

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY AND APPLICATION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Ordinary Shares in the Company, please send this document and the accompanying Form of Proxy and Application Form to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document.**

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to London Stock Exchange plc for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the New Ordinary Shares to trading on AIM will become effective and that dealings will commence on 10 November 2017. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with, and will rank in full for all dividends and other distributions declared, made or paid in respect of, the Existing Ordinary Shares after the date of Admission.

This document should be read in its entirety and, in particular, your attention is drawn to the section headed "Risk Factors" in Part III of this document.

Please note that Qualifying Participants wishing to participate in the Offer must complete and return their Application Form(s) with the appropriate remittance in accordance with instructions set out in this document and in the Application Form itself as soon as possible and in any event by no later than 1.00 p.m. on 8 November 2017.

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## **JERSEY OIL AND GAS PLC**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with company number 07503957)*

**Placing of 10,000,000 new Ordinary Shares at 200 pence per share  
to raise £20 million (gross)**

**Offer of up to 2,000,000 new Ordinary Shares to Qualifying Participants at  
200 pence per share to raise up to £4 million (gross)**

**Notice of General Meeting**

Nominated Adviser  
**Strand Hanson Limited**

Joint Brokers  
**Arden Partners plc**  
**BMO Capital Markets Limited**

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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 explaining the background to, and reasons for, the Fundraising which is set out in this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of the Company, to be held at the offices of Pinsent Masons LLP, 30 Crown Place, Earl Street, London, EC2A 4ES at 12.00 noon on 9 November 2017, is set out in Part V of this document. If you are unable to attend and vote at the General Meeting, a Form of Proxy for use at the meeting is enclosed. To be valid, Forms of Proxy should be completed, signed and returned so as to be received by the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible, but in any event so as to be received not later than 48 hours (excluding non-working days) before the time of the General Meeting, being 12.00 noon on 7 November 2017. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish. Please refer to the detailed notes contained in the Notice of General Meeting and the Form of Proxy.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the registrar (under CREST Participation ID RA19) by no later than 12.00 noon on 7 November 2017. The time of receipt will be taken to be the time from which the registrar is able to retrieve the message by enquiry to CREST in the manner proscribed by CREST.

## IMPORTANT INFORMATION

The distribution of this document and/or the accompanying Form of Proxy and Application Form in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Company and the Directors accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

In issuing this document, the Company is relying on the exemption from issuing a prospectus in section 86 and paragraph 9 of Schedule 11A of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”) and on paragraphs 43 and 60 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). Details of these exemptions are set out in Part II of this document. Applications in respect of the Offer from persons not falling within such exemption will be rejected and the Offer contained in this document is not capable of acceptance by such persons.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Pinsent Masons LLP, 30 Crown Place, Earl Street, London, EC2A 4ES, from the date of this document to the date of Admission.

**This document should be read in its entirety and, in particular, your attention is drawn to the section headed “Risk Factors” in Part III of this document.**

This document does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) or qualified for sale under the laws of any state of the United States of America or under the applicable laws of any of Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

No person has been authorised to give any information or to make any representation about the Company and about the matters the subject of this document other than those contained in this document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this document shall not imply that no change has occurred in the Company’s affairs since the date of issue of this document or that the information in this document is correct as at any time after the date of this document, save as shall be required to be updated by law or regulation.

Strand Hanson Limited (“**Strand Hanson**”), which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company’s nominated adviser for the purposes of the AIM Rules. Strand Hanson is acting exclusively for the Company and will not regard any other person (whether or not a recipient of this document) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. Strand Hanson’s responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and not to any other person in respect of their decision to acquire New Ordinary Shares in reliance on any part of this document. Strand Hanson has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by Strand Hanson nor does it make any representation or warranty, express or implied, as to the accuracy of any information or opinion contained in this document or for the omission of any information. Strand Hanson expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

Arden Partners plc (“**Arden Partners**”), which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is the Company’s joint broker for the purposes of the AIM Rules. Arden Partners is acting exclusively for the Company and will not regard any other person (whether or not a recipient of this document) as a client and will not be

responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. Arden Partners has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by Arden Partners nor does it make any representation or warranty, express or implied, as to the accuracy of any information or opinion contained in this document or for the omission of any information. Arden Partners expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

BMO Capital Markets Limited (“**BMO Capital Markets**”), which is authorised and regulated in the United Kingdom by the FCA, is the Company’s joint broker for the purposes of the AIM Rules. BMO Capital Markets is acting exclusively for the Company and will not regard any other person (whether or not a recipient of this document) as a client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the contents of this document or any other matter referred to herein. BMO Capital Markets has not authorised the contents of this document for any purpose and no liability whatsoever is accepted by BMO Capital Markets nor does it make any representation or warranty, express or implied, as to the accuracy of any information or opinion contained in this document or for the omission of any information. BMO Capital Markets expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

The release, publication or distribution of this document and the accompanying Form of Proxy and Application Form in or into, jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes who are not resident in the United Kingdom should inform themselves about, and observe, any applicable restrictions. Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly, in or into the United States of America, Canada, the Republic of South Africa, Australia or Japan. Overseas Shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

This document has been prepared for the purposes of complying with the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws or regulatory requirements of jurisdictions outside the United Kingdom. The statements contained in this document are not to be construed as legal, business, financial or tax advice.

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Group’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”, “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 Group 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 Group’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 any 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.

In accordance with the AIM Rules, this document will be available on the Company’s website ([www.jerseyoilandgas.com](http://www.jerseyoilandgas.com)) from the date of this document, free of charge, subject to certain restrictions relating to persons in any jurisdiction where release, publication or distribution of this document would constitute a violation of the securities law of such jurisdiction. Neither the content of the Company’s website nor any website accessible by hyperlinks to or on the Company’s website is incorporated in, or forms part of, this document.

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## FUNDRAISING STATISTICS

Issue Price	200 pence
Number of Existing Ordinary Shares in issue as at the date of this document	9,950,786
Number of New Ordinary Shares*	12,000,000
Number of Placing Shares	10,000,000
Maximum number of Offer Shares being offered pursuant to the Offer	2,000,000
Enlarged Share Capital immediately following completion of the Fundraising*	21,950,786
Market capitalisation at Issue Price*	£43.9 million
New Ordinary Shares as a percentage of the Enlarged Share Capital*	54.67 per cent
Estimated gross proceeds of the Fundraising*	£24.0 million
Estimated net proceeds of the Fundraising*	£23.0 million

\*Assuming all the New Ordinary Shares (i.e. the Placing Shares and the Offer Shares) are issued and that (save for the Placing Shares and the Offer Shares) no Ordinary Shares are issued following the date of this document

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Offer	23 October 2017
Publication of this Circular and the accompanying Form of Proxy and Application Form	24 October 2017
Latest time and date for receipt of completed Forms of Proxy and receipt of electronic proxy appointments via the CREST system for the General Meeting	12.00 noon on 7 November 2017
Latest time for receipt of completed Application Forms and payment in full by cheque under the Offer	1.00 p.m. on 8 November 2017
General Meeting	12.00 noon on 9 November 2017
Announcement of result of General Meeting	9 November 2017
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 10 November 2017
CREST accounts expected to be credited for the Placing Shares	8.00 a.m. on 10 November 2017
Latest date for CREST accounts to be credited for the Offer Shares and for posting of share certificates for the New Ordinary Shares in certificated form (if applicable)	by 17 November 2017

Each of the times and dates referred to above and where used elsewhere in this Circular refer to London time and are subject to change by the Company (with the agreement of the Joint Brokers), in which case details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement through a Regulatory Information Service.

The Company's SEDOL code is BYN5YK7 and ISIN code is GB00BYN5YK77.

## DIRECTORS, COMPANY SECRETARY AND ADVISERS

<b>Directors</b>	Marcus Stanton ( <i>Non-Executive Chairman</i> ) Andrew Benitz ( <i>Chief Executive Officer</i> ) Ron Lansdell ( <i>Chief Operating Officer</i> ) Scott Richardson Brown ( <i>Chief Financial Officer</i> ) Frank Moxon ( <i>Non-Executive Director</i> )
<b>Company Secretary</b>	John Church
<b>Registered Office</b>	10 The Triangle NG2 Business Park Nottingham NG2 1AE
<b>Nominated Adviser</b>	Strand Hanson Limited 26 Mount Row London W1K 3SQ
<b>Joint Brokers</b>	Arden Partners plc 125 Old Broad Street London EC2N 1AR  BMO Capital Markets Limited 95 Queen Victoria Street London EC4V 4HG
<b>Legal Advisers to the Company</b>	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
<b>Legal Advisers to the Joint Brokers</b>	Clyde & Co LLP St Botolph Building 138 Houndsditch London EC3A 7AR
<b>Registrars and Receiving Agent to the Offer</b>	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

## 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>	in the case of: <ul style="list-style-type: none"><li>– the Offer Shares, admission to trading on AIM of the Offer Shares (the <b>“Offer Admission”</b>) becoming effective in accordance with the AIM Rules; and</li><li>– the Placing Shares, admission to trading on AIM of the Placing Shares (the <b>“Placing Admission”</b>) becoming effective in accordance with the AIM Rules</li></ul>
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<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>“Applicant”</b>	a Qualifying Participant who lodges an Application Form under the Offer
<b>“Application Form”</b>	the application form for use by Qualifying Participants to apply for Offer Shares pursuant to the Offer
<b>“Arden Partners”</b>	Arden Partners plc, the Company’s joint bookrunner and joint broker for the purposes of the Placing and Admission
<b>“Articles”</b>	the articles of association of the Company in force at the date of this document
<b>“BMO Capital Markets”</b>	BMO Capital Markets Limited, the Company’s joint bookrunner and joint broker for the purposes of the Placing and Admission
<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>“certificated” or “in certificated form”</b>	an Ordinary Share recorded on the Company’s share register as being held in certificated form (namely, not in CREST)
<b>“Circular” or “document”</b>	this circular, dated 24 October 2017
<b>“Company” or “JOG”</b>	Jersey Oil and Gas PLC a company incorporated in England and Wales with company number 07503957 whose registered office is at 10 The Triangle, NG2 Business Park, Nottingham, NG2 1AE
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear, in accordance with the same regulations
<b>“CREST Manual”</b>	the rules governing the operation of CREST, as published by Euroclear
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3875), as amended
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
<b>“Enlarged Share Capital”</b>	the issued Ordinary Share capital of the Company immediately following the issue of the New Ordinary Shares
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST

<b>“Existing Ordinary Shares”</b>	the Ordinary Shares in issue as at the date of this document being the entire issued share capital of the Company at the date of this document
<b>“FCA”</b>	the Financial Conduct Authority of the UK
<b>“Financial Promotion Order”</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)
<b>“Form of Proxy”</b>	the form of proxy enclosed with this document for use in relation to the General Meeting
<b>“FPSO”</b>	floating production, storage and offloading vessel
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“Fundraising”</b>	together, the Placing and the Offer
<b>“General Meeting”</b>	the general meeting of the Company, convened for 12.00 noon on 9 November 2017 or any adjournment thereof
<b>“Group”</b>	together the Company and its subsidiary undertakings
<b>“ISIN”</b>	International Securities Identification Number
<b>“Issue Price”</b>	200 pence per New Ordinary Share
<b>“Joint Brokers”</b>	Arden Partners and BMO Capital Markets
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Ordinary Shares”</b>	together, the Placing Shares and the Offer Shares
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting, as set out in Part V of this document
<b>“Offer”</b>	the conditional invitation to Qualifying Participants to apply for the Offer Shares at the Issue Price on the terms and conditions set out in this document and the Application Form
<b>“Offer Maximum”</b>	the aggregate maximum subscription under the Offer for up to 2,000,000 new Ordinary Shares to raise up to £4 million (gross)
<b>“Offer Shares”</b>	up to 2,000,000 new Ordinary Shares conditionally offered to Qualifying Participants pursuant to the Offer
<b>“Official List”</b>	the Official List of the UKLA
<b>“Ordinary Shares”</b>	ordinary shares of 1 penny 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 with registered addresses, or who are citizens or residents of, or incorporated in, countries outside of the United Kingdom
<b>“participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>“Placees”</b>	persons who have agreed to subscribe for Placing Shares under the Placing
<b>“Placing”</b>	the conditional placing by the Joint Brokers, each as agent of and on behalf of the Company, of the Placing Shares at the Issue Price on the terms and subject to the conditions of the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 20 October 2017 between the Company and the Joint Brokers, relating to the Placing, a summary of which is set out in the letter from the Chairman of the Company set out in this document

<b>“Placing Shares”</b>	the 10,000,000 new Ordinary Shares which are to be issued under the Placing
<b>“Prospectus Rules”</b>	the prospectus rules made by the FCA pursuant to section 73A of FSMA
<b>“Qualifying Participants”</b>	subject to any restrictions imposed on Overseas Shareholders, holders of Existing Ordinary Shares whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Offer Shares under the Offer in accordance with the terms and conditions set out in this document and the Application Form and for the avoidance of doubt the Offer is not being made to persons in Restricted Jurisdictions
<b>“Record Date”</b>	23 October 2017
<b>“Registrars”</b>	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
<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>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
<b>“Restricted Jurisdictions”</b>	the United States of America, Australia, Canada, Japan, the Republic of South Africa and any other jurisdiction where the extension or availability of the Offer would breach any applicable law
<b>“Securities Act”</b>	the United States Securities Act of 1933, as amended
<b>“Shareholders”</b>	registered holders of Ordinary Shares
<b>“Strand Hanson”</b>	Strand Hanson Limited, the Company’s nominated adviser
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UKCS”</b>	the UK Continental Shelf
<b>“UKLA”</b>	the UK Listing Authority, being the FCA acting as the competent authority for the purposes of Part VI of FSMA
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

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

**PART I**  
**LETTER FROM THE CHAIRMAN**  
**JERSEY OIL AND GAS PLC**

*(Incorporated and registered in England and Wales with company number 07503957)*

To holders of Ordinary Shares and, for information only, to holders of options over Ordinary Shares

Dear Shareholder,

**Placing of 10,000,000 new Ordinary Shares at 200 pence per share  
to raise £20 million (gross)**

**Offer of up to 2,000,000 Offer Shares to Qualifying Participants at 200 pence per share  
to raise up to £4 million (gross)**

**Notice of General Meeting**

**1. Introduction**

On 20 October 2017, the Company announced that it had conditionally raised £20 million (before expenses) through a conditional placing of 10,000,000 new Ordinary Shares to certain existing and new institutional and other investors. All such shares are to be issued at the Issue Price.

The Board considers it important to allow existing Shareholders the opportunity to participate in the Fundraising on the same terms as investors who are participating in the Placing. To that end, the Board is providing Qualifying Participants with the opportunity to subscribe for Offer Shares under the Offer. In connection with the Offer the Company will allot (conditional on Offer Admission) up to 2,000,000 Offer Shares and will make an announcement in due course once the total number of Offer Shares subscribed for is known. Application will be made for all the New Ordinary Shares (comprising the Placing Shares and the Offer Shares) to be admitted to trading on AIM which is expected to occur at 8.00 a.m. on 10 November 2017. The aggregate maximum subscription under the Offer is capped at £4 million.

**Information about the Offer, the Company's business and the risks of investing in the Company, are set out in this document, which you are encouraged to read carefully.**

In summary the Fundraising comprises:

- a placing of 10,000,000 Placing Shares at the Issue Price to raise £20 million; and
- an Offer to Qualifying Participants to subscribe for up to 2,000,000 Offer Shares at the Issue Price to raise up to £4 million.

The Issue Price of 200 pence represents a discount of approximately 21 per cent. to the closing mid-market price of 254 pence per share on 19 October 2017, the latest practicable date prior to the date of the Fundraising announcement made on 20 October 2017.

Each of the Placing and the Offer is conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting that will grant to the Directors the authority to allot the New Ordinary Shares for cash on a non-pre-emptive basis. The Resolutions are contained in the Notice of General Meeting set out in Part V of this document. Admission of the New Ordinary Shares is expected to occur no later than 8.00 a.m. on 10 November 2017 or such later time and/or date as the Joint Brokers and the Company may agree. The Fundraising is not underwritten.

**The purpose of this document is to provide you with details of and the background to the Fundraising and to explain why the Directors believe that the Fundraising is in the best interests of the Company and its Shareholders as a whole.**

The actions that you should take to vote on the Resolutions, and the recommendation of the Board, are set out in paragraphs 8 and 11, respectively, of this letter.

## **2. Background to and reasons for the Fundraising**

The Company has worked hard over the last few years to deliver value to Shareholders. The Company has achieved two significant farm-outs of its assets, the most significant being the farm-out to Statoil in which Statoil acquired a 70 per cent. working interest in UK Seaward Licence P2170, and the Company retained an 18 per cent. working interest. Statoil provided a US\$25 million carried working interest on the first P2170 Licence well. The Company is now well positioned following the recent success in the Verbier sidetrack well, 20/05b-13Z, where the Company announced an oil discovery on 9 October 2017.

Preliminary analysis indicates that the Verbier sidetrack well has proven hydrocarbon accumulation in good quality sands, up-dip of the water bearing sands encountered in the initial well. Evaluation of the sidetrack well results, together with the existing 3D seismic data, is ongoing, but the initial Statoil estimates of gross recoverable resources associated with the discovery are between 25 and 130 million barrels of oil equivalent, with a minimum proven recoverable volume of 25 million barrels of oil equivalent in the immediate vicinity of the wellbore. The Company's management estimates that, in the upside case of 130 MMboe, lifecycle cost per barrel would be approximately £22 boe (utilising current market rates) for Verbier.

Current management estimates for gross recoverable resources attributable to the P2170 Licence (Verbier, Cortina and Meribel) range from 70 MMboe in the low case to 273 MMboe in the upside case, which correspond to management estimates for net asset value to JOG of approximately £83.7 million in the low case (which assumes a subsea tie-back operation) to £400.5 million in the upside case (on a standalone production platform basis).

In addition to confirming the presence of oil in the Verbier prospect, this discovery provides valuable information to help better understand the prospectivity of the P2170 Licence area, which includes the Cortina prospect and the Meribel lead.

The Company has also continued with its other focus of seeking to acquire value-enhancing North Sea production assets. The Directors believe that if the Company has a stronger balance sheet, it will provide vendors with greater confidence in the Company's ability to execute acquisitions. The Company will also benefit from having the necessary resources to undertake its own studies and continuing to fund the ongoing evaluation of numerous North Sea oil production and development prospects. The Company hopes to be able to transact in the near future on a strong pipeline of asset opportunities which the Company is currently evaluating.

The Directors believe therefore that it is an appropriate time to improve the financial position of the Company since the Directors expect that there will be further financing requirements for the Company relating to its working interest in the P2170 Licence, as Statoil confirms any proposed work programme.

The Company's team has excellent technical and commercial knowledge of the UKCS, with decades of management experience, and, to date, has reviewed and evaluated in excess of 50 production field interests in the UKCS. The Company has a number of live production asset evaluations underway, looking at assets with reserves ranging from 2 to 24 MMboe and production ranging from approximately 1,000 to 3,800 boe/d, with such assets utilising a mixture of subsea tie-backs, production platforms or FPSOs. In the majority of cases, the Company is seeking transactions where the asset vendor will retain any abandonment liability obligations and all of the Company's current asset targets have upside potential from unswept pockets of oil or further development activities.

The North Sea is active with many asset sales processes in this well-known and prolific basin. The Directors believe that this means it is a very opportune time to pursue a production-led acquisition strategy within the UKCS.

## **3. Current trading**

The Company remains highly focussed on seeking to acquire North Sea oil and gas production assets and it continues to spend a large amount of time and resource on this focus. The Group also maintains a strong control on its costs as it believes that the Company's resources should be focussed either on drilling or pursuing its production acquisition strategy.

The Group does not currently have any revenue from producing assets although the Company is evaluating a number of potential production asset targets.

Further details of the Group's trading in the year to 31 December 2016 are set out in the Group's audited final results which were released on 20 April 2017 and details of trading in the six month period to 30 June 2017 are set out in the interim results which were released on 28 September 2017.

#### 4. Use of proceeds of the Placing

The Directors believe that in order to exploit the significant potential of the P2170 Licence area, the operator will suggest further appraisal and exploration wells to better define and determine the prospectivity and commerciality of the three key prospects: Verbier, Cortina and Meribel. The Company's carried working interests from both Statoil (U.K.) Limited and CIECO V&C (UK) Limited have now expired and as such the Company will need to fund its 18 per cent. share of any costs relating to the P2170 Licence.

The use of proceeds is therefore largely attributed to ensuring that the Company can fund its proportion of the costs of these expected appraisal and exploration wells as it continues to pursue opportunities for the acquisition of production assets in the UKCS. Based on the Company's current management estimates, which are subject to change once Statoil has formalised its forward plans, the Board estimates that costs attributable to the Company in relation to the Verbier discovery in the upside case outlined above will be up to approximately £0.5 million for technical studies and £11 million for the well appraisal programme. In addition, the Company's management estimates that its share of costs in relation to an exploration well on the Cortina prospect, if drilled, would be approximately £6 million. These figures are current management estimates, which include contingency and are likely to change, but form the basis for the Company's estimated fundraise target for operational costs of up to £20 million. It is currently envisaged that appraisal and definition activity in relation to Verbier will run through 2018, followed by execution of the development plan currently estimated to achieve first oil in approximately 2022.

The balance of the Placing proceeds not required for operational expenses will be used to provide the Company with general working capital and a stronger balance sheet to enhance any bids it chooses to make, which the Board believes will provide a greater degree of financial certainty to sellers of such assets of the Company's ability to fund any acquisitions.

An updated corporate presentation illustrating the information above can be found on the Company's website at [www.jerseyoilandgas.com](http://www.jerseyoilandgas.com).

#### 5. Director participation and future share awards

Certain of the Directors have agreed to participate in the Placing. Such Directors may wish, following allotment of these New Ordinary Shares, to transfer them to their respective self-invested personal pensions.

<i>Name</i>	<i>Amount (£)</i>	<i>New Ordinary Shares</i>
Marcus Stanton	15,000	7,500
Ron Lansdell	30,674	15,337
Scott Richardson Brown	10,000	5,000

Participation by the above mentioned Directors in the Placing as stated above is considered a "related party transaction" under the AIM Rules. The Directors (other than Marcus Stanton, Ron Lansdell and Scott Richardson Brown) consider, having consulted with Strand Hanson, that the terms thereof are fair and reasonable insofar as Shareholders are concerned.

The remuneration committee of the Company has had regard to the fact that the directors, senior management and employees have received limited reward while the Company was at an early stage of development including agreeing to significant salary sacrifices. However, in light of the farm-out to Statoil and subsequent discovery at Verbier in respect of the P2170 Licence, the Company now enters a new phase and the remuneration committee will therefore consider suitable grants of option or LTIP awards in due course, within allowable limits, to reflect the Company's progress to date and the Fundraising. Any such grants will be subject to appropriate performance conditions so that they are aligned to Shareholders' rewards.

## 6. Details of the Placing and the Offer

The Company announced the Fundraising on 20 October 2017.

Pursuant to the Fundraising the Company has conditionally raised £20 million (before expenses) through the proposed issue to certain existing and new institutional and other investors of 10,000,000 Placing Shares at the Issue Price of 200 pence per share.

The Board considers it important that Qualifying Participants have an opportunity to participate in the Fundraising on the same terms as investors in the Placing. Subject to certain conditions, the Company invites Qualifying Participants to subscribe for, in aggregate, up to 2,000,000 Offer Shares. The Directors may use their absolute discretion (with the agreement of the Joint Brokers) to scale back applications under the Offer as they see fit. For further information on the Offer, your attention is drawn to Part II of this document and the Application Form. **In order to apply for Offer Shares, Qualifying Participants should complete the Application Form in accordance with the instructions set out in Parts II and IV of this document and on the Application Form itself and return the Application Form together with the appropriate remittance, by post, to Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or by hand (during normal business hours only) using the enclosed business reply envelope with the licence number RRHH-AEBU-RSGZ to Equiniti Limited at that address together, in each case, with payment in full, so as to be received by not later than 1.00 p.m. on 8 November 2017.**

The Issue Price of 200 pence represents a discount of approximately 21 per cent. to the closing mid-market price of 254 pence per share on 19 October 2017, the latest practicable date prior to the date of the Fundraising announcement made on 20 October 2017. The Fundraising is not underwritten by the Joint Brokers or any other person.

The Placing is conditional, amongst other things, on the following:

- the passing of the Resolutions at the General Meeting;
- the Placing Agreement not being terminated prior to Admission and otherwise becoming unconditional in all respects (save for Admission); and
- Admission of the Placing Shares becoming effective on or before 8.00 a.m. on 10 November 2017 (or such later date and/or time as the Company and the Joint Brokers may agree, being no later than 4.30 p.m. on 24 November 2017).

The Placing is not conditional on the Offer completing or on admission to AIM of the Offer Shares.

The Company entered into the Placing Agreement with the Joint Brokers on 20 October 2017. Under the Placing Agreement, the Company has agreed to pay to the Joint Brokers:

- an aggregate placing commission equal to 3.25 per cent. of the aggregate value at the Issue Price of the Placing Shares, to be paid 70 per cent. to Arden Partners and 30 per cent. to BMO Capital Markets;
- at the Company's absolute discretion, a commission of up to 0.75 per cent. of the aggregate value at the Issue Price of the Placing Shares, to be allocated between the Joint Brokers at the Company's absolute discretion; and
- all costs and expenses and VAT thereon, where appropriate.

The Placing Agreement contains certain warranties and an indemnity from the Company in favour of each of the Joint Brokers. The Joint Brokers are entitled, in certain limited circumstances, to terminate the Placing Agreement prior to the Admission and to the payment of outstanding expenses on such termination.

The Offer is conditional, amongst other things, on the following:

- the passing of the Resolutions at the General Meeting; and
- Admission of the Offer Shares becoming effective on or before 8.00 a.m. on 10 November 2017 (or such later date and/or time as the Company and the Joint Brokers may agree, being no later than 24 November 2017).

Offer Admission is not conditional on Admission of the Placing Shares.

The New Ordinary Shares to be issued pursuant to the Fundraising will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission.

## **7. General Meeting**

The General Meeting of the Company, notice of which is set out in Part V of this document, is to be held at 12.00 noon on 9 November 2017 at the offices of Pinsent Masons LLP, 30 Crown Place, Earl Street, London, EC2A 4ES. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions which are summarised below:

1. Resolution 1 is proposed as an ordinary resolution, to authorise the Directors to allot the New Ordinary Shares pursuant to the Fundraising and, to be passed, more than half of the votes cast must be in favour of the resolution; and
2. Resolution 2 is proposed as a special resolution to authorise the Directors, under section 570(1) of the Act, to allot the New Ordinary Shares pursuant to the Fundraising for cash on a non-pre-emptive basis and, to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Save in respect of the allotment of the New Ordinary Shares, the Directors have no current intention to allot new Ordinary Shares, or rights to subscribe for or convert into Ordinary Shares, in the capital of the Company.

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

You will find enclosed with this document a Form of Proxy for use by Shareholders at the General Meeting together with the Application Form. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and in any event not later than 12.00 noon on 7 November 2017, being 48 hours (excluding non-working days) before the time appointed for holding the General Meeting. Completion of a Form of Proxy will not preclude you from attending the meeting and voting in person if you so choose.

**Qualifying Participants wishing to participate in the Offer should carefully read the Application Form and accompanying instructions and send their completed Application Form along with the appropriate remittance to Equiniti Limited at the address specified in the instructions as soon as possible and in any event not later than 1.00 p.m. on 8 November 2017.**

## **9. Admission, settlement and CREST**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective at 8.00 a.m. on 10 November 2017 and that dealings in the New Ordinary Shares will commence at that time.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. The Existing Ordinary Shares are already admitted to CREST and therefore the New Ordinary Shares will also be eligible for settlement in CREST. CREST is a voluntary system and Placees who wish to retain certificates will be able to do so upon request. It is expected that the Placing Shares due to uncertificated holders will be delivered in CREST on 10 November 2017 with the Offer Shares in uncertificated form delivered on 17 November 2017 to allow cheques to clear for payment.

## **10. Overseas Shareholders**

The distribution of this document, the Form of Proxy and the Application Form to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions.

Accordingly, any persons into whose possession this document comes should inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company that would permit possession or distribution of this document in any jurisdiction where action for that purpose is required. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

## 11. Recommendation

The Directors believe that the passing of the Resolutions is in the best interests of the Company and Shareholders, taken as a whole. Accordingly the Directors unanimously recommend Shareholders to vote in favour of the Resolutions, as they will do in respect of their Ordinary Shares in the Company, representing 16.45 per cent. of the Existing Ordinary Shares.

Each element of the Fundraising (comprising the Placing and the Offer) is conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting, neither the Placing nor the Offer will proceed and the Company will not receive the net proceeds of the Fundraising.

Yours faithfully

**Marcus Stanton**

Non-Executive Chairman

## PART II

### FURTHER DETAILS OF THE OFFER

#### 1. The Offer

The Offer comprises a conditional offer to Qualifying Participants of up to 2,000,000 Offer Shares with the aggregate consideration to be received by the Company limited to £4.0 million, the Offer Maximum. Qualifying Participants can apply for as many Offer Shares as they wish. However, the Directors reserve the right to exercise their absolute discretion, with the agreement of the Joint Brokers, in the allocation of successful applications, including, without limitation, to ensure no Offer Shares are issued so as to exceed the Offer Maximum.

The Offer is only open to Qualifying Participants and, save as set out in the preceding paragraph, there is no maximum or minimum subscription per Applicant. No Qualifying Participant may subscribe for Offer Shares in excess of the Offer Maximum. Multiple applications may be submitted. Qualifying Participants who are joint Shareholders may only apply for Offer Shares as joint Applicants.

The Offer is conditional on, *inter alia*, Admission of the Offer Shares occurring on 10 November 2017 (or such later date, being not later than 24 November 2017, as the Company and the Joint Brokers may agree may decide). If Admission of the Offer Shares has not occurred by such time and date, applications are expected to be returned without interest by crossed cheque in favour of the Applicant(s) (at the Applicant's risk) through the post as soon as practicable. Any interest earned on the application monies will be retained for the benefit of the Company. The Offer will close at 1.00 p.m. on 8 November 2017 unless previously closed or extended. The Offer is not being underwritten. The Application Form and accompanying procedure for application sets out, in detail, how Qualifying Participants may participate under the Offer.

Applications must be made on the terms and conditions set out in Part IV of this document and in the Application Form and by duly completing and returning the Application Form and appropriate remittance.

The Offer Shares will be allotted and issued fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. Admission of the Offer Shares to trading on AIM is expected to occur at 8.00 a.m. on 10 November 2017 with share certificates to be issued or CREST accounts to be credited by 17 November 2017.

The limited size of the Offer means that it falls within an exemption in paragraph 9 of Schedule 11A of FSMA. In addition, since the Placing is with UK subscribers and directed at qualified investors only, the Placing falls within an exemption in Section 86 of FSMA. As such this document does not constitute a prospectus.

Furthermore, this document is exempt from the general restriction contained in section 21 of FSMA relating to the communication of invitations or inducements to engage in investment activity on the grounds that it is being made available by the Company only to Qualifying Participants. Accordingly, the Offer is only capable of being accepted by Qualifying Participants. As this document relies on the exemption set out in paragraph 43 of the Financial Promotion Order (non-real time communications by or on behalf of a body corporate to members of that body corporate) and paragraph 60 of the Financial Promotion Order (participation in employee share schemes), it has not been drawn up in accordance with the FCA's Handbook or its Conduct of Business Sourcebook.

## PART III

### RISK FACTORS

Shareholders should be aware that an investment in the Company is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below, which are not presented in any order of priority and may not be exhaustive.

The following risk factors are all those known by the Directors which are considered to be material in their opinion. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group's business, financial condition and results of operations.

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

#### **Risks relating to the Group's activities and the oil and gas industry**

Future results, including resource recoveries and work programme plans and schedules, will be affected by changes in market conditions, commodity price levels, political or regulatory developments, timely completion of exploration programme commitments or projects, the outcome of commercial negotiations and technical or operating factors.

#### ***Title matters and payment obligations***

Whilst the Group has diligently investigated its title to, and rights and interests in, the licences granted to the Group and its joint venture partners in respect of the blocks in the UKCS in which the Group currently holds an interest and, to the best of its knowledge, such title, rights and interests are in good standing, this should not be construed as a guarantee of the same. The licences may be subject to undetected defects. If a defect does exist, it is possible that the Group may lose all or part of its interest in the licence to which the defect relates and its exploration and appraisal programme and prospects may accordingly be adversely affected.

While the Directors have no reason to believe that the existence and extent of any of the Group's properties are in doubt, title to oil and gas properties is subject to potential litigation by third parties claiming an interest in them. The failure to comply with all applicable laws and regulations, including failure to pay taxes, meet minimum expenditure requirements or carry out and report assessment work, may invalidate title to portions of the properties where the petroleum rights are not held by the Group. Furthermore, no assurance can be given that relevant governments will not revoke, or significantly alter the conditions of, the applicable exploration and development authorisations, licences, permits, approvals and consents or that such exploration and development authorisations, licences, permits, approvals and consents will not be challenged or impugned by third parties.

All of the licences in which the Group has or may earn an interest will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. If a licence is not renewed or granted, the Group may suffer significant damage through loss of the opportunity to develop and discover any hydrocarbon reserves on that licence area.

Under the licences and certain other contractual agreements to which the Group is, or may in the future become party, the Group is or may become subject to payment and other obligations. In particular, for certain licences, the Group is required to expend the funds necessary to meet the minimum work commitments attaching to the licences. Failure to meet these work commitments will render the licence liable to be revoked. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Group.

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

The Group's operations are at an early stage of development and future success will depend on the Directors' ability to successfully manage and exploit the Group's current asset portfolio and to

take advantage of further opportunities which may arise. There can be no guarantee that the Group can or will be able to, or that it will be commercially advantageous for the Group to, develop the blocks in the UKCS in which the Group currently holds an interest.

Further, the Group has no assets producing positive cash flow and its ultimate success will depend on the Directors' ability to implement their strategy for the Group, generate cash flow from economically viable projects and access equity markets. Whilst the Directors are optimistic about the Group's prospects, there is no certainty that sustainable revenue streams and sustainable profitability will be achieved. The Group will not generate any material income until production has successfully commenced or producing assets have been acquired and in the meantime the Group will continue to expend its cash reserves and may, in due course, need to raise debt or additional equity capital.

The Group's projects have no operating history upon which to base estimates of future cash operating costs. For early stage projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data and feasibility studies which derive estimates of cash operating costs based upon anticipated recoveries, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns may differ materially from those estimated.

### ***General exploration and production risks***

There can be no guarantee that the hydrocarbons currently discovered will be developed into profitable production, or that additional hydrocarbons will be discovered in commercial quantities or developed to profitable production. The business of exploration for, and development and exploitation of, hydrocarbon deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Hydrocarbon deposits assessed by the Group may not ultimately contain economically recoverable volumes of resources and, even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

The operations and planned drilling activities of the Group and its joint venture partners may be disrupted, curtailed, delayed or cancelled by a variety of risks and hazards which are beyond the control of the Group, including unusual or unexpected geological formations, formation pressures, geotechnical and seismic factors, environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharge of toxic gases, industrial accidents, occupational and health hazards, technical failures, mechanical difficulties, equipment shortages, labour disputes, fires, power outages, compliance with governmental requirements and extended interruptions due to inclement or hazardous weather and ocean conditions, explosions, blow-outs, pipe failure and other acts of God. Any one of these risks and hazards could result in work stoppages, damage to, or destruction of, the Group's or its partners' facilities, personal injury or loss of life, severe damage to or destruction of property, environmental damage or pollution, clean-up responsibilities, regulatory investigation and penalties, business interruption, monetary losses and possible legal liability which could have a material adverse impact on the business, operations and financial performance of the Group. Although precautions to minimise risk are taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. In addition, not all of these risks are insurable.

As is common with many exploration ventures, there is uncertainty and therefore risk associated with the Group's operating parameters and costs which can be difficult to predict and are often affected by factors outside of the Group's control. Few exploration assets are ultimately developed into producing assets. There can be no guarantee that any estimates of quantities of hydrocarbons discovered by the Group will be available to exploit or extract. If reserves are developed, it can take significant expenditure and a number of years from the initial phases of drilling and identification of hydrocarbons until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish hydrocarbon reserves through drilling and, in the case of new properties, to construct processing facilities and other relevant infrastructure. With many natural resources operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

### ***Hydrocarbon resource and reserve estimates***

No assurance can be given that hydrocarbon resources and reserves reported by the Group in the future are present as estimated, will be recovered at the rates estimated or that they can be brought into profitable production. Hydrocarbon resource and reserve estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of oil and gas. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources.

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

The hydrocarbon resources data contained in this document are estimates only and should not be construed as representing exact quantities. The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Therefore, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. Any reserves estimates contained in this document are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by the Group (which it may not necessarily have produced). The estimates may prove to be incorrect and potential investors should not place reliance on the forward looking statements contained in this document.

**Hydrocarbon resources and reserves estimates are expressions of judgement based on knowledge, experience and industry practice. They are therefore imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate. Accordingly, two different independent parties may not necessarily arrive at the same conclusions. The views of the Directors and the joint venture participants as set out in this document could ultimately prove to be incorrect. Estimates that were reasonable when made may change significantly when new information from additional analysis and drilling becomes available.**

**This may result in alterations to development and production plans which may, in turn, adversely affect operations.**

If the assumptions upon which the estimates of the Group's hydrocarbon resources have been based prove to be incorrect, the Group (or the operator of an asset in which the Group has an interest) may be unable to recover and produce the estimated levels or quality of hydrocarbons set out in this document and the Group's business, prospects, financial condition or results of operations could be materially and adversely affected.

### ***Volatility in the price of oil and gas and the general economic climate***

The general economic climate and market price of, and demand for, oil and natural gas is volatile and is affected by a variety of factors which are beyond the Group's control. These could include international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels and new technologies, growth in gross domestic product, supply and demand of capital, employment trends, international economic trends, currency exchange rate fluctuations, the level of interest rates and the rate of inflation, the cost of freight, actions taken by governments and international cartels, global or regional political events and international events, as well as a range of other market forces. The aggregate effect of these factors is impossible to predict. International oil prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Sustained downward movements in oil and gas prices could render less economic, or wholly uneconomic, some or all of the exploration and potential future oil and gas production related activities to be undertaken by the Group and adversely affect the value of the Group's exploration assets.

The marketability of any oil and gas discovered will be affected by numerous factors beyond the Group's control. These factors include market fluctuations, proximity and capacity of oil and gas pipelines and processing equipment and government regulations including regulations relating to taxation, royalties, allowable production, importing and exporting of oil and gas and environmental protection.

## **General business risks relating to the Group**

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

The estimated capital expenditure requirements for the various assets in which the Group is interested are based on expected costs and made on certain assumptions. Should those capital expenditure requirements turn out to be higher than currently expected (for example, if there are unexpected difficulties in drilling or connecting to infrastructure, abandonment or decommissioning costs, other capital expenditure or price rises), the Group may need to seek additional funds which it may not be able to secure on reasonable commercial terms or at all or it may need to divert funds from other projects to satisfy the increased capital expenditure requirements. If this happens, it may have a material adverse effect on the Group's business.

### ***Development programme***

The Directors consider that there will be further financing requirements for the Company relating to the Company's working interest in the P2170 Licence as Statoil (U.K.) Limited confirms any proposed work programme for further appraisal and exploration wells. The Directors' estimates on costs and timings of future operations are largely determined in conjunction with Statoil (U.K.) Limited and CIECO V&C (UK) Limited and consequently the eventual outturn could vary significantly from the Company's current forecasts and expectations.

### ***The Group may be subject to risks relating to acquisitions***

Part of the Group's future strategy includes potentially increasing oil and gas resources, reserves and/or production through strategic business acquisitions. Risks commonly associated with acquisitions of companies or businesses include the difficulty of integrating the operations and personnel of the acquired business, problems with minority shareholders in acquired companies, the potential disruption of the Group's own business, the possibility that indemnification agreements with the sellers may be unenforceable or insufficient to cover potential liabilities, as well as operational risks relating to the assets acquired. Furthermore, the value of any business the Group acquires or invests in may be less than the amount it pays.

### ***The competitive environment***

Oil and gas exploration, appraisal, development and production and the natural resource industry in general is intensely competitive in all of its phases. The Group competes with numerous other local and international companies focused on the UKCS, including larger competitors with access to greater financial, technical and other resources than the Group, which may give them a competitive advantage in the exploration for and commercial exploitation of attractive oil and gas assets. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests and competition could adversely affect the Group's ability to acquire suitable additional assets in the future. This may lead to increased costs in the carrying on of the Group's activities and reduced available growth opportunities. The Group's success will depend on its ability to select and acquire exploration, appraisal and development rights on suitable assets or prospects on terms that it considers acceptable and there can be no assurance that the Group will continue to be able to compete successfully with its rivals.

## **Risks relating to the Placing and the Offer**

### ***Conditional nature of the Fundraising and Fundraising not underwritten***

The Fundraising is conditional and there is no guarantee that the conditions of any element of the Fundraising will be satisfied. The Fundraising is not underwritten. If any element of the Fundraising does not proceed then the Company will not receive the proceeds in respect of that element of the Fundraising.

### ***Investment in AIM securities***

An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

### ***AIM Rules***

The AIM Rules are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

### ***Dilution of ownership of Ordinary Shares***

Shareholders' proportionate ownership and voting interest in the Company may be reduced pursuant to the Fundraising. Subject to certain exceptions, Shareholders in the United States of America and other Restricted Jurisdictions will not be able to participate in the Offer.

### ***Volatility of share price***

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

The following factors, in addition to other risks described in this document, may have a significant effect on the market price of the Ordinary Shares:

- variations in operating results;
- actual or anticipated changes in the estimates of operating results or changes in stock market analyst recommendations regarding the Ordinary Shares, other comparable companies or the industry generally;
- macro-economic conditions in the countries in which the Group may do business;
- foreign currency exchange fluctuations and the denominations in which the Group may conduct business and holds cash reserves;
- market conditions in the industry, the industries of customers and the economy as a whole;
- actual or expected changes in the Group's growth rates or competitors' growth rates;
- changes in the market valuation of similar companies;
- trading volume of the Ordinary Shares;
- sales of the Ordinary Shares by the Directors or other Shareholders; and
- adoption or modification of regulations, policies, procedures or programs applicable to the Group's business.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

### ***Future capital raisings may not be successful***

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume of the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Group or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Group obtains securities or industry analyst coverage, if one or more of the

analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Group's business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

***Future payment of dividends***

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and the Shareholders and will depend upon, *inter alia*, the Company's earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

***Valuation of shares***

The Issue Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

***Market perception***

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

***Suitability***

A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA (or, if outside the UK, another appropriate regulatory body) before making their decision.

## PART IV

### TERMS AND CONDITIONS OF THE OFFER

- (a) The contract created by the acceptance by the Company (at the absolute discretion of the Directors with the agreement of the Joint Brokers) of applications from Qualifying Participants under the Offer is conditional upon, *inter alia*, Admission of the Offer Shares occurring on 10 November 2017 (or such later date, being not later than 24 November 2017, as the Company and the Joint Brokers may decide).
- (b) The right is reserved by the Company to present all cheques and bankers' drafts for payment on receipt (on which no interest will be payable) to the Applicant and to retain surplus application monies pending clearance of successful Applicants' cheques. The Company also reserves the right to reject, in whole or in part, any application. If any application is not accepted in full, or if any contract created by acceptance does not become unconditional, the application monies or as the case may be the balance thereof, will be returned by crossed cheque in favour of the Applicant, through the post at the sole risk of the person entitled thereto (on which no interest will be payable), within 14 days of the closing of the Offer.
- (c) By completing and delivering an Application Form each Qualifying Participant who applies for Offer Shares:
- i. offers to subscribe for the amount of Offer Shares specified in such Applicant's Application Form (or such lesser amount for which such Applicant's application is accepted) on the terms of, and subject to, this document, including (without limitation) these terms and conditions, the Articles and the terms and conditions set out in the Application Form;
  - ii. represents and agrees that such Applicant's application shall not be revoked and this paragraph shall constitute a collateral contract between such Applicant and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Registrars of such Applicant's Application Form;
  - iii. represents and warrants that such Applicant's remittance will be honoured on first presentation and agrees that, if it is not so honoured, such Applicant will not be entitled to receive a share certificate for the Offer Shares applied for unless and until such Applicant makes payment in cleared funds for such Offer Shares and such payment is accepted by the Company in its absolute discretion with the agreement of the Joint Brokers (which acceptance will be on the basis that such Applicant indemnifies the Company and the Joint Brokers against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of such Applicant's remittance to be honoured on first presentation) and such Applicant agrees that, at any time prior to the unconditional acceptance(s) by the Company, the Company may (without prejudice to any other rights(s)) avoid the agreement to issue such Offer Shares and may issue such Offer Shares to some other person, in which case such Applicant will not be entitled to any payment in respect of such Offer Shares;
  - iv. agrees that, in respect of those Offer Shares for which such Applicant's application has been received and is not rejected, acceptance of such Applicant's application shall be constituted, at the election of the Company by notification of acceptance thereof to the Registrars;
  - v. agrees that Offer Shares will be credited to CREST accounts or issued in certificated form only when the cheque has been cleared for payment;
  - vi. agrees that any monies returnable to such Applicant may be retained by the Registrars pending clearance of such Applicant's remittance and the completion of any verification of identity required by the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and/or any amendment, modification, and/or re-enactment of the same (the "**Regulations**") and that such monies will not bear interest;
  - vii. authorises the Registrars to send a share certificate in respect of the number of Offer Shares for which such Applicant's application is accepted and/or to send a crossed cheque for any monies returnable, by post, at the sole risk of the person entitled thereto, to the address of the person named as the Applicant in the Application Form;

- viii. represents and warrants that, if such Applicant signs an Application Form on behalf of somebody else, such Applicant has due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, representations, warranties and undertakings contained herein and such Applicant further undertakes to enclose such Applicant's power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
  - ix. agrees that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that such Applicant submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
  - x. confirms that, in making such application, such Applicant is not relying on any information, representation and/or warranty in relation to the Company other than the information contained in this document and, accordingly, such Applicant agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information, representation and/or warranty;
  - xi. agrees that, having had the opportunity to read this document, such Applicant shall be deemed to have had notice of all information concerning the Company contained herein including, without limitation, the Risk Factors set out in Part III of this document;
  - xii. in the case of any Qualifying Participant who is a joint Shareholder, agrees that such joint Shareholder Applicants may only apply for Offer Shares as joint Applicants;
  - xiii. confirms, represents and warrants that such Applicant has read and complied with paragraph (f) below;
  - xiv. represents and warrants that such Applicant is not a person who, by virtue of being resident in, or a citizen of, any country outside the United Kingdom, is prevented by the law of any relevant jurisdiction from lawfully applying for Offer Shares;
  - xv. represents and warrants that such Applicant is a Qualifying Participant;
  - xvi. confirms, represents and warrants that such Applicant has read the restrictions contained in paragraph (g) below and represents and warrants as provided therein;
  - xvii. represents and warrants that such Applicant is not under the age of 18;
  - xviii. represents and warrants that such Applicant is a person of the kind described in Article 43 or Article 60 of the Financial Promotion Order, being a Shareholder or employee of the Group at the Record Date; and
  - xix. agrees that all documents and cheques sent by post, by or on behalf of the Company or the Registrars, will be sent at the risk of the person(s) entitled thereto.
- (d) All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Equiniti Limited re: Jersey Oil & Gas plc Offer for Subscription" and crossed "A/C Payee Only". Cheques should be drawn on the personal account to which the Applicant has sole or joint title to such funds. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt.

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

If cheques or banker's drafts are presented for payment before all of the conditions of the Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account.

If the Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the Applicant's sole risk), without payment of interest either as a cheque by first class post to the address completed in Box 1 on the Application Form, or to the agent whose name is completed in Box 1 on your Application Form, or return funds direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, to Applicants as soon as reasonably practicable following the lapse of the Offer.

- (e) To ensure compliance with the Regulations, the Registrars may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements").

The Registrars may therefore undertake electronic searches for the purposes of verifying identity. To do so, the Registrars may verify the details against the Applicant's identity, but also may request further proof of identity. The Registrars reserve the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to the Registrars' satisfaction.

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

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

The verification of identity requirements will not usually apply:

- if the Applicant is an organisation required to comply with Regulations and/or the EU Money Laundering Directive(s) including without limitation the European Union Fourth Anti-Money Laundering Directive on, *inter alia*, the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; and
- if the Applicant (not being an Applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the Applicant's name; or
- if the aggregate subscription price for the Offer Shares is less than €15,000.

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

- i. if payment is made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "Equiniti Limited re: Jersey Oil & Gas plc Offer for Subscription" in respect of

an application by a Qualifying Participant and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. However, third party cheques will be subject to the Regulations which would delay Applicants receiving their Offer Shares. The account name should be the same as that shown on the Application Form; or

- ii. if the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of €15,000 or more and is/are lodged by hand by the Applicant in person, or if the Application Form(s) in respect of Offer Shares is/are lodged by hand by the Applicant and the accompanying payment is a banker's draft or building society cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of identity of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case, the Registrars have not received evidence satisfactory to it as aforesaid, the Registrars may, at their absolute discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid); or
  - iii. if the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of £50,000 or more the Registrars require certified copy verification of identity comprising photographic ID such as passport or driving licence and certified copy proof of address such as a utility bill or bank statement (not less than three months old). Certification can be by a bank, a solicitor or other professional person; and
  - iv. if none of the above documents show the Applicant's date and place of birth, the Applicant should provide a note of such information.
- (f) No person receiving a copy of this document and/or any Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including (without limitation) obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- (g) The Offer Shares have not been and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States of America or any other United States of America regulatory authority, nor have any of the foregoing authorised, passed upon or endorsed the merit of the Offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States of America. The Offer Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction in the United States of America, neither do they qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan.

Persons subscribing for Offer Shares shall be deemed and shall be required to represent and warrant to the Company that they are not a person in the United States of America, Canada, Australia, the Republic of South Africa and/or Japan and that they are not subscribing for such Offer Shares for the account of any such person and will not offer, sell, renounce, take up, transfer or deliver, directly or indirectly, such Offer Shares in the United States of America or to any such person or into Canada, Australia, the Republic of South Africa and/or Japan.

- (h) Applicants are encouraged to submit their Application Forms early. In the event that applications are received for an amount in aggregate in excess of £4 million, the Directors reserve the right to exercise their absolute discretion, with the agreement of the Joint Brokers,

in the allocation of successful applications. The right is also reserved to reject in whole or in part any application or any part thereof for any reason whatsoever, including (without limitation) a breach of any of the terms, conditions, representations and/or warranties set out in this document and/or the Application Form and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form.

- (i) Save where the context otherwise requires, words and expressions defined in this document have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

## PART V

### NOTICE OF GENERAL MEETING

# JERSEY OIL AND GAS PLC

*(Incorporated and registered in England and Wales with company number 07503957)*

**NOTICE IS HEREBY GIVEN** that a General Meeting of Jersey Oil and Gas plc (the “**Company**”) will be held at the offices of Pinsent Masons LLP, 30 Crown Place, Earl Street, London, EC2A 4ES at 12.00 noon on 9 November 2017 for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

#### ORDINARY RESOLUTION

1. THAT, in addition to all existing authorities granted pursuant to section 551 of the Companies Act 2006 (the “**Act**”), the Directors be and are hereby generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any securities into, shares in the Company up to a nominal amount of £120,000 in connection with the Fundraising (as such term is defined in the circular to shareholders issued by the Company dated 24 October 2017, containing this Notice of General Meeting (the “**Circular**”)) provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or on 30 November 2018, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted, or rights to be granted, after such expiry and the Directors may allot shares or grant rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

#### SPECIAL RESOLUTION

2. THAT, in addition to all existing authorities granted pursuant to section 570(1) of the Act, the Directors be and are hereby generally and unconditionally empowered pursuant to section 570(1) of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by resolution 1, as if section 561(1) of the Act did not apply to such allotment, provided that the power conferred by this resolution shall be limited to the allotment of equity securities for cash up to a maximum nominal amount of £120,000 in connection with the Fundraising (as such term is defined in the Circular) and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or on 30 November 2018, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted, or rights to be granted, after such expiry and the Directors may allot shares or grant rights in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Dated: 24 October 2017

**John Church FCA**  
*Company Secretary*

Registered office of the Company:  
10 The Triangle  
NG2 Business Park  
Nottingham  
NG2 1AE

*Notes:*

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. If a member appoints more than one proxy in relation to the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.
2. To appoint as a proxy a person other than the chairman of the meeting, a member must insert the proxy's full name in the box on the proxy form. If a member signs and returns a proxy form with no name inserted in the box, the chairman of the meeting will be deemed to be the member's proxy. Where a member appoints as a proxy someone other than the chairman, the member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. If a member wishes a proxy to make any comments on the member's behalf, the member will need to appoint someone other than the chairman and give them the relevant instructions directly.
3. A member which is a corporation is entitled to appoint one or more corporate representatives to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member. If a member which is a corporation appoints more than one corporate representative in relation to the meeting, each representative must exercise the rights attached to a different share or shares held by that member. In the case of a member which is a corporation, the proxy form must be executed under the corporation's common seal or signed on its behalf by a duly authorised officer of the corporation or an attorney for the corporation.
4. A Form of Proxy is enclosed. To be valid, the Form of Proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and deposited at the office of the Company's registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not less than 48 hours (excluding non-working days) before the time for holding the meeting (or any adjourned meeting). Completion of a Form of Proxy does not preclude a member from attending and voting in person at the meeting if they so wish.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered in the Company's register of members at 6.30 p.m. on 7 November 2017 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes in the Company's register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting. If the meeting is adjourned, only those members entered in the Company's register of members 48 hours (excluding non-working days) before the time and date of the adjourned meeting shall be entitled to attend and vote at the adjourned meeting.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 9 November 2017 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's Registrars, Equiniti Limited (CREST Participant ID: RA19), no later than 48 hours (excluding non-working days) before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.
11. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.
12. As at 23 October 2017 (being the last practicable date prior to the publication of this notice), the Company's issued share capital consisted of 9,950,786 Ordinary Shares, carrying one vote per share. Therefore, the total voting rights in the Company as at 23 October 2017 (being the latest practicable date prior to the posting of this document) were 9,950,786.





