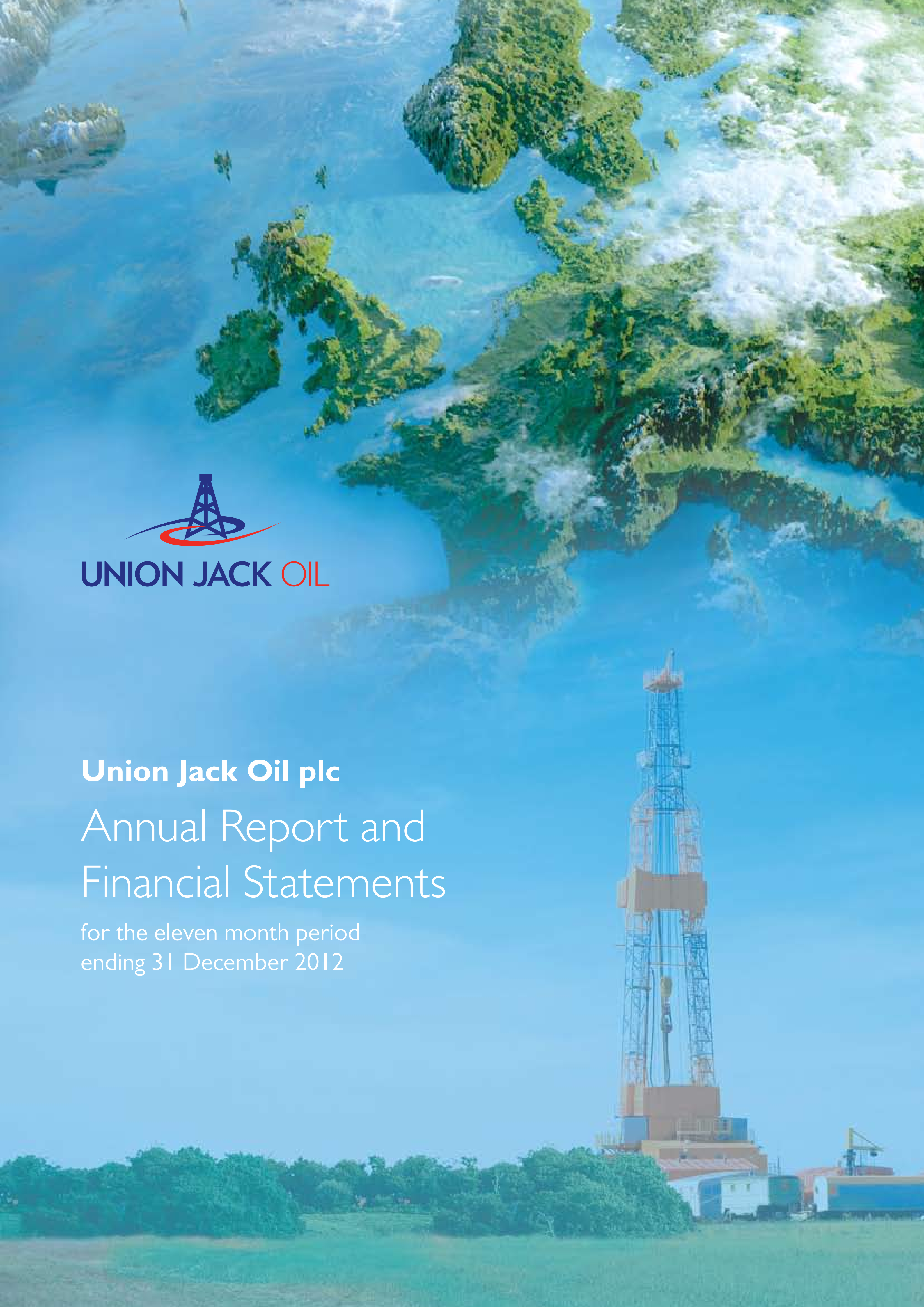

UNION JACK OIL

Union Jack Oil plc

Annual Report and Financial Statements

for the eleven month period ending 31 December 2012

Directors, Officers and Advisers

DIRECTORS

David Bramhill
Executive Chairman

Joseph O'Farrell
Executive

Martin Durham
Non-Executive

William O'Dea
Non-Executive

COMPANY OFFICE

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Bath BA1 2NE,
England

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Email: office@unionjackoil.com
Web: www.unionjackoil.com

REGISTERED NUMBER

07497220

SECRETARY AND REGISTERED OFFICE

Brian Marshall
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Bath BA1 2NE,
England

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Bristol BS13 8AE,
England

AUDITOR

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Temple Quay,
Bristol BS1 6GD,
England

SOLICITORS

Osborne Clarke
2 Temple Back East,
Temple Quay,
Bristol BS1 6EG,
England

BANKERS

Royal Bank of Scotland plc
8-9 Quiet Street,
Bath BA1 2JN,
England

ISDX GROWTH MARKET CORPORATE ADVISER AND BROKER

Peterhouse Corporate Finance Limited
31 Lombard Street,
London EC3V 9BQ,
England

PUBLIC RELATIONS CONSULTANTS

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Wootton St. Lawrence,
Basingstoke RG23 8PE,
England

Contents

UNION JACK OIL

Chairman's Statement

In this inaugural Annual Report and Financial Statements of Union Jack Oil plc ("Union Jack"), I am pleased to report with confidence on the progress made on the UK focused hydrocarbon activities of the Company and, of equal importance, its corporate affairs.

The Board is of the opinion that the UK presents an excellent opportunity to participate in late stage hydrocarbon projects, in a low cost environment where commercial discoveries can be brought into development and production status within a relatively short period.

The financial period under review covers from 1 February 2012 to 31 December 2012. The activities of the Company during this period comprised the raising of working capital and a review of a number of projects introduced by other exploration and development companies seeking farm in partners, and the admission of the issued share capital to the ISDX Growth Market.

The sum of £607,450 was raised by means of a placing during the latter part of 2012. A further £562,250 was raised by an institutional and private placing in February 2013.

The review conducted over several late stage projects has resulted in a number of transactions being executed over a number of UK onshore Petroleum Exploration and Development Licences post period end.

Farm in agreements have been signed with a number of established exploration and development companies in respect of PEDLs 201, 253 and 241 containing the Burton on the Wolds, Biscathorpe and North Kelsey Prospects on 18 February 2013, 4 March 2013 and 4 March 2013 respectively. The entrance of Union Jack into these projects admits the Company to the drilling of several high profile wells during 2013 and 2014. Two of these wells to evaluate the exploration potential of the Burton on the Wolds and Biscathorpe Prospects are expected to be drilled during the next 12 month period, leading, hopefully, to at least one development project following discovery success.

In addition, agreements have been entered into with a subsidiary of AIM quoted Egdon Resources plc whereby Union Jack has the option to participate in a further 5% interest in PEDL241 and acquire a 10% interest in PEDL005R, limited to the part block containing the North Somercotes Prospect.

A comprehensive summary of our UK licence interests can be found in the Review of Post Period End Operations section of this report.

To summarise, I feel that this report reflects the significant progress made by Union Jack and I am looking forward to reporting on the Company's projects during the coming year.

D R Bramhill

David Bramhill
Chairman

29 April 2013

"The entrance of Union Jack into these projects admits the Company to the drilling of several high profile wells during 2013 and 2014."

Review of Post Period End Operations

Burton on the Wolds
United Kingdom

PEDL201
Union Jack Oil 10%

In February 2013, Union Jack Oil plc entered into an agreement with a subsidiary of AIM listed Egdon Resources plc and privately controlled Celtique Energie Petroleum Limited to acquire a 10% interest in UK onshore Petroleum Exploration Licence PEDL201.

Licence area PEDL201 contains the Burton on the Wolds Prospect, a four-way dip closed, footwall structure on the Hoton Fault system. The Burton on the Wolds Prospect has been mapped using new (2011) and reprocessed seismic data.

The licence is located in the onshore UK East Midlands Petroleum Province on the southern margin of the Widmerpool Gulf, a geological basin with proven oil generation and on trend with the Rempstone and Long Clawson producing oil fields.

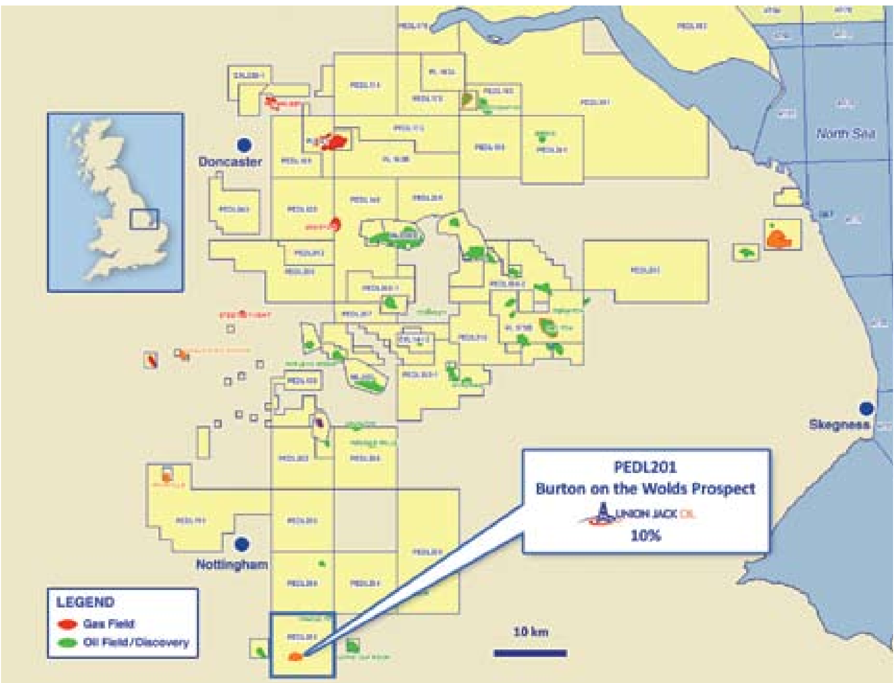
The subsurface target location to test the Burton on the Wolds Prospect has been defined, a surface drilling location has been identified from which a vertical well can be drilled to evaluate the primary and secondary reservoir objectives, and a Planning Application for a well will be submitted shortly.

The mean combined Prospective Resources for the primary and secondary objectives, as calculated by Egdon Resources, are estimated to be 3.8 million barrels of oil.

Under the terms of the agreement, Union Jack will pay 20% of the costs of the planned Burton on the Wolds well to earn a 10% interest from Egdon and Celtique Energie.

Following completion of the transaction the interested parties in licence PEDL 201 are as follows:

Percentage interest holdings in PEDL201	
Egdon Resources U.K. Limited (operator)	32.5%
Celtique Energie Petroleum Limited	32.5%
Terrain Energy Limited	12.5%
Corfe Energy Limited	12.5%
Union Jack Oil plc	10.0%



"The Burton on the Wolds Prospect has been mapped using new and reprocessed seismic data."

Biscathorpe
United Kingdom

PEDL253
Union Jack Oil 10%

In March 2013, Union Jack Oil plc entered into an agreement with a subsidiary of AIM listed Egdon Resources plc and privately controlled Montrose Industries Limited to acquire a 10% interest in UK onshore Petroleum Exploration and Development Licence PEDL253.

PEDL253 is located onshore UK within the proven hydrocarbon fairway of the South Humber Basin, on trend with the Saltfleetby gasfield and Keddington oilfield which produces oil from the Upper Carboniferous Westphalian aged reservoir sandstones.

The Biscathorpe Prospect, a well defined four-way dip closed structure mapped from reprocessed 3D seismic, is contained within the licence area.

The subsurface target location to evaluate the exploration potential of the Biscathorpe Prospect has been defined and a surface drilling location has been identified from which a vertical well can be drilled to test the primary reservoir objective.

Drilling operations are planned to commence in late Q4 2013 or Q1 2014.

The mean Prospective Resource volume for the main reservoir objective, as calculated by Egdon, is estimated to be 17.81 million barrels of oil. Further exploration upside is recognised from the 3D seismic and well data which suggests the presence of a pinchout providing a stratigraphic component to the trap.

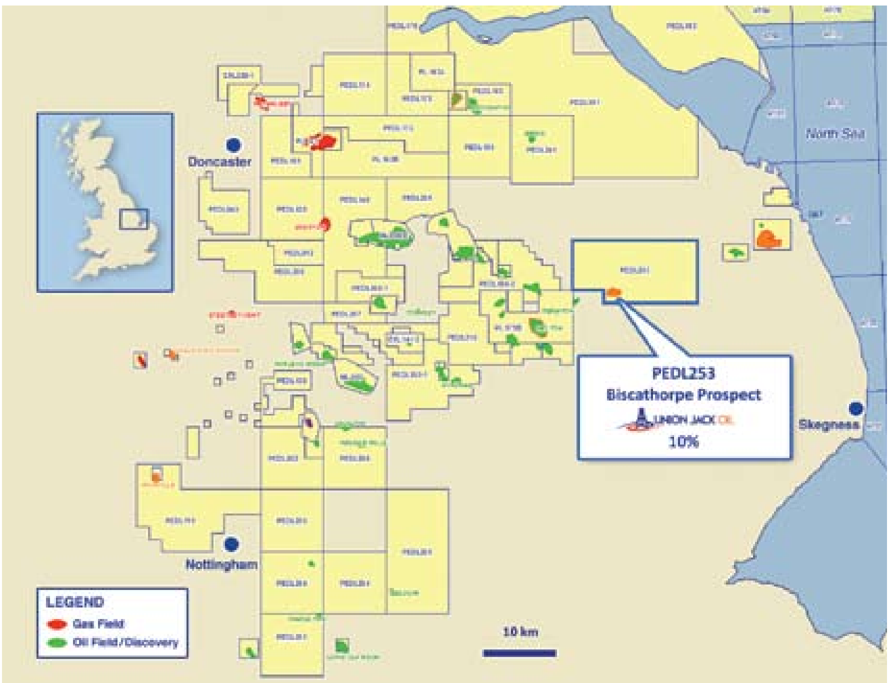
The Biscathorpe structure was originally drilled by BP in 1987 by the Biscathorpe-1 well which encountered a thin, oil-filled sandstone in a crestal position. Biscathorpe-2 will be located in a direction towards thicker sand development within structural closure of the trap.

Under the terms of the agreement, Union Jack will pay 12% and 8% of the cost of the planned Biscathorpe well to earn a 6% and 4% interest from Egdon and Montrose respectively.

Following completion of the transaction the interested parties in licence PEDL253 are as follows:

Percentage interest holdings in PEDL253	
Egdon Resources U.K. Limited (operator)	54%
Montrose Industries Limited	36%
Union Jack Oil plc	10%

“The mean Prospective Resource volume for the main reservoir objective is estimated to be 17.81 million barrels of oil.”



Review of Post Period End Operations

North Kelsey
United Kingdom

PEDL241
Union Jack Oil 10%

In March 2013, Union Jack Oil plc entered into an agreement with a subsidiary of AIM listed Egdon Resources plc to acquire a 10% interest in UK onshore Petroleum Exploration and Development Licence PEDL241.

PEDL241 is located onshore UK within the proven hydrocarbon fairway of the Humberside Platform. The nearby Crosby Warren oilfield and the Brigg oil discovery are productive from Upper Carboniferous Namurian aged reservoirs.

The North Kelsey Prospect, a well defined tilted fault block mapped from 3D seismic, is contained within the licence area. Based on offset well data, potential exists for four separate stacked reservoir sequences to be hydrocarbon bearing.

The subsurface target location to evaluate the exploration of the North Kelsey Prospect has been defined and a surface drilling location has been identified from which a vertical well can be drilled.

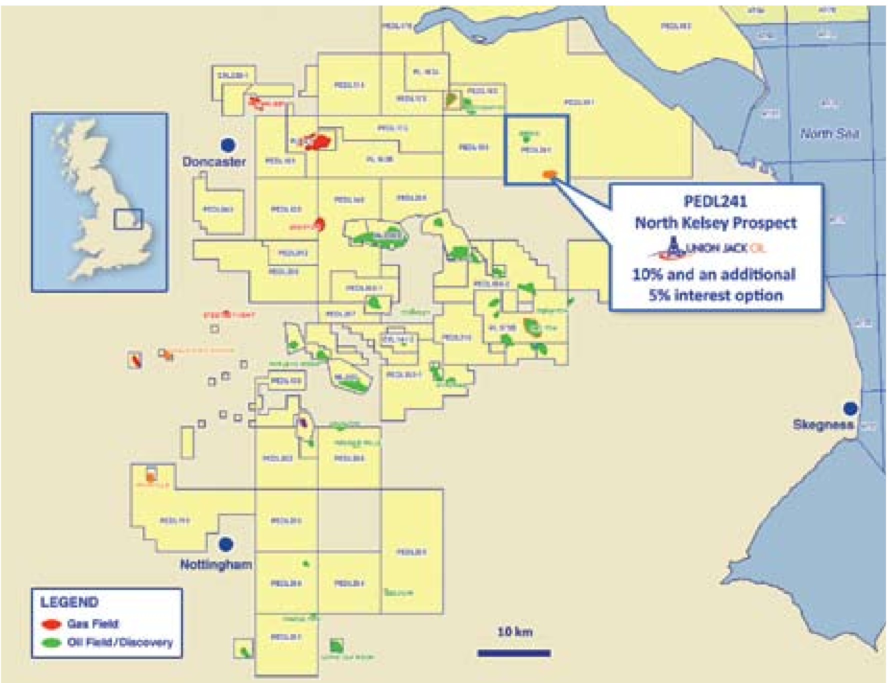
The mean combined Prospective Resource volume for these four reservoir objectives, as calculated by Egdon, is estimated to be 6.7 million barrels of oil.

Under the terms of the agreement Union Jack will pay 20% of the cost of the North Kelsey well to earn a 10% interest from Egdon.

Further to the PEDL241 agreement, Union Jack has signed a Letter of Intent with Egdon which gives the Company an option to enter into a second farm in agreement for a further 5% Participating Interest in PEDL241 under the same terms as above. The Letter of Intent will terminate on 31 July 2013 should the option not be exercised.

Following completion of the transaction the interested parties in licence PEDL241 are as follows:

Percentage interest holdings in PEDL241	
Egdon Resources U.K. Limited (operator)	40%
Celtique Energie Petroleum Limited	50%
Union Jack Oil plc	10%



"The subsurface target location to evaluate the exploration of the North Kelsey Prospect has been defined and a surface drilling location has been identified from which a vertical well can be drilled."

North Somercotes
United Kingdom

PEDL005R
Union Jack Oil (part) Option

Union Jack Oil plc has signed a Letter of Intent with a subsidiary of Egdon Resources plc for an option to acquire a 10% Participating Interest in PEDL005R, limited to the North Somercotes Prospect. The Letter of Intent will terminate on 31 July 2013 should the option not be exercised.

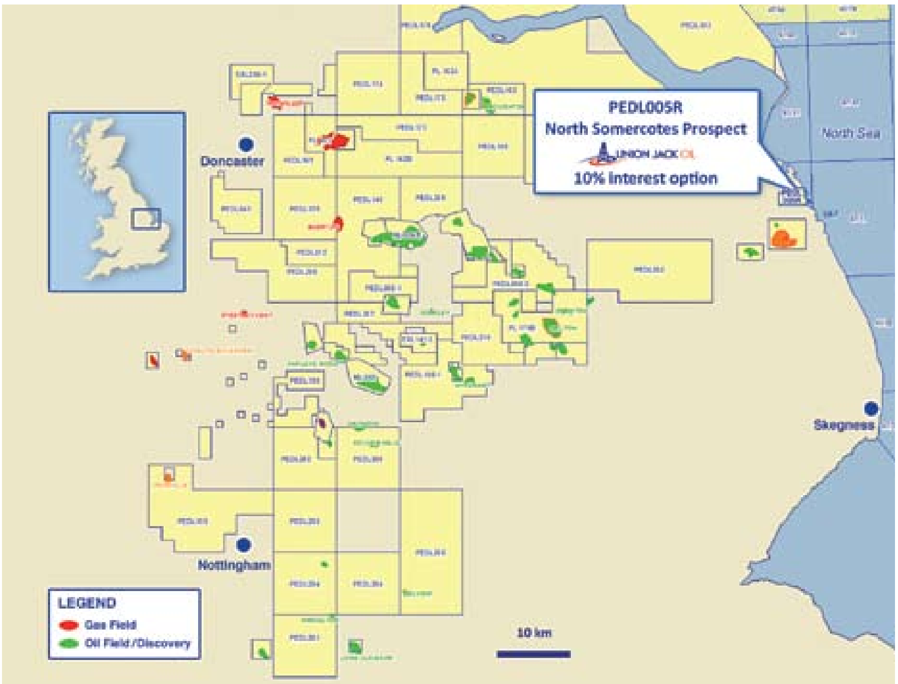
PEDL005R is located onshore UK within the proven hydrocarbon fairway of the South Humber Basin and contains the North Somercotes Prospect, a tilted fault block mapped from 3D seismic.

Review of local offset well data suggests that the reservoir sands are likely to be thicker than the productive equivalent units in the hydrocarbon producing Keddington and Saltfleetby fields.

The subsurface target for a deviated well trajectory to evaluate the exploration potential of the North Somercotes Prospect has been defined.

The mean Prospective Resource volume for the main reservoir objective, as calculated by Egdon, is estimated to be 9 billion cubic feet of gas. Further exploration upside may exist in a closure mapped in the hanging wall of the prospect.

“The mean Prospective Resource volume for the main reservoir objective, as calculated by Egdon, is estimated to be 9 billion cubic feet of gas. Further exploration upside may exist in a closure mapped in the hanging wall of the prospect.”



Directors' Report

for the period ended 31 December 2012

The directors present their report together with the financial statements for the period ended 31 December 2012.

The period comprises the eleven months from 1 February 2012 to 31 December 2012.

Principal Activities

Union Jack Oil plc is a UK registered energy company, focused on the exploration for, and future development of, hydrocarbon projects.

Financial Risk Management Objectives and Policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash Flow Risk

During the period, the Company's activities did not expose it to financial risks of changes in foreign currency exchange rates.

Credit Risk

The Company's principal financial assets are bank balances and cash and other receivables. At the period end, the Company did not have any trade receivables as it has not commenced trading. The credit risk on liquid funds is limited because the counterparty is a bank with high credit-rating.

Liquidity Risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses its existing cash funds.

Business Review

A review of the Company's operations during the period ended 31 December 2012 and subsequently to the date of this report is contained in the Chairman's Statement and Review of Post Period End Operations. The year end was changed to 31 December to align the company with other businesses in the industry. The prior period figures are unaudited.

The loss for the period resulting from pre-trading costs amounted to £142,573 (period ending 31 January 2012: nil). The directors do not recommend the payment of a dividend (period ending 31 January 2012: nil).

£607,450 was raised during the period via a placing to raise initial working capital for the Company.

Principal Risks and Uncertainties

Although the directors have extensive experience in the acquisition and development of assets similar to those held by the Company, as with all companies within the energy sector the business of oil and gas development involves varying degrees of risk. These risks include operating reliance on third parties, the ability to exploit discoveries and the risk of cost overruns.

There are also specific political, regulatory and licensing risks attached to various projects as well as issues of commerciality, environmental, economic, competition, reliance on key personnel, contractor and judicial factors.

The directors believe that they have mitigated risks as far as reasonably practicable – by maintaining strong relationships with project operators, implementing internal controls and continually reviewing and seeking to improve such controls as well as business processes and procedures.

Key Performance Indicators

The Company has made good progress during the period ended 31 December 2012 in preparation of due diligence and research into acquiring suitable project interests for its hydrocarbon exploration portfolio and the raising of finance to conduct the above.

A number of the projects reviewed has resulted in the Company acquiring various licence interests since the period end.

Key financial performance indicators will be determined during 2013, when the business starts to trade.

Directors

The directors in office at the end of the period, and their interests in the shares of the Company as at 31 January 2012 and 31 December 2012, were as shown in the table below.

	ORDINARY SHARES	
	31 December 2012	31 January 2012
D Bramhill	14,800,400	400
J O'Farrell	20,000,000	–
M Durham	2,000,000	–
W O'Dea	4,000,000	–

David Bramhill was appointed as an executive director on 18 January 2011.

Joseph O'Farrell was appointed as an executive director on 27 June 2012.

Martin Durham was appointed as a non-executive director on 14 September 2012.

William O'Dea was appointed as a non-executive director on 14 September 2012.

Directors' Remuneration

The remuneration of the directors for the period ended 31 December 2012 was nil (period ending 31 January 2012: nil).

Copies of the Service Agreements in respect of D Bramhill and J O'Farrell are available for inspection at the Company's Registered Office. Copies of the Letters of Appointment in respect of M Durham and W O'Dea are available for inspection at the Company's Registered Office.

Annual General Meeting

The Annual General Meeting of the Company will be held on 24 May 2013 in accordance with the Notice of Annual General Meeting on page 30. Details of the resolutions to be passed are included in this notice.

Events after the Balance Sheet Date

The following events have taken place since the period end:

A placing raising £562,250 before expenses was completed in February 2013.

In February 2013, the Company acquired a10% interest in the onshore UK Petroleum Exploration and Development Licence PEDL201 containing the Burton on the Wolds Prospect.

In March 2013, the Company acquired a 10% interest in PEDL253 containing the Biscathorpe Prospect.

In March 2013, the Company acquired a 10% interest in PEDL241 containing the North Kelsey Prospect.

In March 2013, a Letter of Intent was signed with a subsidiary of Egdon Resources plc, whereby the Company has the right to acquire a further 5% interest in PEDL241. The Letter of Intent will terminate on 31 July 2013 should the option not be exercised. No upfront consideration was made for this option.

In March 2013, a Letter of Intent was signed with a subsidiary of Egdon Resources plc, whereby the Company has the right to acquire a 10% Participating Interest in PEDL005R, limited to the North Somercotes Prospect. The Letter of Intent will terminate on 31 July 2013 should the option not be exercised. No upfront consideration was made for this option.

Capital Structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the period are shown in note 9. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

Substantial Shareholdings

On 31 March 2013, the Company's shareholders register showed the following persons holding voting rights of 3% or more as a shareholder of the Company.

Name of holder	Percentage of voting rights	No. of ordinary shares	Nature of holding
David and June Woodward	5.98%	28,000,000	Beneficial
Joseph O'Farrell	5.98%	28,000,000	Beneficial
TD Wealth Institution Nominees (UK) Limited	4.27%	20,000,000	Beneficial
David Bramhill	4.02%	18,800,400	Beneficial
Winterflood Securities Limited	3.84%	17,980,000	Beneficial
Kevin Byrne	3.42%	16,000,000	Beneficial

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement, Review of Post Period End Operations and the Directors' Report. The directors' forecasts demonstrate that the Company will meet its day to day working capital and share of estimated drilling costs over the forecasts period from the cash held on deposit. Taking account of reasonably possible changes in trading performance and drilling costs, sensitised forecasts show that the Company should be able to operate within the level of funds currently held. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Payment Policy and Practice

It is the Company's policy to pay suppliers on the terms agreed with them. Average creditor days during the period were 14 (31 January 2012: nil).

Disclosure of Information to the Auditor

The directors at the date of the approval of this Annual Report individually confirm that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

Deloitte LLP were appointed auditor and it will be proposed at the forthcoming Annual General Meeting that Deloitte LLP be reappointed.

Company Name and Registered Number

The registered number of Union Jack Oil plc is 07497220.

On behalf of the Board

David Bramhill
Chairman

29 April 2013

Corporate Governance Report

for the period ended 31 December 2012

The Company is listed on the ISDX Growth Market and is not required to comply with the provisions set out in the UK Combined Code. However, the directors support the principles contained in those requirements and apply those where they consider they are appropriate to Union Jack Oil plc.

The Board

During the period the Board of directors of Union Jack Oil plc consisted of two executive directors and two non-executive directors as disclosed within the Directors, Officers and Advisers section of this report, who were responsible for the proper management of the Company. The Board met in person or by telephone as permitted by the current articles of association, nine times.

The Board will meet at least four times in the coming year to review trading performance and budgets, ensure adequate funding, set and monitor strategy, examine acquisition opportunities and report to shareholders. The Board has a formal schedule of matters specifically reserved to it for decisions.

Internal Financial Control

The directors are responsible for establishing and maintaining the Company's internal financial control systems. These are designed to meet the particular needs of the Company and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The key procedures that the directors have established to provide effective internal financial controls are:

- **Identification of Business Risks**

  The Board is responsible for identifying the major business risks faced by the Company and for determining the appropriate course of action to manage these risks.

- **Investment Appraisal**

  Capital expenditure is regulated by authorisation limits. For expenditure beyond the specified limits including investments in exploration projects, detailed proposals are submitted to the Board for review and sign-off.

Directors' Responsibilities Statement

for the period ended 31 December 2012

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report on the Financial Statements

to the Members of Union Jack Oil plc

We have audited the financial statements of Union Jack Oil plc ("the Company") for the period ended 31 December 2012 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Principal Accounting Policies and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed. As the Company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matter Prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sonya Butters
Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol

29 April 2013

Income Statement

for the period 1 February 2012 to 31 December 2012

	Notes	Period 1.2.12 to 31.12.12 £	Unaudited Period 18.1.11 to 31.1.12 £
Revenue		–	–
Administrative expenses		(142,966)	–
Operating loss		(142,966)	
Finance income	4	393	–
Loss before taxation		(142,573)	–
Taxation	5	–	–
Loss for the period		(142,573)	–
Attributable to:			
Equity shareholders of the Company		(142,573)	–
Loss per share			
Basic and diluted loss per share (pence)	6	(0.0024)	–

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Comprehensive Income

for the period 1 February 2012 to 31 December 2012

	Period 1.2.12 to 31.12.12 £	Unaudited Period 18.1.11 to 31.1.12 £
Loss for the period	(142,573)	–
Other comprehensive income	–	–
Total comprehensive loss for the period	(142,573)	–

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance Sheet
as at 31 December 2012

	Notes	31.12.12 £	Unaudited 31.1.12 £
Assets			
Current assets			
Trade and other receivables	7	25,564	1
Cash and cash equivalents	8	485,187	–
		510,751	1
Total assets		510,751	1
Liabilities			
Current liabilities			
Trade and other payables	15	31,157	–
Total liabilities		31,157	–
Net assets		479,594	1
Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	9	607,451	1
Share-based payments reserve	10	14,716	–
Retained earnings	10	(142,573)	–
Total equity		479,594	1

The financial statements of Union Jack Oil plc, registered number 07497220, were approved and authorised for issue by the Board of Directors on 29 April 2013 and were signed on its behalf by:

David Bramhill
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Changes in Equity

for the period 1 February 2012 to 31 December 2012

	Share capital £	Retained earnings £	Share-based payment reserve £	Total £
Changes in equity				
On incorporation on 18 January 2011	–	–	–	–
Issue of share capital	1	–	–	1
Balance at 31 January 2012 (unaudited)	1	–	–	1
Changes in equity				
Issue of share capital	607,450	–	–	607,450
Total comprehensive income	–	(142,573)	14,716	(127,857)
Balance at 31 December 2012	607,451	(142,573)	14,716	479,594

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Cash Flows

for the period 1 February 2012 to 31 December 2012

	Notes	Period 1.2.12 to 31.12.12 £	Unaudited Period 18.1.11 to 31.1.12 £
Cash flow from operating activities	11	(117,656)	–
Cash flow from investing activities			
Interest received		393	–
Net cash from investing activities		393	–
Cash flow from financing activities			
Proceeds on issue of new shares		602,450	–
Net cash generated from financing activities		602,450	–
Net increase in cash and cash equivalents		485,187	–
Cash and cash equivalents at beginning of period		–	–
Cash and cash equivalents at end of period	8	485,187	–

The accompanying accounting policies and notes form an integral part of these financial statements.

Principal Accounting Policies

General Information

Union Jack Oil plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 6 Charlotte Street, Bath BA1 2NE, England. The nature of the Company's operations and its principal activities are set out in the Directors' Report. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Basis of Preparation

The annual financial statements of Union Jack Oil plc ("the Company") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") applied in accordance with the provisions of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention. The principal accounting policies set out below have been consistently applied to all periods presented.

The Company has adopted IFRS in the period with the transition date being the date of incorporation, 18 January 2011. The Company published non statutory UK GAAP financial statements in its prospectus on admission to ISDX in December 2012. There was no impact of transition to IFRS at either the opening Balance Sheet date, the first period end date 31 January 2012 or the date of the accounts in the ISDX prospectus, 31 October 2012, as the Company did not start to trade until 2013. Accordingly, no third balance sheet is presented in accordance with IFRS.

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 9.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

Financial Instruments

Financial assets and financial liabilities are recognised on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Exploration and Evaluation Costs

The Company follows a successful efforts based accounting policy for oil and gas assets.

Costs (including research costs) incurred prior to obtaining the legal rights to explore an area will be expensed immediately to the Income Statement.

Expenditure incurred on the acquisition of a licence interest will initially be capitalised on a licence by licence basis. Costs will be held, un-depleted, within exploration and evaluation costs until such a time as the exploration phase on the licence area is complete or commercial reserves have been discovered.

Exploration expenditure incurred in the process of determining exploration targets will be capitalised initially within intangible assets as exploration and evaluation costs. Exploration costs will initially be capitalised on a well by well basis until the success or otherwise has been established. The success or failure of each exploration/evaluation effort will be judged on a well by well basis. Drilling costs will be written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercially viable.

All such costs will be subject to regular technical, commercial and management review for indicators of impairment on at least an annual basis which includes confirming the continued intent to develop or otherwise extract value from the licence, prospect or discovery. Where this is no longer the case, the costs will be immediately expensed.

Following evaluation of successful exploration wells, if commercial reserves are established and the technical feasibility of extraction is demonstrated, and once a project is sanctioned for commercial development, then the related capitalised exploration/evaluation costs will be transferred into a single field cost centre within development/producing assets after testing for impairment within Property, Plant and Equipment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs will be written off to the Income Statement.

Principal Accounting Policies

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons have been demonstrated will be capitalised within development/producing assets on a field by field basis. Subsequent expenditure will be capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any costs remaining associated with the part replaced will be expensed.

Net proceeds from any disposal of an exploration asset will initially be credited against the previously capitalised costs. Any surplus proceeds will be credited to the Income Statement.

Plug and suspend and demobilisation costs will be recognised in full when wells have been suspended or facilities installed. A corresponding amount equivalent to the provision will also be recognised as part of the cost of the asset. The amount recognised will be the estimated cost of decommissioning, discounted to its net present value, and will be reassessed each year. Changes in the estimated timing or cost estimates will be dealt with prospectively by recording and adjustment to the provision, and a corresponding adjustment to the decommissioning asset. The unwinding of the discount on the decommissioning provision will be included as a finance cost.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Share Based Payments - Warrants

Equity-settled share-based payments in respect of warrants for professional services are measured at the fair value of the equity instruments at the grant date, on the basis that this is immaterially different from the fair value of the services provided. There are no vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 9(b).The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Principal Accounting Policies

International Financial Reporting Standards in Issue but not yet Effective

At the date of authorisation of these financial statements, the IFRS Interpretations Committee has issued standards, interpretations and amendments which are applicable to the Company. Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, these financial statements, the following may have an impact going forward:

IAS 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures
IFRS 9	Financial Instruments
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 12 (amended)	Deferred Tax: Recovery of Underlying Assets
IFRS 7 (amended) and IAS 32 (amended)	Disclosures – Offsetting Financial Assets and Financial Liabilities

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company.

Principal Accounting Policies

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in this note, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the critical judgement and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Warrants

In determining the fair value of warrants and the related charges to the Income Statement, the Company makes assumptions about future events and market conditions. The fair value is determined using a valuation model which is dependent on estimates, including the future volatility of the Company's share price. This is determined by using historic data from similar companies.

Notes to the Financial Statements

for the period 1 February 2012 to 31 December 2012

1 Business and Operating Segments

The Company did not trade in the period and is considered to have one operating segment, being the exploration for, and future development of, hydrocarbon projects.

2 Operating Loss

	Period 1.2.12 to 31.12.12 £	Unaudited Period 18.1.11 to 31.1.12 £
Operating loss is stated after charging:		
Fees payable to the Company's auditor for the audit of these financial statements	16,000	–
Tax compliance services	4,000	–
Total	20,000	–

3 Directors and Employees

There were no staff costs for the period ended 31 December 2012 nor for the period ended 31 January 2012.

The directors received no remuneration in either period.

4 Finance Income

	Period 1.2.12 to 31.12.12 £	Unaudited Period 18.1.11 to 31.1.12 £
Bank interest	393	–

Notes to the Financial Statements
for the period 1 February 2012 to 31 December 2012

5 Taxation

	Period 1.2.12 to 31.12.12 £	Unaudited Period 18.1.11 to 31.1.12 £
Current tax		
UK corporation tax	–	–

The differences between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax for oil and gas companies of 62% (31 January 2012: 62%) to the loss before tax is as follows:

	£	£
Loss on ordinary activities before tax	(142,573)	–
Tax on Company loss on ordinary activities		
at standard UK corporation tax rate of 62% (31 January 2012: 62%)	88,395	–
Effects of:		
Disallowable expenses	(57,525)	–
Pre-trading expenses	(30,870)	–
Current tax charge for period	–	–

The Company is not aware of any factors that will materially affect the future tax charge.

A deferred tax asset of £30,870 relating to the carried forward losses from pre-trading expenditure has not been recognised in the period as at present it is not envisaged that any tax will become payable in the foreseeable future against which those losses could be utilised as deductions.

Notes to the Financial Statements

for the period 1 February 2012 to 31 December 2012

6 Loss Per Share

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Given the Company's reported loss for the period, warrants are not taken into account when determining the weighted average of ordinary shares in issue during the period and therefore the basic and diluted earnings per share are the same.

Loss per share	2012 Pence
Basic and diluted loss per share from continuing operations	(0.0024)

The loss and weighted average number of ordinary shares used in the calculation of the basic and diluted earnings per share are as follows:

	2012 £
Loss used in the calculation of total basic and diluted earnings per share	(142,573)

	Number
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	59,450,909

Notes to the Financial Statements

for the period 1 February 2012 to 31 December 2012

7 Trade and Other Receivables

	31.12.12 £	31.1.12 £
Other debtors – unpaid share capital	5,000	1
VAT	16,814	–
Prepayments	3,750	–
	25,564	1

The directors consider that the carrying values of trade and other receivables are approximate to their fair value.

All of the Company's receivables have been reviewed for indications of impairment. None of the receivables were found to be impaired.

8 Cash and Cash Equivalents

	31.12.12 £	31.1.12 £
Cash at bank	485,187	–

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is equal to their fair value.

9(a) Share Capital

Allotted and issued: Number	Class	Nominal value	31.12.12 £	31.1.12 £
Nil (31 January 2012: 1)	Ordinary	£1	–	1
242,980,400 (31 January 2012: nil)	Ordinary	0.25p	607,451	–

Allotments during the period

During the period ended 31 December 2012 the Company issued a total of 242,980,000 ordinary shares at par value of 0.25p.

In addition, the 1 ordinary share of £1 issued in the previous period was converted into 400 ordinary shares of 0.25p.

£5,000 of shares were unpaid at 31 December 2012, but have been fully paid up at the date of this report.

Notes to the Financial Statements

for the period 1 February 2012 to 31 December 2012

9(b) Share-Based Payments – Warrants

During the period the Company issued share warrants which are exercisable within five and ten years respectively.

Details of the number of warrants and the weighted average exercise price (WAEP) outstanding during the period are as follows:

	Number of warrants	WAEP £
Outstanding at the beginning of the period:	–	
Issued in the period	9,719,216	0.003
Outstanding and exercisable at the end of the period	9,719,216	0.003

The fair values were calculated using the Black-Scholes model. The inputs into the model are as follows:

Date of grant 4 December 2012 effective from 20 December 2012	
Number granted	9,719,216
Share price at date of grant	£0.0030
Exercise price	£0.0025
Expected volatility	69%
Expected life	2.5 and 5 years
Expected dividend yield	0%
Fair value of warrants granted at date of grant	16,293
Vesting date	20 December 2012
Expiry dates	20 December 2017 and 20 December 2022

The Company gained admission to the ISDX Growth Market during December 2012 and therefore expected volatility was calculated using a comparable company.

The Company recognised total expenses of £14,716 related to equity-settled share-based payment transactions during the period.

10 Reserves

	Retained earnings	Share-based payment reserve	Totals £
At 18 January 2011 and 31 January 2012	–	–	–
Deficit for the period	(142,573)	–	(142,573)
Credit for the period	–	14,716	14,716
At 31 December 2012	(142,573)	14,716	(127,857)

Notes to the Financial Statements

for the period 1 February 2012 to 31 December 2012

11 Reconciliation of Loss Before Taxation to Cash Generated from Operations

	Period 1.2.12 to 31.12.12 £	Unaudited Period 18.1.11 to 31.1.12 £
Loss before taxation	(142,573)	–
Share-based payments	14,716	–
Finance income	(393)	–
	(128,250)	–
Increase in trade and other receivables	(20,563)	–
Increase in trade and other payables	31,157	–
Cash used in operations	(117,656)	–

12 Financial Instruments

Classification of financial instruments

The tables below set out the Company's accounting classification of each class of its financial assets and liabilities. There were no financial instruments in the prior period.

Financial assets measured at amortised cost	**£**
At 31 December 2012	
Other receivables	21,814
Cash and cash equivalents	485,187
Total carrying value	507,001

All of the above financial assets' carrying values approximate to their fair values at 31 December 2012, given their nature and short times to maturity.

Financial liabilities measured at amortised cost	**£**
Trade payables	15,157
Accruals	16,000
Total carrying value	31,157

All of the above financial liabilities' carrying values approximate to their fair values at 31 December 2012, given their nature and short times to maturity.

Notes to the Financial Statements

for the period 1 February 2012 to 31 December 2012

13 Financial Instrument Risk Exposure and Management

The principal financial risks to which the Company is exposed are: capital management, liquidity risk and credit risk. This note describes the Company's objectives, policies and process for managing those risks and the methods used to measure them.

No hierarchy table has been included since there are no financial instruments held at fair value included within the accounts.

Credit risk

The Company's credit risk is primarily attributable to its cash balances and such risk is limited because the third party is an international bank.

The Company's total credit risk amounts to the total of the sum of the receivables, cash and cash equivalents. At the period end this amounted to £510,751.

Liquidity risk

In managing liquidity risk, the main objective of the Company is to ensure that it has the ability to pay all of its liabilities as they fall due. The Company monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. The table below shows the undiscounted cash flows on the Company's financial liabilities as at 31 December 2012 on the basis of their earliest possible contractual maturity.

	Total £	Within 2 months £	Within 2-6 months £	Greater than 6 months £
Trade payables	15,157	15,157	–	–
Accruals	16,000	–	16,000	–
	31,157	15,157	16,000	–

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, add shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company defines capital as being share capital plus reserves as disclosed in the Balance Sheet.

The Board of Directors monitors the level of capital as compared to the Company's commitments, and adjusts the level of capital as is determined to be necessary, by issuing shares.

The Company is not subject to any externally imposed capital requirements.

14 Financial Commitments

The Company had no capital commitments at 31 December 2012.

15 Trade and Other Payables

	31.12.12 **£**	31.1.12 £
Trade payables	15,157	–
Accruals	16,000	–
	31,157	–

16 Related Party Transactions

There were no related party transactions in the period to 31 December 2012.

17 Contingent Liabilities

The directors are not aware of any contingent liabilities at 31 December 2012.

18 Events after the Balance Sheet Date

The following events have taken place since the period end:

In February 2013, the Company acquired a 10% interest in the onshore UK Petroleum Exploration and Development Licence PEDL201 containing the Burton on the Wolds Prospect.

A placing raising £562,250 before expenses was completed in February 2013.

In March 2013, the Company acquired a 10% interest in PEDL253 containing the Biscathorpe Prospect.

In March 2013, the Company acquired a 10% interest in PEDL241 containing the North Kelsey Prospect.

In March 2013, a Letter of Intent was signed with a subsidiary of Egdon Resources plc, whereby the Company has the right to acquire a further 5% interest in PEDL241. The Letter of Intent will terminate on 31 July 2013 should the option not be exercised. No upfront consideration was made for this option.

In March 2013, a Letter of Intent was signed with a subsidiary of Egdon Resources plc, whereby the Company has the right to acquire a 10% Participating Interest in PEDL005R, limited to the North Somercotes Prospect. The Letter of Intent will terminate on 31 July 2013 should the option not be exercised. No upfront consideration was made for this option.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the "**AGM**") of Union Jack Oil plc (the "**Company**") will be held at the offices of Osborne Clarke, 2 Temple Back East, Temple Quay, Bristol BS1 6EG on 24 May 2013 at 11 a.m. for the following purposes:

To consider and, if thought fit, pass the following resolutions, of which resolutions numbered 1 to 8 will be proposed as ordinary resolutions and resolutions numbered 9 and 10 will be proposed as special resolutions:

Ordinary Resolutions

Report and Accounts

1 To receive the audited annual accounts of the Company for the period ended 31 December 2012, together with the Directors' Report and the Auditor's Report on those annual accounts.

Election of Directors

2 To elect David Bramhill as a director, who, having been appointed prior to this first Annual General Meeting, offers himself for election.

3 To elect Joseph O'Farrell as a director, who, having been appointed prior to this first Annual General Meeting, offers himself for election.

4 To elect Martin Durham as a director, who, having been appointed prior to this first Annual General Meeting, offers himself for election.

5 To elect William O'Dea as a director, who, having been appointed prior to this first Annual General Meeting, offers himself for election.

Re-appointment of Auditor

6 To re-appoint Deloitte LLP as auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.

Auditor's Remuneration

7 To authorise the directors to determine the remuneration of the auditor.

Directors' Authority to Allot Shares

8 That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company ("Relevant Securities") up to an aggregate nominal amount of £389,900.33 provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the next Annual General Meeting of the Company, except that the Company may at any time before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the directors may allot Relevant Securities in pursuance of such an offer or agreement as if this authority had not expired.

Special Resolution

Directors' Power to Issue Shares for Cash

9 That, conditional upon the passing of resolution numbered 8, the directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under Section 551 of the Act conferred by resolution 8 above as if Section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to the allotment of equity securities up to an aggregate nominal value equal to £116,970.10 and, unless previously revoked, varied or extended, this power shall expire on the conclusion of the next Annual General Meeting of the Company, except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

Adoption of New Articles of Association

10 That, with effect from the conclusion of the meeting, the articles of association produced to the meeting and initialled by the chairman of the meeting for the purposes of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

By order of the Board

Brian Marshall FCA
Company Secretary

Dated: 29 April 2013

Registered Office:
6 Charlotte Street
Bath BA1 2NE

Notice of Annual General Meeting

Notes:

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at 6 p.m. on 22 May 2013 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

2 A member who is entitled to attend, speak and vote at the AGM may appoint a proxy to attend, speak and vote instead of him/her. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the AGM in order to represent you. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. Appointing a proxy will not prevent a member from attending in person and voting at the AGM (although voting in person at the AGM will terminate the proxy appointment). A proxy form is enclosed. The notes to the proxy form include instructions on how to appoint the Chairman of the AGM or another person as a proxy. You can only appoint a proxy using the procedures set out in these notes and in the notes to the proxy form.

3 To be valid, a proxy form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should reach the Company's registrar, Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by no later than 11 a.m. on 22 May 2013.

4 In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

5 A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in Notes 2 and 3) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.

6 The following documents are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the AGM:

(a) copies of the executive directors' service contracts with the Company and letters of appointment of the non-executive directors; and

(b) a copy of the proposed new articles of association of the Company, and a copy of the existing articles of association.

Explanatory Notes in Relation to the Principal Changes to the Company's Articles of Association

The Company's current articles of association (the "**Existing Articles**") are based on the model articles of association for public companies contained in Schedule 3 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229).

The articles of association proposed to be adopted pursuant to resolution numbered 10 (the "**New Articles**") provide a more suitable basis for a listed company to operate by providing a higher degree of clarity and detail in relation to various matters such as shareholders' meetings. In addition, the New Articles benefit from being contained in a single standalone document.

Two substantive differences between the Existing Articles and the New Articles are detailed below.

Retirement of Directors by Rotation

The Existing Articles do not contain provisions for the retirement of directors by rotation. The New Articles provide that, at every Annual General Meeting ("**AGM**"), any director who has not been appointed or re-appointed at either of the two previous AGMs of the Company must retire. It also provides that, if at any AGM of the Company the number of directors required to retire is less than one third of the total number of directors (such total number being determined in accordance with the provisions of the New Articles), then such number of additional directors shall retire to bring the number of directors retiring by rotation up to one third.

A director who retires (whether by rotation or otherwise) is eligible for re-election and may, if willing to act, be re-appointed.

Disenfranchisement

Section 793, Companies Act 2006 enables a public company to issue a notice requiring a person it knows, or has reasonable cause to believe, has an interest in its shares (or to have had an interest in the previous three years) to confirm or deny the fact and, if the former, to disclose certain information about the interest, including information about any other person with an interest in the shares.

The New Articles provide that if a member fails to comply with a Section 793 notice or provides false or inadequate information in respect of such notice then the directors may serve a disenfranchisement notice setting out sanctions (such as not being entitled to attend or vote at any general meeting or receive dividends). Such disenfranchisement notice may be withdrawn at any time.

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