

19 April 2011

Falkland Island Holdings plc
("FIH" or "the Company")

Falkland Oil and Gas Limited - Placing to raise £32 million and Heads of Agreement signed for Falklands deepwater drilling programme

Falkland Islands Holdings Plc ('FIH') the international services Group, which owns essential services businesses focused on retail, transport and logistics notes the announcement today by Falkland Oil and Gas Limited, regarding an update on its licence area and operations and a fundraising.

Erebus, a subsidiary of FIH, holds 12 million Ordinary Shares, representing 8.2% of Falkland Oil and Gas Limited's existing issued share capital.

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 (EACH A "RESTRICTED JURISDICTION") OR ANY OTHER JURISDICTION IF TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

19 April 2011

Falkland Oil and Gas Limited
("FOGL" or "the Company")

Placing to raise £32 million and Heads of Agreement signed for Falklands deepwater drilling programme

Next drilling programme expected to commence Q1 2012

FOGL, the oil and gas exploration company focused on its extensive licence areas to the South and East of the Falkland Islands, announces that it has conditionally placed 45.7 million new ordinary shares of 0.002 pence in the capital of the Company ("Ordinary Shares") at a price of 70 pence per share (the "Placing Price") (the "Placing Shares") to raise £32 million before expenses (the "Placing"). The net proceeds of the Placing, together with FOGL's existing cash resources and the proceeds of the settlement with BHP Billiton announced on 31 March 2011, will be used to provide additional drilling options for FOGL's planned 2012 drilling programme.

FOGL also announces that it has signed heads of agreement with Borders & Southern Petroleum plc ("B&S") ("B&S Heads of Agreement") to share a rig to drill in the first half of 2012 (the "Rig Contract").

Placing to raise £32 million

Oriel Securities Limited ("Oriel Securities"), on behalf of the Company, has conditionally placed 45,714,281 new Ordinary Shares at a price of 70 pence per share to raise £32 million before expenses. The Placing has not been underwritten. Completion of the Placing will be conditional, inter alia, on signing of the Rig Contract and admission of the Placing Shares to trading on the AIM market of the London Stock Exchange plc ("AIM") ("Admission").

Appendix 2 to this announcement (which forms part of this announcement) sets out the terms and conditions of the Placing.

Deepwater exploration programme expected to commence in first quarter 2012

FOGL has signed the B&S Heads of Agreement outlining the key terms relating to the sharing of a rig to commence drilling the Loligo prospect in the first quarter of 2012. FOGL is also considering taking up the second option slot in the drilling contract in the event that it is able to secure either a farminee and/or additional funding. The rig is currently expected to arrive in the Falkland Islands in the fourth quarter of 2011. FOGL expects to access the rig for the third well slot in the combined B&S and FOGL programme and commence drilling in the first quarter of 2012.

FOGL intends to drill its next well on the Loligo complex (a prospect within the Tertiary Channel play which has estimated Pmean reserves of 4,700 mmbbls). The Loligo complex comprises several reservoir objectives which have previously been referred to as the Loligo prospect, together with a number of additional underlying reservoir targets.

FOGL is considering a second drilling slot and, should it do so, there are a number of options for the second well, depending principally on the results from Loligo itself and from B&S's wells. If Loligo proves successful, FOGL could drill an appraisal well on Loligo, or alternatively another prospect within the Tertiary Channel play such as Nimrod (Pmean reserves of 1,500mmbbls) or Vinson (Pmean reserves of 733 mmbbls). If the Loligo results are disappointing, the most likely drilling candidates are within the Mid Cretaceous fan play, with the Scotia prospect (Pmean reserves of 1,060 mmbbls) being FOGL's preferred option. In the event of success for B&S on its Darwin prospect, FOGL may consider drilling the nearby Inflexible prospect (Pmean reserves of 250 mmbbls). A summary of all of the FOGL prospects which are potential drilling options and on which site surveys have now been acquired are given in Appendix 1.

FOGL is also continuing its farm-out discussions with interested parties. FOGL believes that a suitable farminee would further strengthen its financial position and allow an additional well to be drilled as part of this campaign.

Use of proceeds

The net proceeds of the Placing, together with FOGL's existing cash resources and the proceeds of the settlement with BHP Billiton announced on 31 March 2011, will be used to provide additional drilling options for FOGL's planned 2012 drilling programme, to fund long lead drilling equipment for two exploration wells and to meet the Company's working capital requirements.

FOGL has the financial resources to drill a well on the Loligo complex to penetrate reservoirs containing 46% of the estimated Pmean reserves. The Placing will allow the well to target three deeper independent reservoir objectives named 'Trigg', 'Trigg Deep' and 'Three Bears'. These targets contain the remaining 54% of the Loligo complex's estimated Pmean reserves.

Related party transaction

RAB Special Situations (Master Fund) Limited ("RAB") and associated companies ("RAB Group") together hold 28,576,671 Ordinary Shares, warrants to subscribe for 6 million Ordinary Shares and an £8 million Secured Convertible Loan Note of FOGL Finance Limited, a wholly owned subsidiary of FOGL, ("RAB Loan Note"). As a holder of more than 10% of FOGL's issued share capital, RAB Group is a related party for the purposes of the AIM Rules.

The RAB Loan Note, together with accrued interest, is due to be redeemed on 22 December 2011, unless RAB previously exercised its right to exchange the RAB Loan Note for Ordinary Shares. In order to provide certainty for the Board of FOGL in relation to its future cash funding commitments, RAB has agreed to amend the instrument constituting the RAB Loan Note and exercise its right to exchange the entire principal amount (together with all interest accrued to date and accruing up to 22 December 2011, estimated to amount in total to approximately £10.6 million) for the issue of approximately 15.1 million new Ordinary Shares at the Placing Price ("RAB Shares") and an issue of new warrants over 1 million Ordinary Shares, exercisable at a price equal to a 50% premium to the Placing Price ("New Warrant Exercise Price") (or, if lesser, in the event that the Company issues shares, or securities convertible into shares, at a price lower than the New Warrant Exercise Price, a 30% premium to the price at which those future shares or securities were issued) (together the "RAB Arrangements").

The Board of FOGL, which has consulted with Oriel Securities, its nominated adviser, considers that the terms of the RAB Arrangements are fair and reasonable insofar as its shareholders are concerned.

FOGL directors participation in the Placing

The following directors of FOGL have agreed to participate in the Placing:

Director	Ordinary Shares to be subscribed under Placing	Total shareholding post Admission	Percentage of issued share capital post Admission
Richard Liddell	15,000	100,000	0.048%
Tim Bushell*	25,000	110,000	0.053%
David Hudd	15,000	175,000	0.084%
Colin More	10,000	35,000	0.017%

* All Placing Shares have been subscribed for by members of the Director's family

Substantial shareholder participation in the Placing

The Company has conditionally placed 1,428,571 Placing Shares with RAB Group.

Falkland Island Holdings Group lock-up agreement

Erebus Limited, a wholly owned subsidiary of Falkland Island Holdings Group plc, that holds 12 million Ordinary Shares, representing 8.2% of FOGL's existing issued share capital, has agreed not to dispose of any of its Ordinary Shares until the earlier of the announcement of the results of the final well to be drilled on behalf of the Company using the shared B&S rig or 31 May 2012.

Falkland Island Government consents

FOGL's Northern Licence is due to expire on 15 December 2011. FOGL has discussed its planned drilling campaign with the Falkland Islands Government and is confident that it will be able to obtain an extension of the licence to cover the planned programme on terms that are acceptable to FOGL.

Conditions to the Placing

The Placing is conditional on the signing of the Rig Contract envisaged by the B&S Heads of Agreement on or before 1 June 2011 and on the placing agreement between the Company and Oriel Securities dated 19 April 2011 becoming unconditional in all respects on or before 15 June 2011.

Application will be made for the Placing Shares to be admitted to trading on AIM. The Placing is conditional upon Admission. An application will also be made for the new RAB Shares to be issued as part of the RAB Arrangements to be admitted to trading on AIM market.

Subject to fulfilment or waiver, as applicable, of the conditions to the Placing, Admission is expected to become effective, and dealings in the Placing Shares and the RAB Shares to commence, at 8.00 a.m. on the third business day after the Company announces entry into the Rig Contract.

Tim Bushell, Chief Executive of FOGL, said:

"I am delighted to have entered into a heads of agreement for a rig contract to enable us to commence our deepwater exploration programme. The successful fund raising puts us in a strong position to fully evaluate the Loligo prospect and also provides us with the financial strength to develop additional drilling options.

"We are also excited by the results of our recent technical work which has identified two new prospects within the Hersilia complex. Seismic amplitude analysis (AVO), together with the encouraging reservoir results from the Toroa well, has substantially reduced the risk on Scotia and Hero, which each have over 1 billion barrels of potential prospective resources. Site surveys have been completed over these two prospects and we are about to acquire new 2D seismic data over the area to aid final prospect selection."

- Ends-

The technical information included in this announcement has been reviewed, verified and compiled by the Company's geological staff, including a qualified person, Colin More BSc., MSc. (Exploration Director), who has over 25 years of experience in petroleum exploration, for the purpose of the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies, which outline standards of disclosure for mineral projects. Mr More is a member of the Geological Society of London, the American Association of Petroleum Geologists and the Society of Exploration Geophysicists.

Enquiries:

Falkland Oil and Gas	+44 (0) 207 563 1260
Tim Bushell, Chief Executive	
Oriel Securities (Nominated Adviser)	+44 (0) 207 710 7600
David Arch / Gareth Price	
Financial	+44 (0) 207 831 3113
Dynamics	
Ben Brewerton / Ed Westropp	

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include statements regarding or which make assumptions in respect of future appraisal or development of the Company's and the subsidiary's (together the "Group") assets. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of oil or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future explorations, acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this announcement by or on behalf of the Company speak only as of the date they are made. Except as required by the Financial Services Authority, the London Stock Exchange or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in the

Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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.

Oriel Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority (the "FSA"), is acting as Nominated Adviser, broker and bookrunner 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 Securities or for advising any other person on any transaction or arrangement referred to in this announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Oriel Securities or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

The distribution of this announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by FOGL or Oriel Securities that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by FOGL and Oriel Securities to inform themselves about, and to observe such restrictions.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHO ARE: (A) (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), OR (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER, OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED; AND (B) (I) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS (AS DEFINED IN ARTICLE

2(1)(E) OF EU DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE")), AND/OR (II) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN FOGL.

Persons (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given ("**Placees**") will be deemed to have read and understood this announcement, including the Appendices, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in the Appendices. In particular, each such Placee represents, warrants and acknowledges that it is: (i) a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and (ii) outside the United States, not a US person and is subscribing for the Placing Shares in an "offshore transaction" (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")).

This announcement, including the Appendices, is not for distribution directly or indirectly in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia or Japan or any jurisdiction into which the same would be unlawful. This announcement does not constitute or form part of an offer or solicitation to purchase or subscribe for shares in the capital of FOGL in the United States, Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland or any jurisdiction in which such an offer or solicitation is unlawful. In particular, the Placing Shares referred to in this announcement have not been, and will not be, registered under the Securities Act or under the securities legislation of any state of the United States, and may not be offered or sold in the United States absent registration or pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Subject to exceptions, the Placing Shares referred to in this announcement are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act. No public offering of securities of FOGL will be made in connection with the Placing in the United Kingdom, the United States or elsewhere.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus or admission document has been lodged with, or registered by, the Australian Securities and Investments Commission, the Japanese Ministry of Finance, the South African Financial Services Board, the Irish Financial Services Regulatory Authority, or the New Zealand Securities Commission; and the Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia, Japan, South Africa, New Zealand or the Republic of Ireland. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered,

directly or indirectly, in or into the United States, Canada, Australia or Japan or any other jurisdiction outside the United Kingdom.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is unlawful.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendices or this announcement should seek appropriate advice before taking any action.

The Placing Shares to which this announcement relates may be illiquid and / or subject to restrictions on their resale. Prospective purchasers of the Placing Shares offered should conduct their own due diligence on the Placing Shares. If you do not understand the contents of this announcement you should consult an authorised financial advisor.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market operated by the London Stock Exchange. Neither the content of FOGL's website nor any website accessible by hyperlinks on FOGL's website is incorporated in, or forms part of, this announcement.

APPENDIX 1

Summary of key FOGL prospects where site surveys have been acquired

Prospect	Play	Licence area	Pmean Reserves
			MMbbls
Loligo complex	Tertiary Channel	Northern	4,700
Nimrod complex	Tertiary Channel	Northern	1,500
Vinson	Tertiary Channel	Southern	733
Hero	Mid Cretaceous Fan	Northern	1,071
Scotia	Mid Cretaceous Fan	Northern	1,062
Inflexible	Springhill	Southern	253
Endeavor	Springhill	Northern	800
			10,119

APPENDIX 2

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION REGARDING THE PLACING FOR PLACEES ONLY

THIS ANNOUNCEMENT, INCLUDING THE APPENDIX AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN (EACH A "RESTRICTED

JURISDICTION OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISORS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A PURCHASE OF THE PLACING SHARES.

Details of the Placing and the Placing Shares

Oriel Securities, as agent of the Company, is offering the Placing Shares to existing institutional shareholders and other potential institutional investors via the Placing at the Placing Price. Oriel Securities 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.

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

No element of the Placing is underwritten. Oriel Securities has agreed to use reasonable endeavours to introduce the Company to subscribers for the Placing Shares.

A Placee's obligation to acquire its allocation of the Placing Shares is subject only to:

- (a) the Placing pursuant to Oriel Securities agreement with the Company becoming unconditional and not being terminated on the basis referred to below under "Right to terminate Placing";
- (b) an assignment of a rig contract for a deepwater mobile drilling unit having been entered into between amongst others Borders & Southern Petroleum plc and the Company and other associated contracts (the **Rig Contract**); and
- (c) Admission (as defined below) becoming effective not later than 8.00 a.m. on 15 June 2011;

The Company has undertaken that the Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares of 0.002 pence per share in the capital of the Company (the **Ordinary Shares**), including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares.

This document does not constitute an offering of the securities described herein in those jurisdictions and to those persons where and to whom the securities may not be lawfully offered for sale, and to the extent such offering can be lawfully made, it will only be made by persons permitted to sell such securities.

The Placing Shares have not, been and will not be, registered under the U.S. Securities Act of 1933, as amended (the **US Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act. Placing Shares are being offered outside the United States to non-U.S. persons in offshore transactions within the meaning of and pursuant to Regulation S under the US Securities Act.

This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence.

In this Appendix, unless the context otherwise requires, **Placee** means a person (including individuals, funds or others) on whose behalf a commitment to acquire Placing Shares has been given.

Application for Admission to Trading

Application will be made for admission of the Placing Shares to trading on the AIM market of the London Stock Exchange plc (**Admission**).

Participation

A Placee's commitment to acquire a fixed number of Placing Shares under the Placing will be agreed orally with Oriel Securities. 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.

Each Placee will be required to pay to Oriel Securities, on the Company's behalf, the Placing Price for each Placing Share allocated to it by Oriel Securities and 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 Securities and the Company. Each Placee has an immediate, separate, irrevocable and binding obligation, owed to Oriel Securities, 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 allocated to such Placee and which it 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.

Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

All obligations under the Placing will be subject to the fulfilment of the conditions as referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate Placing".

To the fullest extent permissible by law and applicable rules of the FSA, neither Oriel Securities nor any of its affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise, whether or not a recipient of these terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the issue and allotment of the Placing Shares to the Placees and Oriel Securities shall have no liability to the Placees for any failure by the Company to fulfil its obligations. Neither Oriel

Securities nor any of its affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of Oriel Securities' conduct of the Placing.

Conditions of the Placing

The obligations of Oriel Securities under its agreement with the Company are conditional on, amongst other things:

1. there being no breach of any of the warranties contained in its agreement with the Company on the date of such agreement or at any time up to and including Admission;
2. the Company complying with its obligations under its agreement with Oriel Securities to the extent the same fall to be performed or satisfied prior to Admission;
3. the Company's entry into the Rig Contract on or before 1 June 2011; and
4. Admission taking place by no later than 8.00 a.m. (London time) on 15 June 2011.

If any of the conditions contained in Oriel Securities' agreement with the Company in relation to the Placing Shares are not fulfilled or waived by Oriel Securities, by the respective time or date where specified (or such later time and/or date as the Company and Oriel Securities may agree), the Placing will not proceed and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

Oriel Securities may, at its discretion and upon such terms as it sees think fit, waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in its agreement with the Company save that the condition in its agreement with the Company relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of Oriel Securities, the Company or any other person shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Oriel Securities.

Right to terminate Placing

Oriel Securities is entitled, at any time before Admission to terminate its agreement with the Company in relation to its obligations with respect to the Placing Shares by giving notice to the Company in certain circumstances, including a material breach of the warranties given to Oriel Securities in its agreement, the failure by the Company to comply with its obligations under its agreement with Oriel Securities or the occurrence of certain defined force majeure events.

If the obligations of Oriel Securities with respect to the Placing are terminated in the manner contemplated above, the rights and obligations of each Placee, who has been issued a Trade

Confirmation (as defined below) by Oriel Securities in respect of the Placing, shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

The rights and obligations of the Placees will terminate only in the circumstances described in these terms and conditions and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances.

By participating in the Placing, Placees agree that the exercise by Oriel Securities of any right of termination shall be within Oriel Securities's absolute discretion and that Oriel Securities need not make any reference to Placees and that neither Oriel Securities nor the Company shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise by Oriel Securities.

No Prospectus

No offering document, prospectus or admission document has been or will be submitted to be approved by the FSA or submitted to the London Stock Exchange plc in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) and the Exchange Information (as defined below) and subject to the further terms set out in the Trade Confirmation.

Each Placee, by participating in the Placing, agrees that the content of this Announcement (including this Appendix) is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of Oriel Securities or the Company and that none of Oriel Securities, the Company or any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges, agrees and warrants that it has relied on its own investigation of the business, financial or other position of the Company in participating in the Placing and with respect to the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN:FK00B030JM18) following Admission will take place within the CREST system, subject to certain exceptions. Oriel Securities and the Company reserve the right to require settlement for, and delivery of, the Placing Shares (or a portion of them) to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent confirmation of their allocation by Oriel Securities by email (a **Trade Confirmation**). The terms of this Appendix will be deemed incorporated by reference in such Trade Confirmation.

Settlement will be on a T+3 basis (where T is the "**Trade Date**") and the Trade Date will be the date that the Company announces its entry into the Rig Contract. A further Trade Confirmation will be sent on the Trade Date reconfirming the number of Placing Shares allocated to the Placee at the Placing Price and containing settlement instructions. Each Placee agrees that it will do all

things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with Oriel Securities. If the Rig Contract has not been signed by 1 June 2011, the Placing will terminate and no settlement will be required.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the prevailing 3 month sterling LIBOR rate as determined by Oriel Securities.

Each Placee is deemed to agree that if it does not comply with these obligations, Oriel Securities may at its sole discretion place any or all of the Placing Shares allocated to that Placee to other acquirers or sell any or all of such Placing Shares on such Placee's behalf and retain from the proceeds, for Oriel Securities' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall between the net proceeds of such placing or sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the Trade Confirmation is copied and delivered immediately to the relevant 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 United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Placees should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax, accounting, financial and/or legal consequences of investment in any Placing Shares.

Representations and Warranties

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) irrevocably represents, warrants, undertakes, acknowledges and agrees (for itself and for any such Placee) to the Company and Oriel Securities that:

1. it has read this Announcement (including this Appendix) in its entirety and that its subscription for Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in it;
2. no listing particulars, prospectus, admission document or other offering document has been or will be prepared in connection with the Placing and that it has not received listing particulars, a prospectus, admission document or other offering document in connection with the Placing or the Placing Shares;
3. the Ordinary Shares are admitted to trading on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules,

which includes a description of the nature of the Company's business and the Company's most recent AIM admission document and financial statements (including the Company's preliminary financial results for the year ended 31 December 2010, the Company's annual report for the financial year ending 31 December 2009 and the Company's interim financial report for the six month period ending 30 June 2010) and similar statements for preceding financial years (including the Company's annual reports for the financial years ending 31 December 2008 and 31 December 2007) (such business and financial information, the **Exchange Information**), and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to the Exchange Information or comparable information concerning any other publicly traded company without undue difficulty;

4. none of Oriel Securities nor the Company nor any of their respective affiliates nor any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Placing Shares or the Company; or any other person; nor has it requested any of Oriel Securities, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with such information;

5. the content of this Announcement is exclusively the responsibility of the Company and that Oriel Securities, nor any of its affiliates nor any person acting on behalf of Oriel Securities or any of its affiliates have, or shall have, any liability for any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise;

6. in making its decision to subscribe for Placing Shares, the Placee: (a) has not relied on any investigation that Oriel Securities, or any person acting on its behalf may have conducted with respect to the Placing Shares or the Company; (b) has made its own investment decision regarding the Placing Shares based on its own knowledge (and information it may have or which is publicly available) with respect to the Placing Shares and the Company; (c) has had access to such information as it deems necessary or appropriate in connection with its acquisition of any Placing Shares; and (d) has sufficient knowledge and experience in financial and business matters and expertise in assessing credit, market and all other relevant risk and is capable of evaluating, and has evaluated, independently the merits, risks and suitability of purchasing the Placing Shares;

7. it understands that by its acquisition or holding of any Placing Shares the Placee is assuming and is capable of bearing the risk of loss that may occur with respect to the Placing Shares, including the possibility that the Placee may lose all or a substantial portion of its investment in any Placing Shares, and the Placee will not look to Oriel Securities for all or part of any such loss or losses it may suffer;

8. it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;

9. it has not relied on any information relating to the Company contained in any documents prepared by Oriel Securities any of its affiliates or any person acting on behalf of Oriel Securities or its affiliates and understands that neither Oriel Securities, nor any of its affiliates nor any person acting on behalf of Oriel Securities or its affiliates: (a) has, or shall have, any liability for public or filed information or any representation; (b) has, or shall have, any liability for any

additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of the announcement or otherwise; or (c) makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of the announcement or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

10. 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 under such laws and complied with all necessary formalities;

11. it has the power and authority to carry on the activities in which it is engaged, to acquire the Placing Shares and to execute and deliver all documents necessary for such acquisition;

12. it, and, if different, the beneficial owner of the Placing Shares, is not and at the time the Placing Shares are acquired will not be residents of Australia, Japan, South Africa, New Zealand or, save as specifically disclosed to and agreed by Oriel Securities, the Republic of Ireland;

13. it is:

(a) if the Placee is in the United States or is a U.S. person (i) a "qualified institutional buyer" (**QIB**) as defined in Rule 144A under the US Securities Act and, if acquiring Placing Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, the Placee has investment discretion with respect to each account, and the Placee has full power and authority to make the acknowledgements, representations and agreements contained in this Announcement on behalf of each owner of such account; and (ii) acquiring Placing Shares for its own account, or for the account of a QIB to which the Placee has full investment discretion, in each case for investment purposes and not with a view to, or for offer or sale in connection with, any distribution (within the meaning of the United States securities laws) of such Placing Shares; or

(b) if the Placee is outside the United States, a non-U.S. person acquiring Placing Shares in an offshore transaction within the meaning of and pursuant to Regulation S under the US Securities Act;

14. it understands and acknowledges that the Placing Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, are being offered and sold to the Placee in a transaction that is exempt from, or not subject to, the registration requirements of the US Securities Act and not involving any public offering, that the sale of the Placing Shares to the Placee may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A thereunder and that for so long as the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Placee agrees not to deposit the Placing Shares into any unrestricted depository facility maintained by any depository bank;

15. it understands that no U.S. federal or state or non-U.S. agency has made any finding or determination as to the fairness for investment or any recommendation with respect to or endorsement of the Placing Shares;

16. it agrees that:

(a) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Placing Shares, such Placing Shares may be offered, resold, pledged or otherwise transferred only (x) in compliance with the US Securities Act and other applicable securities laws (i) in a transaction in accordance with Rule 144A to a person that the Placee and any person acting on its behalf reasonably believes is a QIB, (ii) in an offshore transaction in accordance with Regulation S, (iii) pursuant to an effective registration statement under the US Securities Act, or (iv) pursuant to any other available exemption from the registration requirements of the US Securities Act and (y) (i) upon delivery of all certifications, opinions and other documents that the Company may require and (ii) in accordance with any applicable securities laws of any state of the United States and any other jurisdiction; and

(b) it understands that no representation has been made as to the availability of any exemption under Rule 144 under the US Securities Act or otherwise for the reoffer, resale, pledge or other transfer of the Placing Shares and agrees to notify any subsequent purchaser of the Placing Shares from it of the re-sale restrictions set out in paragraph 16(a) above;

17. if it is a resident of Canada, or otherwise subject to securities legislation of a Canadian jurisdiction:

(a) it is resident of or otherwise subject to the legislation of one of the provinces of Canada;

(b) it acknowledges that it is purchasing the Placing Shares with the benefit of the prospectus exemption provided by Section 2.3 of National Instrument 45-106 - Prospectus Exemption Distributions and is purchasing the Placing Shares as principal for its own account or is deemed to be purchasing the Placing Shares as principal for its own account in accordance with applicable securities law;

(c) it is an "accredited investor" within the meaning of National Instrument 45-106, and has executed and delivered a certificate to Oriel Securities to that effect;

(d) it is purchasing the Placing Shares from or through a person or company registered as an investment dealer under applicable Canadian securities laws of its province of residence;

(e) it understands that the Company is not a "reporting issuer" in any province or territory in Canada and that the Company currently has no intention of (i) becoming a "reporting issuer" in Canada or (ii) filing a prospectus with any securities regulatory authority in Canada to qualify the resale of the Placing Shares to the public;

(f) it recognises that there may be resale restrictions applicable in Canada on the Placing Shares, and that it (and not Oriel Securities or the Company) is responsible for compliance with such restrictions and will comply with all relevant securities laws in Canada in connection with any resale of the Placing Shares. In particular, by purchasing the Placing Shares, it represents, acknowledges or confirms, as the case may be, to the Company and the dealer who is involved in the sale of the Placing Shares to such purchaser that such purchaser understands that the Placing Shares are subject to transfer and resale restrictions in Canada and that the certificates representing the Placing Shares (or the relevant ownership statement under a direct registration system or other book-entry system) or other applicable document or notice (including this

document) will bear or will notify the purchaser, as the case may be, of the following restriction of transfers legend:

"EXCEPT IN THE PROVINCE OF MANITOBA, IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 - RESALE OF SECURITIES, UNLESS OTHERWISE PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE DATE ON WHICH THE SECURITY IS ISSUED; AND (II) THE DATE THE ISSUER BECOMES A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

IN THE PROVINCE OF MANITOBA, UNLESS OTHERWISE PERMITTED UNDER APPLICABLE CANADIAN SECURITIES LAWS OR WITH THE PRIOR WRITTEN CONSENT OF THE APPLICABLE REGULATORS, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS TWELVE MONTHS AND A DAY AFTER THE DATE THE PURCHASER ACQUIRED THE SECURITY."

(g) it understands that Oriel Securities will be required to make a filing with the applicable securities regulator in Canada, and agrees to provide all necessary information, and to otherwise cooperate fully, with Oriel Securities in respect of such filing;

(h) if it is a resident of Ontario or otherwise subject to the securities legislation of Ontario, it acknowledges (i) the delivery to the Ontario Securities Commission of the Placee's full name, residential address and telephone number, the number and type of securities purchased by the Placee, the total purchase price, the exemption relied on, and the date of distribution, (ii) that such information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation, (iii) that such information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and (iv) that the Administrative Support Clerk at the Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, telephone (416) 593-3684, can be contacted to answer questions about the Ontario Securities Commission's indirect collection of such information; the Placee hereby authorises the indirect collection of such information by the Ontario Securities Commission;

(i) it acknowledges that none of the funds being used to purchase Placing Shares are, to its knowledge, proceeds obtained or derived, directly or indirectly, as a result of illegal activities. The funds being used to purchase Placing Shares and advanced by or on behalf of the Canadian Placee to the Company will not represent proceeds of crime for the purpose of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the "PCMLA"), or equivalent legislation in any other jurisdiction to which such Canadian Placee may be subject. The Canadian Placee acknowledges that the Company or the dealer involved in the trade may in the future be required by law to disclose the Canadian Placee's name and other information relating to any purchase of Placing Shares, on a confidential basis, pursuant to the PCMLA; and

(j) if it is a resident of Quebec or otherwise subject to securities legislation of Quebec, it confirms its express wish that the documents relating to the Placing be drawn up in the English language; il reconnaît son volonté expresse que la présente ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.

18. it understands and acknowledges that the Company and its agents (including Oriel Securities) shall not be obligated to recognise any resale or other transfer of the Placing Shares made other than in compliance with the restrictions set out in this Appendix and that the Placing Shares (if issued or transferred in certificated form) will bear the following legend:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND HAVE BEEN INITIALLY PLACED PURSUANT TO EXEMPTIONS FROM THE SECURITIES ACT AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THIS LEGEND. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (X) IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS (A) IN A TRANSACTION IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (QIB) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (Y) (1) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE COMPANY MAY REQUIRE AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. NO REPRESENTATION HAS BEEN MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER RULE 144 UNDER THE SECURITIES ACT OR OTHERWISE FOR THE REOFFER, RESALE, PLEDGE, OR OTHER TRANSFER OF THIS SECURITY EACH HOLDER, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.";

19. it understands and acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Japan, South Africa, New Zealand or the Republic of Ireland and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;

20. it understands and acknowledges that (i) the Company believes that it was not a "passive foreign investment company" (PFIC) under the US Internal Revenue Code of 1986, as amended, for the year ending December 31, 2010 and does not expect to become a PFIC for the current year or for any future taxable year but there can be no assurance in that regard, and (ii) an investment in a PFIC may have materially adverse US federal income tax consequences to a US Holder (as defined below);

21. if it is a pension fund or investment company, its acquisition of Placing Shares is in full compliance with applicable laws and regulations;

22. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of any Placing Shares will not give rise to a liability under any of sections

67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being subscribed for by it in connection with arrangements to issue depository receipts or to transfer Placing Shares into a clearance system;

23. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2003 and the Money Laundering Regulations 2007 (the **Regulations**) and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Oriel Securities such evidence, if any, as to the identity or location or legal status of any person which Oriel Securities may request from it in connection with the Placing (for the purpose of complying with such 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 Securities on the basis that any failure by it to do so may result in the number of Placing Shares that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, Oriel Securities may decide at its sole discretion;

24. it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so; and (ii) it is and will remain liable to the Company and Oriel Securities for the performance of all of its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);

25. it is a "qualified investor" as defined in within the meaning of Article 2.1(e) of the EU Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing directive measure in any member state) (the **Prospectus Directive**);

26. if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), that the Placing Shares subscribed for it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the European Economic Area which has implemented the Prospectus Directive other than "qualified investors" (as defined in Article 2.1(e) of the Prospectus Directive), or in circumstances in which the prior consent of Oriel Securities has been given to the offer or resale;

27. it and any person acting on its behalf is a person falling within Article 19(5) and/or 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or is a person to whom any communication in connection with the Placing may lawfully be made and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

28. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;

29. it has not offered or sold and, before the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, 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;

30. it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area before 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 any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);

31. it will not deal or cause or permit any other person to deal in all or any of the Placing Shares until Admission becomes effective;

32. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

33. it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which would apply to it, and that it and any person acting on its behalf is in compliance with applicable laws in its jurisdiction of residence, the residence of the Company, or otherwise and that it has all necessary capacity and authority and has obtained all necessary consents and authorisations which may be required in connection with the subscription by it of the Placing Shares;

34. no action has been or will be taken by any of the Company, Oriel Securities or any person acting on behalf of the Company or Oriel Securities that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;

35. it and any person acting on its behalf will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out in this Announcement, failing which the relevant Placing Shares may be placed with other acquirers or sold as Oriel Securities may in its sole discretion determine and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;

36. it will do all things necessary on its part to ensure that payment for the Placing Shares and their delivery to it or at its discretion is completed in accordance with the standing CREST instruction that it has in place with Oriel Securities, or will put in place with Oriel Securities;

37. it understands and acknowledges that Oriel Securities, nor any of its affiliates nor any person acting on behalf of Oriel Securities 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;

38. it understands and acknowledges that participation in the Placing is on the basis that it is not and will not be a client or customer of Oriel Securities in relation to the Placing and that Oriel Securities does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing;

39. it acknowledges that it has not received investment advice or the provision of investment services from Oriel Securities, or the Company within the meaning of the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland (as amended) or otherwise;

40. the person who it specifies for registration as holder of the Placing Shares will be: (a) itself; or (b) its nominee, as the case may be. Neither Oriel Securities 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 Securities in respect of the same on the basis that the Placing Shares will be credited to the CREST stock account of Oriel Securities Limited (CREST ID: BAQAQ, account designation 2011030) who will hold them as nominee for the Placees of such shares until settlement in accordance with its standing settlement instructions;

41. it understands and acknowledges that Oriel Securities may (at its absolute discretion) itself agree to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so;

42. the Company, Oriel Securities and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Oriel Securities on its own behalf and on behalf of the Company, and are irrevocable;

43. its commitment to acquire Placing Shares on the terms set out in this Announcement and in the Trade Confirmation will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing. The foregoing representations, warranties and confirmations are given for the benefit of the Company, as well as Oriel Securities; and

44. any agreements entered into by it pursuant to these terms and conditions, and any non-contractual obligations arising out of or in relation to these terms and conditions or such agreements, shall be governed by and construed in all respects in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the courts of England as regards any claim, dispute or matter arising out of any such contract or any such non-contractual obligation, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Oriel Securities in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

The agreement to settle a Placee's subscription of Placing Shares (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to the subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes, and is based on a warranty from each Placee, that neither it, nor the person specified by it for registration as holder

of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be issued and allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services). If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax, and neither the Company nor Oriel Securities shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Oriel Securities accordingly.

No United Kingdom 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 depository 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 depository receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depository 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 United Kingdom stamp duty and/or stamp duty reserve tax, for which none of the Company or Oriel Securities 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 United Kingdom stamp duty or stamp duty reserve tax undertakes to pay such United Kingdom stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Oriel Securities in the event that any of the Company and/or Oriel Securities has incurred any such liability to United Kingdom stamp duty or stamp duty reserve tax.

In addition, Placees should note that they will be liable to pay 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 United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

In view of the number of different jurisdictions where tax laws may apply to a Placee, this Appendix does not discuss the tax consequences for Placees arising from the purchase, holding, or disposition of Placing Shares. Placees are urged to consult their own professional advisers regarding these possible tax consequences.

In particular, Placees should note that, the Company believes that it was not a PFIC for the year ending December 31, 2010 and does not expect to become a PFIC for the current year or any future taxable year. Since this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond the Company's control, there can be no assurance that the Company will not be a PFIC in the current or any subsequent year, and an investment in a PFIC may have materially adverse US federal income tax consequences to a US Holder (as defined below). If the Company is a PFIC for any taxable year during which an investor is a US Holder, the investor generally will be required to treat any excess distribution received on its Ordinary Shares, or any gain realised upon the disposition of such shares, as

ordinary income, and to pay an interest charge on a portion of such distribution or gain. For these purposes, a **US Holder** is generally a shareholder who, for U.S. federal income tax purposes, is a beneficial owner of Ordinary Shares and is (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

A way to mitigate the adverse consequences of the PFIC rules discussed above is for a US Holder to make an election to treat the Company as a qualified electing fund (**QEF**) for US federal income tax purposes. To make a QEF election, the Company must provide US Holders with information compiled according to US federal income tax principles. If the Company is a PFIC for any taxable year during which an investor is a US Holder, the Company intends to use reasonable efforts to compile all information necessary for a US Holder who requests it to make a QEF election and to provide such information to US Holders.

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING US FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Moreover, Placees should note that the Company is not and does not intend to register as an "investment company" under the US Investment Company Act of 1940, as amended. The Company expects to take such steps as it believes appropriate so that it will not be classified, nor will it be required to be registered, as an "investment company" under that Act. These steps may in the future include imposing, to the extent permitted by applicable law and stock exchange rules, limitations on the ownership of the Company's securities by persons in the United States who may cause it to be so classified or registered, which may give the Company the ability to compel the sale of such persons' shares or restrict the voting, distribution and other rights of such shares.

When a Placee or person acting on behalf of the Placee is dealing with Oriel Securities, any money held in an account with Oriel Securities 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 rules and regulations of the FSA made under the FSMA. 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 Securities' money in accordance with the client money rules and will be used by Oriel Securities in the course of its own business; and the Placee will rank only as a general creditor of Oriel Securities.

All times and dates in this Announcement may be subject to amendment. Oriel Securities shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. Each Placee and each person acting on behalf of the Placee acknowledges that neither Oriel Securities, nor any of 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.