- 1.2 The Company's registered office and principal place of business is 6 Porter Street, London W1U 6DD. The telephone number is 020 7224 3770.
- 1.3 On 11 November 2004 the Ordinary Shares were admitted to trading on AIM.
- 1.4 The principal legislation under which the Company operates is the Act and the regulations made respectively thereunder.
- 1.5 The Company's principal activity is that of oil and gas exploration and development.
- 1.6 The Company has the following direct and indirect subsidiaries:

<i>Name and Company Number</i>	<i>Date of incorporation</i>	<i>Place of incorporation</i>	<i>Percentage interest held</i>
Europa Oil & Gas Limited	22/08/1995	United Kingdom	100 per cent.
Europa Oil & Gas (Ireland East) Limited	02/10/2013	United Kingdom	100 per cent.
Europa Oil & Gas (Ireland West) Limited	03/10/2013	United Kingdom	100 per cent.
Europa Oil & Gas Resources Limited	19/05/2010	United Kingdom	100 per cent.
Europa Oil & Gas (West Firsby) Limited	26/03/2003	United Kingdom	100 per cent.
Europa Oil & Gas SRL	08/06/2006	Romania	100 per cent.

#### 2. Share capital

- 2.1 The Company's Ordinary Shares are in registered form and are capable of transfer in both certificated form and uncertificated form. The register of members of the Company is maintained by the Registrar: Computershare Investor Services plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 7NH.
- 2.2 The issued share capital of the Company as at 16 December 2013 (being the date on which the Fundraising was announced by the Company) was 137,855,504 Ordinary Shares all of which are fully paid.
- 2.3 As at 16 December 2013 (being the date on which the Fundraising was announced by the Company), the Company had outstanding options and/or warrants over 11,685,000 Ordinary Shares.
- 2.4 The Placing and Open Offer (assuming both become unconditional in all respects and full subscription under the Open Offer) will result in the issue of 47,694,665 Placing Shares and up to 19,332,855 Open Offer Shares. The Company's issued share capital as at 16 December 2013 is 137,855,504 Ordinary Shares and (assuming full subscription under the Open Offer and that no options or warrants are exercised between 16 December 2013 and Second Admission) immediately following Second Admission will be:

	<i>As at 16 December 2013</i>		<i>Immediately following Second Admission</i>	
	<i>Nominal amount (£)</i>	<i>Number of Ordinary Shares</i>	<i>Nominal amount (£)</i>	<i>Number of Ordinary Shares</i>
Issued	13,785,550	137,855,504	20,488,302	204,883,024

2.5 On 10 December 2013 a resolution of the members in the following terms was passed:

in accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Rights”) up to an aggregate nominal amount of £695,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

2.6 No share or loan capital of the Company has since 31 July 2013 (being the date of the last audited accounts), been issued or agreed to be issued or is now (other than the New Ordinary Shares proposed to be issued in respect of the Placing and the Open Offer) proposed to be issued fully or partly paid either for cash or a consideration other than cash and no discounts or other special terms have been granted by the Company during such period in connection with the sale or issue of any share or loan capital of the Company.

2.7 The Company’s share capital consists solely of Ordinary Shares with equal voting rights (subject to the Articles). No significant Shareholder of the Company has any different voting rights from the other Shareholders.

### 3. Directors’ and other interests

3.1 The interests (all of which are beneficial unless otherwise stated) of each of the Directors and the persons connected with them (within the meaning of section 252 of the Act) in the share capital of the Company or the existence of which could, with reasonable diligence, be ascertained by any Director as at the date of this document and as expected to be at Second Admission, are as set out below:

#### Ordinary Shares

<i>Director</i>	<i>As at the date of this document</i>		<i>Number of Ordinary Shares to be applied for*</i>	<i>As at Second Admission (assuming the Placing and Open Offer both become unconditional in all respects)</i>	
	<i>Number of Ordinary Shares held</i>	<i>Percentage of Share Capital</i>		<i>Number of Ordinary Shares held**</i>	<i>Percentage of Enlarged Share Capital<sup>T</sup></i>
William Adamson	575,000	0.42%	166,666	741,666	0.36%
Hugh Mackay	860,824	0.62%	1,666,666	2,527,490	1.23%
Phil Greenhalgh	250,000	0.18%	333,333	583,333	0.28%
William Ahlefeldt- Laurvig	25,502,442	18.50%	–	25,502,442	12.44%
Roderick Corrie	103,496	0.08%	500,000	603,496	0.29%

\* including Excess Entitlement applications

\*\* assuming each Directors’ application to the Open Offer is satisfied in full

T assuming no outstanding warrants or options are exercised between the date of this document and Second Admission and also assuming full subscription under the Open Offer, including by the Directors as set out in this table

## Share Options

<i>Director</i>	<i>As at the date of this document Number of Ordinary Shares over which options have been granted</i>	<i>As at Second Admission (assuming the Placing and Open Offer both become unconditional in all respects) Percentage of Enlarged Share Capital represented by the options*</i>
William Adamson	500,000	0.2%
Hugh Mackay	6,600,000	3.2%
Phil Greenhalgh	3,075,000	1.5%
William Ahlefeldt-Laurvig	—	—
Roderick Corrie	500,000	0.2%

\* assuming full subscription under the Open Offer, including by the Directors as set out in the table above, and also assuming no warrants or options are exercised between the date of this document and Second Admission

## 4. Significant Shareholders

- 4.1 Set out below are, so far as is known to the Company, the names of those persons other than the Directors who directly or indirectly have an interest in 3 per cent. or more of the issued share capital of the Company as at 16 December 2013 (being the last practicable date prior to the publication of this document, and not including any Placing Shares to be issued pursuant to the Placing):

<i>Name of Shareholder</i>	<i>Percentage of Share Capital as at 16 December 2013</i>
HSBC Global Custody Nominee (UK) Limited (includes the shareholding of William Ahlefeldt-Laurvig)	18.74
Barclayshare Nominees Limited	8.93
TD Direct Investing Nominees (Europe) Limited	6.94
HSDL Nominees Limited	6.60
Dr Erika Syba	5.53
Hargreaves Lansdown (Nominees) Limited	5.24
HSBC Client Holdings Nominee (UK) Limited	3.96
Fitel Nominees Limited	3.67
JM Finn Nominees Limited	3.03

## 5. Litigation

Neither the Company nor its subsidiary is, nor has either of them been engaged in the previous 12 months, in any governmental, legal or arbitration proceedings which may have, or have had, any significant effect on the Group's financial position or profitability nor, so far as the Company is aware, are there any such proceedings pending or threatened by or against the Company or its subsidiary.

## 6. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries within the period of two years immediately preceding the date of this document or were entered into prior to this but contain provisions which are, or may be, material to the Group at the date of this document:

- 6.1 Farmout Agreement 11/7 with Kosmos Energy Ireland dated 17 April 2013

On 17 April 2013, the Company and Kosmos Energy Ireland entered into a farmout agreement ("Farmout Agreement 11/7") pursuant to which the Company agreed to assign to Kosmos 85 per cent. of its legal and beneficial interest in the licence LO 11/7 (now FEL 2/13). Under the agreement:

- Kosmos agreed to pay 85 per cent. of costs incurred by Europa to date and fully fund a 3-D seismic programme on the Licence
- Kosmos agreed that it will incur 100 per cent. of the costs of the first exploration well, if both parties agree to enter into an exploration drilling phase
- There is an investment cap of US\$90 million for the first exploration well on FEL 2/13
- Company's contribution to costs through well phase is 15 per cent., but capped at \$0.45 million net

Each of the Company and Kosmos provided certain representations and warranties customary for this type of agreement. Farmout Agreement 11/7 is governed by English law.

#### 6.2 Farmout Agreement 11/8 with Kosmos Energy Ireland dated 17 April 2013

On 17 April 2013, the Company and Kosmos Energy Ireland entered into a farmout agreement (“**Farmout Agreement 11/8**”) pursuant to which the Company agreed to assign to Kosmos 85 per cent. of its legal and beneficial interest in the licence LO 11/8 (now FEL 3/13). Under the agreement:

- Kosmos agreed to pay 85 per cent. of costs incurred by Europa to date and fully fund a 3-D seismic programme on the Licence
- Kosmos agreed that it will incur 100 per cent. of the costs of the first exploration well, if both parties agree to enter into an exploration drilling phase
- There is an investment cap of US\$110 million for the first exploration well on FEL 3/13
- Company's contribution to costs through well phase is 15 per cent., but capped at \$0.45 million net

Each of the Company and Kosmos provided certain representations and warranties customary for this type of agreement. Farmout Agreement 11/8 is governed by English law.

#### 6.3 Joint Operating Agreement 11/7 with Kosmos Energy Ireland dated 17 April 2013

On 17 April 2013, the Company and Kosmos Energy Ireland entered into a joint operating agreement (“**Joint Operating Agreement 11/7**”) pursuant to which the parties' rights and obligations with respect to their operations under the licence LO 11/7 (now FEL 2/13) were defined. The agreement is based on the AIPN standard version. Under the agreement:

- Kosmos is designated as the operator
- There is an operating committee, with each party appointing one representative each

Each of the Company and Kosmos provided certain representations and warranties customary for this type of agreement and as per industry standards. Joint Operating Agreement 11/7 is governed by English law.

#### 6.4 Joint Operating Agreement 11/8 with Kosmos Energy Ireland dated 17 April 2013

On 17 April 2013, the Company and Kosmos Energy Ireland entered into a joint operating agreement (“**Joint Operating Agreement 11/8**”) pursuant to which the parties' rights and obligations with respect to their operations under the licence LO 11/8 (now FEL 3/13) were defined. The agreement is based on the AIPN standard version. Under the agreement:

- Kosmos is designated as the operator
- There is an operating committee, with each party appointing one representative each



Each of the Company and Kosmos provided certain representations and warranties customary for this type of agreement and as per industry standards. The Joint Operating Agreement 11/8 is governed by English law.

#### 6.5 Placing Agreement dated 15 December 2013

On 15 December 2013, the Company and finnCap Ltd entered into a conditional agreement in relation to the Placing (the “**Placing Agreement**”) pursuant to which the Company appointed finnCap as its agent to use its reasonable endeavours to place the Placing Shares with institutional investors. The Placing is conditional on, *inter alia*, the delivery by the Company to finnCap of a certificate confirming the accuracy of the representations and warranties contained in the agreement immediately prior to First Admission and to First Admission occurring by not later than 8.00 a.m. on 9 January 2014 or such later date as the Company and finnCap may agree, but in any event not later than 5.00 p.m. on 31 January 2014. The Placing Agreement is not conditional on the Open Offer. Europa has agreed to pay finnCap a corporate finance fee of £10,000 (plus VAT) and also commission on the aggregate value of the Placing Shares sold at the Issue Price and to issue warrants over 1,391,626 Ordinary Shares exercisable at the Issue Price at any time on before 24 months after First Admission.

The Company is also providing to and finnCap certain representations, warranties and indemnities customary for this type of agreement. The Placing Agreement is governed by English law.

#### 6.6 Open Offer Agreement dated 19 December 2013

On 19 December 2013, the Company and finnCap Ltd entered into a conditional agreement in relation to the Open Offer (the “**Open Offer Agreement**”) pursuant to which the Company shall offer the Open Offer Shares to Qualifying Shareholders.

Under the agreement, Europa has agreed to pay finnCap a corporate finance fee of £25,000 (plus VAT) and also commission on the aggregate value of the Shares sold at the issue price.

Each of Europa and finnCap provided certain representations and warranties customary for this type of agreement. The Open Offer Agreement is conditional on, *inter alia*, the delivery by the Company to finnCap of a certificate confirming the accuracy of the representations and warranties contained in the Open Offer Agreement immediately prior to Second Admission and to Second Admission occurring by not later than 8.00 a.m. on 21 January 2014 or such later date as the Company and finnCap may agree, but in any event not later than 5.00 p.m. on 31 January 2014. The Company is also providing to and finnCap certain representations, warranties and indemnities customary for this type of agreement. The Open Offer Agreement is governed by English law.

### 7. General

- 7.1 finnCap has given and not withdrawn its written consent to the inclusion in this document of their names and the references thereto in the form and context in which they appear.
- 7.2 The total amount of the expenses of the Placing and the Open Offer is estimated at £270,000 which is payable out of the proceeds of the Placing and Open Offer.
- 7.3 The Ordinary Shares are in registered form. No temporary documents of title will be issued.
- 7.4 Information sourced from a third party has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Dated: 20 December 2013





