

20 May 2009

Falkland Islands Holdings plc

Falkland Oil and Gas Limited - Placing announcement

Falkland Islands Holdings Plc ('FIH') the international services Group, which owns essential services businesses focused on transport and logistics notes the announcement today by Falkland Oil and Gas Limited of the issue of 10,448,099 new ordinary shares.

Following the issue the FIH shareholding in FOGL remains unchanged at 15,000,000 ordinary shares representing a 14.6% interest.

The text of today's announcement by FOGL is shown below :

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN, SOUTH AFRICA, NEW ZEALAND OR THE REPUBLIC OF IRELAND (THE "RESTRICTED JURISDICTION") OR ANY OTHER JURISDICTION IF TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

For immediate release

20 May 2009

Falkland Oil and Gas Limited

("FOGL" or "the Company")

Placing to raise £7.6 million

FOGL, the oil and gas exploration company with licence areas to the south and east of the Falkland Islands, is pleased to announce that it has conditionally raised £7.6 million before expenses (£7.2 million net) through an issue of 10,448,099 new ordinary shares of 0.002 pence in the capital of the Company ("Ordinary Shares") with new and existing institutional investors and certain directors of the Company at a price of 73 pence per share (the "Placing Price").

Use of proceeds

The net proceeds of the fundraising will be used to provide additional working capital to fund long-lead drilling equipment and general and administrative costs through 2010 and into 2011. The directors of FOGL (the "Directors") expect to raise the additional capital required to fund the Company's share of the drilling programme through a further farmout and/or equity issue in due course.

The Placing

Oriel Securities Limited ("Oriel") has agreed to use its reasonable endeavours to procure subscribers for 10,371,923 new Ordinary Shares (the "Placing Shares")(the "Placing"). The Placing has not been underwritten.

Application will be made for the Placing Shares to be admitted to trading on the AIM market of London Stock Exchange plc ("Admission"). The Placing is conditional, inter alia, upon Admission. Admission is expected to become effective, and dealings in the Placing Shares to commence, at 8.00 a.m. on 26 May 2009.

The Appendix to this announcement (which forms part of this announcement) sets out the terms and conditions of the Placing.

#### RAB Group participation in the Placing

Pursuant to the Placing, 1,000,000 of the Placing Shares have been placed with RAB Special Situations (Master) Fund Limited ("RAB SSMF"). In addition, 1,000,000 of the Placing Shares have been placed with RAB Capital PLC ("RAB"), which is discretionary manager to RAB SSMF. Following admission of the Placing Shares, RAB SSMF will hold 34,539,278 shares in the Company representing 33.61 per cent. of the enlarged issued share capital of the Company and RAB will hold 1,000,000 shares in the Company representing 0.97 per cent. of the enlarged issued share capital of the Company.

As a company incorporated under Falkland Islands law and with its registered office in the Falkland Islands, FOGL is not subject to the Takeover Code. Therefore the acquisition of an interest in excess of 30% of the voting rights of FOGL does not give rise to an obligation to make a mandatory offer for the balance of the share capital under the Takeover Code. However, under FOGL's Articles of Association, in circumstances where, had the Takeover Code applied to FOGL, a party would be obliged to make a mandatory offer and has not done so, the board of directors of FOGL (the "FOGL Board") is entitled, but not obliged, to suspend the voting rights of the shares held by such a party.

Having carefully considered the acquisitions by RAB SSMF and RAB, who are considered by the Board to be acting in concert, the FOGL Board has advised RAB and RAB SSMF that it will not exercise its entitlement to suspend voting rights attaching to the shares owned by either of them.

Under the terms of the warrants issued to RAB SSMF (the "Warrants"), as announced on 29 November 2006, upon exercise of the Warrants RAB SSMF is entitled to subscribe for Ordinary Shares at an issue price based on the lower of £1 or a 30% premium to the price at which ordinary shares are subsequently placed. As a result of the Placing Price of 73 pence the Warrants will now be exercisable at 94.9 pence.

#### Director participation in the fundraising

Richard Liddell, Chairman, Tim Bushell, Chief Executive, and Colin More, Exploration Director, have participated in the fundraising taking up 76,176 new Ordinary Shares between them.

#### Changes in Directors' Shareholdings

Following the Placing, the resultant shareholdings of those directors of the Company who have subscribed for new Ordinary Shares are set out below:

Shareholding pre- admission of the Placing Shares	New Ordinary Shares subscribed for	Shareholding post -admission of the Placing Shares	Percentage of the current issued share capital prior	Percentage of the enlarged issued share capital on
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				to Admission	Admission
Richard Liddell	58,824	26,176	85,000	0.06%	0.08%
Tim Bushell	60,000	25,000	85,000	0.06%	0.08%
Colin More	0	25,000	25,000	0.00%	0.02%

### Placing Statistics

Placing Price	73 pence
Number of new Ordinary Shares to be issued	10,448,099
Percentage of the existing issued share capital represented by the new Ordinary Shares	11.3 per cent
Estimated gross proceeds of the fundraising	£7.6 million
Estimated net proceeds of the fundraising	£7.2 million
Admission and commencement of dealings in the new Ordinary Shares	26 May 2009

The Placing Price represents a discount of 11.9 per cent. to the average middle market closing quotation of the ordinary shares of the Company for the 10 business days up to and including 19 May 2009 and a discount of 18.9 per cent. to the closing middle market quotation of the ordinary shares of the Company on 19 May 2009, the latest date prior to the announcement.

Following completion of the fundraising, the Company will have 102,773,805 Ordinary Shares in issue. The Placing Shares together with the new Ordinary Shares to be issued to certain of the Directors, which will rank pari passu in all respects with the Company's existing issued Ordinary Shares, represent approximately 11.3 per cent. of the existing issued share capital of the Company on Admission.

Tim Bushell, Chief Executive of FOGL, said:

"I am delighted that institutional investors have shown their support for FOGL's prospects through this placing."

### Enquiries

Falkland Oil and Gas Limited	Oriel Securities Limited Nominated Adviser and broker	Financial Dynamics
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Oriel Securities Limited ("Oriel"), which is authorised and regulated in the United Kingdom by the Financial Services Authority (the "FSA"), is acting as Nominated Adviser and broker to the Company for the purposes of the AIM Rules for Companies and the AIM Rules for Nominated Advisers in connection with the Placing and Admission and is not acting for, and will not be responsible to, any person other than the Company for providing the protections afforded to

customers of Oriel or for advising any other person on any transaction or arrangement referred to in this announcement.

This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances, and in any jurisdiction, in which such offer or solicitation is unlawful. Accordingly, copies of this announcement are not being and must not be mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration thereof in, such jurisdiction or to, or for the account or benefit of, any person from or residing in a Restricted Jurisdiction and any person receiving this announcement (including, without limitation, custodians, nominees and trustees) must not distribute or send it in or into or from any Restricted Jurisdiction.

## APPENDIX

### TERMS AND CONDITIONS OF THE PLACING

#### FOR INVITED PLACEES ONLY - IMPORTANT INFORMATION

##### 1. Eligible participants

This Appendix, including the terms and conditions of the Placing set out in this Appendix, is directed only at persons that have been invited to participate in the Placing and who are (i) persons ("FSMA Qualified Investors") who are "qualified investors" as defined in section 86(7) of the Financial Services and Markets Act 2000 ("FSMA"), being a person falling within Article 2.1(e)(i), (ii) or (iii) of Directive 2003/71/EC (known as the "Prospectus Directive") and/or persons at or to whom any private communication relating to the Company that is a "financial promotion" (as such term is used in relation to FSMA) may lawfully be issued, directed or otherwise communicated without the need for it to be approved, made or directed by an "authorised person" as defined in FSMA, being to persons falling within Article 19 (investment professionals) and Article 49 (high net-worth entities) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI. 2005/No. 1529) made pursuant to section 21(5) of FSMA (the "Order") or (ii) other persons to whom it may otherwise lawfully be issued or passed on. This Appendix is exempt from the general restriction in section 21 of FSMA on the communication of invitations or inducements to enter into investment activity on the grounds that it is communicated only to persons who fall within Articles 19 and 49 of the Order (all such persons together being referred to as "Permitted Persons"). This announcement has not been approved by an authorised person. Any investment to which this announcement relates is available to (and any investment activity to which it relates will be engaged with) only those persons falling within Articles 19 and 49 of the Order. Persons who do not fall within such categories of investor should not rely or take any action upon this announcement. Any person who is in any doubt about the investment to which this announcement relates should consult an authorised person specialising in advising on investments of the kind referred to in this announcement.

In this Appendix "Placee" means any person who becomes committed to acquire Placing Shares under the Placing having given oral agreement to do so in accordance with the terms and conditions of this Appendix to Oriel.

Members of the public are not eligible to take part in the Placing and will not be considered Permitted Persons.

## 2. Overseas jurisdictions

The distribution of this announcement and/or issue of Placing Shares pursuant to the Placing or otherwise in certain jurisdictions outside the United Kingdom may be restricted by law. Persons who seek to participate in the Placing must inform themselves about and observe any such restrictions. In particular, this announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in the United States, Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland or any other jurisdiction in which such offer or solicitation, publication or distribution is or would be unlawful. Persons receiving the announcement including this Appendix (including, without limitation, custodians, nominees and trustees) must not distribute, mail or send it in, into or from the United States, or use the United States mails, directly or indirectly, in connection with the Placing, and by so doing may invalidate any related purported application for Placing Shares.

The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended ("US Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold, resold or delivered, directly or indirectly in or into the United States, or to, or for the account or benefit of, any US persons (as defined in Regulation S under the US Securities Act). No public offering of the Placing Shares is being made in the United States. No money, securities or other consideration from any person inside the United States is being solicited pursuant to this announcement or the Placing.

## 3. Placing

Oriel is arranging the Placing as agent for and on behalf of the Company. Oriel will determine in its absolute discretion the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee. No commissions will be paid to or by Placees in respect of their agreement to acquire any Placing Shares.

Each Placee will be required to pay to Oriel, on the Company's behalf, the Placing Price for each Placing Share agreed to be acquired by it under the Placing in accordance with the terms set out in this Appendix. Each Placee's obligation to acquire and pay for Placing Shares under the Placing will be owed to each of Oriel and the Company. Each Placee has an immediate, separate, irrevocable and binding obligation, owed to Oriel, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe for. Each Placee will be deemed to have read and understood this Appendix in its entirety, to be participating in the Placing upon the terms and conditions contained in this Appendix, and to be providing the representations, warranties, agreements, acknowledgements and undertakings, in each case as contained in this Appendix. To the fullest extent permitted by law and applicable FSA rules (the "FSA Rules"), neither (i) Oriel, (ii) any director, officer, employee or consultant of Oriel, or (iii) to the extent not contained within (i) or (ii), any person connected with Oriel as defined in the FSA Rules ((i), (ii) and (iii) being together "Affiliates" and individually an "Affiliate"), shall have any liability to Placees or to any person other than the Company in respect of the Placing.

## 4. Participation and settlement

Participation in the Placing is only available to persons who may lawfully be, and are, invited to participate in it by Oriel.

A Placee's commitment to acquire a fixed number of Placing Shares under the Placing will be agreed orally with Oriel. Such agreement will constitute a legally binding commitment on such Placee's part to acquire that number of Placing Shares at the Placing Price on the terms and

conditions set out or referred to in this Appendix and subject to the Company's Memorandum and Articles of Association.

After such agreement is entered into, a written confirmation will be dispatched to the Placee by Oriel confirming (i) the number of Placing Shares that such Placee has agreed to acquire, (ii) the aggregate amount such Placee will be required to pay for those Placing Shares and (iii) settlement instructions. It is expected that such written confirmations will be despatched by the date on which this announcement is published and that the "trade date" for settlement purposes will be 20 May 2009 and the "settlement date" will be 26 May 2009.

Settlement of transactions in the Placing Shares (ISIN: FK00B030JM18; SEDOL: B030JM1) will take place within the CREST system, subject to certain exceptions, on a delivery versus payment ("DVP") basis. Placees should settle against CREST ID: 601. Oriel reserves the right to require settlement for and delivery of any Placing Shares to any Placees by such other means that it deems appropriate if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Appendix or would not be consistent with the regulatory requirements in any Placee's jurisdiction. A Placee whose Placing Shares are to be delivered to a custodian or settlement agent should ensure that the written confirmation is copied and delivered immediately to the appropriate person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. No Placee (or any nominee or other agent acting on behalf of a Placee) will be entitled to receive any fee or commission in connection with the Placing.

No UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee's nominee provided that the Placing Shares are not issued to a person whose business is or includes issuing depositary receipts or the provision of clearance services or to an agent or nominee for any such person.

Any arrangements to issue or transfer the Placing Shares into a depositary receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depositary receipt may be issued or who will hold the Placing Shares in a clearance service, or any arrangements subsequently to transfer the Placing Shares, may give rise to UK stamp duty and/or stamp duty reserve tax, for which neither the Company nor Oriel will be responsible and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Oriel in the event that any of the Company and/ or Oriel has incurred any such liability to UK stamp duty or stamp duty reserve tax. In addition, Placees should note that they will be liable to pay any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them for any Placing Shares or the agreement by them to subscribe for any Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Oriel, any money held in an account with Oriel on behalf of the Placee and/or any person acting on behalf of the Placee



will not be treated as client money within the meaning of the FSA Rules. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Oriel's money in accordance with the client money rules and will be used by Oriel in the course of its own business; and the Placee will rank only as a general creditor of Oriel.

#### 5. No prospectus

No prospectus has been or will be submitted for approval by the FSA in relation to the Placing or the Placing Shares. Placees' commitments in respect of Placing Shares will be made solely on the basis of the information contained in this announcement and on the terms contained in it. Each Placee, by accepting a participation in the Placing, undertakes that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of Oriel or the Company and neither the Company nor Oriel will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on this announcement and its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

#### 6. Placing Shares

The Placing Shares will, when issued, be credited as fully paid and will be issued subject to the Company's Memorandum and Articles of Association and will rank *pari passu* in all respects with the existing Ordinary Shares in issue on Admission. Application will be made for the admission of the Placing Shares to trading on AIM. It is expected that Admission will take place, and dealings in the Placing Shares will commence, on 26 May 2009.

#### 7. Placing Agreement

Oriel has agreed, on the terms and subject to the conditions set out in the placing agreement dated 20 May 2009 and made between the Company and Oriel (the "Placing Agreement"), to use its reasonable endeavours as agent of the Company to procure persons to acquire all of the Placing Shares at the Placing Price. The Placing has not been underwritten.

#### 8. Placing conditions

The Placing is conditional, *inter alia*, on (i) the Placing Agreement not being terminated in accordance with its terms, (ii) Admission taking place not later than 8.00 a.m. on 26 May 2009, and (iii) the Placing Agreement becoming unconditional in all other respects.

Oriel reserves the right (with the agreement of the Company) to waive or extend the time and/or date for the fulfilment of any of the conditions in the Placing Agreement to a time no later than 8.00 a.m. on 5 June 2009 (the "Long Stop Date").

If any condition in the Placing Agreement is not fulfilled or waived by Oriel by the relevant time, the Placing will lapse and each Placee's rights and obligations pursuant to the Placing shall cease and terminate at such time.

The Placing Agreement may be terminated by Oriel at any time prior to Admission in certain circumstances including, *inter alia*, following a material breach of the Placing Agreement or the warranties by the Company or the occurrence of certain force majeure events. The exercise of any right of termination pursuant to the Placing Agreement, any waiver of any condition in the Placing Agreement and any decision by Oriel whether or not to extend the time for satisfaction of any condition in the Placing Agreement or otherwise in respect of the Placing shall be within Oriel's absolute discretion. Oriel shall have no liability to any Placee in the event of any such

termination, waiver or extension or in respect of any decision whether to exercise any such right of termination, waiver or extension. The Company will inform each Placee if Oriel's obligations under the Placing Agreement do not become unconditional by 8.00 a.m. on 26 May 2009, or such later time and date as Oriel may in its absolute discretion determine (being no later than 8am on the Long Stop Date).

#### 9. Payment default

A Placee's entitlement to receive any Placing Shares will be conditional on Oriel's receipt of payment from the relevant Placee by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as Oriel may in its absolute discretion determine. Oriel may, in its absolute discretion, waive such condition, and shall not be liable to any Placee in the event of it deciding whether to waive or not to waive such condition.

If any Placee fails to make such payment by the required time for any Placing Shares (1) the Company may release itself (if it decides in its absolute discretion to do so) and will be released from all obligations it may have to allot and/or issue any such Placing Shares to such Placee or at its direction which are then unallotted and/or unissued, (2) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the fullest extent permitted under its articles of association or otherwise by law and to the extent that such Placee then has any interest in or rights in respect of any such shares, (3) the Company or, as applicable, Oriel may sell (and each of them is irrevocably authorised by such Placee to do so) all or any of such shares on such Placee's behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, Oriel (i) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares, (ii) any amount required to cover any stamp duty or stamp duty reserve tax arising on the sale, and (iii) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale, and (4) such Placee shall remain liable to the Company and to Oriel for the full amount of any losses and of any costs which it may suffer or incur as a result of it (i) not receiving payment in full for such Placing Shares by the required time, and/or (ii) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. Interest may be charged in respect of payments not received by Oriel for value by the required time referred to above at the rate of two percentage points above the current Bank Rate of the Bank of England.

#### 10. Placees' warranties and undertakings to the Company and Oriel

By orally agreeing with Oriel to acquire Placing Shares under the Placing, a Placee irrevocably warrants and undertakes to each of the Company and Oriel, on behalf of itself and each company in its Group (if any) ("Group" meaning in relation to a company, that company, any company of which it is a subsidiary (having the meaning set out in section 1159 of the Companies Act 2006 as amended) (its holding company) and any other subsidiary of such holding company), in each case as a fundamental term of such Placee's application for Placing Shares and of the Company's obligation to allot and/or issue any Placing Shares to it or at its direction, that:

(a) it agrees to and accepts all of the terms set out in this Appendix and that it has the power and authority to subscribe for the Placing Shares and to give all confirmations and to execute and deliver all documents necessary to effect such subscription;

(b) its rights and obligations in respect of the Placing will terminate only in the circumstances described in this Appendix and will not be capable of rescission or termination by it in any circumstances;



- (c) the contents of this announcement, which has been issued by the Company, are the responsibility of the Company and of those persons who are stated in it as having accepted responsibility for such contents, and of no other persons;
- (d) it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Company or Oriel and neither the Company nor Oriel will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement, other than as contained in this announcement (for which the only person(s) responsible to it is or are the person(s) stated in this announcement as having accepted responsibility for such information, representation, warranty or statement);
- (e) it has relied on this announcement and its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing;
- (f) it is not a customer of Oriel in relation to the Placing, but rather a corporate finance contact. Oriel is not acting for it in connection with the Placing and will not be responsible to it in respect of the Placing for providing protections afforded to its customers or for advising it on the Placing;
- (g) neither it nor any company in its Group has been, and will not be, given any warranty or representation by the Company, Oriel or by any Affiliate of either of them in relation to any Placing Shares;
- (h) it will pay the full amount at the Placing Price as and when required in respect of all Placing Shares allocated to it in accordance with such terms and will do all things necessary on its part to ensure that payment for such shares and their delivery to it or at its direction is completed in accordance with the standing CREST instructions (or, where applicable, standing certificated settlement instructions) that it has in place with Oriel or puts in place with Oriel with its agreement;
- (i) it is entitled to acquire Placing Shares under the laws of all relevant jurisdictions which apply to it and it has complied, and will fully comply, with all such laws (including where applicable, the Terrorism Act 2000, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002, and the Money Laundering Regulations 2007, each as amended from time to time) and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such acquisition, and it will provide promptly to Oriel such evidence, if any, as to the identity or location or legal status of any person which Oriel may request from it in connection with the Placing (for the purpose of complying with any such laws or regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Oriel on the basis that any failure by it to do so may result in the number of Placing Shares that are to be allotted and/or issued to it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Oriel may decide at its sole discretion;
- (j) it has complied and will comply with all applicable provisions of FSMA with respect to anything done or to be done by it in relation to any Placing Shares in, from or otherwise involving the United Kingdom and it has not made or communicated or caused to be made or communicated, and it will not make or communicate or cause to be made or communicated, any "financial promotion" in relation to Placing Shares in contravention of section 21 of FSMA;
- (k) it is a FSMA Qualified Investor or it is otherwise a person at or to whom any private communication relating to the Company that is a "financial promotion" (as such term is used in

relation to FSMA) may lawfully be issued, directed or otherwise communicated, otherwise than by an authorised person, without contravening the restriction in section 21 of FSMA.

(l) it is acting as principal only in respect of the Placing or, if it is acting for any other person in respect of the Placing (1) it is duly authorised to do so, (2) it is and remains liable to the Company and/or Oriel for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person), (3) it is both an "authorised person" for the purposes of FSMA and a "qualified investor" as defined at Article 2.1(e)(i) of the Prospectus Directive acting as agent for such person, and (4) such person is either (i) a FSMA Qualified Investor or (ii) its "client" (as defined in section 86(2) of FSMA) that has engaged it to act as his agent on terms which enable it to make decisions concerning the Placing or any other offers of transferable securities on his behalf without reference to him;

(m) nothing has been done or will be done by it in relation to the Placing or to any Placing Shares that has resulted or will result in any person being required to publish a prospectus in relation to the Company or to any Ordinary Shares in accordance with FSMA or the United Kingdom prospectus rules or in accordance with any other laws applicable in any part of the European Union or the European Economic Area;

(n) it is not, and is not acting in relation to the Placing as nominee or agent for, a person who is or may be liable to stamp duty or stamp duty reserve tax in respect of any agreement to acquire (or any acquisition of) shares or other securities at a rate in excess of 0.5 per cent. (including, without limitation, under sections 67, 70, 93 or 96 of the Finance Act 1986 concerning depository receipts and clearance services), and the allocation, allotment, issue and/or delivery to it, or any person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any such section;

(o) it will not treat any Placing Shares in any manner that would contravene any legislation applicable in any territory or jurisdiction and no aspect of its participation in the Placing will contravene any legislation applicable in any territory or jurisdiction in any respect or cause the Company or Oriel to contravene any such legislation in any respect;

(p) none of the Placing Shares has been or will be registered under the US Securities Act; none of the Placing Shares may be offered or sold, directly or indirectly, into the United States or to, or for the account or benefit of, any US person (as such term is defined in Regulation S) except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act;

(q) Oriel may (in its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any other Affiliate or any person associated with any Affiliate to do so;

(r) time is of the essence as regards its obligations under this Appendix;

(s) this Appendix and any contract which may be entered into between it and Oriel and/or the Company pursuant to it or the Placing shall be governed by and construed in accordance with the laws of England, for which purpose it submits to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute, or matter arising out of or relating to this Appendix or such contract, except that each of the Company and Oriel shall have the right to bring enforcement proceedings in respect of any judgement obtained against such Placee in the courts of England and Wales in the courts of any other relevant jurisdiction;

(t) each right or remedy of the Company or Oriel provided for in this Appendix is in addition to any other right or remedy which is available to such person and the exercise of any such right or remedy in whole or in part shall not preclude the subsequent exercise of any such right or remedy;

(u) any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to Oriel;

(v) nothing in this Appendix shall exclude any liability of any person for fraud on its part;

(w) all times and dates in this Appendix are subject to amendment at the discretion of Oriel except that in no circumstances will the date scheduled for Admission be later than the Long Stop Date;

(x) none of its rights or obligations in respect of the Placing is conditional on any other person agreeing to acquire any Placing Shares under the Placing and no failure by any other Placee to meet any of its obligations in respect of the Placing shall affect any of its obligations in respect of the Placing;

(y) it has acknowledged the contents of paragraph 2 of this Appendix and that it, or the beneficial owner, as applicable, is entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to it, or the beneficial owner, as applicable, and that it has fully observed such laws and obtained all such governmental and other guarantees and other consents in either case which may be required thereunder and complied with all necessary formalities;

(z) it undertakes that the person who it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither Oriel nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and Oriel in respect of the same on the basis that the Placing Shares will be credited to the CREST stock account of Oriel (CREST ID: 601) who will hold them as nominee for the subscribers of such shares until settlement in accordance with its standing settlement instructions;

(aa) it acknowledges and understands that the Company, Oriel and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Oriel on its own behalf and on behalf of the Company and are irrevocable;

(ab) it acknowledges that neither Oriel, nor any of its Affiliates nor any person acting on behalf of Oriel or its Affiliates is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of any of Oriel's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right; and

(ac) represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA.

The rights and remedies of the Company and Oriel under these terms and conditions are in addition to any rights or remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Enquiries:

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