THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this Admission Document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

The Company and the Directors whose names appear on page 5 of this Admission Document, accept individual and collective responsibility for the information contained in this Admission Document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for the Enlarged Issued Share Capital to be admitted to trading on the London Stock Exchange's AIM market. It is expected that trading in the Ordinary Shares will commence on AIM on 15 July 2021. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Admission Document.**

A copy of this Admission Document, which comprises an admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission to trading on AIM of the Enlarged Issued Share Capital. This document does not comprise a prospectus for the purpose of the FSMA and the Prospectus Rules of the FCA and has not been pre-approved by the FCA pursuant to section 85 of FSMA.

The whole of this Admission Document should be read. Your attention is particularly drawn to the Risk Factors set out in Part II of this Admission Document. All statements regarding the Company's business, financial position and prospects should be viewed in light of these Risk Factors.

Orcadian Energy PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered number 13298968)

Placing of 7,500,000 New Ordinary Shares and
Application to Admission to Trading on AIM of 63,630,174 Ordinary Shares

WH Ireland Limited
Nominated Adviser and Broker

WH Ireland Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company. Its responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this Admission Document. No representation or warranty, expressed or implied, is made by WH Ireland Limited as to any of the contents of this Admission Document. WH Ireland Limited will not be offering advice and will not otherwise be responsible for

providing customer protections to recipients of this Admission Document or for advising them on the contents of this Admission Document or any other matter.

The distribution of this Admission Document outside the UK may be restricted by law and therefore any persons outside the UK into whose possession this Admission Document comes should inform themselves about and observe any such restrictions as to the Ordinary Shares and the distribution of this Admission Document. Any failure to comply with such restrictions may constitute a violation of the securities laws of any jurisdiction outside of the UK. This document does not constitute an offer to sell or the solicitation of an offer to buy shares in any jurisdiction in which such offer is unlawful. In particular, this Admission Document is not for distribution, directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, or the Republic of South Africa or to any national, resident or citizen of the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa.

The Ordinary Shares have not been and will not be registered under the securities legislation of any province or territory of the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, the Republic of South Africa or to any national, citizen or resident of the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa.

The Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange.

Copies of this Admission Document will be available for collection, free of charge, from WH Ireland Limited of 24 Martin Lane, London, EC4R 0DR for one month from the date of this Admission Document. No person has been authorised to give any information or to make any representation about the Company and about the matters the subject of this Admission Document other than those contained in this Admission Document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this Admission Document shall not imply that no change has occurred in the Company's affairs since the date of issue of this Admission Document or that the information in this Admission Document is correct as at any time after the date of this Admission Document save as shall be required to be updated by law or regulation.

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this Admission Document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this Admission Document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this Admission Document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of Association of the Company.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact, contained in this Admission Document constitute 'forward looking statements'. In some cases forward looking statements can be identified by terms such

as ‘may’, ‘intend’, ‘might’, ‘will’, ‘should’, ‘could’, ‘would’, ‘believe’, ‘forecast’, ‘anticipate’, ‘expect’, ‘estimate’, ‘predict’, ‘project’, ‘potential’, or the negative of these terms, and similar expressions. Such forward looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the AIM Rules for Companies, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Admission Document to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors may emerge from time to time that could cause the Company’s business not to develop as it expects, and it is not possible for the Company to predict all such factors. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements except as required by law.

It should be remembered that the price of securities and the income from them can go down as well as up and this Admission Document contains references to past performance of the Company and its subsidiaries. Past performance is not a reliable indicator of future results.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors	Joseph Darby (*Non-Executive Chairman*) Stephen Andrew Brown (*Chief Executive Officer*) Alan Douglas Hume (*Chief Financial Officer*) Gregory Hammond Harding (*Technical Director*) Christian Wilms (*Non-Executive Director*) Timothy David Feather (*Non-Executive Director*)
Company Secretary	Ben Harber of Shakespeare Martineau LLP 60 Gracechurch Street London EC3V 0HR
Registered Office	6th Floor, 60 Gracechurch Street London EC3V 0HR
Website	www.orcadian.energy
Nomad & Broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Auditors	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Solicitors to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW TandonHildebrand Labs Atrium Chalk Farm Road London NW1 8AH
Solicitors to the Nomad & Broker	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Competent Person	Sproule B.V. President Kennedylaan 19 2517 JK Den Haag The Netherlands
Financial PR	Tavistock Communications Limited 1 Cornhill London EC3V 3NR
Registrar	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

ADMISSION STATISTICS

Number of Existing Ordinary Shares	52,201,602
Number of Ordinary Shares issued pursuant to the Convertible Loan Notes	3,928,572
Number of Placing Shares	7,500,000
Number of Ordinary Shares in issue immediately upon Admission	63,630,174
Placing Price	40 pence
Estimated gross proceeds of the Placing	£3 million
Estimated net proceeds of the Placing receivable by the Company	c.£2.3 million
Percentage of the Enlarged Issued Share Capital represented by the Placing Shares	11.8 per cent.
Market capitalisation of the Company at the Placing Price	£25.5 million
ISIN	GB00BN0TY502
SEDOL	BN0TY50
AIM symbol	ORCA
LEI	213800S2M4Z7VSJVN964

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	8 July 2021
Expected date of Admission and commencement of dealings in the Enlarged Issued Share Capital on AIM	15 July 2021
CREST accounts to be credited with Placing Shares	15 July 2021
Certificates in respect of Placing Shares (if any) expected to be despatched	within 14 days of the date of Admission

Save for the date of publication of this Document, each of the date and times above is subject to change. Any such change, including any consequential change in the Placing statistics above, will be notified to Shareholders by an announcement on a Regulatory Information Service.

DEFINITIONS

In this Document, where the context permits, the expressions set out below shall bear the following meanings:

"Act" or **"Companies Act"**	Companies Act 2006 (as amended)
"Admission"	the admission of the entire issued and to be issued Ordinary Share capital of the Company to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
"Admission Document" or **"Document"**	this Document
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time
"Articles of Association" or **"Articles"**	the Articles of Association of the Company
"Blakeney"	The oil pool discovered by well 21/27b-7, within Block 21/27b under Licence P2320, known as Blakeney
"Block"	A North Sea acreage sub-division measuring approximately 10 x 20 km, forming part of a quadrant
"Board" or **"Directors"**	the directors the Company, whose names appear on page 5 of this Document
"Broker"	WH Ireland Limited
"Business Day"	means any day other than a Saturday or Sunday on which banks are open for business in London, other than for the purposes of trading and settlement in sterling or for the purposes of online banking
"Certificated"	in relation to an Ordinary Share, recorded on the relevant register as being held in certificated form and title to which may be transferred by means of a stock transfer form (that is, not in CREST)
"Company" or **"Orcadian Energy"** or **"Orcadian"**	Orcadian Energy plc a company incorporated in England and Wales with registered number 13298968
"Competent Person" or **"Sproule"**	Sproule B.V.
"Competent Person's Report" or **"CPR"**	the report prepared by the Competent Person, a copy of which is reproduced in Part IV of this Document
"Concert Party"	as defined in Part V, paragraph 5 of this Document
"Contingent Resources"	Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development because of one or more contingencies

"Contingent Resources (Development Not Viable)"	a sub-class of Contingent Resources. A discovered accumulation for which there are contingencies resulting in there being no current plans to develop or to acquire additional data at the time due to limited commercial potential
"Contingent Resources (Development On Hold)"	a sub-class of Contingent Resources. A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay
"Contingent Resources (Development Pending)"	a sub-class of Contingent Resources. A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future
"Contingent Resources (Development Unclarified)"	a sub-class of Contingent Resources. A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information
"Convertible Loan Notes"	shall have the meaning set out in paragraph 3.4.1 of part V
"CREST"	the electronic systems for the holding and transfer of shares in dematerialised form operated by Euroclear
"CREST Regulations"	the Uncertified Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
"Crinan"	the oil pool discovered by well 21/28a-4, within Block 21/28a under Licence P2320 and 21/28b, known as Crinan
"Crondall"	Crondall Energy Limited
"Dandy"	the oil pool discovered by well 21/28a-6, within Block 21/28a under Licence P2320, known as Dandy
"Directors" or **"Board"**	the directors of the Company whose names appear on page 5 of this Document and "Director" shall mean any one of them
"Discoveries"	discovered oil and/or gas pools contained within the Company's Licences, namely Pilot, Harbour, Blakeney, Dandy, Crinan, Feugh, Elke and Narwhal
"Disclosure, Guidance and Transparency Rules"	the Disclosure, Guidance and Transparency Rules made by the FCA under Part VI of the Financial Services and Markets Act 2000
"Elke"	the oil pool discovered by well 28/3-1B, within Block 28/3a under Licence P2482, known as Elke
"Enlarged Issued Share Capital"	the issued share capital of the Company following Admission, including the Existing Ordinary Shares and the New Ordinary Shares (assuming maximum participation in the Placing) and the Loan Conversion Shares
"Euroclear"	Euroclear UK & Ireland Limited
"European Union" or **"EU"**	has the meaning given to it in Article 299(1) of the Establishing the European Economic Community Treaty as amended by, among others, the Treaty on European Unity (the Maastrict Treaty), the Treaty of Amsterdam and the Treaty of Lisbon
"Existing Ordinary Shares" or **"Existing Share Capital"**	the Ordinary Shares in issue at the date of this Document

"FCA"	the Financial Conduct Authority of the United Kingdom
"FDP"	a Field Development Plan, being a requirement of the OGA to approve a development of an oil pool
"FDP Approval"	the OGA's formal approval of a field development plan
"Feugh"	the oil pool discovered by well 21/28-1, within Blocks 21/27b and 21/28a under Licence P2320, known as Feugh
"FSMA"	the Financial Services and Markets Act 2000 (as amended) of the UK
"Fynn (Andrew)"	the oil pool discovered by well 14/20-9, within Block 14/20g under Licence P2516, known as Fynn (Andrew)
"Fynn (Beauly)"	the oil pool discovered by well 15/11-3, and appraised by 14/15-2 & 14/20-9, which lies partially within Blocks 14/20g and 15/16g under Licence P2516, known as Fynn (Beauly)
"Group"	Orcadian Energy and its subsidiary, Orcadian (CNS).
"Harbour"	the oil pool discovered by well 21/27-1A, within Block 21/27a under Licence P2244, known as Harbour
"HMRC"	Her Majesty's Revenue & Customs
"IFRS"	International Financial Reporting Standards as adopted by the European Union
"Licences"	means the oil and gas licences held by the Group which are summarised in section 6 below
"Loan Conversion Shares"	the new Ordinary Shares to be issued on Admission on the conversion of the Convertible Loan Notes
"Locked in Persons"	the Directors and Julia Cane-Honeysett (the wife of Steve Brown, a director of the Company)
"London Stock Exchange"	London Stock Exchange PLC
"MAR"	The Market Abuse Regulation (No. 596/2014)
"MER"	the OGA's Maximising Economic Recovery strategy for the UK
"Narwhal"	the oil pool discovered by well 28/2-1, within Block 28/2a under Licence P2482, known as Narwhal
"Net Zero"	the OGA's Net Zero carbon dioxide emissions strategy for oil and gas development in the UK
"New Ordinary Shares"	the 7,500,000 new Ordinary Shares to be issued pursuant to the Placing
"Nomad"	WH Ireland Limited
"Official List"	the official list of the UKLA
"OGA"	the Oil and Gas Authority of the United Kingdom and its predecessors and successors as the entity responsible for the functions in relation to Licences for which OGA is currently responsible
"Operating Company"	an AIM company, other than an Investing Company, with an operating business and with a material trading activity

"Orcadian (CNS)" or **"the Subsidiary"**	Orcadian Energy (CNS) Ltd, a company incorporated in England and Wales with registered number 08954960, being the wholly owned subsidiary of Orcadian Energy
"Ordinary Shares"	ordinary shares of £0.001 each in the capital of the Company
"Pilot" or **"Pilot Field"**	Pilot Main and Pilot South
"Pilot Main"	the oil pool discovered by well 21/27-2, within Block 21/27a under Licence P2244, known as Pilot Main
"Pilot Project"	the development of the Pilot Field
"Pilot South"	the oil pool discovered by well 21/27-4, within Block 21/27a under Licence P2244, known as Pilot South
"**PKF"**	PKF Littlejohn LLP
"Placing"	the proposed placing to be undertaken by the Broker as agent for the Company to raise gross proceeds of approximately £3 million by the issue of the New Ordinary Shares
"Placing Agreement"	the placing agreement entered into by the Broker, the Company and the Directors as further described in paragraph 11 of Part V of this document
"Placing Price"	40 pence per New Ordinary Share
"Placing Shares"	the 7,500,000 New Ordinary Shares to be issued pursuant to the Placing
"Prospective Resources"	those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects
"Prospectus Rules"	the Prospectus Rules made by the FCA pursuant to sections 73(A)(1) and (4) of FSMA
"QCA Code"	the Corporate Governance Code for Small and Mid-size Quoted Companies 2018, published in April 2018 by the Quoted Companies Alliance
"Register"	the register of members of the Company
"Regulatory Information Service" or **"RIS"**	one of the regulatory information services authorised by the London Stock Exchange to receive, process and disseminate regulatory information in respect of AIM quoted companies
"Relevant Shareholders"	Stephen Brown and Julia Cane-Honeysett (the wife of Stephen Brown, a director of the Company)
"Reserves"	those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of a given date) based on the development project(s) applied
"Scope 1 Emissions"	direct emissions of carbon dioxide, and other greenhouse gases in terms of carbon dioxide global warming potential equivalent, from owned or controlled sources
"Scope 2 Emissions"	indirect emissions of carbon dioxide, and other greenhouse gases in terms of carbon dioxide global warming potential equivalent, from the generation of purchased energy

"Shareholder" or **"Ordinary Shareholder"**	a holder of Ordinary Shares
"Share Dealing Policy"	the policy on share dealings adopted by the Company as more particularly described in paragraph 16 of Part I
"Sproule"	Sproule BV
"Sterling"	the lawful currency for the time being of the United Kingdom
"Subsidiary" and **"Subsidiary undertaking"**	have the meanings given to them by the Act, details of the Company's subsidiaries are set out in paragraph 2 of Part V of this Document
"Takeover Code" or **"City Code"**	the City Code on Takeovers and Mergers (as published by the Panel)
"Takeover Panel" or **"Panel"**	the UK Panel on Takeovers and Mergers
"Transition Deal"	the UK Government deal to transition the UK's oil and gas sector to net zero carbon emissions. More details of which are set out in section 3 of Part I of this Document
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	the United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of FSMA
"Warrants"	warrants to subscribe for new Ordinary Shares, further details of which are set out in paragraph 3 of Part V of this Document
"WH Ireland"	WH Ireland Limited, Nomad and Broker to the Company
"£" and **"p"**	United Kingdom pounds and pence sterling, respectively.
"$"** and **"US$"	United States dollars

All references to times in this Document are to London time unless otherwise stated. References to the singular shall include references to the plural, where applicable, and vice versa.

TECHNICAL GLOSSARY

ABEX	Abandonment expenditure
API	American Petroleum Institute
°API	Degrees API (a measure of oil density)
B	Billion (10^9)
bbl	Barrels
/bbl	Per barrel
bbls/day	Barrels of fluid per day
boe	Barrels of oil equivalent (energy equivalence)
boepd	Barrels of oil equivalent per day
Bcf	Billion standard cubic feet
°C	Degrees Centigrade
CAPEX	Capital expenditure
Christmas Tree	An assembly of valves, spools and fittings used for an oil well
cP	Centipoise
DHSV	Downhole safety valve, valve set below the mudline in a well to stop flow in the event of a loss of containment
DSA	Decommissioning Security Agreement in respect of removal of facilities and abandonment of wells at the end of field life
EHS	Environmental Health and Safety
ELT	Economic limit test
ESP	Electrical submersible pump
EUR	Estimated ultimate recovery
°F	Degrees Fahrenheit
FDP	Field development plan
FPSO	Floating production, storage and offloading vessel
FSO	Floating storage and offloading vessel
ft	Foot/feet
GIIP	Gas initially in place
GOC	Gas oil contact
GOR	Gas oil ratio
GRV	Gross rock volume
HPAM	Hydrolyzed polyacrylamide
HSP	Hydraulically powered submersible pump
Jack-up	Self-elevating drilling rig, typically three-legged with mat supported or spudcan foundations
km	Kilometres
m	Metres
M	Thousand
Mbbl	Thousands of barrels
Mscf	Thousand standard cubic feet

MDT	Modular dynamic tester (a wireline logging tool)
MM	Million
MMbbl	Millions of barrels
MMboe	Millions of barrels of oil equivalent
MMscf	Million standard cubic feet
ms	Milliseconds
NPV	Net Present Value
NTG	Net to gross ratio
OPEX	Operating expenditure
OWC	Oil water contact
p.a.	Per annum
psi	Pounds per square inch
PVT	Pressure volume temperature
RF	Recovery factor
scf	Standard cubic feet
ss	Subsea
stb	Stock tank barrel
STOIIP	Stock tank oil initially in place
TVD	True vertical depth
TVDSS	True vertical depth subsea
TWT	Two-way time
UKCS	United Kingdom Continental Shelf
V-pump	Contra-rotating helical downhole pump, manufactured by Veretek
WHP	Wellhead platform
WI	Working interest
1C	Low estimate of Contingent Resources
2C	Best estimate of Contingent Resource
3C	High estimate of Contingent Resources
2D	Two dimensional
3D	Three dimensional
1P	Proved Reserves
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
1Q, 2Q, 3Q, 4Q	First, second, third or fourth quarter (of a year)
1U	Low estimate of Prospective Resources
2U	Best estimate of Prospective Resource
3U	High estimate of Prospective Resources

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

Orcadian Energy is seeking admission to trading on AIM, a market of the London Stock Exchange, to support progress towards the commercialisation of its viscous oil assets located in the UK North Sea. Its key asset is the 100% interest in the Pilot Field, with audited proven and probable reserves of 78.8 million barrels. The Directors believe that no other company has undertaken an admission to AIM with more proven and probable reserves since 2006. The Company plans to develop Pilot and its other key discoveries Elke, Narwhal and Blakeney, each under a full field polymer flood development scenario. There is also potential for other prospects within the Group's licence areas to be developed using the same approach (such as Bowhead and the Elke satellites) if future drilling successfully confirms their suitability.

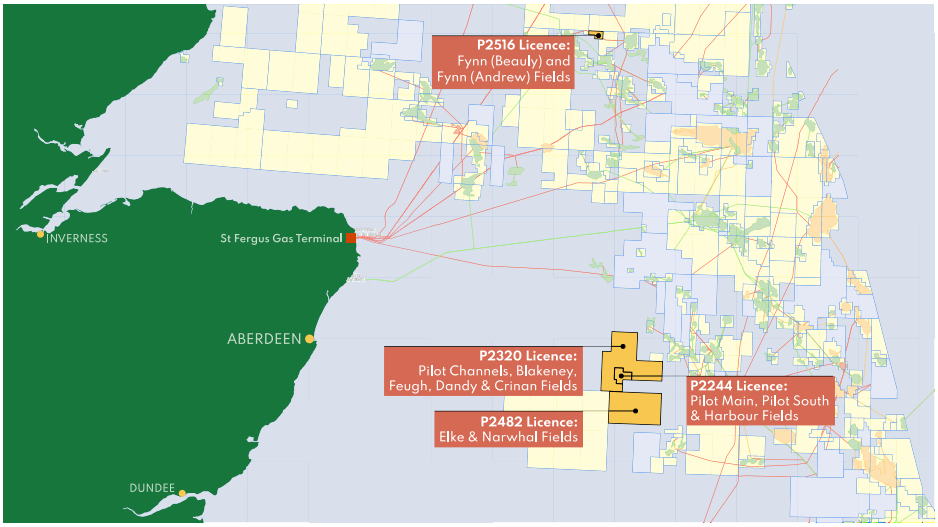
The Company is UK based, and has one subsidiary, Orcadian (CNS). It has 4 employees including the Executive Directors, and it is led by an experienced board who have been associated with a number of the most successful oilfield developments in the UK North Sea, including Stephen Brown, as CEO, (recognised for his roles in the UK oil and gas industry, especially with BP); Alan Hume as Finance Director and Joseph Darby (formerly the CEO of LASMO), as Chairman. Further details of the board are set out in paragraph 14, below.

The Company is now raising £3 million to progress work on its existing licences including working towards either securing a farm out, and/or exploring potential equity and debt financing possibilities whilst engaging with third parties to deliver a Field Development Plan to the OGA on Pilot. The Company will also look to acquire seismic data for Pilot and Bowhead and will continue to appraise all its licence areas. Further details on the use of proceeds are set out in paragraph 13 below.

2. BACKGROUND

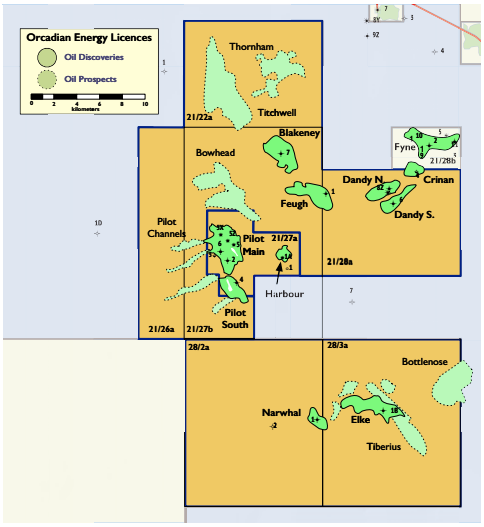
Orcadian (CNS) was founded in March 2014 to apply for a 100% interest in licence P2244. This licence contains a shallow viscous oil discovery known as the Pilot Field. The Group was subsequently awarded a 100% interest in licence P2320 on 5 July 2017, this contains the Blakeney, Feugh, Dandy and Crinan discoveries and the Bowhead prospect; and a 100% interest in licence P2482 on 15 August 2019 which contains the Elke and Narwhal discoveries. These three licences are clustered together (see map below) in a part of the North Sea known as the Western Platform. The Group was also recently awarded a 50% share in licence P2516 on 19 January 2021, controlled by The Parkmead Group, which lies in the Outer Moray Firth, and which contains the Fynn (Beauly) and Fynn (Andrew) discoveries.

All licences are based in in the UK North Sea. The Western Platform licences lie approximately 150km east of Aberdeen, in only 80 to 90 metres of water. A map showing the geographic locations of Orcadian Energy's licence areas is set out below:



Source: Fourth Quarter Consultancy Limited (prepared on behalf of the Company).

A map showing the locations of Orcadian's discovered and prospective assets in the Western Platform Licences is set out below:



Source: internally produced by the Company.

A summary of the reserves and resources that Orcadian (CNS) controls is set out below:

Summary of Reserves							
	Gross (MMbbl)			Net Attributable (MMbbl)			
Oil Reserves (MMbbl)	Proved	Proved and probable	Proved, Probable and Possible	Proved	Proved and probable	Proved, Probable and Possible	Operator
Pilot (polymer flood)	58.4	78.8	110.5	58.4	78.8	110.5	Orcadian Energy (CNS) Ltd
Total for Oils and Liquids	58.4	78.8	110.5	58.4	78.8	110.5	

Source: Sproule B.V.

Gross are 100% of the reserves and/or resources attributable to the licence whilst Net attributable are those attributable to the Company

Table 1 Gross and Net Reserves (in MMbl) extracted from page 34 of the CPR in Part IV of this Document

Summary of Contingent Resources										
		Gross (MMbbl)			Net Attributable (MMbbl)					
Oil Contingent Resources (MMbbl)	W.I.	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate	Maturity sub-class	Risk Factor	Operator
Blakeney, Polymer Flood	100%	–	25.1	41.5	–	25.1	41.5	Development on hold	72%	No operator
Elke and Narwhal Fields, Polymer flood	100%	28.6	52.7	142.4	28.6	52.7	142.4	Development on hold	79%	No operator
Total for Oil and Liquids		28.6	77.8	183.9	28.6	77.8	183.9			

Source: Sproule B.V.

Table 2 Gross and Net Contingent Resources (in MMbl) extracted from page 35 of the CPR in Part IV of this Document

Orcadian Energy was formed in March 2021 and acquired Orcadian (CNS) by way of a share for share exchange in May 2021 to facilitate the IPO.

3. ECONOMIC AND MARKET OUTLOOK

Based on an internal assessment of the supply and demand outlook the Directors believe that we are entering a period of relative scarcity of oil, which they also believe is supportive of a higher oil price.

In terms of other trends, the Directors expect that governments around the world will continue their efforts to reduce carbon dioxide emissions; which could temper demand in the future but they also note that under-investment in the upstream oil industry could counteract that pressure.

Accordingly, whilst the Directors believe that oil prices will always be volatile, they believe it is not unreasonable to plan the Group's projects on the assumption that there is a robust outlook for oil; and the Directors' believe the Group's flagship project should be economically robust as the NPV breakeven price for the Pilot development scheme is approximately US$39/bbl. (see page 95 of the CPR in Part IV of this Document for the assumptions included in this calculation); and since January 2015 the oil price has been above US$39/bbl 94% of the time.

UK Oil and Gas Market

On 24 March 2021, the Government announced the North Sea Transition Deal demonstrating the Government's commitment to the UKCS oil and gas sector. Through this deal the UK's oil and gas sector and the government will work together to deliver the skills, innovation and new infrastructure required to decarbonise North Sea oil and gas production. The Group is a part of these discussions (see ESG section below) and the Directors are confident that the Government will continue to support the oil and gas industry, especially those companies and projects which can demonstrate their contribution to delivering a Net Zero basin.

4. THE ORCADIAN PROPOSITION

As set out above, Orcadian's subsidiary (Orcadian (CNS)) holds a 100% interest in licences P2244, P2320 and P2482 which are located on the Western Platform of the North Sea basin. The Directors believe this acreage to be rich in resources and highly prospective noting that sixteen of the seventeen wells (and sidetracks) drilled on the Group's acreage in the history of this area have encountered oil. The Directors also believe that with the award of the Elke Licence, it is the first time in the history of oil and gas exploration on the Western Platform, that one company has under licence almost all of the discovered viscous oil in the area. In aggregate these licences contain almost 500 MMbbls of discovered oil-in-place and success in low-risk exploration prospects and appraisal drilling could increase this in-place resource base considerably. Further details of this opportunity are set out on pages 37 to 42 of the CPR, in Part IV of this Document.

As the Group's core assets are all viscous oil assets the Group intends to implement a polymer flood strategy which is a proven technique to optimise production from viscous reservoirs. Further detail of this technology is set out in section 9 below.

Orcadian (CNS) has submitted a detailed Concept Select Report to the OGA proposing the use of polymer flooding at Pilot. This has been prepared with support from Crondall Energy Limited, Petrofac and RDS (a division of KCA Deutag). Further work has been requested by the OGA on the back of the Concept Select Report, including polymer core flood tests, and work to reduce the carbon dioxide emissions from the project, which the Company expects to complete by the end of July 2021. Accordingly, a letter of no objection to the selected concept is still awaited from the OGA, although the Directors believe that once this additional work is completed the issue of the supporting letter will be forthcoming.

The Group has selected polymer flooding as the best way to develop Pilot. This was because in the Concept Select Process, which commenced in late 2019, the Directors identified two important developments in polymer flooding technology. The first is that recent, well documented, projects have significantly raised the viscosity limit that engineers apply when screening polymer floods from 150cP to 5,000cP. The reservoir viscosity in Pilot is believed to range from 160cP in the South of the field up to around 1,200cP in the North of the field. This change to the screening criteria meant that Pilot met all the screening criteria normally used to assess the suitability of a project for polymer flooding. The second is the success of the 2011 to 2013 polymer pilot programme undertaken by Chevron on the Captain field in the UKCS. Chevron's best estimate of incremental recovery, over and above their estimate of what waterflood recovery might have been, was 16% of the original oil-in-place, with a range from 12% to 20%. This demonstrated that polymer flooding could be used successfully, and with improved recoveries, on an analogous North Sea reservoir. The economic assessment conducted during the Concept Select Process confirmed that polymer flooding delivers the best value compared to water flooding and steam flooding. In addition, carbon dioxide emissions per barrel were substantially reduced from those associated with conventional long-lived viscous oil waterflood schemes and are a

small fraction of the emissions associated with a steam flood. The Directors believe this has become an important consideration for the OGA as it looks to align to the zero carbon emission agenda of the UK government. The Directors project, and Sproule confirm, that a polymer flood of the Pilot Field could deliver a technical recovery factor of 40%; and that the proposed development scheme for Pilot has 78.8 MMbbl of proven and probable oil reserves. More details, including the assumptions behind these calculations, are detailed in Part IV of this Document.

5. REASONS FOR INVESTING

The Directors believe that the Group has the following key competitive strengths:

- **Proven reserves:** the key development project in the Group's portfolio, the Pilot polymerflood scheme has a pre-tax NPV* of approximately US$160 million on the basis of the proven reserves alone. See page 13 of the CPR in Part IV of this Document.
- **Substantial 2P reserves:** the Group has 79 MMbbl of 2P reserves. Measured by the metric of 2P reserves this will be the largest, UK focused, IPO on the AIM market since it was established in 1995.
- **Significant upside:** with 78 MMbbl of economic 2C contingent resources and 191 MMbbl of unrisked prospective resources the Group has material upside opportunities.
- **Chairman:** Joseph Darby, Chairman, is very well known in the international energy community. He is particularly well-known for his role, acting as CEO, in growing LASMO's production to 170,000 boe/d. LASMO was successfully sold in 2001, while Joe Darby was acting as CEO.
- **Shell:** After a due diligence process, Shell provided a $1.0 million long-term facility to Orcadian (CNS), alongside which the Company entered into an offtake agreement in respect of oil produced from the Pilot Field.
- **Oil price outlook:** The Directors believe that we are entering a period of relative scarcity of oil, which they also believe is supportive of a higher oil price.
- **Environmental considerations:** Polymer flooding can reduce carbon dioxide emissions of viscous oil developments. Orcadian Energy has identified opportunities to further reduce its carbon dioxide emissions and is considering a power connection to locally situated wind turbines and/or tying the Pilot project into the national electrical grid.
- **Potential Sector Leader:** The Directors believe that the assets and the board of the Group have the makings of a potential leader in North Sea viscous oil production.
- **Consolidator:** For the first time in the history of the UK North Sea, under Orcadian Energy, the entirety of the most significant viscous oil discoveries on the Western Platform have been consolidated in the hands of a single operator.
- **Oil prone licence area:** 16 of the 17 wells drilled in the Group's core licence area (P2244, P2320 and P2482) have encountered oil.
- **Timing the cycle:** The Directors believe that the Orcadian Energy proposal timing is in line with the crude oil price cycle; and are confident that the timing could not be better for developing the Pilot Field.

* calculated by Sproule and subject to various assumptions including long term oil price forecast of US$55 per barrel for Brent in 2023 (with an escalation rate of 2% thereafter); and a 10% discount rate. Further details are set out in the CPR in Part IV of this Document.

6. DETAILED ANALYSIS OF THE ASSETS

A summary of the Company's licences, is set out in the table below:

Asset	Operator	Orcadian Interest	Status	Term Expiry	Phase Expiry	Licence Expiry	Licence Area (km²)
Pilot Field includes Pilot Main and Pilot South fields, UK P2244 Block 21/27a	Orcadian Energy (CNS) Ltd ("**CNS**")	100%	Exploration	30th Nov 2022*	n/a	30th Nov 2040	43.2
Blakeney Field, UK P2320, Block 21/27b	No Operator License admin: CNS	100%	Exploration	14th May 2024	14th May 2022**	14th May 2047	447.9
Elke and Narwhal Fields, UK, P2482 Block 28/2a and 28/3a	No Operator License admin: CNS	100%	Exploration	14th July 2027	14th July 2022**	14th July 2051	361.6
Fynn (Beauly) & Fynn (Andrew), UK, P2516, 14/20g, 15/16g	No Operator License admin. Parkmead (E&P) Limited	50%	Exploration	30th Nov 2026	30th Nov 2023**	30th Nov 2050	19.9

Table 3: Licences held by Orcadian

- The conditions for the P2244 licence to continue into the Third Term include demonstration of the financial capacity to complete the Pilot development project. The Directors recognise there is a reasonable possibility that the conditions for the licence to continue into the Third Term may not be satisfied by the stated deadline and accordingly a term extension may need to be sought from the OGA. There can be no guarantee that such an extension will be granted but the directors are confident that such an extension will be granted provided that the Company continues to work to satisfy the conditions.

** P2320, P2482 and P2516 are all drill-or-drop licences, and require a well commitment by May 2022, July 2022 and November 2023 respectively. At this stage the Company does not have the financial resources to fund any well commitments.

General Background

The area over which the Company holds its core Licences sits on the Western Platform and Western Central Shelf within the Central North Sea; positioned around 25km west of the main (Jurassic aged) central Graben basin bounding fault zone. Fourteen wells and three sidetracks have been drilled to find and appraise the viscous oil discoveries within the Group's licences. Pilot is well appraised with seven reservoir penetrations. Elke, Narwhal, Blakeney, Feugh, Harbour, and Crinan are all single well discoveries, whilst Dandy has three wells. The region also has high quality 3D seismic data coverage. A newly reprocessed seismic volume will be purchased using part of the placing proceeds from the IPO.

The primary oil target in the Pilot, Blakeney, Elke and Narwhal fields is the Eocene-aged Tay formation/oil accumulations which are trapped in the area by structural or combined structural / stratigraphic features. On Pilot the volumetrically significant stratigraphic element is created by the updip shale-out of the main reservoir sand. The regional seal for the Eocene-aged sand fairway is provided by the predominantly argillaceous deposits of the overlying Hordaland Group.

The Tay sandstones throughout the area generally exhibit excellent reservoir properties with high porosities and permeabilities, both essential for an efficient and effective polymer or water flood. Typically, the sandstones are massive, and shales are absent, but in the more distal areas towards Fyne, Dandy and Crinan the reservoir quality deteriorates with sands becoming significantly more interbedded with a reduction in the net to gross ratio. Each significant discovery or prospect is described separately below.

P2244: Pilot Main and Pilot South

The Group (through its wholly owned subsidiary) holds a 100% interest in the Pilot Field, having been awarded the related licence (P2244) in 2014. The Pilot Field reservoir occurs in the Eocene Tay sands. The Pilot Field has been ascribed 78.8 million barrels of proven and probable (2P) reserves by Sproule and 2C contingent resources of 10MMbbls (see page 34 (reserves) and page 160 (contingent resources) of the CPR in Part IV of this Document). The Pilot Field contains viscous oil with API

densities of 12°-17° and with viscosities ranging from 160cP to around 1,200cP. The Pilot reservoir is of an exceptionally high quality, with porosities of 30-36% and permeabilities of 2-8 Darcies. The geological structure of the field is a straightforward 3-way structural closure with a pinch-out to the west. Pilot has been appraised, prior to the Group acquiring the licence, by five wells with seven separate formation penetrations. The P2320 licence also covers Tay formation feeder channels which are potential extensions of the Pilot Field (29 MMbbls of unrisked prospective resources).

Fine to medium grained sandstones form the reservoir within the Pilot and Harbour discoveries. Clay volume in the reservoir section is very low. Porosity calculated from logs in the reservoir section in Pilot Main is about 35%. The sandstone grain size and sorting are mainly fine (upper) to medium (lower) and are moderate to well sorted.

The Pilot Main and Harbour oilfields were discovered by Fina in 1989 with the Pilot South field being discovered in 1990. Fina conducted a thorough appraisal of the discoveries by drilling several new wells, before Venture drilled the most recent appraisal well in 2007. Sproule has audited the Company's geological, geophysical and petrophysical interpretations based on data in a Petrel database and in well reports. A detailed review of the assets can be found at pages 37 to 39 of the CPR in Part IV of this Document. See also section 8 below for more details on this licence.

The licence and levy fees for P2244 for the 12 month period to 31 December 2022 are c.£144,000 (all fees in 2021 have been paid).

Pilot Development Plan

Orcadian Energy plans to develop the Pilot Field through the installation of two lightweight wellhead platforms each with 20 slots to drill horizontal wells at 100-metre spacing in the northerly part of the field where the oil is more viscous; and at 150-metre spacing in the southerly part of the field where the oil is less viscous. Drilling services are expected to be provided by a leased jack-up rig located over the wellhead platforms during the drilling campaign.

The intention is that the Company will connect the FPSO to the wellhead platforms by way of subsea pipelines and a cable to supply them with power. The produced fluids from the wells will be co-mingled in a slug catcher on the WHP and the gas and liquids will be piped separately to the FPSO for separation, water treatment, storage and export. The FPSO will transfer high pressure low salinity water and cleaned and pressurised produced water to the WHPs for injection into the reservoir. An emulsion-based polymer will be mixed with the injection water in static mixers installed on each injection well flowline, so that the concentration of the polymer and hence the viscosity of the injection water can be optimised on a well-by-well basis.

To manage the challenges presented by the high viscosity and density of the Pilot crude the Company has selected some additional technologies which are new to the North Sea (although in use commercially elsewhere) such as the V-pump for artificial lift and the conversion of a number of tanks in the FPSO into wash tanks for crude dehydration.

The development project described in this section is not included in the use of proceeds and the Company will need to raise further funds to progress the above activities.

P2320: Blakeney

The Group holds a 100% interest in Blakeney (P2320), which has 25 MMbbls of 2C contingent resources; (see page 35 of the CPR in Part IV of this Document). Like the Pilot Field Blakeney contains a viscous oil with API gravity of 14.5° and with a reservoir viscosity of about 300cP. The Blakeney field was discovered by Wintershall in 2010. The Directors believe that the Tay formation reservoir at Blakeney is of excellent quality, with high net-to-gross, porosity and permeability.

Bowhead (part of P2320)

Bowhead is the primary exploration prospect in licence P2320 with a 49% geological chance of success. The Bowhead prospect has 43 MMbbls of unrisked prospective resources (see page 36 of the CPR in Part IV of this Document.

Bowhead lies just to the north of Pilot and could be developed as part of the Pilot development project through a third wellhead platform. The Directors believe that de-risking and preparing the Bowhead

prospect for drilling would materially enhance the attractiveness of the overall project and be beneficial to the Group. Part of the use of proceeds for this IPO is to raise funds to acquire seismic data to assess the viability of an exploration well on the Bowhead prospect.

As part of the condition of progressing to the next term of licence P2320, the Company needs to be able to demonstrate to the OGA, by early 2022, the financial capacity to drill a well on the licence. The Bowhead prospect is the favoured location for a well and such a well is estimated to cost in the region of £8m. This expenditure is not included in the use of proceeds and at this stage there can be no guarantee that the Company will have this funding in place by the required deadline. Therefore, there is a possibility that the Company will be required to surrender this licence due to failure to meet the licence conditions. Orcadian has agreed to purchase from TGS,160km^2 of newly reprocessed 3D seismic over the Bowhead prospect, with proceeds from the IPO. This new seismic will then be interpreted and an optimal well location selected. The Company will then consider whether to farm out the prospect (if a suitable farm out partner can be identified) or consider other options for raising finance.

The licence and levy fees for P2320 for the 12 month period ended 31 December 2022 are c.£68,000 (all fees in 2021 have been paid).

Feugh, Dandy & Crinan (part of P2320)

There are also a number of small single well discoveries on licence P2320 which have unaudited 2C contingent resources.

P2482: Elke and Narwhal

The Group holds a 100% interest in licence P2482 that contains the Elke and Narwhal discoveries which lie to the Southeast of Pilot and have 53 MMbbls of 2C contingent resources. There are four potential satellites to the Elke field with a further 61 MMbbls of Best Estimate unrisked prospective resources in addition to the main Elke discovery.

Like Pilot, the Eocene Tay Sandstone is the main reservoir. Reservoir thickness is 175 to 200 ft and net to gross is approximately 100%. The calculated porosity is around 36%. The Elke and Narwhal discoveries lie within channel-fill sandstones.

Narwhal was discovered by ARCO in 1993 and Elke was discovered by Murphy in 2000.

As part of the commitment under this licence Orcadian must acquire 25km of existing 2D Seismic by 15 July 2021 and complete certain engineering studies (see also section 8 below for more information on this licence). The funds needed to progress the engineering studies are not included in the use of proceeds.

The licence and levy fees for P2482 for the 12 month period ended 31 December 2022 are c.£14,000 (with £6,000 still outstanding in 2021)

P2516: Fynn

Licence P2516 covers Blocks 14/20g & 15/16g. Orcadian (CNS) has a 50% interest in this licence in partnership with Parkmead who will be appointed operator if the licence progresses. P2516 is situated in the Outer Moray Firth, midway between the Piper and Claymore fields. These blocks contain two undeveloped oil discoveries, Fynn Beauly and Fynn Andrew, as well as an oil prospect in the Piper Formation.

At present this licence is not subject to a joint operating agreement between Orcadian (CNS) and Parkmead Group LLC although it is the Company's intention to put one in place in due course.

The licence and levy fees payable by Orcadian for P2516 for the 12 months ended 31 December 2022 are £8,460 (with c£6.5k outstanding in 2021).

7. SUMMARY OF THE CPR

As set out in Part IV of this Document, a CPR has been prepared by Sproule on the Company's assets.

The volumes recoverable from Pilot under a low salinity polymer flood scenario have been classified as Reserves (Justified for Development) and are set out in detail in table 4 below; the resources recoverable from Elke, Narwhal and Blakeney under polymer flood, and assuming tieback to the Pilot

FPSO, are classified as Contingent Resources (Development on hold). Sproule has estimated a chance of development risk factor for each of these tranches of resources and this is shown in table 5.

Table 4 Gross and Net Reserves (in MMbl) extracted from page 34 of the CPR in Part IV of this Document

Summary of Reserves							
Oil Reserves (MMbbl)	**Gross (MMbbl)**			**Net Attributable (MMbbl)**			**Operator**
	Proved	**Proved and probable**	**Proved, Probable and Possible**	**Proved**	**Provedand probable**	**Proved, Probable and Possible**	
Pilot (polymer flood)	58.4	78.8	110.5	58.4	78.8	110.5	Orcadian Energy (CNS) Ltd
Total for Oil and Liquids	58.4	78.8	110.5	58.4	78.8	110.5	

Source: Sproule B.V.

Gross are 100% of the reserves and/or resources attributable to the licence whilst Net attributable are those attributable to the Company

Table 5 Gross and Net Contingent Resources (in MMbl) extracted from page 35 of the CPR in Part IV of this Document

Summary of Contingent Resources										
Oil Contingent Resources (MMbbl)	**W.I.**	**Gross (MMbbl)**			**Net Attributable (MMbbl)**			**Maturity sub-class**	**Risk Factor**	**Operator**
		Low Estimate	**Best Estimate**	**High Estimate**	**Low Estimate**	**Best Estimate**	**High Estimate**			
Blakeney, Polymer Flood	100%	–	25.1	41.5	–	25.1	41.5	Development on hold	72%	No operator
Elke and Narwhal Fields, Polymer flood	100%	28.6	52.7	142.4	28.6	52.7	142.4	Development on hold	79%	No operator
Total for Oil and Liquids		28.6	77.8	183.9	28.6	77.8	183.9			

Source: Sproule B.V.

8. WORK PROGRAMME

Progressing Pilot (P2244)

The Company is committed to undertaking the additional work necessary on the Pilot licence to advance the FDP with a particular focus on securing a contract for the provision of an FPSO. Orcadian (CNS) has recently completed a successful polymer core flood programme with Ultimate EOR Services LLC in Texas who conducted the experiments using a sand pack made of Pilot core and a sample of Pilot Crude Oil. Orcadian (CNS) has also prepared a polymer flood risk assessment with input from Crondall and Ultimate EOR.

Looking ahead, probably the most critical step in progressing the Pilot project, will be the selection of, and agreement of a contract for, a suitable FPSO. Following Admission, the Company intends to engage Crondall to prepare a basis of design and specification for the FPSO. Orcadian expects that the basis of design will specify that the FPSO will have efficient power generation facilities, process equipment, seawater desalination, produced water treatment and polymer storage facilities, and that the turret is designed to enable the import of electricity.

Crondall is a world leading, independent commercial, strategic and technical consulting service provider which specialises in offshore energy projects that utilise floating facilities. Once a specification has been prepared, Crondall and the Company intend to engage with relevant FPSO contractors to source a potential vessel with the intention of signing a letter of intent. It is anticipated that this will take around nine months to complete following Admission. The Directors believe this vessel selection to be a critical step in the process of finalising the basis of design for the rest of the development at Pilot and the commercial terms offered by the contractors will fundamentally define the capital requirements for the project.

In parallel with the FPSO enquiry process, the Company will engage with potential debt providers; farm-in partners and, where appropriate, the equity markets to assemble a funding package for the project. Following the sourcing of funding and the identification of the project operator (which could of course be Orcadian Energy), the operator will then work with its proposed contractors to finalise all of the supporting documents for the FDP. At this stage, the timetable for this process is uncertain as it is dependent upon the decisions made by future funding partners, which is out of the control of the Directors.

In summary, it is the Directors' intention to either farm down the Group's interest in the projects to a larger oil company which could take over operatorship of the Licences; or the Company will structure a financing arrangement which minimises the capital which the Company has to raise, and hence which minimises dilution of shareholders. However, there can be no guarantee that these objectives will be achieved and the Company will continue to explore all possible options.

As set out above, pursuant to the terms of the Pilot licence, the Company requires an OGA approved and fully funded FDP in place by November 2022 for the licence to continue into the third term. Given the level of work yet to be undertaken, coupled with the uncertainty of sourcing appropriate funding, the Directors recognise that it is reasonably possible that the conditions of the licence will not be satisfied by the stated deadline and that an extension will be required from the OGA. There can, however, be no guarantee that such an extension will be granted; and the Group could therefore be required to surrender the Pilot licence. However, the Directors consider this risk to be highly improbable and the generally accepted view is that if the Company continues to work actively to progress the financing of the Pilot Project, which the Directors intend to do, that an extension will be granted by the OGA.

Bowhead (P2320)

A key component in the use of proceeds will be the purchase from TGS of a licence over 205sq km of 3D seismic data. This data will then be interpreted to assess the viability of drilling a Bowhead exploration well. If this is determined to be attractive, then the Company will explore potential funding opportunities (including a potential farm out or further equity raise) to raise the anticipated £8m required to drill an exploration well on this location. Success at Bowhead would add substantial resources and scale to the Company's projects. Bowhead lies just to the north of Pilot and could likely be developed as part of the Pilot development project through a third wellhead platform Therefore, the Directors believe that de-risking and preparing the Bowhead prospect for drilling would materially enhance the attractiveness of the overall project and be beneficial to the Group.

Elke and Narwhal (P2482)

The Company does not envisage undertaking detailed work on these licences in the short term and expects a spend of £50k, to fulfil licence commitments during the next 18 months. The Company also expects to explore opportunities to acquire the mandated 3D seismic data for this licence, which is due to be shot during Phase B of the licence, to reduce mobilisation costs. However, the acquisition of this seismic is not included in the use of proceeds from the IPO and further funds would be required to acquire it. Orcadian needs to commit by 14 July 2022 to acquire 100km^2 3D seismic data and to shoot a further 40km^2 of seismic over Narwhal by 14 July 2025 or it could be required to surrender the licence.

Fynn (P2516)

Parkmead manages this asset and Orcadian Energy will undertake some of the work, such as evaluating a polymer flood development scheme. This will offset some of the Company's costs on the licence; for the next 18 months the anticipated costs are not expected to exceed £130k. The work commitment includes inversion of 3D seismic data; development viability studies and petrophysical studies which must be completed before 30 November 2023. Not all the funds for this work are included in the use of proceeds.

Additional Activities

Whilst the current use of proceeds statement does not incorporate any drilling on the Company's assets, the Directors will consider drilling opportunities, as a means to boost the Group's resource base as opportunities arise. This includes the potential for an exploration well at the Bowhead prospect or appraisal of the Elke discovery. The Company would need to raise further funds, however, before any drilling could commence.

The Company will also continue to pay licence fees for its existing licences and will explore the potential for acquisition opportunities or participation in licensing rounds as they arise.

9. UNDERSTANDING POLYMER FLOODING

Orcadian Energy has concluded that Pilot is an ideal candidate for a polymer flood. This followed a thorough reservoir recovery mechanism screening and evaluation exercise and was the basis of the Concept Select Report which has been submitted to the OGA for the Pilot development.

Polymer flooding has been used for more than 40 years, largely to recover the remaining oil from waterflooded viscous oil reservoirs; it is considered a straightforward and proven technique with a lengthy technical and commercial history. In summary, the technique consists of injecting polymerised water into the oil-bearing formation. The addition of a small amount of polymer thickens the water and the increased viscosity of the water results in more efficient displacement of the oil by the injected water.

Water is commonly injected into reservoirs to maintain pressure and to push (sweep) the oil towards the producing oil wells. But when the oil is viscous, and therefore less mobile than water, the water can bypass the oil (a phenomenon known as viscous fingering) leaving it trapped in the reservoir, ultimately preventing its recovery unless further enhanced recovery schemes are implemented. Polymerised water injection reduces the mobility of the water reducing the viscous fingering and encouraging the development of a more stable flood front between the water and the oil. In summary polymer flooding works by improving the reservoir sweep efficiency.

As set out on pages 37 and 38 of the CPR in Part IV of this Document, the selection of the polymer flood technology for Pilot has been largely driven by the success of polymer flooding in the Captain Field, located approximately 180km north west of the Pilot Fields. In 2018, Chevron Corporation, the then operator of the Captain Field received OGA approval to undertake a polymer flood project which was the first large scale polymer injection project undertaken in the UK North Sea. Due to the success of the polymer flooding strategy at the Captain field, Ithaca Energy Limited, the current operator of the Captain field, has announced that it intends to invest a further £400m in a phase 2 polymer project.

The Company intends to use a liquid emulsion based polymer which is blended into the injection water in a static mixer downstream of the flow control valve used to adjust injection rates into each well (this approach capitalises on experience at the Captain field). The Directors also believe that they can reduce polymer costs further if the salinity of the injection water is reduced; and the Company intends to incorporate filtration and reverse osmosis technology to reduce water salinity as part of its water treatment system prior to mixing and injection.

It is intended that this same approach will be used at the Company's Elke, Narwhal and Blakeney fields.

10. FUTURE STRATEGY

The Group's strategy is to identify discovered resources, preferably well appraised and most likely on the UKCS; to secure access to those resources; and to create a profitable field development plan which attracts finance either from oil industry partners or financial investors.

The first project the Company is progressing towards FDP Approval is the Pilot Project. The Group has submitted a Concept Select Report to the OGA and following the completion of some additional work the Company expects to receive a "Letter of no Objection" to the selected concept. To secure the OGA's approval of a Field Development Plan, substantial capital must be secured.

The estimated cost to achieve first production from the Pilot Field is US$1bn. As mentioned above, one of the key activities for the Company after Admission will be to source and secure the finance for the project. Whilst the Company will explore all avenues for funding it is anticipated that the main potential sources of funding will be: (i) vessel leases and deferred payment agreements with contractors; (ii) debt; (iii) further equity; or (iv) the farm-out of an interest in the licences to a well-financed oil and gas company. The Directors anticipate that the final financing package for Pilot will incorporate most, or even all, of the above-mentioned options.

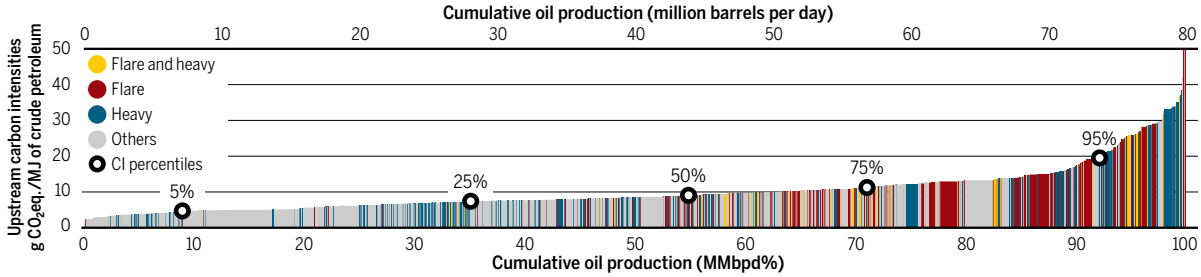
Whilst the Directors' objective will be to retain as large an interest in the Pilot Field as possible for the benefit of its shareholders, it will be necessary to share some of the profit from the development with financing partners. It is possible that such proportion could be substantial. Further details on the

Company's work programme for its licences are set out in section 8 of this Part 1 above and further details on the requirement for further funds in the next 12 months is set out in section 13 of this Part 1, below.

11. ENVIRONMENTAL AND SOCIAL GOVERNANCE

The Group is participating in OGA led discussions regarding a Central North Sea electrification project and has commenced discussions with offshore wind technology companies regarding the potential installation of wind turbines which could supply power to the project. Pilot also has a small gas cap which could be used for storage of excess gas when power is available from a wind farm, and which could also provide a gas supply should electricity not be available. In such circumstances, if it was proven to be economically viable, the Company would adjust the development plan described in the CPR and not install a gas import pipeline, but would instead install a cable and add a substantial c. 20-40MW electrical slip ring to the turret in the Company's FPSO. The Company would also include a gas injection/production well in the Pilot East gas cap. Such an approach could reduce Scope 1 Emissions and Scope 2 Emissions of carbon dioxide by up to another 50% whether the imported power came from a local wind farm or from the national grid.

In 2018 Science magazine published the below chart, showing an analysis of global carbon dioxide emissions from oil production, the data set for which was prepared by a team of twenty-four authors, many of whom were based at Stanford University (Masnadi et al, Science, 2018). The dataset comprises nearly nine thousand producing oilfields which the authors believed represented 98% of global oil production in 2015. Their evaluation estimated the carbon dioxide emission intensity of all the producing fields including emissions of other gases weighted by global warming potential and emissions associated with exploration, drilling and development, production and extraction, surface processing, and transport to the refinery inlet.



Source: Science Magazine (2018).

On a comparable basis Crondall has estimated that with a production rate of c. 30,000 bbls/day, the Pilot development would emit 2g CO2eq/MJ before taking advantage of any electrification opportunity, and 1.36g CO2eq/MJ if an electrification opportunity could be utilised. On the basis of either of these estimates, the Directors believe Pilot would lie within the lowest 5% of the world's oil supply when ranked by emissions.

12. REASONS FOR ADMISSION AND USE OF PROCEEDS

The Directors believe that Admission is an important step in the Group's development, and accordingly the proposed use of net proceeds from Admission (being c.£2.3 million) will be applied to:

- Pilot: Progression towards FDP; including, an FPSO market approach with Crondall;
- Bowhead: purchase of recently reprocessed 3D seismic and interpretation thereof;
- Ongoing licence fees for the licences held by the Group;
- Progress appraisal work on other licences held in the Group; and
- For working capital purposes.

13. ADDITIONAL FUNDS REQUIRED

The Company's licences have work commitments which must be fulfilled in order for the licences to continue. These include the drilling of a well on P2320, which would cost c. £9m in aggregate, and acquisition of seismic over P2482, although this seismic can be acquired any time up to July 2025. To bring the Pilot field into production will require substantial capital, of the order of $1billion, including the cost of construction of a new FPSO. For clarity, following the raise the Company does not have the capital to undertake these activities.

The Company will explore multiple approaches to finance the Pilot project, see Section 10, and will consider farm-out of the Bowhead prospect. However, it is entirely possible that the Company will decide to return to the equity market in the next 6 to 12 months to raise further funds to drill the Bowhead prospect and/or to further progress the Pilot project.

14. DIRECTORS AND EMPLOYEES

Directors

The Board comprises three executive directors and three non-executive directors.

Brief biographical details of the Directors are set out below:

Joseph Darby, Non-Executive Chairman (aged 73): Mr. Darby was educated at the Royal School of Mines where he obtained a first class honours degree in petroleum engineering in 1969. His early career was in drilling and production operations with Amoco and Shell International culminating in reservoir engineering in The Hague, and in Shell UK, engaged mainly in reservoir simulation. After leaving Shell he joined Thomson North Sea and was involved in the development and production of the Piper and Claymore fields in the UK North Sea. He established US and Canadian businesses for Thomson, before joining LASMO plc when it acquired Thomson North Sea in 1989. At LASMO he was appointed to the Board and later became the CEO. Under his leadership LASMO production grew to 170,000 boepd. LASMO was acquired by Eni in 2001. Since that time, he has served on several boards as non-executive director or Chairman. These include Faroe Petroleum, where he was Chairman when the company listed, Mowlem plc, British Nuclear Fuels plc, Centurion Energy and Premier Oil, where he was the Senior Independent Non-Executive Director. He has also served on the board of Alkane Energy and was an Advisor to the board of Setanta Energy BV. He is currently Senior Independent Director at Gulfsands Petroleum plc.

Stephen (Steve) Andrew Brown, Chairman and Chief Executive Officer (aged 61): Mr. Brown graduated from Peterhouse Cambridge with a degree in Chemical Engineering in 1981, before joining BP as a petroleum engineer. Mr. Brown has now been employed in the oil industry in a wide range of technical, strategic and executive positions for thirty-nine years. He is experienced in all aspects of oil and gas field management and financing having worked as an Operator, Joint Venture partner, Contractor and Consultant. During his career he has led three oil companies. In his earlier career he was responsible for two of BP's most successful North Sea developments, the Andrew and Harding oil fields. He led the pre-project team for the Harding development which selected the development concept and reservoir depletion mechanism. Harding Central achieved a 74% recovery factor and was one of BP's lowest cost developments despite being one of the first viscous oil fields to be developed in the UKCS. He was Operations Manager for Andrew during the project execution phase, and acted as Alliance Board secretary, a position which gave him an insight into the operation of the Andrew Alliance. The Andrew Alliance was an innovation in BP's approach to project execution which delivered a step change in project performance on the Andrew development. He also initiated the formation of the Andrew Well Engineering Alliance. After leaving BP he joined Halliburton and assisted in the acquisition of the Sangu gas field in Bangladesh and the Fyne and Dandy fields in the North Sea. He then founded and managed a successful oil and gas management consultancy for five years (Challenge Energy now part of SLR), before joining Petrofac. As VP Business Development for Petrofac Resources he developed numerous investment opportunities, including the acquisition of the Cendor field in Malaysia and the Elke field in the UKCS. He returned to BP in a consultancy role, as Procurement Vice President Corporate and Functions, before founding and listing the Canadian junior Exile Resources as CEO. He was also founder, CEO and co-owner, alongside Aker ASA, of Setanta Energy BV, a development and production company focussed on Gabon and Operator of the Roussette development project. He built the Setanta team and company and prepared the company for IPO prior to Aker's decision to sell the company. In 2014, with Mr. Harding and others, he founded Orcadian Energy to submit a licence

application for the Pilot discovery, which Mr. Brown believed to be highly analogous to the Harding field. Mr. Brown is the CEO of Orcadian Energy.

Alan Douglas Hume, Chief Financial Officer (aged 62): Mr. Hume is an experienced CFO with significant experience in the oil and gas exploration and production sector as well as the broader energy market. Mr. Hume has held senior finance and commercial roles in the oilfield services, engineering, construction and energy production sectors. Mr Hume's career started with Halliburton Manufacturing & Services in Aberdeen before moving to London and working for an engineering company. Mr Hume then moved to Stavanger to work for Rockwater, a Brown & Root company, before moving to Johannesburg to take on the role of Finance & Commercial Director for another Brown & Root company with responsibilities covering a significant part of Sub-Saharan Africa. Mr. Hume moved back to the UK to take on a senior finance role at European Marine Contractors (a joint venture between Brown & Root and Saipem) before moving to a head office role. In 2000 Mr Hume accepted a position at Edison Mission Energy, a subsidiary of American power giant Edison International, he held financial reporting responsibility for power generation sites in Italy, Spain, Sicily, Turkey as well as the UK. After a short spell as CFO in the UAE, Mr Hume returned to the UK and has held CFO roles in private and listed companies in Canada and the UK. During this time, he had experience in bringing companies to market as well as leading acquisition and disposal activities. Mr Hume has been with Orcadian Energy since January 2018. Mr Hume is a Fellow of the Chartered Institute of Management Accountants.

Gregory (Greg) Hammond Harding, Technical Director (aged 59): Mr Harding graduated from Imperial College, London with a degree in Chemical Engineering in 1985, before joining British Gas as a process engineer and later offshore production engineer in the North Sea Rough Field. He is a Chartered Engineer, European Engineer, and a member of the Society of Petroleum Engineers, the Energy Institute and the Institute of Chemical Engineers. His career in the oil industry covers a period of several decades during which time he has worked for Operators, Non-Operating Partners and Consultants, primarily in the fields of petroleum and reservoir engineering. On leaving British Gas, Mr Harding joined Gaffney Cline & Associates where he gained a wealth of international experience in reserves assessment, subsurface development studies and asset evaluation. He then joined Union Texas Petroleum where he was the company's technical representative in the Alba Field Joint Venture, during development of one of the North Sea's early viscous oil projects. Following the takeover of Union Texas by Arco, Mr Harding joined Kerr McGee Oil and was the company's technical representative in four joint ventures including BP's Wytch Farm field where a programme of record-breaking extended reach drilling was underway. Since leaving Kerr McGee in 1999, he has been an independent reservoir engineering consultant to a number of organisations including SLR Consulting (formerly Challenge Energy) and Premier Oil. The role at SLR has involved acting as a Reservoir Engineering Expert in a number of legal cases as well as supervising the engineering aspects of numerous technical and asset evaluation studies. Over the same period, Mr Harding has made a significant contribution to the establishment of three new-start oil companies. He was Technical Director of Mercury Oil & Gas, which raised seed capital to pursue production and exploration opportunities in Brazil, and was acquired by Eromanga Hydrocarbons (Australia). In the 5 years to 2013 he was Reservoir Development Manager for Setanta Energy, where he supervised subsurface and facilities development screening activities for the Roussette oilfield offshore Gabon. In 2014, he joined Mr Brown in the establishment of Orcadian Energy to submit a licence application for the Pilot Field, and has since been responsible for conceptual subsurface development planning for the field.

Christian Wilms, Non-Executive Director (aged 49): Mr. Wilms graduated from RWTH Aachen, Germany in 1998 as a physicist. In the same year he joined Shell International E&P and was initially trained as a geophysicist. After three years he changed technical discipline to reservoir engineering where he worked on a viscous oil field development based on steam flood. During his more than 20 years with Shell Mr. Wilms took on various technical and leadership roles in The Netherlands, Nigeria, Qatar, United States and the United Kingdom. In 2019 he moved to MOL Group as Senior Vice President - Subsurface & Field Development where he oversees green and brown field developments for the group including enhanced oil recovery projects based on CO2 injection and polymer surfactants. Further Mr. Wilms is accountable for Group reserves and he supports business development regarding all field development aspects. Lately carbon capture and storage (CCS) was added to his portfolio. As non-executive director his advisory focus is on integrated field development, EOR processes and reserves. Mr Wilms is the MOL Group's principal representative at the International Association of Oil and Gas Producers.

Timothy (Tim) David Feather, Non-Executive Director (aged 53): Mr. Feather graduated in Law in 1990 from the University of Nottingham, following which he qualified as a chartered accountant with Touche Ross (now Deloitte), based in the UK and latterly in Australia. In 1995 he joined Henry Cooke Lumsden, specialising in providing corporate advice and broking services to companies on the newly formed AIM. He then co-founded a corporate broking division at Brown Shipley, one of the longest standing merchant banks in the City. In 2003 he co-led a management buy-out of that business, forming Westhouse Securities Limited, where as Head of Corporate Finance he focused on advising oil and gas and mining companies. He later joined WH Ireland in 2012 as Corporate Finance Director. In 2018 he became Business Development Director at Sumner Group Holdings Limited, a private conglomerate with interests in mining, healthcare and technology. He became Chief Financial Officer of Sumner Group Mining plc, the mining subsidiary of the group, in 2019. He has over 25 years of public company experience and was an AIM Qualified Executive for many years.

Employees and consultants

As at the date of this Document, the Company has one part-time employee and one consultant in addition to the directors.

Maurice Leslie Frederick Bamford, Exploration and Geoscience Manager (aged 59), consultant: Dr. Bamford graduated from Queens University Belfast with a 1st class degree in Geology in 1984, before going on to do a Ph.D. in sedimentology at University College Cork. He then carried out research as a post-doctorate structural geologist at the University of Keele, following which he joined the oil industry in 1989. During his thirty-one years in the industry he was worked for operators, a service company and as an independent consultant with most of his experience being in the North Sea. He initially joined BP as a petroleum geologist where he gained experience in the North Sea, Vietnam, and West Africa, after which he joined Robertson's Group as a structural geologist with a variety of international projects. Then in 2000 he joined Talisman Energy, where he devised and ran the geoscience peer review system, eventually becoming Exploration and Geoscience Manager for the UK. In 2011 he left to join EnQuest, again as Exploration and Geoscience Manger, where the company pursued a number of heavy oil opportunities including Kraken, Pilot, Narwhal and Elke. He was briefly General Manager Norway for EnQuest, winding up the business, before becoming an independent consultant in 2016. In addition to a number of other clients, he has been working part-time as a consultant with Orcadian Energy since 2016.

David Puckett, Senior Reservoir Engineer and EOR specialist (Part-time employee): Mr. Puckett acts as a specialist advisor on Enhanced Oil Recovery (EOR) techniques gained from 40 years' experience with BP and the UK Government working primarily on Enhanced Oil Recovery, Specialist Reservoir Engineering, Simulation and Special Core Analysis. Mr. Puckett is a world class EOR expert providing support studies to progress EOR appraisal assessments at the Concept Select stage and then to progress EOR via laboratory studies, simulation and pilot design and subsequent field wide EOR deployment as part of Field Development Planning and Asset Management. David has a 1st class degree in Chemical Engineering from Exeter University and is a member of the SPE and EAGE. He is currently working for Orcadian Energy and is an EOR Specialist advisor for RockFlow.

15. CORPORATE GOVERNANCE

The Directors recognise the value and importance of high standards of corporate governance and intend that the Group will comply with the QCA Code, a set of corporate governance guidelines published by the Quoted Companies Alliance, which includes a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. Details as to how the Company complies with this Code is set out below and on the Company's website: www.orcadian.energy.

A summary of how the Company complies with the QCA Code principles are as follows:

Principle 1 – the Company has established a strategy and business model which they believe promotes the long term value of shareholders and the detail of that plan is set out in this Document.

Principle 2 – the Board seeks to understand and meet shareholder needs and expectations though regular shareholder updates, communications and through the Company's AGM; the Company also encourages shareholders to communicate with the Company through its investor relations team (details of which are set out on the Company's website).

Principle 3 – the Board has put in place a range of processes and systems to ensure they take into account the wider stakeholder and social responsibilities; including maintaining close ongoing relationships with all their stakeholders (and encouraging feedback).

Principle 4 – risk management is embedded within the organisation through a risk management framework and a detailed risk inventory; following Admission the Audit Committee will also assist the Board in the comprehensive risk management of the Company.

Principle 5 – the Board is responsible for formulating, reviewing, and approving the Group's strategy, budgets, and corporate actions. The Board, which is led by the Chairman, will meet regularly and will also be responsible for evaluating risks and ensuring the performance and framework of internal controls. The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board on Admission will comprise six Directors; of whom three are executive and three are non-executive. The Board considers two of the non-executives, being Christian Wilms and Tim Feather, to be independent and, as such, the Company complies with the requirements of the QCA Code in this regard. At this stage the Company has not appointed a Senior Independent Director, but it will consider doing so after Admission.

Principle 6 – the Board's CVs are set out in this document, above. The Board believes that all Directors have the necessary up to date experience skills and capabilities and will keep ongoing training under review.

Principle 7 – evaluation of board performance will take place annually.

Principle 8 – the Directors believe they have adopted policies and procedures that ensure the corporate culture is based on ethical values.

Principle 9 – the Board believes it has governance structures that are fit for purpose: - the board meet once a month and the Board has delegated specific responsibilities to the committees referred to below, all of which have written terms of reference and formally delegated duties.

Principle 10 – the Board believes its structures and processes, including its regular dialogue with shareholders and stakeholders, support good decision making by the board.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee will meet no less than three times each year and will have unrestricted access to the Company's auditors. The Audit Committee comprises a minimum of two directors, both of whom are independent Non-Executive Directors, and a minimum of one member shall have with recent and relevant financial experience. At Admission, the members of the Audit Committee shall be Mr. Feather (Chairman) and Mr. Darby.

Remuneration Committee

The Remuneration Committee reviews the performance of executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The Remuneration Committee will meet at least twice each year. The Remuneration Committee comprises a minimum of 2 directors all of whom shall be independent Non-Executive Directors. At Admission, the members of the Remuneration Committee shall be Mr. Darby (Chairman), Mr. Feather and Mr. Wilms.

AIM Rule 31 Compliance Policy and MAR Handbook

The Company has also adopted an MAR Handbook and an AIM Rule 31 compliance policy to ensure that they have in place sufficient procedures for ensuring compliance with the AIM Rules for Companies. In addition the Company has established an AIM and MAR Compliance Committee that reviews the adherence to these policies and makes recommendations to the Board on matters relating

to their compliance with the AIM rules and the MAR. The AIM and MAR Compliance Committee will meet at least twice each year. The AIM and MAR Compliance Committee comprises a minimum of 3 directors including, at least, 2 independent Non-Executive Directors and 1 member with recent and relevant financial experience. At Admission, the members of the AIM and MAR Compliance Committee shall be Mr. Feather (Chairman), Mr. Darby and Mr. Hume.

Reserves Committee

The Company has established a Reserves Committee that reviews the Company's reported reserves and resources figures and which is responsible for appointing the Company's reserves auditors. The Reserves Committee will meet at least once each year and will have unfettered access to the company's reserve auditors. The Reserves Committee comprises a minimum of 3 directors including, at least, 2 independent Non-Executive Directors and 1 member with recent and relevant technical experience. At Admission, the members of the Reserves Committee shall be Mr. Wilms (Chairman), Mr. Darby and Mr. Brown.

Risk Committee

The Company has established a Risk Committee that reviews the Company's assessment of risks and makes recommendations to the Board on actions to minimise or mitigate risk. The Risk Committee will meet at least once each year and will have full access to the company's risk assessment. The Risk Committee comprises a minimum of 3 directors including, at least, 2 independent Non-Executive Directors and 1 member with recent and relevant technical experience. At Admission, the members of the Risk Committee shall be Mr. Wilms (Chairman), Mr. Darby and Mr. Harding.

Given the size and stage of development of the Company, the Board has elected not to establish a Nominations Committee at this time and, accordingly, the Board will be responsible for reviewing matters relating to succession, leadership requirements and the appointment of additional or replacement directors as vacancies arise.

16. SHARE DEALING POLICY

The Board has adopted the Share Dealing Policy in order to comply with Rule 21 of the AIM Rules relating to Directors' and Applicable Employees' (as defined in the AIM Rules for Companies) dealings in Shares. It also complies with the requirements of MAR.

The Share Dealing Policy applies to the Directors and other relevant employees of the Company. The Share Dealing Policy provides that there are certain periods during which dealing in Ordinary Shares cannot be made. Such periods include the periods leading up to the publication of the Company's financial results, including interim results, and any periods in which the Directors and other relevant employees may be in possession of unpublished price sensitive information.

In addition, a clearance procedure must be followed before any dealings by persons subject to the Share Dealing Policy can take place (including dealings by their families and other associates).

17. ANTI-BRIBERY AND CORRUPTION POLICY

The Company has implemented a code of conduct which incorporates an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that, inter alia, the Board, employees, agency staff and consultants comply with the Bribery Act 2010.

18. SHARE OPTIONS

At this stage the Company has not adopted a share option scheme; although it intends to do so in the future to incentivise existing and/or new members of the management team. The Directors intend to discuss the details of any proposed share option scheme with significant shareholders prior to implementation and the scheme would be compliant with the Remuneration Committee Guide published by the QCA.

19. FINANCIAL REPORTING

The Group's financial year will end on 30 June each year. It is anticipated that the preliminary statement of results for each year will be announced by the end of November and that an interim statement of the

results for the first half-year will be announced in March each year. It is intended to hold the Company's Annual General Meeting during December of each year.

20. DIVIDEND POLICY

The Directors do not intend to declare a dividend at the current time.

21. DETAILS OF THE PLACING

The Placing of 7,500,000 new Ordinary Shares will raise £3 million for the Company (before expenses). The net proceeds of approximately £2.3 million, together with the Group's existing resources, will be used as set out in paragraph 12 above.

The Placing Shares comprise 7,500,000 new Ordinary Shares being issued by the Company. The Placing Shares will represent approximately 11.8 per cent. of the Enlarged Issued Share Capital. On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £25.5 million.

The amounts stated above assume maximum participation in the Placing.

The Placing is conditional, *inter alia*, on:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective not later than 8:00 a.m. on 15 July 2021, or such later time and/or date as WH Ireland and the Company may agree in writing, (being no later than 3:00 p.m. on 30 August 2021)).

The Placing Shares will be issued fully paid and will, on issue, rank *pari passu* with all other issued Ordinary Shares, including the right to receive, in full, all dividends and other distributions declared, made or paid after the date of Admission.

The Placing Agreement contains certain warranties given by the Company and the Directors in favour of WH Ireland as to, amongst other things, certain matters relating to the Company and its business. The Placing Agreement also contains indemnities given by the Company and the Directors in favour of WH Ireland in relation to certain liabilities which WH Ireland may incur in respect of the Placing. A summary of the principal terms of the Placing Agreement is set out in paragraph 11.3 of Part V of this Document.

22. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

Immediately following Admission, the Directors will be interested in an aggregate of 42,004,752 Ordinary Shares representing approximately 66 per cent. of the Enlarged Issued Share Capital. This includes 14,739,495 Ordinary Shares held by Julia Cane-Honeysett, the wife of Stephen Brown a director of the Company.

Under the terms of the Lock In Agreement the Locked In Persons have undertaken not to dispose of any interest they hold in Ordinary Shares for 12 months following Admission (save in certain limited circumstances) and thereafter, for a further period of 12 months, only to effect disposals of their Ordinary Shares through WH Ireland (or the brokers for the time being of the Company) to permit the maintenance of an orderly market in the Ordinary Shares.

Further details of the Lock In Agreements are set out in paragraph 11.4 of Part V.

23. RELATIONSHIP AGREEMENT

In light of Stephen Brown and Julia Cane-Honeysett's 45.83% aggregate shareholding in the Enlarged Issued Share Capital immediately following Admission, as set out in Paragraph 11.5 of Part V of this Document, the Company, WH Ireland, Stephen Brown and Julia Cane-Honeysett, have entered into a relationship agreement, which is conditional upon Admission and will be in effect at all times when Stephen Brown and Julia Cane-Honeysett and/or their connected persons together hold the legal

and/or beneficial title to, or the voting rights attaching to Ordinary Shares, which constitute, in aggregate, not less than 20 per cent of the number of Ordinary Shares in issue.

Pursuant to the agreement Stephen Brown and Julia Cane-Honeysett have given various undertakings to the Company regarding the relationship between each of them, their connected persons and the Company.

Further details of these arrangements are set out in Paragraphs 11.4 and 11.5 of Part V of this Document.

24. SHELL AGREEMENT

During 2019 Orcadian (CNS) received $1m by way of a loan from Shell Trading International Limited which is secured against assets of the Company. As part of this financing arrangement, Orcadian (CNS) has engaged Shell to market a portion of the crude oil to be produced from the Pilot development. Further details of this arrangement are set out in paragraph 11.10 of Part V of this Document.

25. LEGISLATIVE FRAMEWORK AND REGULATORY ENVIRONMENT

This following is only a summary of the more pertinent provisions of the Petroleum Act 1998 ("**Petroleum Act**"). The Petroleum Act is the principal legislation regulating the grant of rights to bore for and obtain petroleum in the United Kingdom. The Petroleum Act was enacted on 11 June 1998 and repealed the Petroleum Production Act 1934.

25.1. The Petroleum Act provides that petroleum deposits (which includes shale gas) below land in Great Britain are the property of the Crown but permits the OGA to grant licences to search and bore for, and get petroleum, to such persons as it thinks fit. The Petroleum Act is supplemented by various environmental and health and safety legislative provisions, details of which are summarised in this paragraph 25. All regulatory powers for the oil and gas industry, apart from those concerned with the environment, have been transferred from the Secretary of State to the OGA.

25.2. There are two types of licence that can be obtained for exploration and production of oil and gas in the UK. There are the seaward (UKCS) licences and the landward (Onshore) licences. Seaward licences can be further divided into exploration and production licences:

(a) an exploration licence is a non-exclusive licence to search for petroleum in the strata in the islands and in the seabed and subsoil in any seaward area and in those parts of any landward area which are below the low-water line. This right does not extend or interfere with rights held under a production licence by another, unless both agree otherwise. The exploration licence runs for a period of three years renewable for a further period of three years. The exploration licence permits the holder conduct non-intrusive surveys such as seismic data-gathering or other geological prospecting. The exploration licence does not allow for significant drilling (drilling is limited to a maximum depth of 350m below the seabed).

(b) a production licence is the main form of licence in the UK. It confers exclusive rights to search and bore for or get petroleum in the seabed and the subsoil under the seaward area. All seaward production licences run for three successive terms:

(i) **Initial term:** The licence will expire at the end of its initial term unless the licencee has completed an agreed work programme and surrendered a fixed amount of acreage (usually 50 per cent.). The initial term is four years for both traditional and promote licences; either six or nine years for frontier or a more flexible period in the case of innovate licences. Innovate, traditional and promote licences have a mandatory relinquishment of 50 per cent. of the licence area at the end of the initial term. Frontier licences have a special mandatory relinquishment of 75 per cent. after three years with a mandatory relinquishment at the end of the initial term of 50 per cent. of the remainder (making seven-eighths in total).

(ii) **Second term:** There is no agreed work programme; instead the licence will expire at the end of its second term unless the OGA has approved a development plan.

The second term is four years for traditional and promote licences and six years for frontier licences.

(iii) **Third term:** The third term is intended for production and is for 18 years.

25.3. All the Company's Licences are production licences.

25.4. All licences are issued within licencing rounds. In special circumstances out of round applications are allowed. During a licencing round applications are open from applicants for licences. Before the 29th Seaward Licensing Round, there were three types of offshore production licences awarded: (i) the traditional licence; (ii) the promote licence; and (iii) the frontier licence. From the 29th Licensing Round, which closed for application on 26 October 2016 and for which the offer of awards was made on 23 March 2017, all new offshore production licences will now be 'Innovate Licences', offering greater flexibility for each applicant to design a work programme around particular circumstances. The innovate licence will have a variable initial term (with a maximum of nine years), a second term of four years and a third term of 18 years. The initial term can be subdivided into up to three phases, with the work for each phase being addressed separately in the work programme: (i) Phase A is a period for carrying out geotechnical studies and geophysical data reprocessing; (ii) Phase B is a period for undertaking seismic surveys and acquiring other geophysical data; and (iii) Phase C is for drilling.

25.5. The traditional licence was the original type of seaward production licence. It was by far the most common form of licence (in the 27th licencing round there were 192 applications for traditional licences out of 224 applications).

25.6. The promote licence was designed to grant small and start-up companies a production licence first and to attract the necessary operating and financial capacity later. The licence required financial, technical and environmental capacity to be in place, and a firm drilling (or agreed equivalent of an equally substantive activity) commitment to have been made by the end of the second year or the licence would expire at that time.

25.7. The frontier licence was designed to allow companies to evaluate larger areas with greater materiality for a period, so they could look for a wider range of prospects, or for the particularly harsh West of Shetland environment therefore the time allowed for exploration, appraisal and development was greater.

25.8. All petroleum exploration and production licences that are granted incorporate the model clauses (the "**Model Clauses**") which are contained in statutory instruments at the time of grant of each respective licence. Alternatively the OGA may agree bespoke clauses that may apply to the exclusion of the Model Clauses. The Model Clauses give the OGA the power to approve the appointment of an operator and to direct or restrict certain of the licencee's activities, including prohibiting a licencee from carrying out development or production activities other than with the consent of the OGA, or in accordance with a government-approved development plan. A licence may be revoked by the OGA for a number of reasons set out in the model clauses, which include if the licencee fails to comply with the requirements of the licence.

25.9. Licence assignments are prohibited unless they have the prior consent of the OGA. There are a number of issues that OGA will take into account when deciding whether or not to give its approval including the technical and financial capacity of an assignee to discharge licence obligations.

25.10. There is no requirement for approval of a change of control of a licencee, but the OGA does have power, at its absolute discretion, to require a further change of control, and failing that a power of revocation. This may mean the complete revocation of the licence, or partial revocation in respect of the company concerned, which in practical terms amounts to the removal of the company from the licence, while the licence continues in the hands of its former partners. The existence of this power can result in a request for comfort that the OGA is not minded to exercise it. The OGA is generally willing to consider such requests.

25.11. Offshore operations on the UK Continental Shelf (**UKCS**) are subject to numerous international, European Union and national laws and regulations relating to environmental and/or health and safety (**EHS**) matters. These EHS laws and regulations apply at various stages, including before

oil and gas production activities commence, during exploration and production activities and during and after decommissioning. They give rise to operational rules and regulations, generally through planning and permitting regimes. They also give rise to operational liabilities, and rules governing those liabilities, in the event of incidents, accidental spillages or discharges.

25.12. Before a UK licensing round begins, the OGA will consult with various public bodies that have responsibility for the environment. Applicants for production licences must demonstrate adequate environmental competence and the application will generally include an environmental assessment of the licence block's environmental sensitivities. Where the applicant is not an established operator, the application must also include other environmental submission such as a statement of the general environmental policy of the operator in respect of the contemplated licence activities, a summary of the operator's management systems to implement the environmental policy and confirmation as to how those systems will be applied to the proposed work programme.

25.13. Additionally, the Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended) require the OGA to exercise its licensing powers under the Petroleum Act in such a way to ensure that an environmental assessment is undertaken and an environmental statement is submitted to and considered by the OGA before consent is given to certain projects.

25.14. The Department for Business Energy and Industrial Strategy (**BEIS**) is responsible for the approval of decommissioning programmes. BEIS's statutory powers in this regard are exercised by its Offshore Petroleum Regulator for Environment and Decommissioning division (**OPRED**). Under the Petroleum Act 1998, OPRED can require a costed decommissioning programme to be submitted for approval for each offshore installation and pipeline by serving a written Section 29 Notice. In practice, Section 29 Notices are given to the operator and licensees or the owners of a pipeline but potentially can be served on a much wider category, including their affiliates. Those served are jointly liable to submit a decommissioning programme for approval, usually three to five years before expected cessation of production. OPRED has published guidelines on what such a programme should contain. Generally, unless there are re-use options, installations must be removed fully to shore for recycling or disposal although derogations are possible for some older facilities including concrete gravity bases and heavier steel jackets, under the Convention for the Protection of the Marine Environment of the North-East Atlantic (OSPAR) Decision 98/3. Pipelines may be left in situ if a comparative assessment suggests this is the best environmental option. There are no equivalent provisions for onshore facilities, where decommissioning is only subject to any stipulations of the local authority in terms of planning permission and to general environmental laws.

25.15. In December 2020, the government published the Energy White Paper in which it committed to work with regulators to make the UKCS a net zero basin by 2050. In September 2020, BEIS announced it would be reviewing its policy on the future UK offshore oil and gas licensing regime as part of its aim to meet the net zero target. The review will allow BEIS to plan for future oil and gas production in a way that aligns with tackling climate change. The Energy White Paper indicated the conclusions of the licensing review would be published in early 2021. In March 2021, at the same time as announcing the North Sea Transition Deal BEIS confirmed that it would be introducing a new climate compatibility checkpoint before each future oil and gas licensing round to ensure licences awarded are aligned with wider climate objectives, including net zero emissions by 2050 and the UK's diverse energy supply. The checkpoint will use the latest evidence, looking at domestic demand for oil and gas, the sector's projected production levels, the increasing prevalence of clean technologies such as offshore wind and carbon capture, and the sector's continued progress against its emissions reduction targets. If the evidence suggests that a future licensing round would undermine the UK's climate goals or delivery of net zero, it will not go ahead. The government will design and implement the checkpoint by the end of 2021 through extensive engagement with a wide range of stakeholders. In March 2021, BEIS announced that the government had entered into a North Sea Transition Deal with the oil & gas industry. The deal is intended to support existing companies to decarbonise, exploit new and emerging technologies (such as hydrogen production, carbon capture usage and storage (CCUS), offshore wind and decommissioning) and attract new industrial sectors to the UK, to support achieving the net zero target.

25.16. The MER UK Strategy came into effect in March 2016. It imposed a central obligation on all "relevant persons", including offshore licence holders and operators of offshore infrastructure, to take the steps necessary to secure the maximum value of economically recoverable petroleum that is recovered from the UK seabed. It set out key obligations and requirements for each stage of oil and gas projects (exploration to decommissioning). On 6 May 2020, the OGA opened a consultation on proposals to revise the MER UK strategy to include a requirement for the UK's oil & gas industry to help the government achieve the net zero target. The consultation closed on 29 July 2020. On 16 December 2020, the OGA submitted the revised strategy (now called the OGA Strategy) for laying before the UK Parliament. On 11 February 2021, the new OGA Strategy came into effect. The supporting obligations in the OGA strategy (which clarify how the oil and gas industry must comply with the central MER obligation) have been amended to reflect the net zero target and related considerations.

26. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made for Admission in respect of the Enlarged Issued Share Capital. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence at 8 a.m on 15 July 2021. Where applicable, the posting of definitive share certificates in respect of the Ordinary Shares is expected to occur within 14 days of Admission. Prior to despatch of definitive share certificates in respect of any Ordinary Shares which are not settled in CREST, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

No application is being made for the Ordinary Shares to be admitted to listing on the Official List of the London Stock Exchange or to be dealt in on any other exchange.

27. CREST

The Company has applied for the Enlarged Issued Share Capital to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes provided such a person is as a "system member" (as defined in the CREST Regulations) in relation to CREST. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrumentation accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

28. TAXATION

Your attention is drawn to the further information regarding taxation set out in paragraph 13 of Part V of this Document. These details are, however, intended only as a general guide to the current tax position for UK resident Shareholders under UK taxation law and you should seek independent advice if you are in any doubt as to your tax position and/or if you are subject to tax in a jurisdiction other than in the UK.

29. THE TAKEOVER CODE

The Company is incorporated in the UK and its Ordinary Shares will be admitted to trading on AIM. Accordingly, the City Code applies to the Company. Under Rule 9 of the City Code ("Rule 9"), any person who acquires an interest in shares (as defined in the City Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert (as defined in the City Code) with him) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

The Company has agreed with the Panel that the concert party comprises the following (the "Concert Party"):

1. Members of the Brown Family (Stephen Brown's family)

2. Members of the Hume Family (Alan Hume's family)

3. Greg Harding (Technical Director and director of the Company)

On Admission, the Concert Party will hold 49,556,372 Ordinary Shares, in aggregate, representing approximately 78 per cent. of the Enlarged Issued Share Capital.

Further information concerning the Takeover Code and the Concert Party is set in Paragraphs 5 and 6 of Part V of this Document.

30. FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts III, IV and V of this Document, and the "Risk Factors" set out in Part II. You are advised to read the whole of this Document rather than relying on the summary information set out on pages 1 to 36 of this Document before making any decision to invest in the Company.

PART II

RISK FACTORS

Any investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Ordinary Shares.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this Document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, Investors could lose all or part of their investment.

This summary of risk factors is not intended to be exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority. It should be noted that the risks described below are not the only risks faced by the Company and there may be additional risks that the Directors currently consider not to be material or of which they are currently not aware.

1. RISKS RELATING TO THE COMPANY AND ITS BUSINESS STRATEGY

1.1. THE COMPANY'S STRATEGY OF DEVELOPING THE PILOT FIELD IS DEPENDENT ON (i) RAISING FINANCE OR SUCCESSFULLY FARMING OUT THE PILOT DEVELOPMENT PROJECT AND (ii) UNDERTAKING SUBSTANTIAL TECHNICAL WORK

Upon closing of this financing, the Company will have insufficient funds to develop the Pilot Field and bring the field into production. The cost of all the component parts for bringing the field into production is anticipated to be c. US$1bn. In order to develop the Pilot Field and to be in a position to submit a Field Development Plan to the OGA, the Group will either need to secure a farm-in agreement with a Third Party; identify supportive contractors or raise a substantial amount of capital (or likely a combination of all of these). There is no guarantee the Group will be able to negotiate such an arrangement, or raise such finance, in a timely fashion, or at all. In addition, the preparation of a Field Development Plan is an extensive process and it will be difficult to complete all the work necessary for a complete FDP, prepared to OGA standards, in the required time frame.

If the Company fails to submit an FDP (with proof of funding) for development of any oil pools within P2244 by November 2022 the licence conditions will not have been satisfied by the required deadline; and a licence extension will be required. Accordingly, there is a risk that no extension will be granted and the OGA will force the Company to relinquish the P2244 Licence either wholly or in part. The Directors believe that provided the Company is working diligently towards delivering a fully financed FDP to the OGA that the OGA will look favourably on a request for an extension to the Second Term of the licence, however, there can be no guarantee that the OGA will amend the licence terms to extend the Second Term. The loss of licence P2244 would have a material adverse impact on the Group, its financial condition and its investment proposition as set out in this Admission Document.

1.2. THE COMPANY'S STRATEGY TO DEVELOP ITS OTHER FIELDS IS DEPENDENT ON THE COMPANY RAISING THE NECESSARY FUNDS

If the Company fails to demonstrate proof of funding to the OGA to drill any well on P2320 by May 2022 (though the well may be drilled after May 2022 and prior to May 2024) the OGA may force the Company to relinquish the P2320 Licence either wholly or in part if it does not grant the

Company an extension. If the Company does not acquire new seismic over part of P2482 by August 2022, the OGA may force the Company to relinquish the P2482 Licence either wholly or in part if it does not grant the Company an extension.

The anticipated combined cost of the above work is £9 million. The majority of these funds are not included in the use of proceeds, and accordingly these conditions can only be satisfied if the Company identifies further finance. If this finance is not identified and/or the milestones set out above are not achieved such that the OGA forces the Company to relinquish its licences, the loss of these licences would have a material adverse effect on the Group, its financial condition, its prospects and its plans as outlined in this Admission Document.

1.3. THE COMPANY HAS A LIMITED OPERATING HISTORY AND HAS NOT ACHIEVED COMMERCIAL PRODUCTION LEVELS FROM ANY OF ITS ASSETS.

A Polymer Flood Development of The Pilot Field is classified as Reserves. All of the Company's other discoveries, are currently classified as Contingent Resources.

The Group's assets currently comprise Reserves and Contingent Resources.

A. Proved Reserves are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

B. Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

C. Possible Reserves are those additional Reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves that are located outside of the 2P area (not upside quantities to the 2P scenario) may exist only when the commercial and technical maturity criteria have been met (that incorporate the Possible development scope). Standalone Possible Reserves must reference a commercial 2P project (e.g., a lease adjacent to the commercial project that may be owned by a separate entity), otherwise stand-alone Possible is not permitted.

D. Contingent Resources are those quantities of hydrocarbon estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.

Contingent Resources are further classified into the following categories reflecting project maturity:

A. Contingent Resources (development pending);

B. Contingent Resources (development unclarified);

C. Contingent Resources (development on hold); and

D. Contingent Resources (development not viable).

Under PRMS definitions of project maturity sub-classes, the Group's Contingent Resource volumes are classified as either "development not viable'' or "development unclarified" or "development on hold''.

The Company is an oil and gas exploration and production company focused on undeveloped oil and gas projects in the UKCS which has not yet begun to generate revenues and is not yet trading profitably. None of the Company's assets have achieved commercial production to date and the commercial viability of each of the Company's assets is dependent on a range of factors.

The Company's success will depend upon delivering upon its plan to develop its reserves and deliver commercial production as well as converting its assets that are currently classified as contingent into reserves and commercial production. The resources may not be considered commercially recoverable by the Company for a variety of reasons, including the high costs involved in recovering the resources, the price of oil and gas at the time, the availability of the Company's operational resources and other development plans that the Company may have.

If the Company is not successful in achieving commercial production from its assets, or fails to meet its targeted production timelines, the Company's business, financial condition, results of operations and prospects would be materially adversely affected.

1.4. THE COMPANY'S BUSINESS PLAN REQUIRES SUBSTANTIAL CAPITAL EXPENDITURE AND THE FUTURE EXPANSION AND DEVELOPMENT OF THE COMPANY'S BUSINESS WILL REQUIRE ADDITIONAL CAPITAL. AS SUCH, THE COMPANY MAY NOT BE ABLE TO GENERATE SUFFICIENT CASH FLOWS OR FINANCE ITS ACTIVITIES IN THE LONGER TERM IF IT IS UNABLE TO RAISE ADDITIONAL CAPITAL

The Company's business plan to exploit and commercialise its assets will require significant capital expenditure. The Company currently has no assets producing positive cash flow. The Company will also be required to make substantial capital expenditure for the identification, acquisition, exploration, development and production of oil and gas reserves and/or resources in the future.

The Company may be unable to conclude a farm-out agreement for any of its assets; to raise equity finance; to borrow from banks; to issue bonds; to secure deferrals in contractor payments nor be able to negotiate acceptable terms to extend the borrowings under its Facility Agreement with Shell.

The time to develop the Pilot Field may be materially longer than foreseen and the consequent costs greater and there is no assurance that the Company will be able to generate sufficient internal cash flow, or that the necessary debt or equity financing will be available, or will be sufficient, to meet the Company's funding requirements in the longer term to pursue its future strategic decisions, or that, if additional debt or equity financing is available, it will be on terms acceptable to the Company given, for example in the context of debt financing, the limited amount of cash reserves the Company currently has.

The Company may not be able to generate sufficient and sustainable cash flows or finance its activities in the longer term if it is unable to raise additional capital. The Company's inability to access sufficient capital for its operations may have a material adverse effect on its business, financial condition, results of operations and prospects.

1.5. THE COMPANY'S OPERATIONS ARE DEPENDENT ON THE AVAILABILITY OF DRILLING AND OTHER EQUIPMENT AND INDEPENDENT CONTRACTORS

The Company's operations are dependent on the availability of vessels, rigs, other drilling equipment and offshore services, including third party services in the UKCS. The Company will contract or lease services and equipment from third party providers and suppliers. Such equipment and services may be scarce and may not be readily available at the times and places required and/or the specific service providers that the Company wishes to engage with may not be available at the relevant times.

Whilst the Company has based its funding requirements on quotes received from supply and services firms including Crondall and Petrofac, a risk remains that the actual cost of these

services are materially higher than quoted or expected with a consequent adverse effect on the Company's financial performance and liquidity.

In addition, different types of fields require different types of vessels and rigs – the availability of which is, amongst other things, linked to the vessel or rig specifications. Even where the Company has secured rigs under a contract, the rigs will usually only be available for use after the current user has finished its drilling programme. If there are delays in the completion of the user's current drilling programme, the Company could be delayed in procuring contracted rigs. Under the terms of its licences, the Company may have a commitment to drill within a certain time frame. The Company, therefore, risks losing licences if it is delayed in obtaining, or fails to obtain, rigs and thus fails to meet its drilling commitments.

The scarcity of third party services and equipment as well as any increases in their costs, together with the failure of a third party provider or supplier to perform its contractual obligations, or an inability to achieve a commercially viable contract with a third party provider or supplier could delay, restrict or lower the profitability and viability of the Company's activities. This could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

1.6. THE COMPANY'S STRATEGY IS DEPENDENT ON RECEIVING CERTAIN APPROVALS, SPECIFICALLY APPROVAL OF THE CONCEPT SELECTION AND FDP, FROM THE OGA

Orcadian (CNS) has submitted a Concept Select Report for the proposed development of the Pilot Field. The Company has agreed a work programme to confirm and further define the selected concept, there can be no guarantee that the OGA will endorse the concept selected by the Company and the Company cannot submit a FDP until such approval is obtained. Furthermore, if the OGA does not approve the Concept Select Report or the FDP it will have a significant, material adverse impact on the Company's business, financial condition, results of operations and prospects.

1.7. THE ASSETS ARE LOCATED IN AREAS SUBJECT TO VARIABLE WEATHER CONDITIONS WHICH MAY RESTRICT THE PERIODS IN WHICH THE COMPANY CAN IMPLEMENT ITS DRILLING PROGRAMME

Weather conditions could impede the Company's exploration, data gathering, drilling and completion operations as well as offshore installation and commissioning activities on its assets and otherwise have a material adverse effect on its business, financial condition, results of operations and prospects.

1.8. TREATMENT OF PRODUCED WATER AND ASSOCIATED GAS COULD RESULT IN SIGNIFICANT FINANCIAL AND TECHNICAL COSTS

There may be unforeseen liabilities resulting from the associated gas produced from the oil wells of the Company. The production of such associated gas may result in the Company incurring significant financial and technical costs to meet its environmental liabilities. Any associated gas produced from the oil wells of the Company will need to be either used as fuel, exported, re-injected into a reservoir or flared. Accordingly, excess gas content could adversely impact project economics and profitability. Controls on the quantities of oil that can be discharged in process waters in the course of offshore operations have been implemented in the UK by the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005. Pursuant to such regulations, and in line with OSPAR Recommendation 2001/1 (as amended by OSPAR Recommendations 2006/4 and 2011/8). Although it is intended that all produced water is cleared and re-injected into the reservoir we note that associated water cannot be returned to the sea if its oil content exceeds a prescribed level – currently prescribed as 30 mg/l – and must either be used for an alternative purpose or treated at the surface. The Company is liable for the additional costs of including suitable treatment facilities on board its drilling rigs and/or any FPSO unit.

1.9. THE COMPANY MAY BE UNABLE TO ACQUIRE, RETAIN, CONVERT OR RENEW THE LICENCES, PERMITS AND OTHER REGULATORY APPROVALS NECESSARY FOR ITS OPERATIONS

The ability of the Company to develop and exploit oil and gas resources depends on the Company's continued compliance with the obligations of its current licences and the Company's ability to move into the production phase of each licence. The Company depends on licences whose grant and renewal is subject to the discretion of the relevant governmental authorities and cannot be assured. There can also be no assurance that the Company will be able to identify suitable licensing acquisition opportunities or that the Company will be able to make such acquisitions on appropriate terms.

It is also possible that the Company may be unable or unwilling to comply with the terms or requirements of the licences it holds, including the meeting of specified deadlines for prescribed tasks and other obligations set out in the work programmes attached to the licences. Non-compliance with these obligations may lead to revocation of the licence. Whilst in certain circumstances the relevant authority may agree to an extension of time to enable the licencee to agree to the obligation in question there is no guarantee that an extension will be given.

The Company, therefore, risks losing licences if it is delayed in obtaining, or fails to obtain, seismic surveys or rigs and thus fails to meet its drilling commitments.

1.10. INTERNAL SYSTEMS AND CONTROLS

The Company faces risks frequently encountered by developing companies such as under-capitalisation, cash shortages and limited resources. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Company's growth could have a material adverse effect on the Company's business, financial condition and results of operations.

1.11. ATTRACTION AND RETENTION OF KEY EMPLOYEES

The Company's success depends, to a large extent, on certain of its key personnel having expertise in the areas of exploration and development, operations, engineering, business development, oil and gas marketing, finance and accounting. The Company was founded by Stephen Brown and Greg Harding. A number of key people have been retained by the Company and these people are influential to the development and continued operation of the Company's business. The loss of the services of any key personnel (in particular Stephen Brown and Greg Harding) could have a material adverse effect on the Company.

In addition, the competition for qualified personnel in the oil and gas industry is intense. There can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

1.12. RETENTION OF KEY BUSINESS RELATIONSHIPS

The Company will rely significantly on strategic relationships with other entities and on good relationships with regulatory and governmental departments and upon third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts or the failure successfully to form new ones, could adversely impact the Company, its business, operating results and prospects.

1.13. FLUCTUATIONS IN CURRENCY EXCHANGE RATES MAY MATERIALLY AND ADVERSELY AFFECT THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATION

Many contracts that the Company proposes to enter into will most likely be denominated in US dollars. In addition, the Company's cash and cash equivalents are predominately held in sterling although the Company will hold cash balances in US dollars to meet actual or expected commitments in that currency. As a result, the Company is potentially exposed to adverse fluctuations in the exchange rates between sterling and US dollars.

1.14. FUTURE LITIGATION COULD ADVERSELY AFFECT THE COMPANY'S BUSINESS, RESULTS OF OPERATIONS OR FINANCIAL CONDITION

Damages and/or other remedies claimed under any litigation are difficult to predict, and may be material. The outcome of such litigation may materially impact the Company's business, financial condition, results of operations and prospects. While the Company will assess the merits of each lawsuit and defend itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation. In addition, adverse publicity surrounding such claims may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

1.15. THE COMPANY CANNOT ACCURATELY PREDICT ITS FUTURE DECOMMISSIONING LIABILITIES

The Group, through its licence interests, expects to assume certain obligations in respect of the decommissioning of its wells, fields and related infrastructure. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Company to make provisions for and/or underwrite the liabilities relating to such decommissioning. It is difficult to accurately forecast the costs that the Company will incur in satisfying its decommissioning obligations. When its decommissioning liabilities crystallise, the Company will be liable either on its own or jointly and severally liable for them with any other former or current partners in the field. In the event that it is jointly and severally liable with other partners and such partners default on their obligations, the Company will remain liable and its decommissioning liabilities could be magnified significantly through such default. Any significant increase in the actual or estimated decommissioning costs that the Company incurs may adversely affect its financial condition.

1.16. SHELL CONSENT

Pursuant to the terms of an agreement with Shell (see paragraph 11.11 in Part V of this Document) the Company requires the consent of Shell before disposing of any interest in its licences. The disposal of part of the licences is likely to be a material part of any financing arrangement that the Company looks to enter into. If the consent of Shell cannot be obtained, it could have a material adverse impact on the Company's prospects, financial condition, results of operations and its ability to progress its strategy as set out in this Document.

1.17. THE COMPANY MAY FARM DOWN PART OF ITS LICENCE INTERESTS AND MAY RELY ON THIRD PARTIES TO OPERATE SUCH LICENCE INTERESTS

Although the Company intends to act as licence operator and to retain a high working interest in all of its exploration assets during the exploration and early appraisal stage where there is known oil on structure, in due course the Company may, subject to OGA consent, farm down part of its licence interests to third parties, some of which may act as operator. Operating agreements with third party operators typically provide for a right of consultation or consent in relation to significant matters and generally impose standards and requirements in relation to the operator's activities. However, in the event that the Company does not act as operator in respect of certain of its licence interests, the Company will generally have limited control over the day-to-day management or operations of those assets and will therefore be dependent upon the third party operator. A third party operator's mismanagement of an asset may result in significant delays or materially increased costs to the Company. The Company's return on assets operated by others will therefore depend upon a number of factors that may be outside the Company's control, including the timing and amount of capital expenditures, the operator's expertise and financial

resources, the approval of other participants, the selection of technology and risk management practices.

Generally, failure by any licence partner (whether the operator or otherwise) to fulfil its financial obligations may increase the Company's exposure related to the licence in question. Any significant increase in costs as a consequence of joint and several liabilities may materially adversely affect the financial condition of the Company.

1.18. RELIANCE ON THIRD PARTY INFRASTRUCTURE

The Company's activities may become dependent upon the availability of third party infrastructure which, if it fails, or is not, or ceases to be, available on reasonable commercial terms, or at all, may result in delays to field development and production or impossibility of field development and production which would result in delayed, lower than expected or no cash generation by the Company. This would have a material adverse effect on the Company's business, prospects, financial condition and operations.

1.19. MARKET PERCEPTION

Market perception of junior exploration and production companies, as well as oil and gas companies in general, may change which could impact on the value of the investors' holdings and the ability of the Company to raise further funds through the issue of further Ordinary Shares or otherwise.

1.20. PROJECT DEVELOPMENT RISKS

There can be no assurance that the Company will be able to manage effectively the expansion of its operations or that the Company's current personnel, systems, procedures and controls will be adequate to support the Company's operations. This includes among other things, the Company managing the acquisition of required FDP approvals, environmental approvals, safety case approvals, pipeline work authorisations, flare consents and other related issues. Any failure of the Board to manage effectively the Company's growth and development could have a material adverse effect on the Company's business, financial condition and results of operations. There is no certainty that all, or indeed, any of the elements of the Company's current strategy will develop as anticipated and that the Company will be profitable.

1.21. ENVIRONMENTAL, HEALTH AND SAFETY AND OTHER REGULATORY STANDARDS

The projects in which the Company invests and its existing and potential production and exploration activities are subject to various laws and regulations relating to the protection of the environment (including regular environmental impact assessments and the obtaining of appropriate permits or approvals by relevant environmental authorities) and are also required to comply with applicable health and safety and other regulatory standards. Environmental legislation in particular can comprise numerous regulations which might conflict with one another and which cannot be consistently interpreted. Such regulations typically cover a wide variety of matters including without limitation prevention of waste pollution and protection of the environment, labour regulations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. As a result, although the Company intends to operate in accordance with the highest standards of environmental practice and comply in all material respects, full compliance with applicable environmental laws and regulations may not always be ensured.

The current and anticipated operations of the Company, including further exploration, appraisal, development, production and ultimately decommissioning activities require permits from various national and local governmental authorities. Such operations are subject to a substantial body of laws and regulations governing land use, the protection of the environment, production, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters.

Any changes to, and increases in, current regulation or legal requirements, with the enforcement thereof, may have a material adverse effect upon the Company in terms of additional compliance

costs. Unfavourable amendments to current laws, regulations and permits governing operations and activities of development and/or production companies, or more stringent implementation thereof, could have a materially adverse impact on the Company and cause increases in capital expenditures which could result in a cessation of operations by the Company.

Any failure to comply with relevant environmental, health and safety and other regulatory standards may subject the Company to extensive liability, fines and/or penalties and have an adverse effect on the business and operations financial results or financial position of the Company. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Company's business or have an otherwise negative impact on its operations. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation or additional equipment or remedial actions.

1.22. FLUCTUATIONS OF REVENUES, EXPENSES AND OPERATING RESULTS

Future revenues, expenses and operating results of the Company could vary significantly from period to period as a result of a variety of factors, some of which are outside its control. These factors include general economic conditions, adverse movements in interest rates, conditions specific to the oil and gas market, seasonal trends in revenues, capital expenditure and other costs and the introduction of new products or services to the market. In response to a changing competitive environment, the Company may elect from time to time to make certain pricing, service or marketing decisions or investments that could have a material adverse effect on the Company's revenues, results of operations and financial conditions and prospects.

1.23. THIRD-PARTY CREDIT RISK

The Company is and may in the future be exposed to third-party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and production and other parties. Significant changes in the oil and natural gas industry, including fluctuations in commodity prices and economic conditions, environmental regulations, government policy and other geopolitical factors, could adversely affect the Company's ability to realise the full value of its accounts receivable.

Typically, oil and gas operations are funded pro rata to the participants' interests in the licences or concessions, accordingly to budgets and work programmes drawn up by the operator and approved by the requisite majority of the participants, subject to variations as agreed between the participants. Any failure of a participant to pay its share of operational costs in whole or in part may increase the costs for the other participants and/or lead to delays or changes to proposed operations, which may have a material and adverse effect on the Company's business, financial condition, results of operations or prospects.

1.24. PRODUCTION

The delivery of the Company's plans depends on the successful development of key projects. This involves risks normally incidental to such activities including blowouts, oil spills, explosions, fires, equipment damage or failure, natural disasters, geological uncertainties, unusual or unexpected rock formations, abnormal pressures, seismic events, availability of technology and engineering capacity, availability of skilled resources, maintaining project schedules and managing costs, as well as technical, fiscal, regulatory, political and other conditions. Such potential obstacles may impair the Company's continuation of existing field production and delivery of key projects and, in turn, the Company's operational performance and financial position (including the financial impact from failure to fulfil contractual commitments related to project delivery). The Company may face interruptions or delays in the availability of infrastructure, including pipelines and storage vessels, on which exploration and production activities are dependent. The production performance of the reservoirs and wells may also be different to that forecast due to normal geological or mechanical uncertainties. Such interruptions, delays or performance differences could result in disruptions or changes to the Company's

existing production and projects, lower production and increased costs, and may have an adverse effect on the Company's profitability.

2. RISKS ASSOCIATED WITH THE OIL AND GAS INDUSTRY

2.1. A MATERIAL DECLINE IN OIL AND GAS PRICES MAY ADVERSELY AFFECT THE COMPANY'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Both oil and gas prices can be volatile and subject to fluctuation in response to relatively minor changes in the supply of, and demand for, oil and gas, market uncertainty and a variety of additional factors that are beyond the control of the Company. Historically, oil and gas prices have fluctuated widely for many reasons, including global and regional supply and demand; political, economic and military developments in oil and gas producing regions, particularly the Middle East; domestic and foreign governmental regulations and actions; global and regional economic conditions and weather conditions and natural disasters. It is impossible to predict accurately future oil and gas price movements. Accordingly, oil and gas prices may not remain at their current levels. Although the Company is not yet an active producer of oil and gas, declines in oil and gas prices may adversely affect market sentiment and as a consequence the market price of the Ordinary Shares, and furthermore may affect the Company's cash flow, liquidity and profitability, and limit the amount of oil and gas that the Company could potentially market in the future.

2.2. THE OIL AND GAS RESERVE AND RESOURCE DATA IN THIS ADMISSION DOCUMENT ARE ONLY ESTIMATES, AND THE COMPANY'S PRODUCTION, REVENUE AND EXPENDITURE WITH RESPECT TO ITS RESERVES AND RESOURCES MAY BE MATERIALLY DIFFERENT FROM SUCH ESTIMATES

There are numerous uncertainties inherent in estimating quantities of proved, probable and possible reserves and contingent and prospective resources and associated future production and cash flows, including many factors beyond the control of the Company. The resources and associated production opex, capex and abandonment profiles set forth in the CPR and this Admission Document represent estimates only. In general, any estimate of the quantity of economically recoverable oil and gas resources and associated production, opex, capex and abandonment profiles will be based upon a number of variable factors and assumptions made as at the date on which the resources estimates were determined, such as historic production rates, ultimate reserves recovery, interpretation of geological and geophysical data, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, continuity of current fiscal policies and regulatory regimes, future oil and gas prices, operating costs, development and production costs and workover and remedial costs, all of which may vary from actual results. Estimates are also to some degree speculative, and classifications of resources are only attempts to define the degree of speculation involved. For these reasons, estimates of the economically recoverable oil and gas resources attributable to a particular group of properties, the classification of such resources based on risk of recovery and estimates of expected future net revenues prepared by different engineers, or by the same engineers at different times, may vary. As a result, the estimates of the Company's reserves and resources may require substantial upward or downward revisions if subsequent drilling and testing reveal differences. Any downward adjustment could indicate lower future production and thus adversely affect the Company's business, financial condition, results of operations and prospects. Furthermore, a decline in the Company's resources may affect its ability to raise or access sufficient capital in the longer term for its future operations. Estimates of proved, probable and possible reserves and resources that may be developed and produced in the future are often not based on actual production history but on volumetric calculations and analogies to similar types of reserves and resources. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves and resources based on production history and production practices may result in variations in the estimated reserves and resources and these variations could be material. The resource data set forth in the CPR and this Admission Document has been prepared in accordance with the standards established by the 2018 SPE/AAPG/WPC/SPEE/SPWLA/EAGE Petroleum Resource Management System. Prospective investors are cautioned not to assume that all or any part of "contingent'' or "prospective'' resources will ever be converted into "proved, probable'' or "possible'' reserves.

2.3. THE COMPANY'S SUCCESS DEPENDS ON ITS ABILITY TO EXPLORE, APPRAISE AND DEVELOP OIL AND GAS RESOURCES THAT ARE ECONOMICALLY RECOVERABLE

The Company's long-term commercial success depends on its ability to explore, appraise, develop and commercially produce oil and gas resources. Exploration and development activities are inherently risky and there can be no assurance that any material resources will be established from any of its assets, any of the Company's contingent resources or prospective resources will be converted into commercial production, or that the Company will meet its targeted production timelines for reserves. Future increases in the Company's resources or conversion of any of them into reserves will depend not only on its ability to explore, appraise and develop its existing assets but also on its ability to select and acquire suitable additional assets either through awards at licensing rounds or through acquisitions. From time to time the Company may submit applications for further licences in the UKCS. However, there can be no assurance that the Company will be awarded such licences, that the Company will accept such licences (if so awarded) or that the Company will be able to commercially develop the assets which are the subject of such licences. There are many reasons why the Company may not be able to find or acquire oil and gas reserves or resources or develop them for commercially viable production. For example, the Company may be unable to negotiate commercially reasonable terms for its acquisition, appraisal, development or production activities. Factors such as adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from the political, environmental and other conditions in the areas where the reserves or resources are located or through which the Company's products are transported may increase costs and make it uneconomical to develop potential reserves or resources. The costs of drilling, completing and operating wells is often uncertain. As a result, the Company may incur cost overruns or may be required to curtail, delay or cancel drilling operations because of many factors, including unexpected drilling conditions, irregularities in geological formations, equipment failures or accidents, adverse weather conditions, compliance with environmental regulations, governmental requirements and shortages and delays in the availability of drilling rigs and the delivery of equipment. Without successful acquisition or exploration activities, the Company's resources, production and revenues (if achieved) will decline. There is no assurance that the Company will discover, acquire or develop further commercial quantities of hydrocarbons.

2.4. THE COMPANY MAY MISS OUT ON OPERATIONAL OPPORTUNITIES IF IT IS UNABLE TO SUCCESSFULLY COORDINATE ITS EXPLORATION PROJECTS

The Company's operational projects require key asset delivery personnel to be resourced and the co-ordination of a number of activities including obtaining seismic data, carrying out subsea surveys and securing rig capacity for the necessary drilling. There are long lead times to arrange these activities and if the Company fails to successfully obtain the necessary personnel in time or to co-ordinate the timely delivery or completion, as the case may be, of any of these activities, it may miss out on operational opportunities or may be required to incur additional expenditure. The Company's exploration projects also require the procurement of long lead items such as rig contracts, well heads, well test equipment and specialist logging tools. A failure to procure these items in a timely manner may delay operations and increase expenditure.

2.5. EXPLORATION AND APPRAISAL PROJECTS DO NOT NECESSARILY RESULT IN A PROFIT ON THE INVESTMENT OR THE RECOVERY OF COSTS

Exploration and appraisal activities are capital intensive and inherently uncertain in their outcome. The Company's oil and gas exploration and appraisal projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity, adverse geological conditions and technical and operational difficulties as a result of the water depth and strata depth of the drilling environment (including operational difficulties in avoiding drilling fluid losses and preventing substantial formation

damage during drilling) and other factors. While diligent well supervision and effective maintenance operations can contribute to maximising production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and may adversely affect the Company's business, financial condition, results of operations and prospects.

2.6. THE COMPANY'S OPERATIONS ARE SUBJECT TO A NUMBER OF RISKS AND HAZARDS THAT MAY RESULT IN MATERIAL LOSSES IN EXCESS OF INSURANCE PROCEEDS

Oil and gas exploration, development and production operations are inherently risky and hazardous. Risks typically associated with these operations include unexpected formations or pressures, premature decline of reservoirs, drilling damage (which can lead to reduced productivity), early water encroachment and the intrusion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on the Company's business, financial position, results of operations and prospects. Hazards typically associated with offshore oil and gas exploration, development and production operations include fires, explosions, blowouts, marine perils (including severe storms and other adverse weather conditions which may restrict the periods in which the Company can implement its drilling programme), vessel collisions, gas leaks and oil spills, each of which could result in substantial damage to oil and gas wells, production facilities, other property and the environment or in personal injury or could result in government intervention which could in turn negatively impact on the Company's operations. Oil and gas installations are also known to be likely objects, and even targets, of military operations and terrorism. Although the Company will exercise due care in the conduct of its business and obtain insurance prior to drilling in accordance with industry standards to cover certain of these risks and hazards, insurance is subject to limitations on liability and, as a result, may not be sufficient to cover all of the Company's losses. In addition, the risks or hazards associated with the Company's operations may not in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific events due to the high premiums associated with such insurance or for other reasons. The occurrence of a significant event against which the Company is not fully insured, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The payment by the Company's insurers of any insurance claims may result in increases in premiums payable by the Company for its insurance cover and adversely affect the Company's financial performance. In the future, some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

2.7. FORCE MAJEURE

The Company's operations, now or in the future, may be adversely affected by risks outside the control of the Company, including but not limited to: labour unrest, civil disorder, war, subversive activities or sabotage, fire, floods, explosions or other catastrophes, epidemic or quarantine restrictions.

2.8. THE COMPANY'S BUSINESS IS SUBJECT TO GOVERNMENT REGULATION WITH WHICH IT MAY BE DIFFICULT TO COMPLY AND WHICH MAY CHANGE

The Company's oil and gas operations are principally subject to the laws and regulations of England (and in certain instances Scotland), including those relating to health and safety, the environment and the production, pricing and marketing of oil and gas. In addition, the Company will be subject to laws affecting taxation, royalties and duties. In order to conduct its operations in compliance with these laws and regulations, the Company must obtain licences and permits from various government authorities. The grant, continuity and renewal of the necessary approvals, permits, licences and contracts, including the timing of obtaining such licences and the terms on which they are granted, are subject to the discretion of the relevant governmental and local authorities in the United Kingdom and cannot be assured. In addition, the Company may incur substantial costs in order to maintain compliance with these existing laws and regulations and additional costs if these laws are revised or if new laws affecting the Company's operations are passed.

2.9. THE UNITED KINGDOM EXITED THE EUROPEAN UNION ON 31 DECEMBER 2020 (COMMONLY REFERRED TO AS "BREXIT").

Brexit has created significant political, social and macroeconomic uncertainty for the United Kingdom and Europe and could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Worsening of general economic conditions in the UK could significantly affect the Company's activities.

2.10. THE COMPANY'S OPERATIONS EXPOSE IT TO SIGNIFICANT COMPLIANCE COSTS AND LIABILITIES IN RESPECT OF EHS MATTERS

The Company's operations and assets are affected by numerous laws and regulations concerning EHS matters including, but not limited to, those relating to discharges of hazardous substances into the environment, the handling and disposal of waste and the health and safety of employees.

The technical requirements of these laws and regulations are becoming increasingly complex, stringently enforced and expensive to comply with and this trend is likely to continue. Any failure to comply with EHS laws and regulations may result in regulatory action (which can include statutory orders requiring steps to be taken or prohibiting certain operations), the imposition of fines or the payment of compensation to third parties. All of these liabilities and any other regulatory actions could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Certain EHS laws provide for strict, joint and several liability, without regard to negligence or fault, for natural resource damages, health and safety, remediation and clean-up costs of spills and other releases of hazardous substances, and such laws may impose liability for personal injury or property damage as a result of exposure to hazardous substances. Further, such EHS laws and regulations may expose the Company to liability for the conduct of others or for acts that complied with all applicable EHS laws when they were performed. In addition, the enactment of new EHS laws or regulations or stricter enforcement or new interpretations of existing EHS laws or regulations could have a significant impact on the Company's operating or capital costs and require further expenditure to modify operations, upgrade employee and contractor accommodation and other infrastructure, install pollution control equipment, perform clean-up operations, curtail or cease certain operations, or pay fines or make other payments for pollution, discharges or other breaches of EHS requirements. There can be no assurances that the Company will be able to comply with such EHS laws in the future. The failure to comply with such EHS laws or regulations could result in substantial costs and/or liabilities to third parties or government entities which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

2.11. A VIOLATION OF EHS REQUIREMENTS AND THE OCCURRENCE OF ANY ACCIDENTS COULD DISRUPT THE COMPANY'S OPERATIONS AND INCREASE OPERATING COSTS

EHS authorities such as OPRED and the Health and Safety Executive have extensive enforcement powers under EHS laws. These powers extend to statutory notices to require operational steps and to prohibit certain activities or operations until compliance is achieved. A violation of EHS laws or failure to comply with the instructions of the relevant EHS authorities could therefore lead to, among other things, a temporary shut down of all, or a portion of, the Company's facilities and the imposition of costly compliance procedures. If EHS authorities shut down all, or a portion of, the Company's facilities or impose costly compliance measures, the Company's business, financial condition, results of operations and prospects would be materially and adversely affected.

The nature of the Company's operations creates a risk of accidents and fatalities among its workforce, and the Company may be required to pay compensation or suspend operations as a result of such accidents or fatalities, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

2.12. THE COMPANY OPERATES IN A COMPETITIVE INDUSTRY

The Company competes with numerous other participants, including major international oil and gas companies, in the search for and the acquisition of oil and gas assets, and in the marketing of oil and gas. The Company's ability to increase resources and create reserves in the future will depend not only on its ability to exploit and develop its present assets but also on its ability to select and acquire suitable producing assets or prospects for exploratory or appraisal drilling. A number of the Company's competitors have substantially greater financial and personnel resources. Larger and better capitalised competitors may be in a position to outbid the Company for particular licences and such competitors may be able to secure rigs for drilling operations preferentially to the Company.

These competitors may also be better able to withstand sustained periods of unsuccessful drilling. Larger competitors may be able to absorb the burden of any changes in law and regulations more easily than the Company, which would adversely affect its competitive position. In addition, many of the Company's competitors have been operating for a much longer time and have demonstrated the ability to operate through industry cycles.

The Company's competitors have strong market power as a result of several factors, including the diversification and reduction of risk, including geological, price and currency risks; greater financial strength facilitating major capital expenditures; greater integration and the exploitation of economies of scale in technology and organisation; strong technical experience; increased infrastructure and reserves and strong brand recognition. In addition, there is an increased risk of competition should these companies decide to expand their operations. Due to this competitive environment, the Company may be unable to acquire attractive, suitable assets, licences or prospects on terms that it considers acceptable. As a result, the Company's revenues may be adversely affected, thereby materially and adversely affecting its business, financial condition, results of operations and prospects.

2.13. THE COMPANY'S TAX LIABILITY COULD INCREASE SUBSTANTIALLY AS A RESULT OF CHANGES IN, OR NEW INTERPRETATIONS OF, TAX LAWS IN THE UNITED KINGDOM

The Company is subject to taxation in the United Kingdom where it is faced with increasingly complex tax laws. The amount of tax the Company pays could increase substantially as a result of changes in, or new interpretations of, these laws, which could have a material adverse effect on its liquidity and results of operations. During periods of high profitability in the oil and gas industry, there are often calls for increased or windfall taxes on oil and gas revenue. Taxes have increased or been imposed in the past and may increase or be imposed again in the future. Levels of taxation relief may also decrease or be no longer available to the Company due to changes in, or new interpretations of, tax laws. In addition, taxing authorities could review and question the Company's tax returns leading to additional taxes and penalties which could be material. The tax treatment of decommissioning expenditure (where relevant) could also have a material impact on the economics of the Company's assets.

It is possible, following a motion passed by the Scottish Government to hold a Scottish Independence Referendum, that Scotland may vote to become independent from the remainder of the United Kingdom. To the extent Scotland became an independent country, the details of any changes are impossible to predict with certainty at present and will depend on post-referendum negotiations and agreements between the Scottish Government and other organisations at UK and international level. Scottish independence could result in changes, inter alia, in the monetary system, currency, taxation, regulatory and legal framework. Some possible outcomes of independence could have an adverse effect on the Company's business, financial condition and results of operations in the future.

2.14. MACROECONOMIC RISKS COULD RESULT IN AN ADVERSE IMPACT ON THE COMPANY'S FINANCIAL CONDITION

The extent to which the global economic slowdown currently being experienced may adversely affect the Company's major operations and the timing of that impact is uncertain. The links between economic activities in different markets and sectors are complex and depend not only on direct drivers such as the balance of trade and investment between countries, but also on domestic monetary, fiscal and other policy responses to address macroeconomic conditions.

2.15. SPECULATIVE NATURE OF OIL AND GAS EXPLORATION

Oil and gas exploration operations are inherently speculative with no assurance that any exploration operations will result in any kind of commercial production. The techniques presently available to engineers and geologists to identify the existence and location of hydrocarbons are not infallible. Personal subjective judgment of engineers and/or geologists is involved in the selection of any prospect for drilling. In addition, even when drilling successfully identifies commercial volumes of hydrocarbons, unforeseeable operating problems may render it uneconomic for the Company to produce oil from a particular well.

2.16. RISK OF CRIME, CORRUPTION AND FRAUD

Oil and gas companies have been known to experience high levels of criminal activity and governmental and business corruption. They may be particular targets of criminal, terrorist actions or fraud. Criminal, corrupt or terrorist action against the Company and its directly or indirectly held assets or facilities could have a material adverse impact on the Company's business, results of operations or financial condition. In addition, the fear of criminal, terrorist actions or fraud against the Company could have an adverse effect on the ability of the Company to adequately staff and/or manage its operations or could substantially increase the costs of doing so.

The Company is not aware of any current or threatened investigations relating to or any adverse findings against the Company or any of its directors, employees, officers or joint venture partners. If any such investigations are made and substantiated in future against the Company, its directors, officers, employees or potentially its joint venture partners, or such persons are found to be involved in corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against the Company, its directors, officers or employees. Any such findings in the future could damage the Company's reputation and its ability to do business and could adversely affect its financial condition and results of operations. Furthermore, alleged or actual involvement in corrupt practises or other illegal activities by any joint venture partners of the Company, or others with whom the Company directly or indirectly conducts business, could also damage the Company's reputation and business.

2.17 CORONAVIRUS

A high degree of uncertainty exists around the impact of the COVID-19 pandemic on the economy and the Group. Given a significant number of Government schemes designed to support the economy through the pandemic are still in place, the full economic impact of COVID-19 is unknown.

It has been suggested that the economic fall-out from COVID-19 could trigger a deep, long lasting recession. Finally, there may also be changes as a consequence of COVID-19 that impact the Group, but which are currently unknown to the Directors and cannot be reasonably predicted. All these factors have the potential to affect adversely the Company's financial condition, results of operations and prospects.

2.18. PAYMENT OBLIGATIONS

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

2.19. LITIGATION

The operating hazards inherent in the Company's business expose the Company to litigation, including personal injury litigation, environmental litigation, contractual litigation with clients, intellectual property litigation, tax or other litigation.

The petroleum industry, as with all industries, may be subject to legal claims including personal injury claims, both with and without merit, from time to time. The Directors cannot preclude that such litigation may be brought against the Company in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position, results or operations. The Company's business may be materially adversely affected if the Company and/or its employees or agents are found not to have met the appropriate standard of care or not exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

2.20. MARKET RISK

The continued marketing of the oil that the Company produces will be dependent on market fluctuations and the availability of processing and refining facilities and transportation infrastructure, including access to shuttle tankers, over which the Company may have limited or no control. Transportation rates may be increased with little or no notice and without taking into account producer concerns.

Producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance.

The marketability and prices of oil that may be discovered or acquired by the Company will be affected by numerous factors beyond its control.

2.21. TECHNOLOGICAL DEVELOPMENTS

The Company may not be able to keep pace with technological developments in its industry. The oil industry is characterised by rapid and significant technological advancements and introductions of new products and services using new technologies. As others use or develop new technologies, the Company may be placed at a competitive disadvantage, and competitive pressures may force the Company to implement those new technologies at substantial cost. In addition, other oil companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Company can. The Company may not be able to respond to these competitive pressures and implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies the Company uses now or in the future were to become obsolete or if the Company is unable to use the most advanced commercially available technology, the Company's business, financial condition and results of operations could be materially and adversely affected.

2.22. INCREASE IN DRILLING AND PRODUCTION COSTS AND THE AVAILABILITY OF DRILLING EQUIPMENT

The oil industry historically has experienced periods of rapid cost increases. Increases in the cost of exploration, production and development would affect the Company's ability to invest in prospects and to purchase or hire equipment, supplies and services. In addition, the availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. The reduced availability of equipment and services may delay its ability to exploit reserves and adversely affect the Company's operations and profitability. Such pressures are likely to increase the actual cost of services, extend the time to secure such services and add costs for damages due to any accidents sustained from the overuse of equipment and inexperienced personnel. Delays in drilling and other exploration activities, the possibility of poor services coupled with potential damage to downhole reservoirs and personnel injuries may also result in increased costs.

Other factors affecting the production and sale of oil and natural gas that could result in decreases in profitability or otherwise adversely affect the Company's operations include: (i) expiration or termination of leases, concession right, consents, permits or licences, or sales price redeterminations or suspension of deliveries; (ii) future litigation; (iii) the timing and amount of

insurance recoveries; (iv) work stoppages or other labour difficulties; (v) worker vacation schedules and related maintenance activities: and (vi) limitations on access to transport capacity. There can be no assurance that these or similar issues may not cause disruptions to the Company's ability to produce or sell oil in the future.

2.23. DELAYS IN PRODUCTION AND TRANSPORTATION

Various production, marketing and transportation conditions may cause delays in oil production and adversely affect the Company's business. The inability to complete wells in a timely manner would result in production delays and could have a material adverse effect on the Company's financial position and future results of operations.

2.24. THE COMPANY'S OPERATIONS AND DEVELOPMENT PROJECTS COULD BE ADVERSELY AFFECTED BY SHORTAGES OF, AS WELL AS LEAD TIMES TO DELIVER, CERTAIN KEY INPUTS

The inability to obtain, in a timely manner, strategic consumables, raw materials, drilling and processing equipment could have an adverse impact on any results of operations and financial condition. Periods of high demand for such supplies can result in periods when availability of supplies are limited and cause costs to increase above normal inflation rates. Any interruption to supplies or increase in costs could adversely affect the operating results and cash flows of the Company.

2.25. OVER-RUN OF DRILLING PROGRAMME AND COSTS OVER-RUN

It may not be possible for the Company, as the operator of certain Licences, to adhere to agreed drilling schedules. This may impact all participants in the Licences, and their future plans. The project partners' final determination of whether to drill any scheduled or budgeted wells will depend on a number of factors including:

- results of the exploration efforts and the acquisition, review and analysis of seismic data, if any;
- availability of sufficient capital resources and any other participants for the drilling of the prospects;
- approval of the prospects by other participants after additional data has been compiled;
- economic and industry conditions at the time of drilling, including prevailing and anticipated process for oil and natural gas and the availability and prices of drilling rigs and crews; and
- availability of leases, licence options, farm-outs, other rights to explore and permits on reasonable terms for the prospects

Although the Company, as the operator of certain Licences, will at the time identify or budget for drilling prospects, it will require the approval of all or a requisite majority of the participants of those Licences. It may not be possible to drill those prospects within the expected timeframe, or at all, and the drilling schedule, once agreed, may vary from its expectations because of future uncertainties and rig availability and access to drilling locations. In addition, there is a risk that no commercially productive oil or gas reservoirs will be discovered.

2.26. DEPENDENCE ON THIRD PARTY SERVICES

The Company may rely on products and services provided by independent third parties, such as undertaking due diligence and technical reviews, carrying out drilling activities and delivering oil products, and providing general financial and strategic advice. If there is any interruption to the products or services provided, or failure to perform those services with due care and skill, by such third parties, the Company's business could be adversely affected and the Company may be unable to find adequate replacement services on a timely basis, if at all, and/or on acceptable commercial terms. This may have a material adverse effect on the business, financial conditions, results of operations and prospects of the Company.

2.27. OPERATIONAL RISKS

Drilling, appraisal, exploration, construction, development and production activities may involve significant risks and operational hazards and environmental, technical and logistical difficulties, as usually associated with oil and gas operations. These include, inter alia, the possibility of uncontrolled hydrocarbon emissions, fires, earthquake activity, extreme weather conditions, coastal erosion, explosions, blowouts, cratering, over-pressurised formations, unusual or unexpected geological conditions, unpredictable drilling-related problems, equipment failure, labour disputes and the absence of economically viable reserves. These hazards may result in delays or interruption to production, cost over-runs, the failure to produce oil in commercial quantities, substantial losses and/or exposure to substantial environmental and other liabilities, including potential litigation and clean-up or other remedial costs. Damages claimed in connection with any consequent litigation and the costs to the Company in defending itself against such litigation are difficult to predict and may be material. In addition, the Company could experience adverse publicity as a result of any such litigation. Any loss of production or adverse legal consequences stemming from production hazards could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

2.28. NON ACHIEVEMENT OF ANTICIPATED TIMETABLES

Drilling rigs or other equipment may not be available at the time envisaged (due to, for example, delays in making appropriate modifications, adverse weather conditions, insolvency of the owners or total loss) or may fail to perform in accordance with the Directors' expectations in regard to the timetable. There is no guarantee that replacement equipment will be available on reasonable commercial terms or at all.

Failure to meet the expected timetables may result in the Company being unable to generate cash from those assets. This would have a material adverse effect on the Company's business, prospects, financial condition and operations.

The Company's anticipated timetables for all of its current and expected operations are estimates of the Directors based on a number of variables not all of which are under the Company's direct control. If the timetable estimates prove to be wrong or the operators or any of the participants in the Licences do not take the actions in relation to maintaining or developing the assets then it may lead to delays or further problems which may have a material adverse effect on the Company's business, prospects, financial conditions and operations.

2.29. EXISTING AND PROPOSED LEGISLATION AND REGULATION AFFECTING GREENHOUSE GAS EMISSIONS MAY ADVERSELY AFFECT CERTAIN OF THE COMPANY'S OPERATIONS

Many participants in the oil and gas sector are subject to current and planned legislation in relation to the emission of carbon dioxide, methane, nitrous oxide and other so called "greenhouse gases".

Failure to comply with existing legislation or any future legislation could adversely affect the Company's profitability. Future legislative initiatives designed to reduce the consumption of hydrocarbons could also have an impact on the ability of the Company to market its commodities and/or the prices which it is able to obtain. These factors could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

The Company cannot predict future government policies and whilst the current UK government is supportive of the oil and gas industry there is no guarantee that a change of government which results in a change of policy will not occur. Given the drive to a net zero agenda, future Government policy may even include closing all oil and gas business on the UKCS. This would have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

3. RISKS RELATING TO ORDINARY SHARES

3.1. RISK ATTACHING TO THE MARKET IN ORDINARY SHARES

As the Ordinary Shares have not previously traded, their market value is uncertain. There can be no assurance following Admission the market will value the Ordinary Shares at the Admission Price.

Following Admission, the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment. The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, stock market conditions may affect the Ordinary Shares regardless of the operating performance of the Company. Stock market conditions are affected by many factors, such as general economic outlook or interest rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply of capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which pertain to the Company while others of which may be outside the Company's control.

3.2. FLUCTUATIONS IN THE PRICE OF ORDINARY SHARES

The market price of Ordinary Shares may be subject to fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts and factors outside the Company's control including but not limited to general economic conditions, the performance of the overall stock market, other Shareholders buying or selling large numbers of Ordinary Shares and changes in legislation or regulations.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Ordinary Shares.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than, or lose all of, their original investment.

3.3. AIM

Application has been made for the Ordinary Shares to be admitted to AIM, a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success, and liquidity in the market for the Company's securities, cannot be guaranteed.

3.4. REALISATION OF INVESTMENT

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. Potential investors should be aware that the value of Ordinary Shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times. Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise.

In the event of a winding-up of the Company, the Ordinary Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet prior entitlements of creditors.

3.5. LIQUIDITY OF ORDINARY SHARES

Admission to AIM should not be taken as implying that there will be a liquid market for Ordinary Shares. It may be more difficult for an investor to realise their investment in the Company than in a company whose shares are quoted on the Official List.

3.6. FINANCING RISKS AND REQUIREMENTS FOR FURTHER FUNDS

Successful exploration for, or the development of, oil and gas on any project will require very significant capital investment. The major source of financing currently available to the Company (other than through the cash raised pursuant to the Placing) is through the issue of additional equity capital or through bringing in partners to fund exploration and development costs, or obtaining debt. The Company's ability to raise further funds will depend on the success of its strategy and operations. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Company may be required to reduce the scope of its investments or anticipated expansion, forfeit its interest in some or all of its assets, incur financial penalties, miss certain acquisition opportunities or reduce or terminate its operations.

If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. The Company may also issue Ordinary Shares as consideration for acquisitions or investments that would also dilute Shareholders' respective shareholdings. Share issues may be priced below the then market price of the Ordinary Shares, or below the price at which previous share issues have been made, and the issue of additional Ordinary Shares by the Company, or the possibility of such an issue, may cause the market price of the Ordinary Shares to decline. Such equity issues may result in a change of control of the Company.

Furthermore, any debt financing, if available, may include conditions that would restrict the Company's freedom to operate its business, such as conditions that:

- limit the Company's ability to pay dividends or require it to seek consent for the payment of dividends;
- increase the Company's vulnerability to general adverse economic and industry conditions;
- require the Company to dedicate a portion of any cash flow arising from future operations to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditures, working capital and other general corporate purposes; and
- limit the Company's flexibility in planning for, or reacting to, changes in its business and its industries, including the potential to take advantage of business opportunities as they arise.

There can be no guarantee or assurance that such debt funding or additional equity will be forthcoming when required, or as to the terms and price on which such funds would be available if at all. If the Company is unable to obtain additional financing as needed, or on terms which are acceptable, it may not be able to fulfil its strategy, which could have a material adverse effect on the Company's business, financial position and prospects.

3.7. SUITABILITY OF ORDINARY SHARES AS AN INVESTMENT

Ordinary Shares may not be suitable for all the recipients of this Document. Before making any investment, prospective investors are advised to consult with an organisation or firm authorised or exempted pursuant to the FSMA and in the case of a resident in any other jurisdiction an appropriately authorised or exempted adviser for that jurisdiction, before making any investment decision. As the Directors believe the Company is unlikely to pay dividends in the foreseeable future, if ever, the Ordinary Shares are not suitable for investors requiring income. An investment in the Company is highly speculative, involves a considerable degree of risk and is suitable only

for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time.

3.8. FUTURE SALES OF ORDINARY SHARES BY SHAREHOLDERS MAY DEPRESS THE PRICE OF THE ORDINARY SHARES.

Future sales or the availability for sale of substantial amounts of the Ordinary Shares in the public market could adversely affect the prevailing market price of the Ordinary Shares and could also impair the Company's ability to raise capital through future issues of Shares.

3.9. DIVIDEND PAYMENTS ON THE ORDINARY SHARES ARE NOT GUARANTEED

Payment of dividends by the Company to Shareholders will depend on a number of factors, including its financial condition and results of operations, contractual restrictions, and other factors considered relevant by the Board. Under English law, any payment of dividends would be subject to the Act. All final dividends to be distributed by the Company must be recommended by the Board and approved by Shareholders. Moreover, under English law, the Company may pay dividends on its Ordinary Shares only out of profits available for distribution in accordance with the Act and under its Articles.

3.10. DILUTION OF SHAREHOLDERS' INTERESTS AS A RESULT OF ADDITIONAL EQUITY FUNDRAISING

The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pre-emptive basis to existing shareholders, the percentage ownership of the existing shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

3.11. PRE-EMPTION RIGHTS MAY BE UNAVAILABLE TO NON-UK HOLDERS OF ORDINARY SHARES

If new Ordinary Shares are issued for cash, existing holders of Ordinary Shares are entitled to pre-emption rights in respect of those Ordinary Shares unless such rights are waived by a Shareholders' resolution. If the Company allots Ordinary Shares for cash in the future, even in circumstances where pre-emption rights are not waived, holders of the Ordinary Shares outside the UK may not be able to exercise their pre-emption rights for Ordinary Shares unless the Company decides to comply with applicable local laws and regulations. The Company intends to evaluate at the time of any offering the costs and potential liabilities associated with any such compliance. At such time, the Company also intends to evaluate the benefits of enabling the exercise by non-UK holders of Ordinary Shares of the pre-emption rights for their Ordinary Shares and any other factors the Company considers appropriate at the time. On the basis of this evaluation, the Company will make a decision as to how to proceed and whether it should take any steps necessary to extend the offering into the other jurisdictions, including complying with local law requirements. No assurance can be given that any steps will be taken in any jurisdiction to enable the exercise of such pre-emption rights.

3.12 SUBSTANTIAL SHAREHOLDER

On Admission, Stephen Brown will hold (directly or indirectly), in aggregate, approximately 46 per cent. of the Enlarged Issued Share Capital. Notwithstanding the terms of the Relationship Agreement, the Articles and applicable laws and regulations, he will be able to exercise significant influence over the Company and the Group's operations, business strategy and those corporate actions which require the approval of Shareholders.

3.13. FORWARD LOOKING STATEMENTS

This document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking

statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

The risks noted above do not necessarily comprise all of the risks potentially faced by the Company and are not intended to be presented in any assumed order of priority. In common with other companies operating in the oil and gas industry sector, the Company's activities involve a high degree of risk. An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him. Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full or any amount initially invested.

Although the Directors will seek to minimise the impact of the foregoing risk factors, investment in the Company should only be made by investors able to sustain a total loss of their investment.

PART III

ACCOUNTANT'S REPORT ON THE SPECIAL PURPOSE HISTORICAL FINANCIAL INFORMATION OF ORCADIAN ENERGY (CNS) LTD

PKF Littlejohn LLP

Accountants &
business advisers

The Directors
Orcadian Energy (CNS) Ltd
60 Gracechurch Street
6th Floor
London
EC3V 0HR

The Directors
WH Ireland Limited
24 Martin Ln
Candlewick
London
EC4R 0DR

8 July 2021

Dear Sirs

Orcadian Energy (CNS) Ltd (the "Company")

Introduction

We report on the historical financial information set out in Section A of Part III (the "Financial Information") relating to Orcadian Energy (CNS) Ltd ("the Company") (previously named Pharis energy Ltd). This information has been prepared for inclusion in the AIM admission document dated 8 July 2021 (the "Admission Document") relating to the proposed admission to AIM of Orcadian Energy Plc.

This historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the historical financial information. This report is required by Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purpose of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant

to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the Company and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of Orcadian energy (CNS) Ltd to continue as a going concern for a period of at least twelve months from the date of the Admission Document. Accordingly, the use by the directors of the Company of the going concern basis of accounting in the preparation of the financial information is appropriate.

Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 8 July 2021, a true and fair view of the state of affairs of Orcadian energy (CNS) Ltd as at 30 June 2020, 2019 and 2018 and of its results, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountants

SECTION A

ORCADIAN ENERGY (CNS) LTD
AUDITED HISTORICAL FINANCIAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2020, 2019 and 2018

STATEMENT OF COMPREHENSIVE INCOME

	Note	2020 £	2019 £	2018 £
Administrative expenses	4	(200,225)	(99,215)	(16,172)
Operating Loss		**(200,225)**	**(99,215)**	**(16,172)**
Finance costs	7	(40,294)	(487)	(356)
Other income	5	10,000	–	–
Loss before tax		**(230,519)**	**(99,702)**	**(16,528)**
Taxation	8	–	–	–
Loss for the year		**(230,519)**	**(99,702)**	**(16,528)**
Other comprehensive income:				
Items that will or may be reclassified to profit or loss:				
Other comprehensive income		–	–	–
Total comprehensive income		–	–	**(16,528)**
Earnings per share	9	(1.33p)	(0.61p)	(0.12p)

All operations are continuing.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

	Note	2020 £	2019 £	2018 £
Non-current assets				
Property, plant and equipment	10	107	801	1,480
Intangible assets	11	1,283,797	532,999	235,970
		1,283,904	**533,800**	**237,450**
Current assets				
Debtors	12	78,138	82,573	27,143
Cash and cash equivalents	13	31,318	9,993	28,838
		109,456	**92,566**	**55,981**
Total assets		**1,393,360**	**626,366**	**293,431**
Non-current liabilities				
Borrowings	14	(953,152)	(70,000)	–
Amounts due to related parties	15	–	(882)	(5,471)
		(953,152)	**(70,882)**	**(5,471)**
Current liabilities				
Trade and other payables	16	(250,596)	(206,754)	(70,038)
		(250,596)	**(206,754)**	**(70,038)**
Total liabilities		**(1,203,748)**	**(277,636)**	**(75,509)**
Net assets		**189,612**	**348,730**	**217,922**
Equity				
Share capital	17	17,401	17,346	15,041
Share premium	17	563,561	492,215	264,010
Retained earnings		(391,350)	(160,831)	(61,129)
Total equity		**189,612**	**348,730**	**217,922**

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Note	Ordinary Share capital £	Share premium £	Retained earnings £	Total £
Balance as at 1 July 2017		**13,000**	**62,000**	**(44,601)**	**30,399**
Loss for the year and total comprehensive income		–	–	(16,528)	(16,528)
Proceeds of share issues (net of costs)	16	2,041	202,010	–	204,051
Balance as at 30 June 2018		**15,041**	**264,010**	**(61,129)**	**217,922**
Balance as at 1 July 2018		**15,041**	**264,010**	**(61,129)**	**217,922**
Loss for the year and total comprehensive income		–	–	(99,702)	(99,702)
Proceeds of share issues (net of costs)	17	2,305	228,205	–	230,510
Balance as at 30 June 2019		**17,346**	**492,215**	**(160,831)**	**348,730**
Balance as at 1 July 2019		**17,346**	**492,215**	**(160,831)**	**348,730**
Loss for the year and total comprehensive income		–	–	(230,519)	(230,519)
Proceeds of share issues (net of costs)	17	55	71,346	–	71,401
Balance as at 30 June 2020		**17,401**	**563,561**	**(391,350)**	**189,612**

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Ordinary shares	Represents the nominal value of shares issued
Share premium account	Amount subscribed for share capital in excess of nominal value
Retained earnings	Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

	Note	2020 £	2019 £	2018 £
Cash flows from operating activities				
Loss for the year		(230,519)	(99,702)	(16,528)
Adjustments for:				
Depreciation	10	694	821	867
Decrease in debtors	12	4,435	16,794	(6,122)
Increase in creditors	16	43,842	136,816	(17,801)
Finance costs in the year		40,294	–	–
Cash generated from operations		**(141,254)**	**54,729**	**(39,584)**
Income taxes paid		–	–	–
Net cash flows from operating activities		**(141,254)**	**54,729**	**(39,584)**
Investing activities				
Purchases of property, plant and equipment	10	–	(242)	–
Purchases of exploration and evaluation assets	11	(750,799)	(297,029)	38,317
Net cash used in investing activities		**(750,799)**	**(297,271)**	**38,317**
Financing activities				
Borrowings from Directors and Officers	15	(882)	(4,589)	(98,895)
Proceeds from issue of convertible loan notes	14	100,000	70,000	–
Proceeds from loans obtained	14	814,260	–	–
Proceeds from issue of ordinary share capital	17	–	158,286	204,050
Net cash used in financing activities		**913,378**	**223,697**	**105,155**
Net increase in cash and cash equivalents		**21,325**	**(18,845)**	**27,254**
Cash and cash equivalents at beginning of period	12	9,993	28,838	1,584
Cash and cash equivalents and end of period	12	**31,318**	**9,993**	**28,838**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Convertible loan notes were exercised in the year leading to shares being issued for a total value of £71,400. No cash was received in consideration for these shares.

NOTES TO THE FINANCIAL INFORMATION

1. General Information

Orcadian Energy (CNS) Ltd (the "Company") (previously named Pharis Energy Ltd) is a private limited company which is domiciled and incorporated in England and Wales under the Companies Act 2006 with the registered number 08954960. The registered office is 60 Gracechurch Street, 6th Floor, London, EC3V 0HR.

The principal activity of Orcadian Energy (CNS) Ltd is managing oil and gas assets and holds 100% interest in, and is administrator for, UKCS Seaward Licences P2244, which contains the Pilot and Harbour heavy oil discoveries, and P2320, which contains the Blakeney, Feugh, Dandy & Crinan discoveries.

The financial information presented for the company are for the year ended 30 June 2020 and these have are shown alongside figures for the year ended 30 June 2019 and 2018 for comparative purposes.

This Financial Information of the Company has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

2. Summary of significant accounting policies

The principal accounting principles applied in the preparation of this financial information are set out below. These principles have been consistently applied to all years presented, unless otherwise stated.

2.1. *Basis of preparation*

The financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information has been prepared under the historical cost convention.

2.2. *Going concern*

The financial information has been prepared on a going concern basis. The Company is not yet revenue generating, an operating loss has been reported and as a result the Company will need to raise funding to provide additional working capital to finance their ongoing activities and non-discretionary expenditures. Whilst the Directors acknowledge this represents a material uncertainty regarding the Company's going concern status, the Directors are confident that the Company will be able to raise the finance required over the next 12 months.

The costs of maintaining the licences held by the company are small and within the financing capacity of the Directors. All other costs are discretionary, and the Directors are of the opinion that the shareholders will continue to support the company until further funding can be raised.

Based on the Board's assessment that the cash flow budgets can be achieved and that the necessary funds have been or will be raised, the Directors have a reasonable expectation that the Company has access to 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 annual financial information for the year ended 30 June 2020, 2019 and 2018.

2.3. *Changes in accounting policies*

2.3.1. *New standards, amendments to standards and interpretations*

i) New and amended standards adopted by the Company

	Issued date	IASB mandatory effective date
Amendment to IFRS 16: Leases – COVID 19 – Related Rent Concessions	May 2020	1 June 2020

2.3.2. *Standards and interpretations effective for subsequent periods*

New standards, amendments and interpretations not yet adopted

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 July 2020 have had a material impact on the Company.

ii) New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted

The standards and interpretations that are issued, but not yet effective and (in some cases) have not yet been endorsed by the EU, up to the date of issuance of the financial information are listed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standards, amendments and interpretations, which are effective forreporting periods beginning after the date of these financial statements which have not been adopted early	Issued date	IASB mandatory effective date
Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date	January 2020 & July 2020	1 January 2023
Amendments to IFRS 3: Business Combinations – Reference to the Conceptual Framework	May 2020	1 January 2022
Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets	May 2020	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle	May 2020	1 January 2022

The Directors are evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the financial information of the Company.

2.4. ***Foreign currency***

2.4.1. *Functional and presentation currency*

Items in the company's financial information are measured in the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of the company is Pounds sterling (£).

Monetary amounts in the financial information are rounded to the nearest £

2.4.2. *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs.' All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains.'

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value are included in other comprehensive income.

2.5. ***Government grants***

The company recognises an unconditional government grant in profit or loss as other income when the grant becomes receivable.

2.6. ***Taxation***

Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business on combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled. Deferred tax assets and liabilities are not discounted.

2.7. ***Leases***

The company assesses whether a contract is or contains a lease at the inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognises the lease payments as an administrative expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

2.8. ***Intangible assets***

Exploration and evaluation expenditures (E&E)

The company applies the successful efforts method of accounting for oil and gas assets, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Statement of Comprehensive Income.

All licence acquisition, exploration and evaluation costs are capitalised, a share of administration costs is capitalised insofar as they relate to exploration, evaluation and development activities. These costs are written off unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. If a project is deemed commercial all of the attributable costs are transferred into Property, Plant and Equipment. These costs are then depreciated from the commencement of production on a unit of production basis.

2.9. ***Impairment of non-financial assets***

The company assesses at each reporting date whether there is an indication that an asset may be impaired. This includes consideration of the IFRS 6 impairment indicators for any intangible exploration and evaluation assets capitalised as intangible costs. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, it is considered impaired and is written down to its recoverable amount.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset, unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.10. ***Property, plant and equipment***

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

- Property, plant and equipment – 3 years straight line

All assets are subject to annual impairment reviews.

2.11. ***Financial Instruments***

2.11.1. *Initial recognition*

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

2.11.2 *.Classification*

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

(1) the asset is held within a business model whose objective is to collect contractual cash flows; and

(2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

2.11.3. *Derecognition*

A financial asset is derecognised when:

(1) the rights to receive cash flows from the asset have expired, or

(2) the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

2.11.4. *Impairment*

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.12. ***Trade and other receivables***

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

2.13. ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.14. ***Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15. ***Share premium***

Share premium account represents the excess of the issue price over the par value on shares issued. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16. ***Trade payables***

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.17. ***Compound instruments and borrowings***

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual agreement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar debt instruments. This amount is recorded as a liability on an amortised cost basis until

extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition, loans are measured at the amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

2.18. ***Earnings per share***

Basic Earnings per share is calculated as profit attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

2.19. ***Operating segments***

The Chief Operating Decision Maker (CODM) is considered to be the Board of Directors. They consider that the Company operates in a single segment, that of oil and gas exploration, appraisal and development, in a single geographical location, the North Sea of the United Kingdom. As a result, the financial information of the single segment is the same as set out in the statement of comprehensive income, statement of financial position, statement of Changes in Equity and Statement of Cashflows.

3. Significant accounting judgements, estimates and assumptions

The preparation of financial information using accounting policies consistent with IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of income and expenses. The preparation of financial information also requires the Directors to exercise judgement in the process of applying the accounting policies. Changes in estimates, assumptions and judgements can have a significant impact on the financial information.

3.1. ***Significant accounting estimates***

Impairment of intangible assets

As at 30 June 2020, the company held oil and gas exploration and evaluation intangible assets of £1,283,797 (2019: £532,998, 2018: £235,970). The carrying values of intangible assets are assessed for indicaitions of impairment, as set out in IFRS 6, on an annual basis.

Management do not consider that any intangible assets are impaired as at 30 June 2020.

These estimates and assumptions are subject to risk and uncertainty and therefore a possibility that changes in circumstances will impact the assessment of impairment indicators.

3.2. ***Significant judgements of management***

There was only one critical judgement identified, apart from those involving estimations (which are dealt with separately above) 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 information.

i) *Recoverable value of capitalised exploration costs*

When conducting their impairment assessment at the year-end, the Directors were required to assess the recoverable value of the capitalised exploration costs and compare this value to the carrying value of the capitalised exploration costs.

In making this assessment, Directors were required to make judgements in assessing whether key license commitments would continue to be met. Due to their confidence in the Company's ability to continue to raise finance, the Directors concluded that sufficient

finance will be able to be raised to enable the minimum spend requirements for all licenses held to continue to be met.

4. Administrative expenses

	2020 £	2019 £	2018 £
Office costs, rates and services	18,649	2,524	2,911
Wages and salaries	60,000	26,400	10,500
Consultants and advisers	11,335	10,000	–
Audit fees (note 18)	8,000	15,000	–
Pre-award licence costs	17,821	30,839	–
Insurance	4,603	8,611	4,457
Other expenses / (income)	28,991	4,920	(2,563)
National Insurance	16,310	–	–
Foreign Exchange	33,822	–	–
Depreciation	694	921	867
	200,225	**99,215**	**16,172**

5. Other Income

As part of the Government's support for small businesses during the Coronavirus crisis a non-repayable Coronavirus support grant of £10,000 was provided to any business whose premises were eligible for Small Business Rate Relief as of 11 March 2020, having a rateable value up to £15,000. The Company qualified for this support and applied for and received the grant.

	2020 £	2019 £	2018 £
Coronavirus support grant	10,000	–	–
Other Income	**10,000**	**–**	**–**

6. Staff numbers and costs

	2020 £	2019 £	2018 £
Staff costs (including directors)			
Wages and salaries	138,133	26,400	10,500
Social security costs	16,309	–	–
	154,442	**26,400**	**10,500**

The average number of persons (including directors) employed by the Company during the year was:

	2020	2019	2018
Management and Administration	6	5	6
	6	**5**	**6**

7. Finance costs

	2020 £	2019 £	2018 £
Interest paid	40,294	487	356
	40,294	**487**	**356**

8. Taxation

Analysis of charge for the year:

	2020 £	2019 £	2018 £
Current income tax charge	–	–	–
Deferred tax charge	–	–	–
Total taxation charge	**–**	**–**	**–**

8.1. *Taxation reconciliation*

The below table reconciles the tax charge for the year to the theoretical charge based on the result for the year and the corporation tax rate.

	2020 £	2019 £	2018 £
Loss before income tax	(230,519)	(99,702)	(16,528)
Tax at the applicable rate of 19% (2019 & 2018: 19%)	(41,493)	(18,943)	(3,140)
Effects of:			
Expenses not deducted for tax purposes	1,661	–	–
Unutilised tax losses	39,832	18,943	3,140
Total income tax expense	–	–	–

As at 30 June 2020, the Company had unused tax losses of £83,463 (2019: £43,820, 2018: £24,877) for which no deferred tax asset has been recognised. This is due to uncertainty over the availability of future taxable profits to offset these losses against.

9. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the loss for the year for continuing operations for the Company by the weighted average number of ordinary shares in issue during the year:

	2020 £	2019 £	2018 £
Earnings for the purposes of basic earnings per share being net loss attributable to the owners	(230,519)	(99,702)	(16,528)
Weighted average number of Ordinary Shares	17,362,614	16,236,524	13,229,207
Earnings/loss per share	(1.33p)	(0.61p)	0.12p

There is no difference between the basic and diluted earnings per share.

10. Property, plant and equipment

	IT hardware & software £	Office equipment £	Total £
Cost			
As at 30 June 2017	**2,521**	**202**	**2,723**
Additions	–	–	–
As at 30 June 2018	**2,521**	**202**	**2,723**
Additions	242	–	**242**
As at 30 June 2019	**2,763**	**202**	**2,965**
Additions	–	–	–
As at 30 June 2020	**2,763**	**202**	**2,965**

	IT hardware & software £	Office equipment £	Total £
Depreciation			
As at 30 June 2017	**359**	**17**	**376**
Charged in the year	800	67	**867**
As at 30 June 2018	**1,159**	**84**	**1,243**
Charged in the year	853	67	**921**
As at 30 June 2019	**2,013**	**151**	**2,164**
Charged in the year	643	51	**694**
As at 30 June 2020	**2,656**	**202**	**2,858**
Net book value as at 30 June 2020	**107**	**0**	**107**
Net book value as at 30 June 2019	750	51	801
Net book value as at 30 June 2018	1,362	118	1,480

The depreciation expense is recognised in administrative expenses as set out in note 4.

11. Intangible assets

	Oil and gas exploration assets £
Cost	
As at 30 June 2017	**197,653**
Additions	38,317
As at 30 June 2018	**235,970**
Additions	297,029
As at 30 June 2019	**532,999**
Additions	750,799
As at 30 June 2020	**1,283,797**

Included in intangible assets are general office expenses incurred during the year that have been capitalised totalling £nil (2019: £15,778, 2018: £14,200).

12. Trade and other receivables

	2020 £	2019 £	2018 £
VAT receivable	5,914	10,349	743
Prepayments and other receivables	–	–	26,400
Amounts due from related parties	72,224	72,224	20,000
	78,138	**82,573**	**27,143**

Amounts due from related parties are unsecured, interest free and have no fixed repayment date.

The fair value of other receivables is the same as their carrying values as stated above.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

13. Cash and cash equivalents

	2020 £	2019 £	2018 £
Cash at bank and in hand	31,318	9,993	28,838
	31,318	**9,993**	**28,838**

14. Borrowings

	2020 £	2019 £	2018 £
Convertible Loan Note 2018	–	70,000	–
STASCO Loan	853,152	–	–
Convertible Loan Note 2020	100,000	–	–
	953,152	**70,000**	**–**

On 20 March 2020 and 28 May 2020 the Company issued £50,000 of convertible loan notes on each of those dates.

15. Amounts due after one year

	2020 £	2019 £	2018 £
Amounts due to related parties	–	882	5,471
Accruals	–	–	67,268
Total	**–**	**882**	**72,739**

Amounts due to related parties are unsecured, interest free and have no fixed repayment date.

16. Trade and other payables – due within one year

	2020 £	2019 £	2018 £
Trade payables	8,003	32,523	2,770
Accruals	242,593	174,231	–
	250,596	**206,754**	**2,770**

The carrying values of trade and other payables are considered to be a reasonable approximation of the fair value and are considered by the Directors as payable within one year.

17. Share capital and share premium

Issued	Number of shares	Share capital £	Share premium £
As at 30 June 2017	**13,000,000**	**13,000**	**62,000**
Issue of shares	2,040,500	2,041	202,010
As at 30 June 2018	**15,040,500**	**15,041**	**264,010**
Issue of shares	241,550	242	23,913
Issue of shares	2,063,560	2,064	204,292
As at 30 June 2019	**17,345,610**	**17,346**	**492,215**
Issue of shares	54,924	55	71,346
As at 30 June 2020	**17,400,534**	**17,401**	**563,561**

The ordinary shares confer the right to vote at general meetings of the Company, to a repayment of capital in the event of liquidation or winding up and certain other rights as set out in the Company's articles of association.

On 12 October 2018, 241,550 ordinary shares with a nominal value of £0.001 were issued for a consideration of £0.10 per share.

Of the shares issued on 12 October 2018, 221,400 were issued as settlement of services to the Company in lieu of cash for a value of £22,140.

On 31 December 2018, 2,063,560 ordinary shares with a nominal value of £0.001 were issued for a consideration of £0.10 per share.

On 9 March 2020 54,924 shares with a nominal value of £0.001 were issued in relation to the conversion of the 2018 Convertible Loan Note at a conversion price of £1.30 per share.

As at 30 June 2020, £72,224 of the consideration for ordinary shares remained unpaid and has been included in amounts due from related parties in note 11.

18. Directors' remuneration

	2020 £	2019 £	2018 £
Short term employee benefits	113,333	26,400	10,500
	113,333	**26,400**	**10,500**

No pension benefits are provided for any Directors (2019: £nil, 2018: £nil).

19. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditors and its associates:

	2020 £	2019 £	2018 £
Audit of the financial statements	8,000	7,500	–
Audit related assurance services	–	7,500	–
	8,000	**15,000**	**–**

20. Related parties

20.1. ***Transactions with related parties***

The Company had the following related party transactions:

(i) The Company makes use of an office space in Surbiton, Surrey which is currently provided to the Company by Mrs Julia Cane-Honeysett and Mr Stephen Brown at a rental of £1,000 per calendar month. The company pays for the services and business rates associated with the property.

20.2. ***Loans to/from related parties***

During the year, several Directors and shareholders provided funds to the Company as a working capital injection.

The following balances are outstanding at the end of the reporting period in relation to these transactions:

	Amount due (to)/from related parties £
As at 30 June 2017	**(104,366)**
Funds advanced to the Company	(85,156)
Loan amounts settlement in the Company's shares	204,050
As at 30 June 2018	**14,528**
Funds advanced to the Company	(173,697)
Loan amounts settlement in the Company's shares	230,150
As at 30 June 2019	**71,341**
Funds advanced to the Company	0.00
Loan amounts settlement by the Company	882
As at 30 June 2020	**72,224**

The amount due as at 30 June 2018, is disclosed as amounts due from related parties of £20,000, as set out in note 12, and amounts due to related parties of £5,471, as set out in note 14.

The amount due as at 30 June 2019, is disclosed as amounts due from related parties of £72,224, as set out in note 12, and amounts due to related parties of £882, as set out in note 15.

The amount due as at 30 June 2020 is disclosed as amounts due from related parties of £72,224.

Loans due to/from related parties are unsecured, interest free and have no fixed repayment terms.

20.3. ***Key management personnel***

Directors of the Company are considered to be key management personnel. The remuneration of the Directors has been set out on note 16.

21. Ultimate controlling party

The Directors consider Stephen Brown and Julia Cane-Honeysett to be the ultimate controlling parties.

22. Financial instruments

The Company holds the following financial instruments:

Financial assets

	2020 £	2019 £	2018 £
Financial assets at amortised cost:			
Trade receivables			
Other financial assets at amortised cost	72,224	72,224	9,581
Cash and cash equivalents	31,318	9,993	28,838
	103,542	**82,217**	**38,419**

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Financial liabilities

	2020 £	2019 £	2018 £
Financial liabilities at amortised cost:			
Trade payables	8,003	32,523	2,770
Other financial liabilities at amortised cost	–	882	72,739
Borrowings	853,152	–	–
	161,155	**33,405**	**75,509**

	2020 £	2019 £	2018 £
Financial liabilities at fair value through profit and loss			
Borrowings	100,000	70,000	–
	100,000	**70,000**	**–**

23. Financial risk management

23.1. *Financial risk factors*

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the executive management team.

a) *Market risk*

The Company is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The Company does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The Company has not sensitised the figures for fluctuations in interest rates, foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations would not have a significant impact on the Financial information at the present time. The Directors will continue to assess the effect of movements in market risks on the Company's financial operations and initiate suitable risk management measures where necessary.

b) *Credit risk*

Credit risk arises from cash and cash equivalents as well as outstanding receivables. To manage this risk, the Company periodically assesses the financial reliability of customers and counterparties.

The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Company will only keep its holdings of cash with institutions which have a minimum credit rating of 'A'.

c) *Liquidity risk*

The Company's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

23.2. *Capital risk management*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to enable the Company to continue its exploration and

development of oil and gas resources. In order to maintain or adjust the capital structure, the Company may adjust the issue of shares or sell assets to reduce debts.

The Company defines capital based on the total equity and reserves of the Company. The Company monitors its level of cash resources available against future planned operational activities and may issue new shares in order to raise further funds from time to time.

24. Commitments

The Company has entered into the following non-cancellable commitments in respect of exploration licences:

	2020 £	2019 £	2018 £
Due within one year	94,348	42,357	19,677
Later than one year but not later than five years	298,951	261,224	303,581
Total commitments	**393,299**	**303,581**	**323,258**

25. Events after the reporting period

A further £200,000 was raised from the Convertible Loan Note in July 2020.

On the 3 September 2020 the Company was offered a 50% interest in a new exploration licence. The licence would cover blocks 14/20g and 15/16g and contain the Fynn heavy oil discovery, the licence operator would be Parkmead Group.

SECTION B

ORCADIAN ENERGY (CNS) LTD
INTERIM FINANCIAL INFORMATION FOR THE HALF-YEAR ENDED 31 DECEMBER 2020
(UNAUDITED)
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIOD ENDED 31 DECEMBER 2020

	Note	Six months to 31 December 2020 (Unaudited) £	Six months to 31 December 2020 (Unaudited) £
Administrative expenses		(134,396)	(114,275)
Operating Loss		**(134,396)**	**(114,275)**
Finance costs		(19,637)	–
Loss before tax		**(154,033)**	**(114,275)**
Taxation		–	–
Loss for the year		**(154,033)**	**(114,275)**
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Other comprehensive income		–	–
Total comprehensive income		**(154,033)**	**(114,275)**
Basic and diluted loss per share	3	(0.89)	(0.66p)

All operations are continuing.

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 (Unaudited) £	31 December 2019 (Unaudited) £	30 June 2020 (Audited) £
Non-current assets				
Property, plant and equipment	4	107	801	107
Intangible assets	5	1,481,834	884,714	1,283,797
		1,481,942	**885,515**	**1,283,904**
Current assets				
Debtors		94,295	100,970	78,138
Amounts due from related parties	9	45,500	–	–
Cash and cash equivalents	6	17,870	345,272	31,318
		157,665	**446,242**	**109,456**
Total assets		**1,639,607**	**1,331,757**	**1,393,360**
Non-current liabilities				
Borrowings	7	(1,202,430)	(885,940)	(953,152)
		(1,202,430)	**(885,940)**	**(953,152)**
Current liabilities				
Trade and other payables		(401,599)	(211,362)	(250,596)
		(401,599)	**(211,362)**	**(250,596)**
Total liabilities		**(1,604,029)**	**(1,097,302)**	**(1,203,748)**
Net assets		**35,578**	**234,455**	**189,612**
Equity				
Share capital	8	17,401	17,346	17,401
Share premium	8	563,561	492,215	563,561
Retained earnings		(545,384)	(275,106)	(391,350)
Total equity		**35,578**	**234,455**	**189,612**

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH INTERIM PERIOD ENDED 31 DECEMBER 2020

	Note	Ordinary Share capital £	Share premium £	Retained earnings £	Total £
Balance as at 1 July 2019 (audited)		**17,346**	**492,215**	**(160,831)**	**348,730**
Loss for the year and total comprehensive income		–	–	(114,275)	(114,275)
Balance as at 31 December 2019 (unaudited)		**17,346**	**492,215**	**(275,106)**	**234,455**
Balance as at 1 July 2020 (audited)		**17,401**	**563,561**	**(391,350)**	**189,612**
Loss for the year and total comprehensive income		–	–	(154,034)	(154,034)
Balance as at 31 December 2020 (unaudited)		**17,401**	**563,561**	**(545,384)**	**35,578**

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH INTERIM PERIOD ENDED 31 DECEMBER 2020

	Note	Six months to 31 December 2020 (Unaudited) £	Six months to 31 December 2020 (Unaudited) £
Cash flows from operating activities			
Loss for the year		(154,034)	(114,275)
Adjustments for:			
Depreciation	4	–	–
(Decrease) in debtors		(16,155)	(18,397)
Increase in creditors		39,128	4,608
Finance costs in the year		19,637	–
Cash generated from/(used in) operations		**(111,424)**	**(128,064)**
Income taxes paid		–	–
Net cash flows from operating activities		**(111,424)**	**(128,064)**
Investing activities			
Purchases of property, plant and equipment	4	–	–
Purchases of exploration and evaluation assets	5	(86,165)	(351,715)
Net cash used in investing activities		**(86,165)**	**(351,715)**
Financing activities			
Loans with Directors and Officers	9	(45,500)	(882)
Proceeds from issue of convertible loan notes	7	230,000	–
Proceeds from loans obtained	7	–	815,940
Interest paid		(360)	–
Net cash used in financing activities		**184,140**	**815,058**
Net (decrease)/increase in cash and cash equivalents		**(13,449)**	**335,278**
Cash and cash equivalents at beginning of period	6	31,318	9,993
Cash and cash equivalents and end of period	6	**17,870**	**345,271**

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Orcadian Energy (CNS) Ltd (the "company") is a private limited company which is domiciled and incorporated in England and Wales under the Companies Act 2006 with the registered number 08954960. The registered office is 60 Gracechurch Street, 6th Floor, London, EC3V 0HR.

The principal activity of Orcadia Energy (CNS) Ltd is managing oil and gas assets and it holds 100% interest in, and is operator for, UKCS Seaward Licences P2244, which contains the Pilot and Harbour heavy oil discoveries, and is licence administrator for P2320, which contains the Blakeney, Feugh, Dandy & Crinan discoveries.

The financial statements presented for the company are for the half-year ended 31 December 2020 and these have are shown alongside figures for the year ended 30 June 2019 for comparative purposes.

2. Summary of Significant Accounting Policies

The principal accounting principles applied in the preparation of these financial statements are set out below. These principles have been consistently applied to all years presented, unless otherwise stated.

2.1. *Basis of Preparation*

The interim financial report is a general purpose financial statement, which has been prepared in accordance with the requirements of IAS 34 "Interim financial reporting".

The interim financial report has been prepared on a historical cost basis. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The interim financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The interim financial report should be read in conjunction with the annual Financial Report of Orcadian Energy (CNS) Ltd as at 30 June 2020 which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial information presented in this interim financial report for the period ended 31 December 2020 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2020 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement ended 30 June 2020 was Unqualified, and drew attention by way of emphasis to the material uncertainty around the Company continuing as a going concern and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The financial information for the periods ended 31 December 2020 and 31 December 2019 are unaudited but have been reviewed by the Company's auditor.

It is also recommended that the interim financial report be considered together with any public announcements made by Orcadian Energy (CNS) Ltd during the half year ended 31 December 2020.

2.2. *Going concern*

The financial statements have been prepared on a going concern basis. The Company is not yet revenue generating, an operating loss has been reported and as a result the Company will need to raise funding to provide additional working capital to finance their ongoing activities and non-discretionary expenditures. Whilst the Directors acknowledge this represents a material uncertainty regarding the Company's going concern status, the Directors are confident that the Company will be able to raise the finance required over the next 12 months.

The costs of maintaining the licences held by the company are small and within the financing capacity of the Directors. All other costs are discretionary, and the Directors are of the opinion

that the Company has the ability to raise additional funds to support the company until a listing process and equity funding can be finalised.

Based on the Board's assessment that the cash flow budgets can be achieved and that the necessary funds have been or will be raised, the Directors have a reasonable expectation that the Company has access to 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 annual financial statements for the period ended 31 December 2020.

2.3. ***Accounting Policies***

The accounting policies and methods of computation adopted in the Company's preparation of the interim financial report are consistent with those adopted and disclosed in the annual financial report for the year ended 30 June 2020, with the exception of those standards below which have become effective from 1 July 2020. The Company does not expect their adoption to have a material impact on the Company's financial statements.

New and amended standards adopted by the Company	**Issued date**	**IASB mandatory effective date**
Amendment to IFRS 16: Leases – COVID 19 – Related Rent Concessions	May 2020	1 June 2020
Standards, amendments and interpretations, which are effective for reporting periods beginning after the date of these financial statements which have not been adopted early		
Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date	January 2020 & July 2020	1 January 2023
Amendments to IFRS 3: Business Combinations – Reference to the Conceptual Framework	May 2020	1 January 2022
Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets	May 2020	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle	May 2020	1 January 2022

3. Loss per share

The calculation of the basic and diluted earnings per share is calculated by dividing the loss for the period for continuing operations for the Company by the weighted average number of ordinary shares in issue during the period. There is no difference between basic and diluted loss per share:

	31 December 2020 (Unaudited) £	**31 December 2019 (Unaudited) £**
Earnings for the purposes of basic earnings per share being net loss attributable to the owners	(154,034)	(114,275)
Weighted average number of Ordinary Shares	17,400,534	17,345,610
Earnings/loss per share	(0.89)	(0.66p)

4. Property, plant and equipment

	IT hardware & software £	Office equipment £	Total £
Cost			
As at 1 July 2019 (audited)	**2,763**	**202**	**2,965**
Additions	–	–	–
As at 31 December 2019 (unaudited)	**2,763**	**202**	**2,965**
Additions	–	–	–
As at 30 June 2020 (audited)	**2,763**	**202**	**2,965**
Additions	–	–	–
As at 31 December 2020 (unaudited)	**2,763**	**202**	**2,965**
Depreciation			
As at 1 July 2019 (audited)	**2,013**	**151**	**2,164**
Charged in the period	–	–	–
As at 31 December 2019 (unaudited)	**2,013**	**151**	**2,164**
Charged in the period	643	51	**694**
As at 30 June 2020 (audited)	**2,656**	**202**	**2,858**
Charged in the period	–	–	–
As at 31 December 2020 (unaudited)	**2,656**	**202**	**2,858**
Net book value as at 31 December 2020 (unaudited)	**107**	**0**	**107**
Net book value as at 30 June 2020 (audited)	107	0	107
Net book value as at 31 December 2019 (unaudited)	750	51	801

5. Intangible assets

	Oil and gas exploration assets £
Cost	
As at 1 July 2019 (audited)	**532,998**
Additions	351,716
As at 31 December 2019 (unaudited)	**884,714**
Additions	399,084
As at 30 June 2020 (audited)	**1,283,797**
Additions	198,145
As at 31 December 2020 (unaudited)	**1,481,834**

Included in intangible assets are general office expenses incurred during the year that have been capitalised totalling £nil (2019: £15,778).

6. Cash and cash equivalents

	31 December 2020 (Unaudited) £	31 December 2019 (Unaudited) £	30 June 2020 (Audited) £
Cash at bank and in hand	17,870	345,272	31,318
	17,870	**345,272**	**31,318**

7. Borrowings

	31 December 2020 (Unaudited) £	31 December 2019 (Unaudited) £	30 June 2020 (Audited) £
Convertible Loan Note 2018	–	70,000	–
STASCO Loan	872,430	–	853,152
Convertible Loan Note 2020	330,000	–	100,000
	1,202,430	**70,000**	**953,152**

On 20 March 2020 and 28 May 2020 the Company issued £50,000 of convertible loan notes on each of those dates. On 13 July 2020 and 16 July 2020 the Company issued £100,000 of convertible loan notes on each of those dates and on 30 November 2020 the Company issued a further £30,000 of convertible loan notes.

8. Share capital and share premium

Issued	Number of shares	Share capital £	Share premium £
As at 1 July 2019 (audited)	**17,345,610**	**17,346**	**492,215**
As at 31 December 2019 (unaudited)	**17,345,610**	**17,346**	**492,215**
Issue of shares	54,924	55	71,346
As at 30 June 2020 (audited)	**17,400,534**	**17,401**	**563,561**
As at 31 December 2020 (unaudited)	**17,400,534**	**17,401**	**563,561**

The ordinary shares confer the right to vote at general meetings of the Company, to a repayment of capital in the event of liquidation or winding up and certain other rights as set out in the Company's articles of association.

On 9 March 2020, 54,924 shares with a nominal value of £0.001 were issued in relation to the conversion of the 2018 Convertible Loan Note at a conversion price of £1.30 per share.

As at 30 June 2020, £72,224 of the consideration for ordinary shares remained unpaid and has been included in amounts due from related parties in note 9.

9. Related parties

A Director of the Company, Mr Alan Hume, subscribed for £30,000 of Convertible Loan Note 2020 on 30th November 2020. During the period the Company advanced £45,500 to two directors in lieu of salary payments due. Since the period end, and prior to the end of the tax year, these advances were repaid through a combination of deductions from salaries paid and cash payments from the directors.

The Company makes use of an office space in Surbiton, Surrey which is currently provided to the Company by Mrs Julia Cane-Honeysett and Mr Stephen Brown at a rental of £1,000 per calendar month. The company pays for the services and business rates associated with the property.

10. Financial instruments

The carrying values of cash and cash equivalents, trade and other receivables, trade and other payables and other loans approximate their fair values due to short-term maturities.

11. Segment information

The Chief Operating Decision Maker (CODM) is considered to be the Board of Directors. They consider that the Company operates in a single segment, that of oil and gas exploration, appraisal and development, in a single geographical location, the North Sea of the United Kingdom. As a result, the financial information of the single segment is the same as set out in the Condensed Statement of Profit or Loss and Other Comprehensive Income, Condensed Statement of Financial Position, Condensed Statement of Changes in Equity and Condensed Statement of Cashflows.

12. Events after the reporting period

Since 31 December 2020, the Company has raised a further £50,000 under Convertible Loan Note 2020, including subscriptions of £40,000 from a Company Director. In January the Company accepted the offer of a 50% participation in licence P2516 from the Oil & Gas Authority in conjunction with The Parkmead Group Plc. The Company advanced a further £8,500 to two Directors in January 2021 in lieu of salary payments due. This brought the total balance owed to £126,224. This amount was repaid in full in March 2021, through a combination of deductions from salaries paid and cash payments from the directors. The Directors have confirmed there will be no related party transactions of this nature going forward. The Company has also embarked on its plan to list the Company on AIM and, in advance of that transaction has, with the Company broker WH Ireland, raised a further £720,000 under a new Convertible Loan Note.

PART IV

COMPETENT PERSONS REPORT

Competent Person's Report of the Petroleum and Natural Gas (P&NG) Reserves and Resources of Orcadian Energy PLC

(As of April 1, 2021)

Digital Report Notification

This report has been prepared in a fully digital, auditable, and legally compliant format using a PDF/A standard (ISO 19005-1, 2 or 3).

The report has also been signed by Sproule professionals using independently verifiable digital signatures for authentication purposes.

For more information regarding digital reports and digital signatures and their verification please visit: **Sproule Digital Signatures**.

Prepared for:	**Orcadian Energy PLC** **W. H. Ireland Limited (as Nominated Advisor to Orcadian Energy PLC)**
Project No.:	25703.110745
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Editor:	KMH
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Executive Summary

This Competent Person's Report ("CPR") was prepared by Sproule B.V. ("Sproule") at the request of Mr. Stephen A. Brown, CEO, Orcadian Energy PLC and of the Directors of W. H. Ireland Limited. Orcadian Energy PLC is hereinafter referred to as "the Company". W. H. Ireland Limited is the Nominated Advisor ("NOMAD") to the Company on their proposed public disclosure. The effective date of this report is April 1, 2021 and was prepared for the Company between February and May 2021 for the purpose of public disclosure and equity fundraising through admission of its shares to trading on the AIM market of the London Stock Exchange.

For clarity, Orcadian Energy PLC is the proposed holding company of 100 percent of the shares of Orcadian Energy (CNS) Ltd. Orcadian Energy (CNS) Ltd. has been created by a change in name of Pharis Energy Ltd. Some, or all, of the permits and licences discussed in this report may still be in the name of Pharis Energy Ltd. and are subject to the notification and documentation process, currently underway, that is necessary to effect such change in name.

The preparation date of this report is July 8, 2021. This date is subsequent to the effective date and refers to the last date on which information, relating to the period ending on the effective date, was received and considered in the preparation of this report. As of the preparation date of this report, Sproule confirms that there has been no material change in the assets, of which we have been informed, since the Effective Date.

In preparation of this report, Sproule has received customary fees associated with the preparation of the CPR. Neither Sproule, nor any of its directors, staff or sub-consultants who contributed to the report has any interest in the Company, its parent or subsidiaries, or any of its assets or securities (including the common shares of the Company). Our fees are not linked to the admission of the shares to trading on the AIM market of the London Stock Exchange or the value of the Company.

Sproule is independent of the Company, its directors, senior management and advisors.

Tables S-1 and S-1A summarize our evaluation, before and after income taxes, of the P&NG reserves and unrisked contingent resources, respectively of Orcadian Energy PLC, as of April 1, 2021.

Table S-1B summarizes technically recoverable resources of the unrisked P&NG prospective resources of Orcadian Energy PLC, as of April 1, 2021.

Tables S-2A and S-2B summarize the P&NG contingent resources and the P&NG prospective resources of Orcadian Energy PLC, as of April 1, 2021 on a risked basis.

The reserves and resources definitions and ownership classification used in this evaluation are in accordance with the PRMS reserve definitions and used by Sproule. The oil reserves and resources are presented in thousands of barrels, at stock tank conditions.

No gas reserves or resources have been assigned, as gas is proposed to only be used for fuel and flare and no expense has been included in the cash flows for the use of the solution gas as fuel gas.

The estimates of reserves are those reserves which remain in the ground. Volumes of P&NG reserves produced but not sold which reside in inventory, including overlift and underlift situations, are not accounted for in the reserve volumes presented.

The Company plans to develop the Pilot Main, Pilot South, Pilot Channels, Blakeney, Elke, Narwhal and Bowhead fields under a full field polymer flood development scenario. Tiberius and Bottlenose fields are expected to be a lighter oil, and would be planned for development under a conventional water flood scheme. Reserves were assigned to the Pilot Main and Pilot South fields.

Contingent resources were assigned to the Blakeney, Elke, Narwhal and Pilot Peripheral Area fields.

Prospective Resources were assigned to Pilot Channels, Elke field undiscovered areas, Bowhead, Tiberius and Bottlenose fields.

An economic evaluation was completed for the reserves and contingent resources having Development Pending and Development On Hold project maturity sub-classes. Forecasts of production and net revenue for the contingent resources of Development Unclarified maturity sub-class and prospective resources were not prepared at the request of the Company.

The net present values of the reserves are presented (on a before and after income tax basis) in United States dollars and are based on annual projections of net revenue, which were discounted at various rates using the mid-period discounting method. These rates are 5, 8, 10, 15 and 20 percent and undiscounted.

The price forecasts that formed the basis for the revenue projections in the evaluation were based on Sproule's March 31, 2021 pricing model. The price offset applicable to sales of crude oil was based on publicly available information from operators of producing properties in the same general region and with comparable quality crude as that proposed to be produced by the Company. Table S-3 presents a summary of selected forecasts.

Summary of the Evaluation of the P&NG Reserves
Orcadian Energy PLC
Escalated Prices and Costs
(As of April 1, 2021)

	Remaining Reserves			Net Present Values					
	Project	Company		Before and After Income Taxes (M$ US)					
				At Various Discount Rates					
	Gross	Gross	Net	At 0%	At 5%	At 8%	At 10%	At 15%	At 20%
Oil (Mbbl) - Before Tax (M$ US)									
Proved Undeveloped	58,436	58,436	58,436	666,224	359,460	229,427	159,525	29,278	-55,020
Total Proved	**58,436**	**58,436**	**58,436**	**666,224**	**359,460**	**229,427**	**159,525**	**29,278**	**-55,020**
Probable Undeveloped	20,383	20,383	20,383	971,825	685,606	562,036	494,380	363,856	272,901
Total Probable	20,383	20,383	20,383	971,825	685,606	562,036	494,380	363,856	272,901
Total Proved + Probable	**78,819**	**78,819**	**78,819**	**1,638,049**	**1,045,066**	**791,463**	**653,905**	**393,134**	**217,881**
Possible Undeveloped	31,712	31,712	31,712	1,581,070	1,105,248	903,458	793,988	584,852	440,624
Total Possible	31,712	31,712	31,712	1,581,070	1,105,248	903,458	793,988	584,852	440,624
Total Proved + Probable + Possible	**110,531**	**110,531**	**110,531**	**3,219,119**	**2,150,314**	**1,694,921**	**1,447,893**	**977,986**	**658,505**
Income Tax (M$ US)									
Proved Undeveloped				158,544	103,750	81,309	69,403	47,360	32,908
Total Proved				**158,544**	**103,750**	**81,309**	**69,403**	**47,360**	**32,908**
Probable Undeveloped				358,952	236,316	186,196	159,601	110,266	77,744
Total Probable				358,952	236,316	186,196	159,601	110,266	77,744
Total Proved + Probable				**517,496**	**340,066**	**267,505**	**229,004**	**157,626**	**110,652**
Possible Undeveloped				652,441	432,219	342,650	295,145	206,856	148,283
Total Possible				652,441	432,219	342,650	295,145	206,856	148,283
Total Proved + Probable + Possible				**1,169,937**	**772,285**	**610,155**	**524,149**	**364,482**	**258,935**
Grand Total (MBoe) - After Tax (M$ US)									
Proved Undeveloped	58,436	58,436	58,436	507,680	255,710	148,118	90,122	-18,082	-87,928
Total Proved	**58,436**	**58,436**	**58,436**	**507,680**	**255,710**	**148,118**	**90,122**	**-18,082**	**-87,928**
Probable Undeveloped	20,383	20,383	20,383	612,873	449,290	375,840	334,779	253,590	195,157
Total Probable	20,383	20,383	20,383	612,873	449,290	375,840	334,779	253,590	195,157
Total Proved + Probable	**78,819**	**78,819**	**78,819**	**1,120,553**	**705,000**	**523,958**	**424,901**	**235,508**	**107,229**
Possible Undeveloped	31,712	31,712	31,712	928,629	673,029	560,808	498,843	377,996	292,341
Total Possible	31,712	31,712	31,712	928,629	673,029	560,808	498,843	377,996	292,341
Total Proved + Probable + Possible	**110,531**	**110,531**	**110,531**	**2,049,182**	**1,378,029**	**1,084,766**	**923,744**	**613,504**	**399,570**

Values may not add due to rounding

Summary of the Evaluation of the P&NG Contingent Resources (Unrisked)[1,2]
Orcadian Energy PLC
Escalated Prices and Costs
(As of April 1, 2021)

	Remaining Resources			Net Present Values					
				Before and After Income Taxes (M$ US)					
	Project	Company		At Various Discount Rates					
	Gross	Gross	Net	At 0%	At 5%	At 8%	At 10%	At 15%	At 20%
Oil (Mbbl) - Before Tax (M$ US)									
1C	28,621	28,621	28,621	339,364	149,655	89,252	62,052	21,944	4,121
2C	77,854	77,854	77,854	2,168,063	1,041,361	681,416	516,628	263,305	137,122
3C	183,852	183,852	183,852	8,059,337	3,959,158	2,638,336	2,028,858	1,079,303	593,474
Income Tax (M$ US)									
1C				86,812	43,275	28,977	22,323	11,879	6,502
2C				744,021	349,909	227,471	172,162	88,211	46,875
3C				3,118,902	1,496,275	985,796	753,087	395,310	215,348
Grand Total (MBoe) - After Tax (M$ US)									
1C	28,621	28,621	28,621	252,552	106,380	60,275	39,729	10,065	-2,381
2C	77,854	77,854	77,854	1,424,042	691,452	453,945	344,466	175,094	90,247
3C	183,852	183,852	183,852	4,940,435	2,462,883	1,652,540	1,275,771	683,993	378,126

Values may not add due to rounding
1- The oil volumes and corresponding NPV values are for Economic, Contingent Resources
2- Project maturity sub-class Development On Hold. Contingent resources with project maturity sub-class Development Not Viable and Development Unclarified are excluded.

Summary of the P&NG Prospective Resources (Unrisked)[1]
Orcadian Energy PLC
(As of April 1, 2021)

	Remaining Resources		
	Project	Company Resources	
	Gross	Gross	Net
Oil (Mbbl)			
1U	50,323	50,323	50,323
2U	191,400	191,400	191,400
3U	514,150	514,150	514,150

Values may not add due to rounding

1- Technical Volumes are presented for Prospective Resources. No economic analysis was completed for Prospective Resources.

Summary of the Evaluation of the P&NG Contingent Resources (Risked)[1,2,3,4]
Orcadian Energy PLC
Escalated Prices and Costs
(As of April 1, 2021)

	Remaining Resources			Net Present Values					
	Project	Company		Before and After Income Taxes (M$ US)					
				At Various Discount Rates					
	Gross	Gross	Net	At 0%	At 5%	At 8%	At 10%	At 15%	At 20%
Oil (Mbbl) - Before Tax (M$ US)									
1C	22,611	22,611	22,611	268,098	118,227	70,509	49,021	17,336	3,256
2C	59,746	59,746	59,746	1,678,568	809,655	531,060	403,250	206,275	107,801
3C	142,338	142,338	142,338	6,256,408	3,080,867	2,055,756	1,582,166	843,272	464,464
Income Tax (M$ US)									
1C				68,581	34,187	22,892	17,635	9,384	5,137
2C				562,308	264,479	171,948	130,148	66,695	35,448
3C				2,360,522	1,132,923	746,611	570,472	299,598	163,291
Grand Total (MBoe) - After Tax (M$ US)									
1C	22,611	22,611	22,611	199,516	84,040	47,617	31,386	7,951	-1,881
2C	59,746	59,746	59,746	1,116,260	545,176	359,112	273,101	139,580	72,352
3C	142,338	142,338	142,338	3,895,886	1,947,944	1,309,145	1,011,694	543,674	301,174

Values may not add due to rounding

1- The oil volumes and corresponding NPV values are for Economic, Risked Contingent Resources

2- Project maturity sub-class Development On Hold. Contingent resources with project maturity sub-class Development Not Viable and Development Unclarified are excluded.

3- “Chance of Development” for Contingent Resources is the estimated chance, or probability, that a known accumulation will be commercially developed.

4- "Chance of Commerciality" is the estimated probability that the project will achieve commercial maturity to be developed. For Contingent Resources, this is equal to the Chance of Development.

Summary of the P&NG Prospective Resources (Risked)[1,2,3,4]
Orcadian Energy PLC
(As of April 1, 2021)

	Remaining Resources		
	Project	Company Resources	
	Gross	Gross	Net
Oil (Mbbl)			
1U	**12,316**	**12,316**	**12,316**
2U	**43,735**	**43,735**	**43,735**
3U	**109,621**	**109,621**	**109,621**

Values may not add due to rounding

1- Technical Volumes are presented for Risked Prospective Resources. No economic analysis was completed for Prospective Resources.

2- “Chance of Geologic Discovery” for Prospective Resources is the estimated chance, or probability, that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum.

3- “Chance of Development” for Prospective Resources is the estimated chance, or probability, that a known accumulation, once discovered, will be commercially developed.

4- "Chance of Commerciality" is the estimated probability that the project will achieve commercial maturity to be developed. For Prospective Resources, this is the product of the Chance of Geologic Discovery and the Chance of Development.

Table S-3
Summary of Selected Pricing and Inflation Rate Assumptions
(Effective March 31, 2021)

Year	UK Brent 38°API[1,3] ($US/bbl)	IPE Britain NBP[2.3] (£/MMBtu)	Operating Cost Inflation Rate[4] (%/Yr)	Capital Cost Inflation Rate[4] (%/Yr)	Exchange Rate[5] ($US/£UK)
Historical					
2016	45.04	3.53	1.2%	-9.7%	1.36
2017	54.83	4.54	1.7%	2.4%	1.29
2018	71.53	5.92	2.4%	4.2%	1.34
2019	64.17	3.79	-0.7%	0.4%	1.28
2020	43.21	2.55	-5.0%	-5.0%	1.28
Forecast					
2021	60.00	4.60	0.0%	0.0%	1.35
2022	57.50	4.50	1.0%	1.0%	1.35
2023	55.00	4.50	2.0%	2.0%	1.35
2024	56.10	4.59	2.0%	2.0%	1.35
2025	57.22	4.68	2.0%	2.0%	1.35
2026	58.37	4.78	2.0%	2.0%	1.35
2027	59.53	4.87	2.0%	2.0%	1.35
2028	60.72	4.97	2.0%	2.0%	1.35
2029	61.94	5.07	2.0%	2.0%	1.35
2030	63.18	5.17	2.0%	2.0%	1.35
2031	64.44	5.27	2.0%	2.0%	1.35
Escalation rate of 2.0% percent per year thereafter					

Note:

(1) 38 degrees API, 1.0 percent sulphur

(2) International Petroleum Exchange British National Balancing Point

(3) Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale

(4) Inflation rates for forecasting prices and costs

(5) Exchange rates used to generate the benchmark reference prices in this table

Introduction

This Competent Person's Report ("CPR") was prepared by Sproule B.V. ("Sproule") at the request of Mr. Stephen A. Brown, CEO, Orcadian Energy PLC and of the Directors of W. H. Ireland Limited. Orcadian Energy PLC is hereinafter referred to as "the Company". W. H. Ireland Limited is the Nominated Advisor ("NOMAD") to the Company on their proposed public disclosure. The effective date of this report is April 1, 2021 and was prepared for the Company between February and April 2021 for the purpose of public disclosure and equity fundraising through admission of its shares to trading on the AIM market of the London Stock Exchange.

The preparation date of this report is July 8, 2021. This date is subsequent to the effective date and refers to the last date on which information, relating to the period ending on the effective date, was received and considered in the preparation of this report. As of the preparation date of this report, Sproule confirms that there has been no material change in the assets, of which we have been informed, since the Effective Date.

Evaluation Scope

Reserves and Resources Estimation Guidelines

Reserves and resources estimates presented here have been prepared according to the classifications and definitions of the Petroleum Resources Management System ("PRMS"), sponsored by Society of Petroleum Engineers ("SPE"), World Petroleum Council ("WPC"), American Association of Petroleum Geologists ("AAPG"), Society of Petroleum Evaluation Engineers ("SPEE"), Society of Exploration Geophysicists ("SEG"), Society of Petrophysicists and Well Log Analysts ("SPWLA"), and the European Association of Geoscientists & Engineers ("EAGE").

Properties

This report presents an evaluation of the P&NG reserves and resources of the Company's interests in the United Kingdom sector of the North Sea.

Specific properties evaluated in this report for reserves and resources are outlined in Table I-1. Additionally, twelve fields/prospects have been assessed for prospective resources.

Table I-1 Summary Table of Assets						
Asset	**Operator**	**Interest (%)**	**Status**	**License Expiry Date**	**License Area, km^2**	**Comments**
Pilot Field (includes Pilot Main and Pilot South fields), UK, P2244, Block 21/27a	Orcadian Energy (CNS) Ltd	100	Exploration	November 30, 2040	43.16	Reserves and Contingent Resources. Initial development anticipated to commence early in 2022.
Blakeney Field, UK, P2320, Block 21/27b	No Operator License admin. Orcadian Energy (CNS) Ltd	100	Exploration	May 14, 2047	447.86	P2320 license also includes Blocks 21/22a, 21/26a, 21/28a Contingent Resources. Initial development anticipated to commence in approximately 2033.
Elke and Narwhal Fields, UK, P2482, Block 28/2a and 28/3a	No Operator License admin. Orcadian Energy (CNS) Ltd	100	Exploration	July 14, 2051	361.61	Contingent Resources. Initial development anticipated to commence in approximately 2030.
Fynn (Beauly) & Fynn (Andrew), UK, P2516, 14/20g, 15/16g	No Operator License admin. Parkmead (E&P) Limited	50	Exploration	November 30, 2050	19.85	No resources included in this report.

Taxation

An estimate of income taxes payable based on the offshore fiscal regime for the United Kingdom has been included in the Company Totals. No tax pools have been included in the evaluation.

Future Development

The development forecast presented in this evaluation was based on capital budgets and a development program as presented by the Company under the scope of this evaluation and engagement. The development forecast presented in this report may not represent the full development potential of the licences evaluated.

Evaluation Data and Procedures

Sources of Data

Various data, pertinent to the evaluation of the Company's oil and gas reserves, were obtained from the Company as follows:

- property descriptions
- preliminary development plan detailing operating plans and budgets
- interests and burdens
- capital development cost estimates
- maintenance cost schedules and capital
- abandonment, decommissioning and reclamation costs
- contracts and marketing

Accuracy and Reliance on Data

Property descriptions, details of interests held, and well data, as supplied by the Company, were accepted as represented. No investigation was made into either the legal titles held or any operating agreements in place relating to the subject properties.

Lessor and overriding royalties and other burdens were obtained from the Company. No further investigation was undertaken by Sproule.

Capital and operating cost estimates, as presented in third-party reports and supplied by the Company, were audited for reasonableness and consistency based on Sproule experience.

Maintenance capital cost estimates, as supplied by the Company, were accepted as represented. No further investigation was undertaken by Sproule.

Abandonment, decommissioning and reclamation ("ADR") cost estimates, as supplied by the Company, were audited for reasonableness and consistency based on Sproule experience.

Abandonment, Decommissioning and Reclamation Costs

The abandonment, decommissioning and reclamation ("ADR") costs associated with the Company's petroleum exploration and development operations in the properties evaluated in this report are as follows:

Future Development

Undeveloped Entities	Included
Producing Oil & Gas Wells	✓
Service Wells (Injectors, Disposal, Etc.)	✓
Gathering Systems and Facilities	✓
Processing Facilities	✓

Future economic development activities, scheduled for development within this report, include the estimated ADR costs in their assessment per PRMS guidance.

Well and Well Site ADR Estimates

The Company provided estimates of the ADR costs associated with their wells and well sites regarding their planned petroleum exploration, development, production and processing operations, for inclusion in this evaluation.

Gathering System and Processing Facility ADR Estimates

Estimates of ADR costs associated with the Company's gathering systems and processing facilities in forecast development activities, included in the report have been prepared by the Company.

For additional details regarding the abandonment, decommissioning and reclamation costs included in this report and their estimation, please refer to the abandonment, decommissioning and reclamation cost section located in Appendix D of this report.

Salvage Income

Inclusion of salvage income estimates associated with end of life disposal of equipment the Company holds a working interest contained in the report are as follows:

	Included	Excluded	Not Applicable
Producing Oil & Gas Wells	-	✓	-
Injection & Disposal & Other Wells	-	✓	-
Gathering Systems and Facilities	-	✓	-
Processing Facilities	-	✓	-

Investment Decisions

Budget and forecast development activity, such as drilling or other future capital investments, have been included in this report when the incremental project economics yielded a positive before tax future net revenue cash flows as per PRMS guidance.

Field Inspections

In the preparation of this evaluation, field inspections of the properties were not performed. The relevant engineering and geoscience data were made available by the Company or obtained from public sources and the non-confidential files at Sproule. No material information regarding the reserves evaluation would have been obtained by an on-site visit.

Product Price Forecasts

The forecasts of product prices used in this evaluation were based on Sproule's March 31, 2021 price forecasts. Further discussion is included in Appendix B.

Reserves Evaluation Software

For this evaluation, Sproule worked on the evaluation model, Value Navigator 2018.1.0.14. The functionality of the program is not the responsibility of Sproule, and results were accepted as calculated by the model. Sproule's responsibility is limited to the quality of the data input and reasonableness of the outcoming results.

Evaluation Results and Presentations

Evaluation Standards

This report has been prepared by Sproule using current geological and engineering knowledge, techniques and computer software. It has been prepared within the Code of Ethics of the Association of Professional Engineers and Geoscientists of Alberta ("APEGA"). This report was prepared in accordance with the guidelines and standards of the PRMS.

Report Contents

This report is included in one volume consisting of an Executive summary, Introduction, Overview of Region, Reserves and Resources, Other Assets, Conclusions, Qualifications and Basis of Opinion and Appendices. The Executive Summary includes high-level summaries of the evaluation; the Introduction includes the summary of evaluation standards and procedures; the Overview of Region includes details of the asset location and regional geology, the Reserves and Resources includes details pertaining to the evaluation of the P&NG reserves and resources, the Other Assets discusses the conclusions of Sproule's audit of the concept select report and associated cost estimates and the Qualifications and Basis of Opinion includes certification and pertinent author certificates. Reserves and resources definitions, product price forecasts, abbreviations, units, conversion factors and general evaluation parameters are included in Appendices A, B, C, and D, respectively. Appendix E presents details of the petroleum fiscal terms. A representation letter prepared by Officers of the Company, Appendix F, confirms the accuracy, completeness and availability of data requested by and furnished to Sproule during the preparation of this report.

Currency

The dollar values presented in the results throughout this report are United States dollars, unless otherwise stated. The inputs to the economic models are in United Kingdom pounds and converted within the model according the Sproule's exchange rate forecast.

Development Timing

Development forecasts documented in this report are consistent with PRMS recommended guidance regarding the development of undeveloped petroleum volumes within a reasonable time frame. Although five years is a recommended benchmark, assignment of reserves outside of that timeframe may be considered with appropriate justification and documentation. The assignment of contingent resources outside of the PRMS recommended guidance may be considered with a contingency regarding timing of development.

The following table lists the properties with future development plan timing that differ from the PRMS guidance listed above.

Properties	Final Year of Development Plan		Rationale for Development Timing
	Proved	Probable	
Pilot Main and Pilot South	2028	2028	A large capital project with facility constraints. The development plan is designed to optimize the operation and deliver supply to align with the proposed fluid handling capacity of the FPSO.

Abandonment, Decommissioning and Reclamation Costs

Forecasts of abandonment, decommissioning and reclamation costs presented in this report represent the total abandonment, decommissioning and reclamation costs associated with the Company's existing petroleum and natural gas portfolio evaluated, as represented by the Company.

Operating Costs

Forecasts of operating costs include payments associated with long term right-of-use assets, as if they are operating costs.

Erroneous Data

Sproule reserves the right to review all calculations made, referred to, or included in this report and to revise the estimates as a result of erroneous data supplied by the Company or information that exists but was not made available to us, which becomes known subsequent to the preparation of this report.

Cautionary Statements

Aggregation

The reserve and resources estimates are based on evaluations of performance methods and/or volumetric calculations of individual formations. These estimates are added up resulting in estimates by property. The process of cumulative summation is commonly referred to as "aggregation" (PRMS). The hydrocarbon reserves and resources presented in this report in Tables S-1, S-1A, S-1B, S-2A and S-2B are the results of arithmetic aggregation of reserves and resources by category.

Data Quality

The accuracy of reserves and resources estimates and associated economic analysis is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data provided at the time this report was prepared, the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that reservoir and financial performance subsequent to the date of the estimates may necessitate revision. These revisions may be material.

Fair Market Value

The net present values of the reserves and contingent resources presented in this report simply represent discounted future cash flow values at several discount rates. Though net present values form an integral part of fair market value estimations, without consideration for other economic criteria, they are not to be construed as Sproule's opinion of fair market value.

Forward-Looking Statements

The evaluation process involves modeling to reasonably predict future outcomes. Inherent in the modeling process, however, are limitations which may indirectly affect the forecast of future events.

This report contains forward-looking statements including expectations of future production revenues and capital expenditures. Information concerning reserves and resources may also be deemed to be forward-looking as estimates involve the implied assessment that the reserves and resources described can be profitably produced in the future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e., corporate commitment, regulatory approval, operational risks in development, exploration and production); potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimations; the uncertainty of estimates and projections relating to production; costs and expenses; health, safety and environmental factors; commodity prices; and exchange rate fluctuation.

Cashflows and Use

The cashflows presented in this report simply represent forecasts of the estimated production, revenues, royalties and costs based on a select set of entities yielding reserves and contingent resources which are economically producible. This model and the operating assumptions implied may not represent the actual operating practices of a company and the presentation may not include all petroleum operations, including but not limited to inactive and uneconomic properties. Although these cash flows may form an integral part

of a proforma operating statement and forecast estimation, without consideration for other economic criteria and items which may not be included in the results presentation, they are not to be construed as Sproule's opinion of a proforma operating statement for the entity group evaluated.

Equivalent Volumes

BOE's (or 'McfGE's' or other applicable units of equivalency) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl (or 'An McfGE conversion ratio of 1 bbl:6 Mcf') is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Rounding

Due to rounding, certain totals may not be consistent from one presentation to the next.

Overview of Region, Location and Assets

Description of Assets

The Company holds a 100 percent working interest, subject to the United Kingdom tax regime, in permits P2244, P2320 and P2482 together totalling some 852.6 km^2 in size and including the Pilot Main, Pilot South, Blakeney, Narwhal and Elke oil discoveries, located in the United Kingdom Continental Shelf (UKCS) North Sea Basin, approximately 150 kilometres east of Aberdeen, Scotland. The Company also holds a 50 percent interest in permit P2516 totalling some 19.9 km^2 in size including the Fynn (Beauly) and Fynn (Andrew) oil discoveries. Maps showing the Company-interest properties are presented as Figures 1 and 2. Table 1 presents the well list of the exploration and appraisal wells drilled in the discovery areas contained within the permit areas.

Petroleum Fiscal Terms

The United Kingdom petroleum fiscal regime is comprised of three taxes, namely, Petroleum Revenue Tax, Ring Fence Corporation Tax and Supplementary Charge Tax. The Company is exempt from Petroleum Revenue Tax. Additionally, no royalties are applicable to the fields.

Further discussion is included in Appendix E.

Production History

Pilot Field

The Pilot Field has been tested in the Tay Formation in the wells 21/27-2 and 21/27a-5X between 1989 and 1998. The reported oil quality was 12 to 17 ^{o}API. The 21/27a-5X well was tested at rates up to 1,850 bopd with an electric submersible pump. In well 21/27-2 only the top six feet of this reservoir section were perforated. During the test, the well flowed for 12 hours at the rate of 115 bopd.

Blakeney Field

No production test for the Tay Formation has been completed in the 21/27b-7 well in the Blakeney Field. Oil and water samples were obtained from the 21/27b-7 well with the reported oil quality of 14.5 ^{o}API and an average viscosity of 291 cP at reservoir pressure of 1,487 psia and reservoir temperature of 40.5 degrees Celsius.

Elke Field

No production test for the Tay Formation has been completed in the 28/3-1B well. An MDT oil sample was obtained from the 28/3-1B well with a reported oil quality of 12 ºAPI and an average viscosity ranging from 300 to 800 cP at reservoir pressure of 1,558 psia and reservoir temperature of 45 degrees Celsius.

Narwhal Field

No production test for the Tay Formation has been completed in the 28/2-1 well in the Narwhal Field. An MDT oil sample was obtained from the 28/2-1 well with the reported oil quality of 14 ºAPI and an average viscosity of 1,260 cP at reservoir pressure of 1,320 psia and reservoir temperature of 32 degrees Celsius.

Additional details regarding the assets are included in Table I-1 in the Introduction.

Geoscience

The primary oil target in the Pilot, Blakeney, Elke and Narwhal fields is the Eocene-aged Tay Formation. During the deposition of the Tay sandstone package, a gross trend of rising relative sea levels occurred with subordinate maximum flooding surfaces within the depositional sequence. This cycle is completed by falling relative sea levels in the mid to late Lutetian stage.

The Tay Formation is trapped in the area by a combined structural / stratigraphic trap, with the volumetrically significant stratigraphic element created by the updip shale-out of the main reservoir sand. The regional seal for the Eocene-aged sand fairway is provided by the argillaceous deposits of the overlying Hordaland Group.

Pilot

The Pilot oil accumulation in the Tay sandstone was discovered and appraised by 7 wells, 21/27a-5x, 21/27a-5z, 21/27a-5, 21/27a-6, 21/27-3, 21/27-2 and 21/27-4. The trap is a three-way structural closure with lithological seal formed by the Tay sand pinch out in the west as shown in Figure 3. A small gas cap is developed in local structural culminations penetrated by well 21/27a-5 well. There are four west-east oriented incised feeder channels connected to the Pilot Main and Pilot South accumulations and mapped from seismic, correspondingly named North, Central, South and Far South. Although these channels could be in communication with the Pilot Main and Pilot South accumulations, they were assessed as undiscovered prospects.

Sproule audited the Company's geological, geophysical and petrophysical interpretations based on the data provided in the Petrel database, well files and various reports. Average reservoir parameters for the

wells from the Sproule independent petrophysical interpretation for the sand of the Tay reservoir is presented in the next table.

Well	Discovery	Gross Thickness, ft	Net-to - Gross Ratio	Net Pay Thickness, ft	Porosity, fraction	Water Saturation, fraction
21/27-2	Pilot Main	62	0.99	61	0.36	0.10
21/27-3	Pilot Main	7	0.99	7	0.27	0.37
21/27A-5	Pilot Main	49	0.98	48	0.36	0.12
21/27A-6	Pilot Main	54	1.00	54	0.36	0.04
21/27-4	Pilot South	8	0.82	7	0.23	0.37

Sproule audited the Pilot geocellular model provided by the Company. It was constructed by one of the previous operators of the block, EnQuest. The geomodelling workflow followed industry standards. A lithofacies model was populated first, followed by porosity, conditioned to the lithofacies, and water saturation calculated by a saturation height function. Volumetrics from the model was concluded to be reasonable.

Company-Provided Discovered OIIP	
Discovery	**OIIP MMbbl**
Pilot Main	230
Pilot South	33

The OIIP volumes assigned to reserve and resource polygons are presented in Tables 2.1 and 2.1A.
The total discovered OIIP estimates presented above differ from the OIIP volumes used for the assignment of reserves/resources as presented in Tables 2.1 and 2.1A because the areal extent of reserves/resources polygons is smaller than the total field area.

Blakeney

The Blakeney oil accumulation in the Tay sandstone was discovered by the 21/27b-7 well drilled at the crest of a four-way dip closure. There is a good root mean square (RMS) amplitude anomaly conforming with the structural closure as shown in Figure 4.

Sproule audited the Company's geological, geophysical and petrophysical interpretations based on the data in the Petrel database, well files and various reports. Average reservoir parameters for the 21/27b-7 well from Sproule independent petrophysical interpretation for the sand of the Tay reservoir are presented below:

Well	Gross Thickness, ft	Net-to -Gross Ratio	Net Pay Thickness, ft	Porosity, fraction	Water Saturation, fraction
21/27b-7	74	0.96	71	0.33	0.07

Sproule audited the probabilistic volumetrics provided by the Company and concluded it to be reasonable.

Company-Provided Probabilistic Discovered OIIP, MMbbls								
Case	Area	Gross Thickness, H	Net-to - Gross Ratio	Geometric Correction	Porosity,	Water Saturation	Oil Formation Volume Factor, Bo	Original Oil in Place, OIIP
	[acre]	*[ft]*	*[fr]*	*[fr]*	*[fr]*	*[fr]*	*[rb/stb]*	*[MMbbl]*
P10	1535	76	1.0	0.50	0.36	0.07	1.077	112
P50	1299	73	1.0	0.45	0.34	0.10	1.077	91
P90	1100	70	1.0	0.35	0.33	0.13	1.077	75

The OIIP volumes assigned to reserve and resource polygons are presented in Tables 2.1 and 2.1A.

Elke

The Elke oil accumulation is penetrated by a single well (well 28/3-1B) in the eastern portion of the field and consists of three structural culminations separated by gentle saddles. Three volumetric scenarios (Low, Best and High) were modelled by Sproule to account for the uncertainty in depth mapping and reservoir continuity as shown in Figure 5.

The reservoir quality in the Tay sandstone encountered in the 28/3-1B well is excellent. The reservoir lies at around 3,400 feet TVDSS, and the sands are consequently poorly consolidated. Poro-perm characteristics are excellent with an average porosity of 36 percent, permeabilities of three darcies and an associated water saturation of 12 percent.

A clear oil-water contact of 3,458 feet TVDSS can be observed in logs at the 28/3-1B well, as shown in Figure 6.

Sproule audited the Company's geological, geophysical and petrophysical interpretations based on the data in the Petrel database, well files and various reports. Average reservoir parameters for the 28/3-1B well from the Sproule independent petrophysical interpretation are presented below:

Well	Gross Thickness, ft	Net-to - Gross Ratio	Net Pay Thickness, ft	Porosity, fraction	Water Saturation, fraction
28/3-1B	102	0.99	100	0.36	0.12

The table below represents the OIIP volumes estimated for the Tay reservoir within the Elke Main Field.

Probabilistic Discovered OIIP							
Case	Area	Gross Thickness, H	Net-to - Gross Ratio	Porosity,	Water Saturation	Oil Formation Volume Factor, Bo	Original Oil in Place, OIIP
	[acre]	*[ft]*	*[fr]*	*[fr]*	*[fr]*	*[rb/stb]*	*[MMbbl]*
High	1592	61	0.99	0.36	0.12	1.011	232
Best	1061	51	0.99	0.36	0.12	1.011	130
Low	510	51	0.99	0.36	0.12	1.011	62

The best case OIIP estimate was used to assign 1C and 2C resources. The high case OIIP estimate was used to assign 3C resources. The OIIP volumes assigned to resource polygons are presented in Table 2.1A. The resource polygons for the Elke Field are presented in the Figure 9.

As successful exploitation or appraisal wells are drilled at locations stepping out from the existing discovery well, the area attributable to each of the Low, Best and High volumes is anticipated to change based on the results of each individual well which would have a corresponding impact on the OIIP volumes that could be attributed to each of the uncertainty levels.

Narwhal

The Narwhal accumulation is a four-way closure penetrated by 28/2-1 well as shown in Figure 7. Sproule audited the probabilistic volumetrics provided by the Company and concluded they were reasonable.

The reservoir quality of the Tay sandstone encountered in the 28/2-1 well is excellent. The reservoir sands are poorly consolidated. Poro-perm characteristics are excellent with an average porosity of 34 percent, expected permeabilities of several darcies and associated water saturation of 20 percent. A clear oil-water contact of 3,022 feet TVDSS can be observed in logs at the 28/2-1 well, as shown in Figure 6.

Sproule audited the Company's geological, geophysical and petrophysical interpretations based on the data in the Petrel database, well files and various reports. Average reservoir parameters for the 28/2-1 well from the Sproule independent petrophysical interpretation for the sand of the Tay reservoir are presented below:

Well	Gross Thickness, ft	Net-to -Gross Ratio	Net Pay Thickness, ft	Porosity, fraction	Water Saturation, fraction
28/2-1	81	0.99	81	0.34	0.20

Company-Provided Probabilistic Discovered OIIP						
Case	Area	Net Pay	Porosity	Water Saturation	Oil Formation Volume Factor, Bo	Original Oil in Place, OIIP
	[acre]	*[ft]*	*[fr]*	*[fr]*	*[rb/stb]*	*[MMbbl]*
P10	310	49	0.36	0.07	1.07	32
P50	270	45	0.34	0.14	1.05	26
P90	235	41	0.32	0.25	1.02	21

Reserves and Resources

The oil and natural gas reserves, contingent and prospective resources were estimated based on the technically recoverable resources, operating and capital costs and the terms of the fiscal regime. Forecasts of net revenue were prepared by predicting the annual production from the reserves/contingent resources and product prices.

No gas reserves/contingent resources have been assigned, as gas is currently proposed to only be used for fuel and flare and no expense has been included in the cash flows for the use of the solution gas as fuel gas.

The reserves, contingent resources and prospective resources associated with the Company's fields in the United Kingdom are presented in Tables R-1 through R-3.

Table R-1
Summary of Reserves

	Gross (Mbbls)			Net attributable (Mbbls)			Operator
	Proved	Proved & Probable	Proved, Probable & Possible	Proved	Proved & Probable	Proved, Probable & Possible	
Oil & Liquids Reserves per asset							
Pilot Field Polymer Flood	58,436	78,819	110,531	58,436	78,819	110,531	Orcadian Energy (CNS) Ltd.[(1)]
Total for Oil & Liquids	58,436	78,819	110,531	58,436	78,819	110,531	

[(1)]Orcadian Energy (CNS) Ltd. is the new name for Pharis Energy Ltd., the original title holder.

Source: Sproule B.V.

Note:

All figures in barrels (Mbbls) or standard cubic feet (Mcf)

"Operator" is the name of the company that operates the asset.

"Gross" are 100% of the reserves and/or resources attributable to the license whilst "Net attributable" are those attributable to the Company.

Table R-2
Summary of Contingent Resources

	Gross, Mbbl			Net attributable, Mbbl			Maturity Sub-Class	Risk Factor, %	Operator
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate			
Oil & Liquids Contingent Resources per asset									
Blakeney Polymer Flood	-	25,113	41,497	-	25,113	41,497	Development On Hold	72	No Operator
Elke and Narwhal Polymer Flood	28,621	52,740	142,355	28,621	52,740	142,355	Development On Hold	79	No Operator
Total for Oil and Liquids	28,621	77,853	183,852	28,621	77,853	183,852			

Source: Sproule B.V.

Note:

All Contingent Resources above are only those which had economics run.

* Blakeney Polymer Flood Low Estimate volumes are uneconomic.

* Pilot Field Periphery Polymer Flood volumes are development unclarified and no economics have been considered; as such, they are not presented in this table.

All figures in barrels (Mbbls) or standard cubic feet (Mcf)

Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted

"Operator" is name of the company that operates the asset

"Gross" are 100% of the reserves and/or resources attributable to the licence whilst "Net attributable" are those attributable to the AIM company

Table R-3 Summary of Prospective Resources								
	Gross, Mbbl			Net attributable, Mbbl			Risk Factor, %	Operator
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate		
Oil & Liquids Prospective Resources per asset								
North Channel	2,890	10,850	28,000	2,890	10,850	28,000	50	Orcadian Energy (CNS) Ltd.(1)
Central Channel	1,700	5,950	14,500	1,700	5,950	14,500	50	Orcadian Energy (CNS) Ltd.(1)
South Channel	850	3,850	11,000	850	3,850	11,000	20	Orcadian Energy (CNS) Ltd.(1)
Far South Channel	2,550	8,400	20,000	2,550	8,400	20,000	40	Orcadian Energy (CNS) Ltd.(1)
Elke Field Updip West	5,500	17,500	39,000	5,500	17,500	39,000	87	No Operator
Elke Field North	2,500	10,500	30,000	2,500	10,500	30,000	66	No Operator
Elke Field Area 2 and Area 3	8,667	25,550	53,350	8,667	25,550	53,350	64	No Operator
Elke Field Main Channel	1,667	7,000	19,500	1,667	7,000	19,500	64	No Operator
Bowhead	12,000	43,050	105,000	12,000	43,050	105,000	49	No Operator
Tiberius	5,750	28,350	110,400	5,750	28,350	110,400	19	No Operator
Bottlenose	6,250	30,400	83,400	6,250	30,400	83,400	18	No Operator
Total for Oil and Liquids	50,323	191,400	514,150	50,323	191,400	514,150		

Source: Sproule B.V.

(1)Orcadian Energy (CNS) Ltd. is the new name for Pharis Energy Ltd., the original title holder.

Note: Totals may not add due to rounding

Risk Factor" for Prospective Resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the Prospective Resource maturing into a Contingent Resource

"Operator" is name of the company that operates the asset

"Gross" are 100% of the reserves and/or resources attributable to the licence whilst "Net attributable" are those attributable to the AIM company

Prospective Resources are Technically Recoverable Resources, prior to economic truncation.

Reserves and Contingent Resources

Technically Recoverable Resources

As defined in PRMS 1.1.08, Technically Recoverable Resources are those quantities of petroleum producible using currently available technology and industry practices, regardless of commercial considerations. Technically Recoverable Resources may be used for specific Projects or for groups of Projects, or, can be an undifferentiated estimate within an area (often basin-wide) of recovery potential.

Pilot Main and Pilot South Fields

The technically recoverable oil resources are summarized in Tables 2 and 2A and are based on capital budgets and a development program as presented by the Company.

The Company plans to develop the Pilot Main and Pilot South fields using polymer flood technology. The selection of this technology has largely been driven by the success of polymer flooding in the Captain Field located approximately 180 kilometers north-west of the Pilot fields.

The Company plans to install two lightweight wellhead platforms each with 20 well slots to drill horizontal wells at 100-metre spacing in the North part of the field where oil viscosities have been determined to be higher and at 150 meter well spacing in the South part of the Main Field and in Pilot South.

Process equipment, water desalination and polymer storage facilities will be installed on a custom equipped Floating Production, Storage and Offloading (FPSO) vessel. Drilling services will be provided by a leased jack-up rig located over the wellhead platforms during the drilling campaign. The produced fluids will be pipelined directly to the FPSO moored nearby for separation, water treatment, storage and export.

As part of the front end engineering and design process, the Company intends to perform sample separation testing to finalize the design of the water and oil separation system, but is of the belief that wash tank technology for dewatering and desalting offers the greatest flexibility with regards to processing of the heavier crude to sales specification. The technology is in use on offshore locations in Angola, Nigeria and the Congo with success. Should this testing demonstrate alternate technologies might be employed, these will be considered as the design process proceeds. Sproule believes that various separation technologies are available and proven and will require final process confirmation prior to proceeding with any conversion work on the vessel selected as the FPSO, but should not create any significant delays in the project implementation.

The Company has also decided to proceed with a liquid emulsion based polymer which is blended into the injection water in a static mixer downstream of the flow control valve used to adjust injection rates into each

well. This is to capitalize on the experience of the polymer supplier for the Captain Field in achieving the target polymer viscosities in an offshore operational environment. The Company has also identified that polymer costs can be substantially reduced if the salinity of the injection water is reduced. Pressurized membrane filtration and reverse osmosis units will be installed to reduce the salinity of sea water prior to mixing with polymer and injecting to the formation.

The Company also has selected to study further the deployment of viscous oil downhole pumping technology that is in use in a number of fields in North and South America. The use of these pumps in Pilot will require the construction of downhole units larger than any in use at present, but the technology is proven in similar conditions and the supplier is committed to make the required modifications to their existing design.

Sproule has assigned reserves to the Pilot Main and Pilot South fields based on analog fields under polymer flood in Western Canada as well as the results of the polymer flood pilot and published information on the Captain Field in the UK North Sea.

Reserves Area

Oil

The technically recoverable oil resources forecast to be produced from the Reserves Area were estimated volumetrically using a detailed geological model, reservoir petrophysical parameters and recovery factors as presented in Table 2.1. A single OIIP estimate was used for all reserves categories due to the high certainty related to reservoir homogeneity and sufficient well control.

Sproule reviewed the Company-provided reservoir simulation sector models for the polymer flood scenario. The Company's sector models estimated recovery factors ranging from 38 percent to 54 percent with an average of 45 percent. Sproule has reviewed the simulation model results and considers them to be reasonable although the higher recovery factors appear to be optimistic. Sproule notes that potential upsides that have not been considered in the assessment of the recovery factor include:

1) product enhancements that the polymer supplier has undertaken to reduce the concentration of polymer required to achieve the target viscosity;
2) polymer viscosities used in the model are similar to those established by lab testing at water salinities considerably higher than those being considered by the Company. Reduction of the salinity will increase the polymer viscosity offering opportunities to further reduce polymer volumes required and to improve the effectiveness of the polymer injected.

Recovery factors were estimated based on the analog data and the simulation model results. The range of assigned recovery factors is presented in Table 2.1.

All assigned technically recoverable resources are undeveloped. Proved plus probable and proved plus probable plus possible technically recoverable oil resources have been assigned based on probable and possible upside.

Solution Gas

No technically recoverable solution gas resources were estimated as all gas is consumed in operations and no expense has been included in the cash flow for the use of solution gas.

Blakeney Field

The technically recoverable oil resources are summarized in Table 2A and are based on capital budgets and a development program as presented by the Company.

The development scenario of the field is based on that of Pilot. The Company plans to develop the Blakeney Field with 13 horizontal producers and 10 horizontal injectors under a polymer flood scenario with first production in 2034. The wells will be drilled from a jack-up and the jack-up will depart once the drilling program is completed. The Blakeney facilities will tie-in to the Pilot FPSO and make use of the existing gas import facilities.

1C contingent resources for the Blakeney Field are uneconomic.

Contingent Resources Area

Oil

The technically recoverable oil resources forecast to be produced from the Contingent Resources Area under polymer flooding development scenario were estimated volumetrically using a detailed geological model, reservoir petrophysical parameters and recovery factors as presented in Table 2.1A.

Recovery factors were estimated using analog data with the assigned recovery factors from the Pilot Field used for guidance. Recovery factors differ from Pilot due to reservoir petrophysical parameters, a range of oil viscosities and development well spacing. The range of assigned recovery factors is presented in Table 2.1A.

Solution Gas

No technically recoverable solution gas resources were estimated as all gas is consumed in operations and no expense has been included in the cash flow for the use of solution gas.

Elke Field

The technically recoverable oil resources are summarized in Table 2A and are based on capital budgets and a development program as presented by the Company.

The development scenario of the field is based on that of Pilot. The Company plans to develop the Elke Field with 13 horizontal producers and 11 horizontal injectors under a polymer flood scenario with first production in 2031. The wells will be drilled from a jack-up and the jack-up will depart once the drilling program is completed. The Elke facilities will tie-in to the Pilot FPSO and make use of the existing gas import facilities. The facilities will essentially duplicate the facilities proposed for the Pilot Field. The Elke Field will share facilities with the Narwhal Field. The Elke-Narwhal facilities would tie-in to the Pilot Field FPSO and make use of the existing gas import facilities.

Contingent Resources Area

Oil

The technically recoverable oil resources forecast to be produced from the Contingent Resources Area under the polymer flood development scenario were estimated volumetrically using a detailed geological model, reservoir petrophysical parameters and recovery factors as presented in Table 2.1A.

The resource area polygon for 1C and 2C contingent resource categories was set based on limited well control. A larger resource polygon area was considered for the 3C category. Consequently, the number of undeveloped locations differs between 3C and the 1C and 2C resource categories. The 1C and 2C resource categories consider 9 producers and 7 injectors, while the 3C resource category considers 13 producers and 11 injectors for development. The resource polygons for the Elke Field are presented in Figure 9.

Recovery factors were estimated using analog data with the assigned recovery factors from the Pilot Field used for guidance. Recovery factors differ from Pilot due to differing reservoir petrophysical parameters, a range of oil viscosities and development well spacing. The range of assigned recovery factors is presented in Table 2.1A.

Solution Gas

No technically recoverable solution gas resources were estimated as all gas is consumed in operations and no expense has been included in the cash flow for the use of solution gas.

Narwhal Field

The technically recoverable oil resources are summarized in Table 2A and are based on capital budgets and a development program as presented by the Company.

The development scenario of the field is based on that of Pilot. The Company plans to develop the Narwhal Field with 4 horizontal producers and 3 horizontal injectors under a polymer flood scenario with first production in 2033. The wells will be drilled from a jack-up and the jack-up will depart once the drilling program is completed. The facilities will essentially duplicate the facilities proposed for the Pilot Field. The Narwhal Field will share facilities with the Elke Field. The Elke-Narwhal facilities would tie-in to the Pilot Field FPSO and make use of the existing gas import facilities.

Contingent Resources Area

Oil

The technically recoverable oil resources forecast to be produced from the Contingent Resources Area under the polymer flood development scenario were estimated volumetrically using a detailed geological model, reservoir petrophysical parameters and recovery factors as presented in Table 2.1A.

Recovery factors were estimated using analog data with the assigned recovery factors from the Pilot Field used for guidance. Recovery factors differ from Pilot due to reservoir petrophysical parameters, a range of oil viscosities, bottom water, and development well spacing. In general, the higher the viscosity, the lower the recovery factor. The range of assigned recovery factors is presented in Table 2.1A.

Solution Gas

No technically recoverable solution gas resources were estimated as all gas is consumed in operations and no expense has been included in the cash flow for the use of solution gas.

Pilot Periphery Area

The technically recoverable oil resources are summarized in Table 2A and are based on conceptual expansion and development of the periphery of the Pilot Main and Pilot South fields.

No specific development scenario has been presented, however, the Company would consider field expansion, under polymer flood, into the Peripheral area, dependent on the results in Pilot Main and South.

Contingent Resources Area

Oil

The technically recoverable oil resources forecast to be produced from the Contingent Resources Area under the polymer flood development scenario were estimated volumetrically using a detailed geological model, reservoir petrophysical parameters and recovery factors as presented in Table 2.1A.

Recovery factors were estimated using analog data with the assigned recovery factors from the Pilot Field used for guidance. Recovery factors differ from Pilot due to reservoir petrophysical parameters, a range of oil viscosities, bottom water, and development well spacing. The range of assigned recovery factors is presented in Table 2.1A.

Solution Gas

No technically recoverable solution gas resources were estimated as all gas is consumed in operations.

Production Forecasts

Pilot Field

Reserves Area

Oil

Oil production was forecast to decline from an initial rate presented in Table 2.2. Additional details regarding the oil production forecast, including the forecast start date, is also presented.

Sproule considered the Company-provided forecasts and simulation model results as provided by the Company to create the production forecasts for the wells. Type wells were created for the proved, proved plus probable, and proved plus probable plus possible reserves categories based on the simulation model results. The development timing for each well is based on the development plan provided by the Company.

Proved plus probable oil production was forecast from a higher rate and at a lower decline rate than the proved production forecast. The same considerations were made for the proved plus probable plus possible oil production forecast. The probable production forecast was created by subtracting the proved production forecast from the proved plus probable production forecast and the possible production forecast was created by subtracting the proved plus probable production forecast from the proved plus probable plus possible production forecast. Production forecasts for the Pilot Field are presented in Figures 10 and 11.

Blakeney Field

Contingent Resources Area

Oil

Oil production was forecast to decline from an initial rate presented in Table 2.2A. Additional details regarding the oil production forecast, including the forecast start date, is also presented.

The production forecast for the polymer flood was created using the Pilot type wells as analogs. The start of production for each well is based on the development plan provided by the Company and the polymer injection capacity of the facilities.

The best case oil production was forecast from a higher rate than the low case production forecast and at a lower decline rate. The same considerations were made for the high case oil production forecast. Production forecasts are presented in Figures 12 and 13.

Elke and Narwhal Fields

Contingent Resources Area

Oil

Oil production was forecast to decline from an initial rate presented in Table 2.2A. Additional details regarding the oil production forecast, including the date of the forecast, is also presented. Although individual details are provided for Elke and Narwhal in Table 2.2A, all economic calculations group them together.

The production forecast for the polymer flood was created using the Pilot type wells as analogs. The start of production for each well is based on the development plan provided by the Company and the polymer injection capacity of the facilities.

The best case oil production was forecast from a higher rate than the low case production forecast and at a lower decline rate. The same considerations were made for the high case oil production forecast. The high case also includes four additional Elke wells in the development plan. Production forecasts are presented in Figures 14 and 15.

Economics

Data provided by the Company was used to estimate the economic parameters for the evaluation. Summaries of the economic parameters, reserves, net present values and forecasts are presented in Tables 3 through 6.

The fiscal terms are presented in the Overview of Region, Location and Assets section of the Report.

Pricing

Oil

Sproule's price forecast for Brent crude oil, as of March 31, 2021, as shown in Table S-3 and Appendix B, was used in the evaluation. Publicly available information suggests the produced crude is of comparable quality to other crudes produced in the region that are being sold into fuel oil markets at prices equal to or better than the Brent market price. As a result, Sproule has not applied any discounts or premiums to the Brent marker price in this evaluation.

At the request of the Company, Sproule has also run price sensitivity cases starting at each of $50, $60 and $70 for Brent crude, with escalation applied at Sproule's forecast rate for the life of reserves. Tables showing the results of these price sensitivities are shown in Table 7 for reserves and Table 7A for contingent resources.

Operating Costs (2021 UK pounds)

The operating costs used in the evaluation were based on the proposed development plan provided by the Company, reviewed by Sproule, and are presented in Table 3 (Reserves) and Table 3A (Contingent Resources).

Capital Costs (2021 UK pounds)

The capital costs used in the evaluation were based on the conceptual development plan provided by the Company, reviewed by Sproule and are presented in Table 3 (Reserves) and Table 3A (Contingent Resources).

Abandonment, Decommissioning and Reclamation Costs (2021 UK pounds)

The abandonment, decommissioning and reclamation ("ADR") costs associated with the Company's petroleum exploration, development, production and processing operations in the evaluated area contained

in this report are as outlined in the Introduction section of this report and were provided by the Company in their conceptual development plan.

The abandonment, decommissioning and reclamation costs used in the evaluation are presented in Table 3 (Reserves) and Table 3A (Resources).

Net Present Values

The estimates of the P&NG reserves and contingent resources project maturity sub-class development on hold and their respective net present values, summarized by property and by category, before income taxes, are presented in Tables 4 and 4A. The risked estimates of contingent resources and net present values, summarized by property and by category, before income taxes, are presented in Table 4B. Detailed forecasts of production and net revenue for the various reserves and contingent resources categories for the Company, before and after income tax, are presented in Tables 5 and 6. There have not been any tax pools, hedges or Company items included in this report at either the company or property level.

Income Taxes

At the request of the Company, an after tax evaluation was prepared based on the United Kingdom Ring Fence Corporate tax rate of 30 percent on profits and the Supplementary Charge rate of 10 percent. No tax pools have been included in this evaluation.

Sproule recognizes the Company has options available to them regarding the treatment of polymer purchase costs as a Capital expenditure or an Operating expenditure with resulting effect on the after tax evaluation results. Sproule has treated the polymer throughout as an Operating expenditure and has not evaluated the effect of this difference in cost treatment.

Economic Status

Sproule evaluated the Company's development plan for the contingent resources in the Blakeney, Elke and Narwhal fields. A summary of the economic status of the contingent resources by field is included in Table R-4.

Table R-4 Economic Status (Contingent Resources)	
Field	**Economic Status**
Pilot Periphery Polymer flood	Undetermined
Blakeney Polymer flood	Economically Marginal
Elke Polymer flood	Economic
Narwhal Polymer flood	Economic

No development plan has been provided for Pilot Periphery Area Polymer flood Development. Consequently, Sproule did not evaluate the Company's development plan for the contingent resources for this area.

Sproule evaluated the Company's development plan for the contingent resources of the Blakeney Field and found these contingent resources to be economically marginal based on the best estimate forecast, but uneconomic for the low case (1C).

Sproule evaluated the Company's development plan for the contingent resources of the Elke and Narwhal fields and found these contingent resources to be economically viable based on the best estimate forecast.

Although the contingent resources were found to be economically viable in aggregate for Blakeney, Elke and Narwhal fields, there may be individual locations within each project which are uneconomic.

Contingencies

Pilot Periphery

Three contingencies are identified for the Pilot Field Periphery polymer flood development scenario: Corporate Commitment, Economic Factors and Timing of Production and Development.

Corporate Commitment

There has been no final investment decision and endorsement from the Company to move forward with commercial development of this asset. It is likely that a final investment decision to approve this project will not occur for several years. Development of the Pilot Periphery area is contingent on the successful development of the Pilot Field. Additionally, a detailed development plan has not been created and further work needs to be completed to confirm how the resources will be developed. It is anticipated that as the development plan is refined the Company would be able to make a final investment decision, at which point this contingency would be removed.

Economic Factors

Economic viability is to be determined and dependent on the development and success of the Pilot Main ad South areas. The reservoir for the Pilot Periphery is thinner, with less OOIP and may not justify capital expenditure for drilling into this area of the field.

Timing of Production and Development

The Pilot peripheral areas are less defined than the Pilot Main and Pilot South areas proposed for development and their development is dependent on a number of factors, including the results of the polymer flooding on the first wells to be developed in those areas. As a result the timing of the production and development is uncertain. This contingency could be removed as more information becomes available.

Criteria considered in PRMS Section 2.1.2 but not identified as contingencies to the Pilot Periphery area development at this time include Evaluation Drilling, Regulatory Approval, Technology Under Development, Legal Factors, Market Access, Political Factors and Social License.

Blakeney

Two contingencies are identified for the Blakeney Field polymer flood development scenario: Corporate Commitment and Economic Factors.

Corporate Commitment

There has been no final investment decision and endorsement from the Company to move forward with commercial development of this asset. It is likely that a final investment decision to approve this project will not occur for several years. Development of the Blakeney Field is contingent on the successful development of the Pilot Field. Additionally, a detailed development plan has not been created and further work needs to be completed to confirm how the resources will be developed. It is anticipated that as the development plan is refined the Company would be able to make a final investment decision, at which point this contingency would be removed.

Economic Factors

Economic viability is to be determined and dependent on the development and success of Pilot. The Blakeney low case is uneconomic and the decision to proceed is based on positive results and favorable economics from the Pilot Field.

Criteria considered in PRMS Section 2.1.2 but not identified as contingencies to the Blakeney area development at this time include Evaluation Drilling, Regulatory Approval, Technology Under Development, Legal Factors, Market Access, Political Factors, Social License, and Timing of Production and Development.

Elke

Two contingencies are identified for the Elke Field polymer flood development scenario: Corporate Commitment and Economic Factors.

Corporate Commitment

There has been no final investment decision and endorsement from the Company to move forward with commercial development of this asset. It is likely that a final investment decision to approve this project will not occur for several years. Development of the Elke Field is contingent on the successful development of the Pilot Field. Additionally, a detailed development plan has not been created and further work needs to be completed to confirm how the resources will be developed. It is anticipated that as the development plan is refined the Company would be able to make a final investment decision, at which point this contingency would be removed.

Economic Factors

Economic viability is to be determined and dependent on the development and success of Pilot. The decision to proceed is based on positive results and favorable economics from the Pilot Field.

Criteria considered in PRMS Section 2.1.2 but not identified as contingencies to the Elke area development at this time include Evaluation Drilling, Regulatory Approval, Technology Under Development, Legal Factors, Market Access, Political Factors, Social License, and Timing of Production and Development.

Narwhal

Two contingencies are identified for the Narwhal Field polymer flood development scenario: Corporate Commitment and Economic Factors.

Corporate Commitment

There has been no final investment decision and endorsement from the Company to move forward with commercial development of this asset. It is likely that a final investment decision to approve this project will not occur for several years. Development of the Narwhal Field is contingent on the successful development of the Pilot and Elke fields. Additionally, a detailed development plan has not been created and further work needs to be completed to confirm how the resources will be developed. It is anticipated that as the development plan is refined the Company would be able to make a final investment decision, at which point this contingency would be removed.

Economic Factors

Economic viability is to be determined and dependent on the development and success of Pilot. The decision to proceed is based on positive results and favorable economics from the Pilot Field.

Criteria considered in PRMS Section 2.1.2 but not identified as contingencies to the Narwhal area development at this time include Evaluation Drilling, Regulatory Approval, Technology Under Development, Legal Factors, Market Access, Political Factors, Social License, and Timing of Production and Development.

Project Maturity Sub-Class

The project maturity sub-class for the Contingent resource volumes are classified by field as outlined in Table R-5.

Table R-5
Project Maturity Sub-class (Contingent Resources)

Field	Project Maturity Sub-class
Pilot Periphery Polymer flood	Development Unclarified
Blakeney Polymer flood	Development On Hold
Elke Polymer flood	Development On Hold
Narwhal Polymer flood	Development On Hold

Chance of Development

In recognition of the risk of development of the Contingent resource volumes, a chance of development factor has been applied to the total recoverable resources and net present values of the Contingent resources as outlined in Table R-6.

Table R-6
Chance of Development (Contingent Resources)

Field	Chance of Development (percent)
Pilot Periphery Polymer flood	39
Blakeney Polymer flood	72
Elke Polymer flood	79
Narwhal Polymer flood	79

Risk factors for each field were assigned taking into consideration maturity sub-class of the project and relevant contingencies identified earlier in the Report.

Positive and Negative Factors

Key positive factors relevant to the development in the Contingent Resource areas include:

- The fields are in reasonable proximity to the proposed Pilot development, reducing the initial facility capital cost outlay associated with the development of these fields;
- The fields are in the general vicinity of other commercial oilfield developments in the UK sector of the North Sea and thus should not be subject to conditions significantly different than previous developments;
- A successful Pilot field development will reduce the technical and economic uncertainties associated with the development of the Contingent Resource areas.

Key negative factors relevant to development in the Contingent Resource areas include:

- Economic parameters, including capital costs and product prices, are subject to fluctuation and could affect the decision to proceed with the project;
- Results in the development of the Pilot Field could be worse than expected and could cause cancellation of the development of the Contingent Resource fields.

Prospective Resources

The technically recoverable oil/gas resources for prospective resources are summarized in Tables 2B and 2.1B.

Sproule estimates the chance of development for each of the prospective resources prospects is approximately 50 percent. The chance of commerciality of prospective resources is the product of the chance of geological discovery and the chance of development. The chance of geological discovery for each of the prospects is outlined in the following discussion for each area.

Elke Satellites (Tay) Prospects

The Eocene Tay Formation is the main target reservoir for the Western Platform development which includes the Elke (28/3-1B) and Narwhal (28/2-1) discoveries and satellite prospects.

Prospect Definition

Ultra-far stack seismic amplitude anomalies within the 28/3 Block provide a good basis for prospect identification (Figure 16). The Company used this map to delineate the different sand bodies within the block and create the prospect inventory. Most of the defined prospect areas, in particular Elke Updip, Elke Area 2 and Elke Area 3, exhibit the same seismic character as the Elke discovery and can be considered as lower risk prospects.

Volumetrics

The prospects were grouped by the Company into two areas (western and eastern) for the volume estimation. The western area is based on the Elke and Narwhal wells, where high reservoir quality sands are found. To the east of the Elke and Narwhal fields, reservoir properties are anticipated to degrade slightly as the sands become more distal. The following tables present the Company's petrophysical and recovery input parameters for the two areas.

Western Area	Units	P90	P50	P10
Net-to-Gross Ratio	fraction	0.93	0.97	1.00
Porosity	fraction	0.33	0.34	0.36
Oil Saturation	fraction	0.75	0.86	0.93
Oil Formation Volume Factor	rb/stb	1.06	1.011	1.17
Gas-Oil Ratio	Scf/bbl	45	122	200
Applied to:	Elke Updip West, Elke Area 2 and 3, Elke North			

Eastern Area	Units	P90	P50	P10
Porosity	fraction	0.30	0.33	0.36
Oil Saturation	fraction	0.75	0.84	0.92
Oil Formation Volume Factor	rb/stb	1.03	1.07	1.12
Gas-Oil Ratio	Scf/bbl	33	184	320
Applied to:	Elke Main Channel			

Prospect	Input Parameters	Units	P90	P50	P10
Elke Updip West	Productive Area	ac	345.8	1.61	1.84
	Net Pay	ft	40	54	90
Elke Area 2	Gross Rock Volume	ac*ft	1260	17025	23510
Elke Area 3	Gross Rock Volume	ac*ft	12970	18320	25940
Elke Main Channel	Productive Area	acres	298.9	1.42	1.66
	Net Pay	ft	15	29	55
Elke North	Productive Area	acres	261.8	1.49	3.57
	Net Pay	ft	21	29	40

The Company's Undiscovered oil in-place resources by prospect are presented in the next table.

	Undiscovered OIIP MMbbls		
Prospect	**P90**	**P50**	**P10**
Elke Updip West	33	51	78
Elke North	15	30	60
Elke Area 2	25	35	50
Elke Area 3	27	38	57
Elke Main Channel	10	20	39

Sproule audited the Company's assessment methodology, input parameters and output results and found them to be reasonable.

Chance of Geological Discovery

The Company's risking of the Tay prospects is driven by the AVO response with geophysical modifiers, an adjustment factor based on the quality of seismic amplitude. This risk factor modifier ranges from 165 percent to 200 percent. The largest risks otherwise are Seal and Preservation. The risk methodology used by the Company was audited by Sproule and found to be reasonable.

The Company's risking parameters by prospect along with the resulting chance of geological discovery (Pg) are presented in the next table.

Risk Factor	Prospect				
	Elke Updip West	**Elke North**	**Elke Area 2**	**Elke Area 3**	**Elke Main Channel**
Source	100%	100%	100%	100%	100%
Migration and Timing	90%	90%	90%	90%	95%
Trap	90%	95%	70%	70%	70%
Reservoir Presence	90%	70%	90%	90%	90%
Reservoir Quality	90%	70%	80%	80%	80%
Seal and Preservation	60%	95%	70%	70%	70%
Geophysical Modifier*	200%	165%	200%	200%	190%
Pg	**87%**	**66%**	**64%**	**64%**	**64%**

*An adjustment factor based on the quality of seismic amplitude

Bottlenose and Tiberius Prospects

Tiberius is an Upper Jurassic Fulmar prospect in the Block 28/3a (Figure 17). Upper Jurassic reservoir preservation (or deposition) is not well-understood due to lack of well data as no wells have been drilled down to Jurassic, which is expected to be a critical risk factor. The Bottlenose prospect is a four-way dip closure located in the eastern part of Block 28/3a. (Figure 17). The prospective interval is anticipated to be within the Paleocene-aged Lista Formation.

The following tables present the Company's petrophysical and recovery input parameters for the two prospect areas.

Tiberius	Distribution	Units	P90	P50	P10
Gross Rock Volume	Lognormal	ac*ft	20268	57317	162142
Net-to-Gross Ratio	Lognormal	fraction	0.67	0.77	0.89
Porosity	Lognormal	fraction	0.22	0.26	0.30
Oil Saturation	Lognormal	fraction	0.82	0.86	0.89
Oil Formation Volume Factor	Normal	rb/stb	1.08	1.14	1.2
Bottlenose	**Distribution**	**Units**	**P90**	**P50**	**P10**
Gross Rock Volume	Lognormal	ac*ft	24321	72964	213865
Net-to-Gross Ratio	Lognormal	fraction	0.44	0.65	0.88
Porosity	Lognormal	fraction	0.25	0.30	0.34
Oil Saturation	Lognormal	fraction	0.75	0.82	0.89
Oil Formation Volume Factor	Normal	rb/stb	1.08	1.14	1.2

Sproule audited the Company's assessment methodology, input parameters and output results and found them reasonable. The following table shows the Company's undiscovered oil in-place estimates for the Tiberius and Bottlenose prospects.

	OIIP [MMbbls]		
Prospect	**P90**	**P50**	**P10**
Tiberius	23	63	184
Bottlenose	25	76	239

Chance of Geological Discovery

Due to the poor offset data, a chance of geological discovery (Pg) has been assigned by the Company for these two prospects (19 percent for Tiberius and 18 percent for Bottlenose). The methodology used by the Company was audited by Sproule and found to be reasonable. The principal risks for these two prospects are reservoir and migration.

The risking parameters by prospect used by the Company are presented below.

Risk Factor	Prospect	
	Tiberius	**Bottlenose**
Source	100%	100%
Migration and Timing	50%	50%
Trap	100%	90%
Reservoir Presence	60%	55%
Reservoir Quality	80%	90%
Seal and Preservation	80%	80%
Pg	**19%**	**18%**

Pilot Area

The Pilot area prospects consist of four feeder channels connecting from the west into the Pilot discovery. These four mapped channel-form bodies appear to be contiguous with the reservoir sands of the Pilot discovery (Figure 18). These are best highlighted using spectral decomposition (Figure 19). A brightening on the far offset stack is observed within the North, Central and Far South channels, which is an oil indicator in the adjacent Pilot discovery. This brightening is absent in the South channel (Figure 20). Given that the South channel separates Pilot Main and Pilot South with different oil-water contacts in each, the Company believes that the South channel is likely to contain a significant portion of non-reservoir lithologies.

The Company's input parameters used for volumetrics along with the resulting of undiscovered oil in-place estimates are summarized in the table below.

Probabilistic Undiscovered OIIP [MMbbls]								
Prospect	**Case**	**Area**	**Gross Thickness**	**Net-to-Gross Ratio**	**Porosity**	**Water Saturation**	**Oil Formation Volume Factor**	**OIIP**
		(acre)	*(ft)*	*(fraction)*	*(fraction)*	*(fraction)*	*(rb/stb)*	*(MMstb)*
North Channel	P10	598.0	75	0.93	0.35	0.11	1.10	56
	P50	365.7	61	0.80	0.32	0.15	1.09	31
	P90	222.4	50	0.65	0.28	0.20	1.07	17
Central Channel	P10	464.5	50	0.93	0.35	0.11	1.10	29
	P50	331.1	39	0.80	0.32	0.15	1.09	17
	P90	234.7	30	0.65	0.28	0.20	1.07	10
South Channel	P10	733.9	45	0.45	0.35	0.11	1.10	22
	P50	444.8	34	0.34	0.32	0.15	1.09	11
	P90	269.3	25	0.25	0.28	0.20	1.07	5
Far South Channel	P10	415.1	75	0.93	0.35	0.11	1.10	40
	P50	294.0	61	0.80	0.32	0.15	1.09	24
	P90	207.6	50	0.65	0.28	0.20	1.07	15

Sproule audited the Company's assessment methodology, input parameters and output results and found them reasonable.

Chance of Geological Discovery

The prospects, except for the South channel, are assigned a relatively low risk as shown in the table below. This is primarily due to the seismic amplitude response. The South channel is interpreted to be filled with predominantly non-reservoir lithologies, and any sands present may be isolated from oil charge. The primary risk factors are reservoir quality for all prospects and migration and timing, particularly for the South channel prospect. The methodology used by the Company to estimate the chance of geological discovery was audited by Sproule and found to be reasonable.

Risk Factor	**Prospect**			
	North	**Central**	**South**	**Far South**
Source	100%	100%	100%	100%
Migration and Timing	100%	100%	65%	100%
Trap	100%	100%	100%	100%
Reservoir Presence	100%	100%	100%	100%
Reservoir Quality	50%	50%	30%	40%
Seal and Preservation	100%	100%	100%	100%
Pg	**50%**	**50%**	**20%**	**40%**

Bowhead Prospect

The Bowhead prospect is a Tay Sandstone stratigraphic trap with a Class II AVO anomaly. It sits immediately along-strike from Pilot and is separated from it by a salt swell.

As in the Pilot discovery, the turbiditic Tay Sandstone pinches out towards the west. A structural closure is produced by an embayment feature, and the AVO anomaly is used to define the extent of the prospect, with structural conformance to the AVO response seen (Figure 21).

The following table presents the Company's reservoir and fluid properties input parameters for Bowhead prospect.

Parameter	Distribution	Units	P90	P50	P10
Gross Volume Rock	Lognormal	ac*ft	48,050	79,851	132,700
Net-to-Gross Ratio	Lognormal	fraction	0.65	0.78	0.94
Porosity	Lognormal	fraction	0.28	0.31	0.34
Oil Saturation	Lognormal	fraction	0.81	0.86	0.89
Oil Formation Volume Factor	Normal	rb/stb	1.03	1.05	1.065

Sproule audited the Company's assessment methodology, input parameters and output results and found them reasonable. The following table shows the corresponding Company's undiscovered oil in-place estimates.

	OIIP [MMbbls]		
Prospect	P90	P50	P10
Bowhead	72	123	213

Chance of Geological Discovery

The Company's risking parameters by prospect along with the resulting chance of geological discovery (Pg) are presented in the next table.

Risk Factor	**Bowhead**
Source	100%
Migration and Timing	100%
Trap	100%
Reservoir Presence	90%
Reservoir Quality	78%
Seal and Preservation	70%
Pg	**49%**

Upside Potential

Sproule did not assess minor discoveries Harbour, Feugh, Dandy and Crinan, but consider them as upside potential. The table below presents a range of oil volumes for the mentioned properties as presented by the Company.

Property	Block	Formation	OIIP, MMbbl			Recovery Factor, %	Technically Recoverable Oil Volume, MMbbl
			Low	Best	High	Best	Best
Harbour	21/27b	Tay	7.3	9.0	11.8	20	1.8
Feugh	21/27b	Tay	23.0	30.0	38.0	20	6.0
Dandy North and Dandy South	21/28a	Tay	4.0	12.2	30.5	15	1.8
Crinan	21/28a	Tay	4.7	14.9	42.5	15	2.2
Fynn (Andrew)	14/20g	Andrew	42.2	49.5	57.6	20	9.9
Fynn (Beauly)	14/20g & 15/16g	Beauly	76.9	137.4	202.2	35	48.1

Note:
Volumes above represent Gross Technically Recoverable Volumes, as presented by the Company.

Other Assets

The Company does not own a material interest in any other exploration or production assets. The following section considers the physical surface related assets that are being considered for the development of the properties.

Sproule has conducted an in-depth review of the Company's Concept Select Study Report for the Pilot Field, specifically in relation to the planned well completions and the subsea and above sea level equipment and facilities.

The selected concept considers the use of a turret-moored Aframax size FPSO and two Normally Unmanned Installations (NUI) wellhead platforms accessible by helicopter and by "walk to work" from support ships. The FPSO will be connected to the NUI's by subsea cables and pipelines to supply them with electrical power, low salinity (Lo-Sal) and high salinity (Hi-Sal) processed and pressurized water ready for injection, as well as raw polymer to be mixed into the injection water onboard the NUI's. The FPSO will process the produced fluids using associated gas for heating and for power generation, with top-up fuel gas imported by pipeline. Crude will be transferred to shuttle tankers by tandem loading.

To manage the challenges presented by the high viscosity and low API gravity of Pilot crude in relation to artificial lift and crude dehydration, the Company has selected two technologies that are new to the North Sea, although established elsewhere: the V-pump for artificial lift and the conversion of a tank in the FPSO hull as a "wash tank" for crude dehydration.

The selection process, as presented in the referenced study report is based on thorough analysis and evaluation by the Company and its outside engineering contractors and suppliers. In Sproule's opinion the development concept is robust and fit for purpose. Sproule is also of the opinion that The V-pump and "wash tank" appear to be a good fit for this application.

The Company has worked closely with the UK Oil and Gas Authority (OGA) which the Company indicates *"explicitly agrees with the concept selection"*.

Capital, Operating and Abandonment Cost Estimates

The Concept Select Study Report includes detailed definition and analysis of the capital, operating and abandonment costs. Sproule reviewed these estimates as a "Class 4" level of cost estimating accuracy, as defined per Association for the Advancement of Cost Engineering International (AACEI) classification system and consistent with the Concept Select stage. AACEI Class 4 applies at 1% to 15% of complete project definition, with uncertainty of the cost estimate range Low -15 to -30% and High +20 to +50%.

The Company has elected to request that the evaluation is based upon a scenario in which they purchase a vessel and convert the vessel to an FPSO as a capital item. Another scenario, which has not been evaluated, is that the Company would seek to engage an FPSO company to undertake this work and then lease the FPSO to the Company as part of its overall project financing arrangements. Sproule is of the opinion the economic results provide an order of magnitude indication of the value of the project and are sufficiently robust to support progressing the project to the next stage. During the equipment procurement process, it is anticipated the Company would select either of the FPSO purchase or lease scenario that provides the best combination of risk reduction and economic results, which may be modestly better or worse than those provided herein. Overall, differences in the economic results that may be encountered due to final design decisions are not expected at this time to be materially significant.

For the evaluated scenario, the Company has provided detailed capital expenditure estimates for the FPSO, wells and pipeline/flowlines. The assumed rig rates of $85K/d for the drilling of the wells and assumed $40MM purchase cost of a 5 year-old Aframax tanker and associated FPSO conversion, appear to be consistent with the current market (March 2021). The Company has also provided a weight and cost summary for the NUI platforms. All of the above has allowed Sproule to perform checks for completeness, market rate assumptions and comparison to benchmarks.

In Sproule's opinion the Capex numbers are consistent with a Class 4 estimate in the current market.

The Company has provided details for all elements of the operating cost stream, which has allowed Sproule to perform comparison to benchmark and market costs resulting in a reconciliation of all the operating cost components. The Company has assumed the cost of imported fuel gas at 0.55 UK pound per therm and carbon emission fees at 30 UK pound per tonne, which appears reasonable.

Sproule considers the Opex assumptions for the Pilot development to be consistent with a Class 4 estimate in the current market. Sproule identified a minor math error in one of the operating cost components resulting in a minor increase in the Company's operating cost estimates, but within the accuracy of a Class 4 estimate.

Sproule has also reviewed the abandonment costs estimates and consider them consistent with a Class 4 estimate.

Schedule Review

The Concept Select Study Report indicates two parallel post-FDP critical paths, one running through the platform construction and installation followed by drilling and the other one running through the FPSO conversion and installation. If an FPSO suitable for re-deployment is found, then the post-sanction critical path will still run through the platform construction/installation and drilling.

The Company has indicated they are on schedule to receive final approval of the FDP and to make a final investment decision by the end of 2021.

In Sproule's opinion the schedule is reasonable in the current market.

The terms of the agreements for each of the licence areas require the Company to meet certain milestones to progress the licence towards the production periods. Should the stated milestones not be met, extensions and continuations to the milestones must be approved by the UK Oil and Gas Authority (OGA). Sproule is of the understanding that approvals of extensions and continuations by the OGA are granted as long as progress towards the production period is continuing in a reasonable fashion satisfactory to the OGA. Relatively minor delays in progress do occur for projects of this nature which may result in the Company not receiving final approval of the FDP and making a final investment decision by the end of 2021. In such case, the Company has advised that appropriate applications for extensions or continuations will be made and efforts will be taken to reach those milestones as soon as possible following that date. Such delays are expected to have minimal or no affect on reaching the final on production milestone.

Risk and Project Management

In Sproule's opinion the risks, opportunities and uncertainties for the project have been well recognized by the Company, as per the risk management section of the Pilot Field Concept Select Study Report.

The Company has defined a path forward to manage the remaining uncertainties related to the V-pump and the sizing/efficiency of the wash tanks for the Pilot crude. Sproule is of the opinion that these risks are low and that the mitigation plan is adequate.

The Company has not specifically addressed the risks related to its lack of experience as a corporate entity and the lack of technical and operational teams, potentially affecting project management, drilling and production operations. However, the Company has indicated their intended use of the very experienced support services teams involved in the conduct of the Concept Select Study as putative "well Operator" and "facilities Operator". Sproule is of the opinion that this proposed approach effectively mitigates any of these "experience" risks.

Conclusions

Reserves and resource estimates presented herein have been prepared according to the classifications and definitions of the 2018 PRMS. The estimates of the reserves, contingent resources, and prospective resources is included in Tables R-1 through R-3. The net present values of the reserves and contingent resources is included in Tables 5 and 6.

The development forecasts presented in this evaluation were based on capital budgets and development programs as presented by the Company under the scope of this evaluation and engagement. The development forecast presented in this report may not represent the full development potential of the lands evaluated.

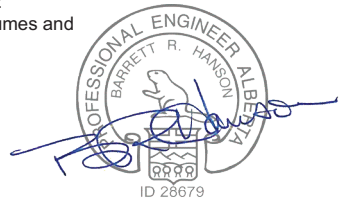
Qualifications and Basis of Opinions

Certification

Report Preparation

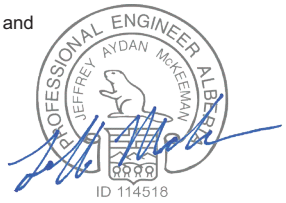
The report entitled “Competent Person’s Report of the P&NG of Orcadian Energy PLC (As of April 1, 2021)”” was prepared and is authenticated by the following Sproule personnel:

Project Leader
Preparation of:
Technical Volumes and
Economics



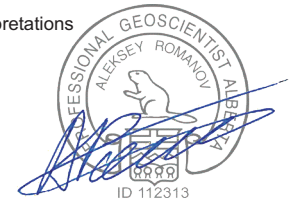
Jul. 08, 2021
Barrett R. Hanson, P.Eng.
Senior Petroleum Engineer

Preparation of:
Technical Volumes and
Economics



Jul. 08, 2021
Jeffrey McKeeman, P.Eng.
Petroleum Engineer

Preparation of:
Geological Interpretations

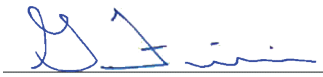


Jul. 08, 2021
Alexey Romanov, Ph.D., P. Geo.
Senior Geoscientist

Responsible Member Validation

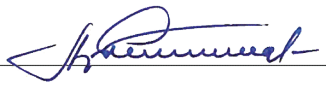
This report has been reviewed and validated in accordance with the Professional Practice Management Plan of Sproule by the following Responsible Members of Sproule B.V.

Engineering



Gary R. Finnis, P.Eng.
Senior Manager, Engineering
DATE: Jul. 08, 2021 **RM APEGA ID #:** 62965

Geoscience



Alec Kovaltchouk, P.Geo.
VP, Geoscience
DATE: Jul. 08, 2021 **RM APEGA ID #:** 72150

Legal Authorization

Certificate of Qualification

Barrett R. (Barry) Hanson, P.Eng., SPEC

I, Barrett R. Hanson, Senior Petroleum Engineer, of Sproule, 900, 140 Fourth Avenue SW, Calgary, Alberta, declare the following:

1. I hold the following degree:
   a. B.Sc., Chemical Engineering (1979), University of Saskatchewan, Saskatoon, Saskatchewan, Canada

2. I am a registered professional:
   a. Professional Engineer (P.Eng.), Province of Alberta, Canada
   b. Certified SPE Petroleum Engineer

3. I am a member of the following professional organizations:
   a. Association of Professional Engineers and Geoscientists of Alberta (APEGA)
   b. Society of Petroleum Engineers (SPE)

4. I am a qualified reserves evaluator and reserves auditor as defined in:
   a. the “Canadian Oil and Gas Evaluation Handbook” as promulgated by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and,
   b. the “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information” as promulgated by the Society of Petroleum Engineers and incorporated into the “Petroleum Resource Management System” (SPE-PRMS).

5. My contribution to the report entitled “Competent Person’s Report of the P&NG of Orcadian Energy PLC (As of April 1, 2021)” is based on my engineering knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule.

6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of Orcadian Energy PLC.

Barrett R. Hanson, P.Eng., SPEC

Certificate of Qualification

Jeffrey McKeeman, P.Eng.

I, Jeffrey McKeeman, Petroleum Engineer, of Sproule, 900, 140 Fourth Avenue SW, Calgary, Alberta, declare the following:

1. I hold the following degree:
   a. B.Sc., Mechanical Engineering (2012), University of Calgary, Calgary, Alberta, Canada

2. I am a registered professional:
   a. Professional Engineer (P.Eng.), Province of Alberta, Canada

3. I am a member of the following professional organizations:
   a. Association of Professional Engineers and Geoscientists of Alberta (APEGA)

4. I am a qualified reserves evaluator as defined in:
   a. the “Canadian Oil and Gas Evaluation Handbook” as promulgated by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and,
   b. the “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information” as promulgated by the Society of Petroleum Engineers and incorporated into the “Petroleum Resource Management System” (SPE-PRMS).

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Jeffrey McKeeman, P.Eng.

Certificate of Qualification

Alexey Romanov, Ph.D., P.Geo.

I, Alexey Romanov, Senior Geoscientist of Sproule, 900, 140 Fourth Avenue SW, Calgary, Alberta, declare the following:

1. I hold the following degrees:
   a. Ph.D. Eng. (2007), Kazan State Technological University, Kazan, Russia
   b. M.Sc. Reservoir Evaluation and Management (2004), Heriot-Watt University, Edinburgh, UK
   c. M.Sc. (Honours), Petroleum Geology (2003), Kazan State University, Kazan, Russia

2. I am a registered professional:
   a. Professional Geoscientist (P.Geo.), Province of Alberta, Canada

3. I am a member of the following professional organizations:
   a. Society of Petroleum Engineers (SPE)
   b. Association of Professional Engineers and Geoscientists of Alberta (APEGA)
   c. Canadian Society of Petroleum Geologists (CSPG)

4. I am a qualified reserves evaluator and reserves auditor as defined in:
   a. the “Canadian Oil and Gas Evaluation Handbook” as promulgated by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and,
   b. the “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information” as promulgated by the Society of Petroleum Engineers and incorporated into the “Petroleum Resource Management System” (SPE-PRMS).

5. My contribution to the report entitled “Competent Person’s Report of the P&NG of Orcadian Energy PLC (As of April 1, 2021)” is based on my geoscience knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule.

6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of Orcadian Energy PLC.

Alexey Romanov, Ph.D., P.Geo.

Certificate of Qualification

Gary R. Finnis, P.Eng.

I, Gary R. Finnis, Senior Manager, Engineering of Sproule, 900, 140 Fourth Avenue SW, Calgary, Alberta, declare the following:

1. I hold the following degree:
   a. B.Sc. Civil Engineering (1998) University of Alberta, Edmonton, AB, Canada

2. I am a registered professional:
   a. Professional Engineer (P.Eng.), Province of Alberta, Canada

3. I am a member of the following professional organizations:
   a. Association of Professional Engineers and Geoscientists of Alberta (APEGA)
   b. Society of Petroleum Engineers (SPE)

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Gary R. Finnis, P.Eng.

Certificate of Qualification

Alec Kovaltchouk, P.Geo.

I, Alec Kovaltchouk, VP, Geoscience of Sproule, 900, 140 Fourth Avenue SW, Calgary, Alberta, declare the following:

1. I hold the following degree:
   a. M.Sc. Geochemistry (1981) University of Lviv, Lviv, Ukraine

2. I am a registered professional:
   a. Professional Geoscientist (P.Geo.), Province of Alberta, Canada

3. I am a member of the following professional organizations:
   a. Association of Professional Engineers and Geoscientists of Alberta (APEGA)
   b. Canadian Society of Petroleum Geologists (CSPG)

4. I am a qualified reserves evaluator and reserves auditor as defined in:
   a. the “Canadian Oil and Gas Evaluation Handbook” as promulgated by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and,
   b. the “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information” as promulgated by the Society of Petroleum Engineers and incorporated into the “Petroleum Resource Management System” (SPE-PRMS).

5. My contribution to the report entitled “Competent Person’s Report of the P&NG of Orcadian Energy PLC (As of April 1, 2021)” is based on my geoscience knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule.

6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of Orcadian Energy PLC.

Alec Kovaltchouk, P.Geo.

Table 1
Orcadian Energy PLC
Blakeney, Elke, Narwhal and Pilot Fields, North Sea, United Kingdom
Well List and Production Summary
(As of April 01, 2021)

Well Name	Field	Zone	Well Current Status	Current Well Status Date	Well Test Results				
					Daily Oil Rate (bopd)	Daily Gas Rate (Mcfpd)	Water Cut (%)	Gas-Oil Ratio (scf/bbl)	Water-Gas Ratio (bbl/MMcf)
28/3-1B	Elke	Tay	Abandoned Oil	2000					
28/2-1	Narwhal	Tay	Abandoned Oil	1993					
28/2a-2	Narwhal	Tay	Dry	2007					
21/27b-7	Blakeney	Tay	Abandoned Oil	2010					
21/27a-5x	Pilot Main	Tay	Abandoned Oil	1998	1,850				
21/27a-5z	Pilot Main	Tay	Abandoned Oil	1998					
21/27a-5	Pilot Main	Tay	Abandoned Oil	1998					
21/27a-6	Pilot Main	Tay	Abandoned Oil	2007					
21/27-3	Pilot Main	Tay	Abandoned Oil	1990					
21/27-2	Pilot Main	Tay	Abandoned Oil	1989	115				
21/27-4	Pilot South	Tay	Abandoned Oil	1990					
21/27-1A*	Harbour	Tay	Abandoned Oil	1989					
21/28-1*	Feugh	Tay	Abandoned Oil	1971					
21/28a-4*	Crinan	Tay	Abandoned Oil	1987					
21/28a-6*	Dandy	Tay	Abandoned Oil	1990	1,016				
21/28a-8*	Dandy	Tay	Abandoned Oil	1998					
21/28a-8z*	Dandy	Tay	Abandoned Oil	1998	1,080				

Note: * Wells that penetrated Harbour, Feugh, Crinan and Dandy discoveries were included into this table for completeness. These fields were outside of the scope of the evaluation and were not evaluated by Sproule.

Table 2
Orcadian Energy PLC
Pilot Field , North Sea, United Kingdom
Summary of Technically Recoverable Resources in Reserves-Related Area
(As of April 01, 2021)

					Oil		
Well/Entity Name	Field	Zone	Method	Well Zone Current Status	Estimated Ultimate Recoverable Oil Volume (Mbbl)	Cumulative Oil Production as of 2021-04-01 (Mbbl)	Remaining Recoverable Oil as of 2021-04-01 (Mbbl)
Proved Undeveloped							
Pilot Field - Polymer flood (17 producers and 15 injectors)	Pilot Field	Tay Sands	Volumetric	Undeveloped Oil	61,500	0	61,500
Total					**61,500**	**0**	**61,500**
Total Proved							
Pilot Field - Polymer flood (17 producers and 15 injectors)	Pilot Field	Tay Sands	Volumetric	Undeveloped Oil	61,500	0	61,500
Total					**61,500**	**0**	**61,500**
Proved + Probable Undeveloped							
Pilot Field - Polymer flood (17 producers and 15 injectors)	Pilot Field	Tay Sands	Volumetric	Undeveloped Oil	82,000	0	82,000
Total					**82,000**	**0**	**82,000**
Total Proved + Probable							
Pilot Field - Polymer flood (17 producers and 15 injectors)	Pilot Field	Tay Sands	Volumetric	Undeveloped Oil	82,000	0	82,000
Total					**82,000**	**0**	**82,000**
Proved + Probable + Possible Undeveloped							
Pilot Field - Polymer flood (17 producers and 15 injectors)	Pilot Field	Tay Sands	Volumetric	Undeveloped Oil	112,750	0	112,750
Total					**112,750**	**0**	**112,750**
Total Proved + Probable+ Possible							
Pilot Field - Polymer flood (17 producers and 15 injectors)	Pilot Field	Tay Sands	Volumetric	Undeveloped Oil	112,750	0	112,750
Total					**112,750**	**0**	**112,750**

NOTES:
All values are technical, meaning they are before any commercial and/or economic truncation.
Values may not be consistent from one presentation to the next due to rounding.

Table 2A
Orcadian Energy PLC
Blakeney, Elke, Narwhal and Pilot Fields, North Sea, United Kingdom
Summary of Technically Recoverable Resources (Unrisked) in Contingent Resources-Related Areas
(As of April 01, 2021)

					Oil		
Well/Entity Name	Field	Zone	Method	Well Zone Current Status	Estimated Ultimate Recoverable Oil Volume (Mbbl)	Cumulative Oil Production as of 2021-04-01 (Mbbl)	Remaining Recoverable Oil as of 2021-04-01 (Mbbl)
Contingent Resources - 1C							
Blakeney-Polymerflood (13 producers and 10 injectors)	Blakeney	Tay Sands	Volumetric	Undeveloped Oil	15,000	0	15,000
Elke-Polymerflood (9 producers and 7 injectors)	Elke	Tay Sands	Volumetric	Undeveloped Oil	26,000	0	26,000
Narwhal-Polymerflood (4 producers and 3 injectors)	Narwhal	Tay Sands	Volumetric	Undeveloped Oil	4,280	0	4,280
Pilot Field - Polymerflood Peripheral Area	Pilot	Tay Sands	Volumetric	Undeveloped Oil	5,850	0	5,850
Total					**51,130**	**0**	**51,130**
Contingent Resources - 2C							
Blakeney-Polymerflood (13 producers and 10 injectors)	Blakeney	Tay Sands	Volumetric	Undeveloped Oil	27,300	0	27,300
Elke-Polymerflood (9 producers and 7 injectors)	Elke	Tay Sands	Volumetric	Undeveloped Oil	45,500	0	45,500
Narwhal-Polymerflood (4 producers and 3 injectors)	Narwhal	Tay Sands	Volumetric	Undeveloped Oil	9,240	0	9,240
Pilot Field - Polymerflood Peripheral Area	Pilot	Tay Sands	Volumetric	Undeveloped Oil	9,750	0	9,750
Total					**91,790**	**0**	**91,790**
Contingent Resources - 3C							
Blakeney-Polymerflood (13 producers and 10 injectors)	Blakeney	Tay Sands	Volumetric	Undeveloped Oil	44,800	0	44,800
Elke-Polymerflood (13 producers and 11 injectors)	Elke	Tay Sands	Volumetric	Undeveloped Oil	127,600	0	127,600
Narwhal-Polymerflood (4 producers and 3 injectors)	Narwhal	Tay Sands	Volumetric	Undeveloped Oil	17,600	0	17,600
Pilot Field - Polymerflood Peripheral Area	Pilot	Tay Sands	Volumetric	Undeveloped Oil	17,550	0	17,550
Total					**207,550**	**0**	**207,550**

NOTES:
All values are technical, meaning they are before any commercial and/or economic truncation.
Values may not be consistent from one presentation to the next due to rounding.

Table 2B
Orcadian Energy PLC
Propsective Fields, North Sea, United Kingdom
Summary of Technically Recoverable Resources (Unrisked) in Prospective Resources-Related Areas
(As of April 01, 2021)

						Oil		
Well/Entity Name	Field	Zone	Recovery Mechanism	Method	Well Zone Current Status	Estimated Ultimate Recoverable Oil Volume (Mbbl)	Cumulative Oil Production as of 2021-04-01 (Mbbl)	Remaining Recoverable Oil as of 2021-04-01 (Mbbl)
Prospective Resources - 1U								
Pilot Channels	Pilot	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	7,990	0	7,990
Elke Updip West	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	5,500	0	5,500
Elke North	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	2,500	0	2,500
Elke Area 2 and Area 3	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	8,667	0	8,667
Elke Main Channel	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	1,667	0	1,667
Bowhead	Bowhead	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	12,000	0	12,000
Tiberius	Tiberius	Fulmar	Polymerflood	Volumetric	Undeveloped Oil	5,750	0	5,750
Bottlenose	Bottlenose	Lista	Polymerflood	Volumetric	Undeveloped Oil	6,250	0	6,250
Total						**50,323**	**0**	**50,323**
Prospective Resources - 2U								
Pilot Channels	Pilot	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	29,050	0	29,050
Elke Updip West	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	17,500	0	17,500
Elke North	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	10,500	0	10,500
Elke Area 2 and Area 3	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	25,550	0	25,550
Elke Main Channel	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	7,000	0	7,000
Bowhead	Bowhead	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	43,050	0	43,050
Tiberius	Tiberius	Fulmar	Polymerflood	Volumetric	Undeveloped Oil	28,350	0	28,350
Bottlenose	Bottlenose	Lista	Polymerflood	Volumetric	Undeveloped Oil	30,400	0	30,400
Total						**191,400**	**0**	**191,400**
Prospective Resources - 3U								
Pilot Channels	Pilot	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	73,500	0	73,500
Elke Updip West	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	39,000	0	39,000
Elke North	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	30,000	0	30,000
Elke Area 2 and Area 3	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	53,350	0	53,350
Elke Main Channel	Elke	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	19,500	0	19,500
Bowhead	Bowhead	Tay Sands	Polymerflood	Volumetric	Undeveloped Oil	105,000	0	105,000
Tiberius	Tiberius	Fulmar	Polymerflood	Volumetric	Undeveloped Oil	110,400	0	110,400
Bottlenose	Bottlenose	Lista	Polymerflood	Volumetric	Undeveloped Oil	83,400	0	83,400
Total						**514,150**	**0**	**514,150**

NOTES:
All values are technical, meaning they are before any commercial and/or economic truncation.
Values may not be consistent from one presentation to the next due to rounding.

Table 2.1
Orcadian Energy PLC
Pilot Field , North Sea, United Kingdom
Summary of Oil Volumetric Parameters in Reserves-Related Area (Polymer)
(As of April 01, 2021)

Well/Entity Name	Field	Zone	Area (acres)	Net Pay (ft)	Porosity (%)	Water Saturation (%)	Oil Formation Volume Factor (rb/stb)	Oil Initially-In-Place (Mbbl)	Recovery Factor (%)	Estimated Ultimate Recoverable Oil Volume (Mbbl)	Cumulative Oil Production as of 2021-04-01 (Mbbl)	Remaining Recoverable Oil as of 2021-04-01 (Mbbl)
Proved Undeveloped												
Development of Pilot Main	Pilot Main	Tay Sands	1,420	54	34	8	1.03	181,000				
Development of Pilot South	Pilot South	Tay Sands	300	37	31	8	1.03	24,000				
Total Pilot Field (17 producers and 15 injectors)								**205,000**	**30**	**61,500**	**0**	**61,500**
Total Proved												
Development of Pilot Main	Pilot Main	Tay Sands	1,420	54	34	8	1.03	181,000				
Development of Pilot South	Pilot South	Tay Sands	300	37	31	8	1.03	24,000				
Total Pilot Field (17 producers and 15 injectors)								**205,000**	**30**	**61,500**	**0**	**61,500**
Proved + Probable Undeveloped												
Development of Pilot Main	Pilot Main	Tay Sands	1,420	54	34	8	1.03	181,000				
Development of Pilot South	Pilot South	Tay Sands	300	37	31	8	1.03	24,000				
Total Pilot Field (17 producers and 15 injectors)								**205,000**	**40**	**82,000**	**0**	**82,000**
Total Proved + Probable												
Development of Pilot Main	Pilot Main	Tay Sands	1,420	54	34	8	1.03	181,000				
Development of Pilot South	Pilot South	Tay Sands	300	37	31	8	1.03	24,000				
Total Pilot Field (17 producers and 15 injectors)								**205,000**	**40**	**82,000**	**0**	**82,000**
Proved + Probable + Possible Undeveloped												
Development of Pilot Main	Pilot Main	Tay Sands	1,420	54	34	8	1.03	181,000				
Development of Pilot South	Pilot South	Tay Sands	300	37	31	8	1.03	24,000				
Total Pilot Field (17 producers and 15 injectors)								**205,000**	**55**	**112,750**	**0**	**112,750**
Total Proved + Probable + Possible												
Development of Pilot Main	Pilot Main	Tay Sands	1,420	54	34	8	1.03	181,000				
Development of Pilot South	Pilot South	Tay Sands	300	37	31	8	1.03	24,000				
Total Pilot Field (17 producers and 15 injectors)								**205,000**	**55**	**112,750**	**0**	**112,750**

NOTES:
All values are technical, meaning they are before any commercial and/or economic truncation.
Values may not be consistent from one presentation to the next due to rounding.

Table 2.1A
Orcadian Energy PLC
Blakeney, Elke, Narwhal and Pilot Fields, North Sea, United Kingdom
Summary of Oil Volumetric Parameters in Contingent Resources-Related Areas (Polymer)
(As of April 01, 2021)

Well/Entity Name	Field	Zone	Area (acres)	Net Pay (ft)	Porosity (%)	Water Saturation (%)	Oil Formation Volume Factor (rb/stb)	Oil Initially-In-Place (Mbbl)	Recovery Factor (%)	Estimated Ultimate Recoverable Oil Volume (Mbbl)	Cumulative Oil Production as of 2021-04-01 (Mbbl)	Remaining Recoverable Oil as of 2021-04-01 (Mbbl)
Contingent Resources - 1C												
Development - Blakeney (13 producers and 10 injectors)	Blakeney	Tay Sands			Estimated probabilistically*			75,000	20	15,000	0	15,000
Development - Elke (9 producers and 7 injectors)	Elke	Tay Sands	1,061	51	36	12	1.01	130,000	20	26,000	0	26,000
Development - Narwhal (4 producers and 3 injectors)	Narwhal	Tay Sands			Estimated probabilistically*			21,400	20	4,280	0	4,280
Pilot Field - Peripheral Area	Pilot	Tay Sands	778	24	33	16	1	39,000	15	5,850	0	5,850
Total								**265,400**		**51,130**	**0**	**51,130**
Contingent Resources - 2C												
Development - Blakeney (13 producers and 10 injectors)	Blakeney	Tay Sands			Estimated probabilistically*			91,000	30	27,300	0	27,300
Development - Elke (9 producers and 7 injectors)	Elke	Tay Sands	1,061	51	36	12	1.01	130,000	35	45,500	0	45,500
Development - Narwhal (4 producers and 3 injectors)	Narwhal	Tay Sands			Estimated probabilistically*			26,400	35	9,240	0	9,240
Pilot Field - Peripheral Area	Pilot	Tay Sands	778	24	33	16	1	39,000	25	9,750	0	9,750
Total								**286,400**		**91,790**	**0**	**91,790**
Contingent Resources - 3C												
Development - Blakeney (13 producers and 10 injectors)	Blakeney	Tay Sands			Estimated probabilistically*			112,000	40	44,800	0	44,800
Development - Elke (13 producers and 11 injectors)	Elke	Tay Sands	1,592	61	36	12	1.01	232,000	55	127,600	0	127,600
Development - Narwhal (4 producers and 3 injectors)	Narwhal	Tay Sands			Estimated probabilistically*			32,000	55	17,600	0	17,600
Pilot Field - Peripheral Area	Pilot	Tay Sands	778	24	33	16	1	39,000	45	17,550	0	17,550
Total								**415,000**		**207,550**	**0**	**207,550**

* Range of parameters used for probalistic OIIP estimate is discussed in the Geoscience Section of the Report

NOTES:
All values are technical, meaning they are before any commercial and/or economic truncation.
Values may not be consistent from one presentation to the next due to rounding.

Table 2.1B
Orcadian Energy PLC
Prospective Fields, North Sea, United Kingdom
Summary of Oil Volumetric Parameters in Prospective Resources-Related Areas (Polymer)
(As of April 01, 2021)

Well/Entity Name	Field	Zone	Area (acres)	Net Pay (ft)	Porosity (%)	Water Saturation (%)	Oil Formation Volume Factor (rb/stb)	Oil Initially-In-Place (Mbbl)	Recovery Factor (%)	Estimated Ultimate Recoverable Oil Volume (Mbbl)	Cumulative Oil Production as of 2021-04-01 (Mbbl)	Remaining Recoverable Oil as of 2021-04-01 (Mbbl)
Prospective Resources - 1U												
Pilot Channels	Pilot	Tay Sands		Estimated probabilistically*				47,000	17	7,990	0	7,990
Elke Updip West	Elke	Tay Sands		Estimated probabilistically*				33,000	17	5,500	0	5,500
Elke North	Elke	Tay Sands		Estimated probabilistically*				15,000	17	2,500	0	2,500
Elke Area 2 and Area 3	Elke	Tay Sands		Estimated probabilistically*				52,000	17	8,667	0	8,667
Elke Main Channel	Elke	Tay Sands		Estimated probabilistically*				10,000	17	1,667	0	1,667
Bowhead	Bowhead	Tay Sands		Estimated probabilistically*				72,000	17	12,000	0	12,000
Tiberius	Tiberius	Fulmar		Estimated probabilistically*				23,000	25	5,750	0	5,750
Bottlenose	Bottlenose	Lista		Estimated probabilistically*				25,000	25	6,250	0	6,250
Total								**277,000**		**50,323**	**0**	**50,323**
Prospective Resources - 2U												
Pilot Channels	Pilot	Tay Sands		Estimated probabilistically*				83,000	35	29,050	0	29,050
Elke Updip West	Elke	Tay Sands		Estimated probabilistically*				50,000	35	17,500	0	17,500
Elke North	Elke	Tay Sands		Estimated probabilistically*				30,000	35	10,500	0	10,500
Elke Area 2 and Area 3	Elke	Tay Sands		Estimated probabilistically*				73,000	35	25,550	0	25,550
Elke Main Channel	Elke	Tay Sands		Estimated probabilistically*				20,000	35	7,000	0	7,000
Bowhead	Bowhead	Tay Sands		Estimated probabilistically*				123,000	35	43,050	0	43,050
Tiberius	Tiberius	Fulmar		Estimated probabilistically*				63,000	45	28,350	0	28,350
Bottlenose	Bottlenose	Lista		Estimated probabilistically*				76,000	40	30,400	0	30,400
Total								**518,000**		**191,400**	**0**	**191,400**
Prospective Resources - 3U												
Pilot Channels	Pilot	Tay Sands		Estimated probabilistically*				147,000	50	73,500	0	73,500
Elke Updip West	Elke	Tay Sands		Estimated probabilistically*				78,000	50	39,000	0	39,000
Elke North	Elke	Tay Sands		Estimated probabilistically*				60,000	50	30,000	0	30,000
Elke Area 2 and Area 3	Elke	Tay Sands		Estimated probabilistically*				106,700	50	53,350	0	53,350
Elke Main Channel	Elke	Tay Sands		Estimated probabilistically*				39,000	50	19,500	0	19,500
Bowhead	Bowhead	Tay Sands		Estimated probabilistically*				210,000	50	105,000	0	105,000
Tiberius	Tiberius	Fulmar		Estimated probabilistically*				184,000	60	110,400	0	110,400
Bottlenose	Bottlenose	Lista		Estimated probabilistically*				139,000	60	83,400	0	83,400
Total								**963,700**		**514,150**	**0**	**514,150**

* Range of parameters used for probalistic OIIP estimate is discussed in the Prospective Resources Section of the Report
NOTES:
All values are technical, meaning they are before any commercial and/or economic truncation.
Values may not be consistent from one presentation to the next due to rounding.

Table 2.2
Orcadian Energy PLC
Pilot Field, North Sea, United Kingdom
Summary of Oil Decline Parameters in Reserves-Related Area
(As of April 01, 2021)

Well/Entity Name	Field	Zone	Method	Well Current Status	Estimated Ultimate Recoverable Oil Volume (Mbbl)	Cumulative Oil Production at Data as of 2021-04-01 (Mbbl)[1]	Cumulative Oil Production as of 2021-04-01 (Mbbl)[1]	Remaining Recoverable Oil as of 2021-04-01 (Mbbl)	Forecast Start Date (YYYY-MM-DD)	Forecast Initial Rate[2] (bopd)	Final Rate[3] (bopd)	Exponential / Hyperbolic / Harmonic	Nominal Decline Rate[4] (%/Year)	Decline Exponent[5]
Proved Undeveloped														
Pilot Field - Polymer Flood	Pilot Field	Tay Sands	Volumetrics	Undeveloped Oil	61,500	0	0	61,500	2024-06-01	7,400	200	Hyperbolic	0	0.5
Total					**61,500**	**0**	**0**	**61,500**			**200**			
Total Proved														
Pilot Field - Polymer Flood	Pilot Field	Tay Sands	Volumetrics	Undeveloped Oil	61,500	0	0	61,500	2024-06-01	7,400	200	Hyperbolic	0	0.5
Total					**61,500**	**0**	**0**	**61,500**			**200**			
Proved + Probable Undeveloped														
Pilot Field - Polymer Flood	Pilot Field	Tay Sands	Volumetrics	Undeveloped Oil	82,000	0	0	82,000	2024-06-01	8,000	200	Hyperbolic	0	0.5
Total					**82,000**	**0**	**0**	**82,000**			**200**			
Total Proved + Probable														
Pilot Field - Polymer Flood	Pilot Field	Tay Sands	Volumetrics	Undeveloped Oil	82,000	0	0	82,000	2024-06-01	8,000	200	Hyperbolic	0	0.5
Total					**82,000**	**0**	**0**	**82,000**			**200**			
Proved + Probable + Possible Undeveloped														
Pilot Field - Polymer Flood	Pilot Field	Tay Sands	Volumetrics	Undeveloped Oil	112,750	0	0	112,750	2024-06-01	10,000	200	Hyperbolic	0	0.5
Total					**112,750**	**0**	**0**	**112,750**			**200**			
Total Proved + Probable + Possible														
Pilot Field - Polymer Flood	Pilot Field	Tay Sands	Volumetrics	Undeveloped Oil	112,750	0	0	112,750	2024-06-01	10,000	200	Hyperbolic	0	0.5
Total					**112,750**	**0**	**0**	**112,750**			**200**			

NOTE:
1. The cumulative production in this table does not include abandoned or suspended wells.
All values are technical, meaning they are before any commercial and/or economic truncation.
Values may not be consistent from one presentation to the next due to rounding.
2. Forecast initial rate is for field level roll-up.
3. Forecast final rate represents individual well final rate.
4. Nominal Decline of 0% represents individual well decline rate, initially producing on plateau.
5. Decline Exponent represents individual well decline exponent, post plateau.

Table 2.2A
Orcadian Energy PLC
Blakeney, Elke, Narwhal Fields, North Sea, United Kingdom
Summary of Oil Decline Parameters in Contingent Resources-Related Areas
(As of April 01, 2021)

Well/Entity Name	Field	Zone	Method	Well Current Status	Estimated Ultimate Recoverable Oil Volume (Mbbl)	Cumulative Oil Production at Data as of 2021-04-01 (Mbbl)[1]	Cumulative Oil Production as of 2021-04-01 (Mbbl)[1]	Remaining Recoverable Oil as of 2021-04-01 (Mbbl)	Forecast Start Date (YYYY-MM-DD)	Forecast Initial Rate[2] (bopd)	Final Rate[3] (bopd)	Exponential / Hyperbolic / Harmonic	Nominal Decline Rate[4] (%/Year)	Decline Exponent[5]
Contingent Resources - 1C														
Blakeney Polymer Flood	Blakeney	Tay Sands	Volumetrics	Undeveloped Oil	15,000	0	0	15,000	2034-03-01	1,000	100	Hyperbolic	0	0.5
Elke Polymer Flood	Elke	Tay Sands	Volumetrics	Undeveloped Oil	26,000	0	0	26,000	2031-06-01	9,000	200	Hyperbolic	0	0.5
Narwhal Polymer Flood	Narwhal	Tay Sands	Volumetrics	Undeveloped Oil	4,280	0	0	4,280	2033-07-01	950	100	Hyperbolic	0	0.5
Total					**45,280**	**0**	**0**	**45,280**						
Contingent Resources - 2C														
Blakeney Polymer Flood	Blakeney	Tay Sands	Volumetrics	Undeveloped Oil	27,300	0	0	27,300	2034-03-01	1,750	100	Hyperbolic	0	0.5
Elke Polymer Flood	Elke	Tay Sands	Volumetrics	Undeveloped Oil	45,500	0	0	45,500	2031-06-01	12,000	200	Hyperbolic	0	0.5
Narwhal Polymer Flood	Narwhal	Tay Sands	Volumetrics	Undeveloped Oil	9,240	0	0	9,240	2033-07-01	1,850	100	Hyperbolic	0	0.5
Total					**82,040**	**0**	**0**	**82,040**						
Contingent Resources - 3C														
Blakeney Polymer Flood	Blakeney	Tay Sands	Volumetrics	Undeveloped Oil	44,800	0	0	44,800	2034-03-01	2,800	100	Hyperbolic	0	0.5
Elke Polymer Flood	Elke	Tay Sands	Volumetrics	Undeveloped Oil	127,600	0	0	127,600	2031-06-01	21,000	200	Hyperbolic	0	0.5
Narwhal Polymer Flood	Narwhal	Tay Sands	Volumetrics	Undeveloped Oil	17,600	0	0	17,600	2033-07-01	3,700	100	Hyperbolic	0	0.5
Total					**190,000**	**0**	**0**	**190,000**						

NOTE:
1. The cumulative production in this table does not include abandoned or suspended wells.
All values are technical, meaning they are before any commercial and/or economic truncation.
Values may not be consistent from one presentation to the next due to rounding.
2. Forecast initial rate is for field level roll-up.
3. Forecast final rate represents individual well final rate.
4. Nominal Decline of 0% represents individual well decline rate, initially producing on plateau.
5. Decline Exponent represents individual well decline exponent, post plateau.
Note that although Elke and Narwhal are shown separately here, all economic calculations consider them together, as one development project.

Table 3
Orcadian Energy PLC
Pilot Field, North Sea, United Kingdom in Reserves-Related Area (Polymer flood)
Summary of Economic Parameters
(As of April 01, 2021)

All Costs Presented as 100% Project Gross in United Kingdom Pounds

Field Development Plan (Reserves):

The field will be developed using Polymer flood.
The development of the field includes drilling of 17 producers and 15 injectors.

Company Interest:

The Company's working interest is 100%.

Pricing:

Oil:

Sproule Brent oil price forecast as of March 31, 2021.

Oil price offset:	0%
Quality:	13-17 degree API

Operating Costs:

Base OPEX (FPSO, Ops, Insure, Platform, Contingency)	3,500	M£/month
Well Cost	57	M£/month/well
CO2 Cost	180 - 2,052	M£/year
Oil Variable	1.11	£/bbl
Licence	300	M£/year

Table 3 Continued
Orcadian Energy PLC
Pilot Field, North Sea, United Kingdom in Reserves-Related Area (Polymer flood)
Summary of Economic Parameters
(As of April 01, 2021)

All Costs Presented as 100% Project Gross in United Kingdom Pounds

Operating Costs (cont'd):

Fuel Gas Purchase Cost, M£/year

Year	Cost
2024	100
2025	993
2026	2,459
2027	4,341
2028	6,177
2029	7,588
2030	8,800
2031	9,487
2032	9,914
2033	10,192
2034	10,223
2035	5,946
2036	4,675
2037	2,597
2038	982
2039	**continues constant for 3P*
2040	
2041	
2042	
2043	
2044	
2045	

Polymer Purchase Cost, M£/year

Year	Cost
2024	3,436
2025	9,970
2026	15,139
2027	23,618
2028	31,906
2029	31,745
2030	23,996
2031	16,299
2032	12,063
2033	9,280
2034	7,285
2035	4,068
2036	2,757
2037	1,394
2038	472
2039	**continues constant for 3P*
2040	
2041	
2042	
2043	
2044	
2045	

Capital Costs 1P/2P/3P:

Year	Description	Capital Costs M£
2023	WHP, Facilities	294,590
2024	FPSO	437,330
2024	Drilling first 4 wells	51,040
2024-2028	Drilling of remaining 28 wells	357,280
Total		1,140,240

Abandonment & Reclamation Costs 1P/2P/3P:

78,300 M£ *(at end of Economic Life)*

Table 3A-1
Orcadian Energy PLC
Blakeney Field, North Sea United Kingdom in Contingent Resources - Related Areas (Blakeney Polymer flood)
Summary of Economic Parameters
(As of April 01, 2021)

All Costs Presented as 100% Project Gross in United Kingdom Pounds

Field Development Plan (Resources):

The field will be developed using Polymer flood.
The development of the field includes drilling of 13 producers and 10 injectors.

Company Interest:

The Company's working interest is 100%.

Pricing:

Oil:

Sproule Brent oil price forecast as of March 31, 2021.

Oil price offset:	0%
Quality:	15 degree API

Operating Costs:

Fixed Platform Cost	243	M£/month
Well Cost	57	M£/month/well
FSO/Base Ops Cost (post Pilot end of life)	153 - 2,634	M£/month
CO2 Cost	59 - 761	M£/year
Oil Variable	1.11	£/bbl
Licence	300	M£/year

Table 3A-1 Continued
Orcadian Energy PLC
Blakeney Field, North Sea United Kingdom in Contingent Resources - Related Areas (Blakeney Polymer flood)
Summary of Economic Parameters
(As of April 01, 2021)

All Costs Presented as 100% Project Gross in United Kingdom Pounds

Operating Costs (cont'd):

Fuel Gas Purchase Cost, M£/year

Year	Cost
2034	44
2035	219
2036	837
2037	1,424
2038	2,011
2039	2,599
2040	3,131
2041	3,490
2042	3,697
2043	3,834
2044	2,719
2045	2,169
2046	1,536
2047	936
2048	319
2049	*continues constant for High case*
2050	
2051	

Polymer Purchase Cost, M£/year

Year	Cost
2034	1,856
2035	3,074
2036	4,179
2037	5,226
2038	6,245
2039	6,819
2040	6,731
2041	6,162
2042	4,496
2043	3,437
2044	2,197
2045	1,506
2046	941
2047	510
2048	157
2049	*continues constant for High case*
2050	
2051	

Capital Costs 1C/2C/3C:

Year	Description	Capital Costs M£
2033	WHP/Facilities/FSO Flowlines	116,890
2034	Drilling 2 wells	28,580
2034-2038	Drill remaining 21 wells	300,120
Total		445,590

Abandonment & Reclamation Costs 1C/2C/3C:

42,980 M£ *(at end of Economic Life)*

Table 3A-2
Orcadian Energy PLC
Elke and Narwhal Fields, North Sea, United Kingdom in Contingent Resources-Related Areas (Elke and Narwhal Polymer flood)
Summary of Economic Parameters
(As of April 01, 2021)

All Costs Presented as 100% Project Gross in United Kingdom Pounds

Field Development Plan (Resources):

The field will be developed using Polymer flood.
The development of the field includes drilling of 13 producers and 10 injectors for Low and Best cases, (1C, 2C).
The development of the field includes drilling of 17 producers and 14 injectors for the High case (3C).

Company Interest:

The Company's working interest is 100%.

Pricing:

Oil:

Sproule Brent oil price forecast as of March 31, 2021.

Oil price offset :	0%
Quality:	14 degree API

Operating Costs:

Fixed Platform Cost	243	M£/month
Well Cost	57	M£/month/well
FSO/Base Ops Cost (post Pilot end of life)	393 - 1,701	M£/month
CO2 Cost	87 - 1,358	M£/year
Oil Variable	1.11	£/bbl
Licence	300	M£/year

Table 3A-2 Continued
Orcadian Energy PLC
Elke and Narwhal Fields, North Sea, United Kingdom in Contingent Resources-Related Areas (Elke and Narwhal Polymer flood)
Summary of Economic Parameters
(As of April 01, 2021)

All Costs Presented as 100% Project Gross in United Kingdom Pounds

Operating Costs (cont'd):

1C/2C
Fuel Gas Purchase Cost, M£/year

Year	Cost
2031	152
2032	986
2033	2,327
2034	3,884
2035	5,116
2036	6,052
2037	6,484
2038	6,735
2039	6,948
2040	7,162
2041	7,326
2042	5,887
2043	1,862
2044	473
2045	
2046	
2047	

1C/2C
Polymer Purchase Cost, M£/year

Year	Cost
2031	3,600
2032	10,118
2033	11,030
2034	12,250
2035	12,076
2036	12,240
2037	10,822
2038	8,210
2039	6,449
2040	5,217
2041	4,288
2042	2,948
2043	939
2044	223
2045	
2046	
2047	

3C
Fuel Gas Purchase Cost, M£/year

Year	Cost
2031	78
2032	823
2033	2,918
2034	5,678
2035	8,303
2036	10,543
2037	11,669
2038	12,298
2039	12,711
2040	13,093
2041	13,369
2042	13,657
2043	13,932
2044	14,237
2045	14,459
2046	14,460
2047	12,268
2048	5,615
2049	2,426

3C
Polymer Purchase Cost, M£/year

Year	Cost
2031	6,547
2032	26,614
2033	45,179
2034	56,458
2035	51,914
2036	43,911
2037	31,110
2038	23,237
2039	18,058
2040	14,490
2041	11,836
2042	9,879
2043	8,374
2044	7,208
2045	6,240
2046	5,372
2047	3,980
2048	1,762
2049	714

Table 3A-2 Continued
Orcadian Energy PLC
Elke and Narwhal Fields, North Sea, United Kingdom in Contingent Resources-Related Areas (Elke and Narwhal Polymer flood)
Summary of Economic Parameters
(As of April 01, 2021)

All Costs Presented as 100% Project Gross in United Kingdom Pounds

Capital Costs:

1C/2C:

Year	Description	Capital Costs M£
2030	WHP/Facilities/FSO Flowlines	293,030
2031	Drilling 6 Elke Wells	85,747
2031-2032	Drill remaining 10 Elke Wells	142,911
2033	Drill 7 Narwhal Wells	100,038
Total		621,726

3C:

Year	Description	Capital Costs M£
2030	WHP/Facilities/FSO Flowlines	293,030
2031	Drilling 6 Elke Wells	85,747
2031-2033	Drill remaining 18 Elke Wells	257,240
2033	Drill 7 Narwhal Wells	100,038
Total		736,055

Abandonment & Reclamation Costs

1C/2C:

42,980 M£ *(at end of Economic Life)*

3C:

57,930 M£ *(at end of Economic Life)*

Table 4
Orcadian Energy PLC
Pilot Field Reserves, North Sea, United Kingdom
Estimates of Oil Reserves and Net Present Values[1]
(As of April 01, 2021)

Reserves Category	Original Recoverable Oil Reserves	Cumulative Oil Production as of 2021-04-01	Remaining Recoverable[2] Oil Reserves	Company Working Interest	Company Gross[3] Oil Reserves	Lessor Royalties and Burdens	Company Net[4] Oil Reserves	Net Present Value of Future Net Production Revenue at Several Discount Rates Before Taxes (M$)				
	Mbbl	Mbbl	Mbbl	%	Mbbl	Mbbl	Mbbl	0%	5%	10%	15%	20%
Pilot Field Reserves, North Sea, United Kingdom												
Proved Undeveloped	58,436	0	58,436	100	58,436	0	58,436	666,224	359,460	159,525	29,278	-55,020
Total Proved	58,436	0	58,436	100	58,436	0	58,436	666,224	359,460	159,525	29,278	-55,020
Probable	20,383	0	20,383	100	20,383	0	20,383	971,825	685,606	494,380	363,856	272,901
Total Proved Plus Probable	78,819	0	78,819	100	78,819	0	78,819	1,638,049	1,045,066	653,905	393,134	217,881
Possible	31,712	0	31,712	100	31,712	0	31,712	1,409,082	972,193	693,266	509,172	383,752
Total Proved Plus Probable Plus Possible	110,531	0	110,531	100	110,531		110,531	3,219,119	2,150,314	1,447,893	977,986	658,505

Notes:
1. Values may not add or be consistent from one presentation to the next due to rounding.
2. "Remaining Recoverable Reserves" are the total remaining recoverable reserves associated with the acreage in which the Company has an interest.
3. "Company Gross" means the Company's working interest share of the remaining reserves, before deduction of royalties.
4. "Company Net" means the Company Gross reserves, less all Crown, freehold, and overriding royalties and interests owned by others.

Table 4A
Orcadian Energy PLC
Blakeney, Elke and Narwhal Resources, North Sea, United Kingdom
Estimates of Oil Contingent Resources and Net Present Values[1,2] (Unrisked)
(As of April 01, 2021)

Resources Category	Maturity Sub-Class	Chance of Development (Risk Factor) % [3]	Original Recoverable Oil Resources	Cumulative Oil Production as of 2021-04-01	Remaining Recoverable[4] Oil Resources	Company Working Interest	Company Gross[5] Oil Resources	Lessor Royalties and Burdens	Company Net[6] Oil Resources	Net Present Value of Future Net Production Revenue at Several Discount Rates Before Taxes (M$)				
			Mbbl	Mbbl	Mbbl	%	Mbbl	Mbbl	Mbbl	0%	5%	10%	15%	20%
Blakeney Polymer Flood														
Best Estimate (2C)	Development on Hold	72	25,113	0	25,113	100	25,113	0	25,113	488,596	185,997	69,808	24,795	7,512
High Estimate (3C)	Development on Hold	72	41,497	0	41,497	100	41,497	0	41,497	1,578,123	669,535	294,742	133,969	62,572
Elke and Narwhal fields Polymer Flood														
Low Estimate (1C)	Development on Hold	79	28,621	0	28,621	100	28,621	0	28,621	339,364	149,655	62,052	21,944	4,121
Best Estimate (2C)	Development on Hold	79	52,740	0	52,740	100	52,740	0	52,740	1,679,467	855,364	446,820	238,510	129,610
High Estimate (3C)	Development on Hold	79	142,355	0	142,355	100	142,355	0	142,355	6,481,214	3,289,623	1,734,116	945,334	530,902
Total Blakeney, Elke and Narwhal fields														
Low Estimate (1C)			28,621	0	28,621	100	28,621	0	28,621	339,364	149,655	62,052	21,944	4,121
Best Estimate (2C)			77,854	0	77,854	100	77,854	0	77,854	2,168,063	1,041,361	516,628	263,305	137,122
High Estimate (3C)			183,852	0	183,852	100	183,852	0	183,852	8,059,337	3,959,158	2,028,858	1,079,303	593,474

Notes:
1. Values may not add or be consistent from one presentation to the next due to rounding.
2. Contingent resources with project maturity sub-class Development not Viable and Development Unclarified excluded.
3. “Chance of Development” (CoD) for Contingent Resources is the estimated chance, or probability, that a known accumulation will be commercially developed. CoD shown is for informational purposes only. All resources and values represent unrisked numbers.
4. "Remaining Recoverable Resources" are the total remaining recoverable resources associated with the acreage in which the Company has an interest.
5. "Company Gross" means the Company's working interest share of the remaining resources, before deduction of royalties.
6. "Company Net" means the Company Gross resources, less all Crown, freehold, and overriding royalties and interests owned by others.

Table 4B
Orcadian Energy PLC
Blakeney, Elke and Narwhal Resources, North Sea, United Kingdom
Estimates of Oil Contingent Resources and Net Present Values[1,2] (Risked)
(As of April 01, 2021)

Resources Category	Maturity Sub-Class	Chance of Development (Risk Factor) % [3]	Original Recoverable Oil Resources	Cumulative Oil Production as of 2021-04-01	Remaining Recoverable[4] Oil Resources	Company Working Interest	Company Gross[5] Oil Resources	Lessor Royalties and Burdens	Company Net[6] Oil Resources	Net Present Value of Future Net Production Revenue at Several Discount Rates Before Taxes (M$)				
			Mbbl	Mbbl	Mbbl	%	Mbbl	Mbbl	Mbbl	0%	5%	10%	15%	20%
Blakeney Polymer Flood														
Best Estimate (2C)	Development on Hold	72	18,081	0	18,081	100	18,081	0	18,081	351,789	133,918	50,262	17,852	5,409
High Estimate (3C)	Development on Hold	72	29,878	0	29,878	100	29,878	0	29,878	1,136,249	482,065	212,214	96,458	45,052
Elke and Narwhal fields Polymer Flood														
Low Estimate (1C)	Development on Hold	79	22,611	0	22,611	100	22,611	0	22,611	268,098	118,227	49,021	17,336	3,256
Best Estimate (2C)	Development on Hold	79	41,665	0	41,665	100	41,665	0	41,665	1,326,779	675,738	352,988	188,423	102,392
High Estimate (3C)	Development on Hold	79	112,461	0	112,461	100	112,461	0	112,461	5,120,159	2,598,802	1,369,952	746,814	419,413
Total Blakeney, Elke and Narwhal fields														
Low Estimate (1C)			22,611	0	22,611	100	22,611	0	22,611	268,098	118,227	49,021	17,336	3,256
Best Estimate (2C)			59,746	0	59,746	100	59,746	0	59,746	1,678,568	809,655	403,250	206,275	107,801
High Estimate (3C)			142,338	0	142,338	100	142,338	0	142,338	6,256,408	3,080,867	1,582,166	843,272	464,464

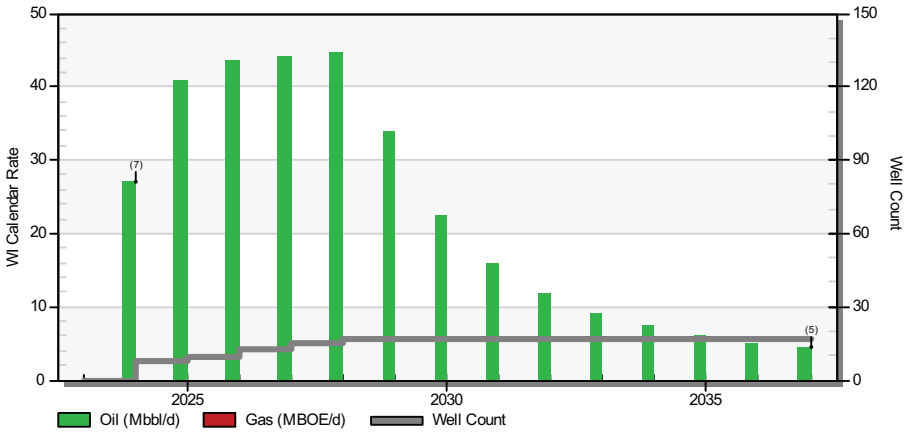
Notes:
1. Values may not add or be consistent from one presentation to the next due to rounding.
2. Contingent resources with project maturity sub-class Development not Viable and Development Unclarified excluded.
3. “Chance of Development” (CoD) for Contingent Resources is the estimated chance, or probability, that a known accumulation will be commercially developed. CoD shown is incorporated into this table. All resources and values represent risked numbers.
4. "Remaining Recoverable Resources" are the total remaining recoverable resources associated with the acreage in which the Company has an interest.
5. "Company Gross" means the Company's working interest share of the remaining resources, before deduction of royalties.
6. "Company Net" means the Company Gross resources, less all Crown, freehold, and overriding royalties and interests owned by others.

Orcadian Energy

As of April 1, 2021
Pilot Polymer Flood
Proved + Prob. + Poss. Undeveloped

Evaluation Parameters

Reserves Category	Proved + Prob. + Poss. Undeveloped
Plan	Working
Reference Date	April-01-21
Discount Date	April-01-21
Econ. Calc. Date	January-01-20
Country	United Kingdom
State	N/A
Company Share	100.00 %
Price Deck	2021-03-31 SAL Prices
Price Set	N/A
Economic Limit	Applied - BTCF 0.00%
Scenario	<Current Options>
BOE Ratio	6:1 Mcf/bbl
Chance of Success	100.0 %
Chance of Occurrence	100.0 %
Oil Reserves Type	Light and Medium Oil
Gas Reserves Type	N/A



Remaining Reserves

		Gross	WI	RI	Net
Oil	Mbbl	110,530.8	110,530.8	-	110,530.8
Gas	MMcf	-	-	-	-
Condensate	Mbbl	-	-	-	-
Liquids	Mbbl	-	-	-	-
NGL	Mbbl	-	-	-	-
C2	Mbbl	-	-	-	-
C3	Mbbl	-	-	-	-
C4	Mbbl	-	-	-	-
C5+	Mbbl	-	-	-	-
Sulphur	LT	-	-	-	-
Total	**MBOE**	**110,530.8**	**110,530.8**	**-**	**110,530.8**

Net Revenue NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %	Price Average
Oil	6,742,820.5	4,706,674.5	3,857,071.2	3,398,419.5	2,524,026.6	1,919,717.9	61.00
Gas	-	-	-	-	-	-	-
Condensate	-	-	-	-	-	-	-
Liquids	-	-	-	-	-	-	-
NGL	-	-	-	-	-	-	-
C2	-	-	-	-	-	-	-
C3	-	-	-	-	-	-	-
C4	-	-	-	-	-	-	-
C5+	-	-	-	-	-	-	-
Sulphur	-	-	-	-	-	-	-
Total	**6,742,820.5**	**4,706,674.5**	**3,857,071.2**	**3,398,419.5**	**2,524,026.6**	**1,919,717.9**	**61.00**

Cash Flow NPV (M$US)

BT Cash Flow	3,219,119	2,150,314	1,694,921	1,447,893	977,986	658,505
Tax Payable*	1,169,937	772,285	610,155	524,149	364,482	258,935
AT Cash Flow*	**2,049,182**	**1,378,029**	**1,084,766**	**923,744**	**613,504**	**399,570**

Risked Capital Costs (M$US)

	Gross	Co. Share
G&G	-	-
Prop. & Leasehold	-	-
Tangible	1,019,605.2	1,019,605.2
Intangible	587,410.6	587,410.6
Other Capital	-	-
Total	**1,607,015.8**	**1,607,015.8**

Cash Flow (M$US)

	Co. Share	% of Sales Rev.
Revenue	6,742,820.5	
Royalties/Burdens	-	-
Operating Cost	1,774,882.8	26.3
Abandonment/Salvage	141,803.2	2.1
Oth. Rev./Oth. Deduct.	-	-
Capital	1,607,015.8	23.8
(Credit)/Surcharge	-	-
BT Cash Flow	**3,219,118.7**	**47.7**
Tax Paid*	1,169,936.6	17.4
AT Cash Flow*	**2,049,182.0**	**30.4**

Economic Indicators

	Before Tax	After Tax
Rate of Return (%)	50.9	42.7
Payout (yrs from Nov 2023)	2.9	3.0
Payout (date)	Oct 2026	Oct 2026
P/I - 0.0 % Discount	2.00	1.28
P/I - 10.0 % Discount	1.25	0.80
Init. Value (M$US/BOE/d)	-	-

	WI	Co. Share	Net
Op. Cost ($US/BOE)	16.06	16.06	16.06
Cap. Cost ($US/BOE)	14.54	14.54	14.54

Annual Co. Share Cash Flow

Year	Well Count	Rate BOE/d	Avg. Price $US/BOE	Comp Sales Revenue M$US	Royalty M$US	GOR (non Reserve) M$US	Revenue After Royalty M$US	Additional Taxable Revenue M$US	Additional Non-Taxable Revenue M$US	Other expenses M$US	Opex M$US	Capex M$US	Aband M$US	BTax Cash Flow M$US	Total Taxes* M$US	ATax Cash Flow* M$US
2023	-	-	-	-	-	-	-	-	-	-	-	408,357	-	-408,357	-	-408,357
2024 (7)	8.0	27,150	56.10	325,941	-	-	325,941	-	-	-	77,050	898,133	-	-649,242	-	-649,242
2025	9.0	40,906	57.22	854,344	-	-	854,344	-	-	-	109,717	36,683	-	707,944	-	707,944
2026	13.0	43,668	58.37	930,353	-	-	930,353	-	-	-	126,504	148,871	-	654,979	24,753	630,226
2027	15.0	44,202	59.53	960,450	-	-	960,450	-	-	-	148,098	57,154	-	755,198	163,416	591,782
2028	17.0	44,572	60.72	990,545	-	-	990,545	-	-	-	170,109	57,818	-	762,619	270,523	492,095
2029	17.0	33,921	61.94	766,892	-	-	766,892	-	-	-	169,105	-	-	597,787	256,912	340,875
2030	17.0	22,444	63.18	517,578	-	-	517,578	-	-	-	154,729	-	-	362,849	176,465	186,384
2031	17.0	15,795	64.44	371,512	-	-	371,512	-	-	-	142,144	-	-	229,369	109,545	119,824
2032	17.0	11,790	65.73	283,634	-	-	283,634	-	-	-	136,061	-	-	147,573	69,935	77,637
2033	17.0	9,169	67.04	224,362	-	-	224,362	-	-	-	132,769	-	-	91,593	44,101	47,492
2034	17.0	7,351	68.38	183,490	-	-	183,490	-	-	-	130,747	-	-	52,743	26,277	26,466
2035	17.0	6,034	69.75	153,611	-	-	153,611	-	-	-	117,947	-	-	35,664	16,543	19,121
2036	17.0	5,044	71.15	131,351	-	-	131,351	-	-	-	114,567	-	-	16,784	9,231	7,553
2037 (5)	17.0	4,449	72.57	48,755	-	-	48,755	-	-	-	45,336	-	141,803	-138,384	2,236	-140,620
13.00 yr			**61.00**	**6,742,820**	**-**	**-**	**6,742,820**	**-**	**-**	**-**	**1,774,883**	**1,607,016**	**141,803**	**3,219,119**	**1,169,937**	**2,049,182**

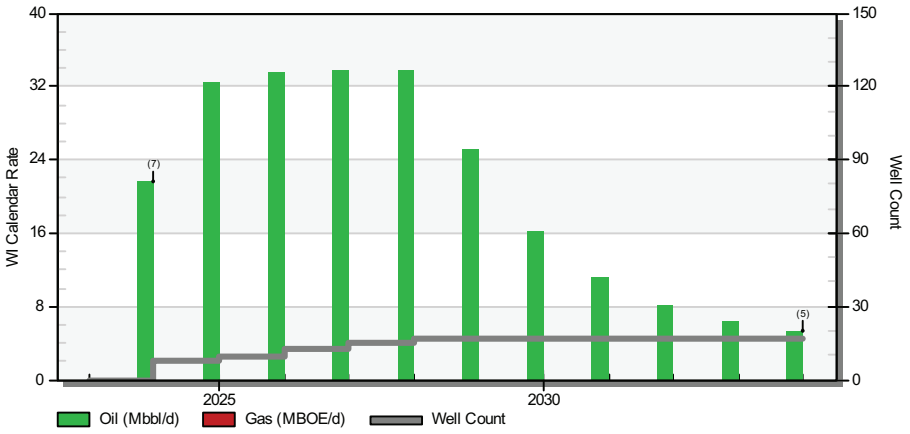
* Tax pro-rated to start at 4/1/2021

Orcadian Energy

As of April 1, 2021
Pilot Polymer Flood
Proved + Prob. Undeveloped

Evaluation Parameters

Reserves Category	Proved + Prob. Undeveloped
Plan	Working
Reference Date	April-01-21
Discount Date	April-01-21
Econ. Calc. Date	January-01-20
Country	United Kingdom
State	N/A
Company Share	100.00 %
Price Deck	2021-03-31 SAL Prices
Price Set	N/A
Economic Limit	Applied - BTCF 0.00%
Scenario	<Current Options>
BOE Ratio	6:1 Mcf/bbl
Chance of Success	100.0 %
Chance of Occurrence	100.0 %
Oil Reserves Type	Light and Medium Oil
Gas Reserves Type	N/A



Remaining Reserves

		Gross	WI	RI	Net
Oil	Mbbl	78,819.3	78,819.3	-	78,819.3
Gas	MMcf	-	-	-	-
Condensate	Mbbl	-	-	-	-
Liquids	Mbbl	-	-	-	-
NGL	Mbbl	-	-	-	-
C2	Mbbl	-	-	-	-
C3	Mbbl	-	-	-	-
C4	Mbbl	-	-	-	-
C5+	Mbbl	-	-	-	-
Sulphur	LT	-	-	-	-
Total	**MBOE**	**78,819.3**	**78,819.3**	**-**	**78,819.3**

Net Revenue NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %	Price Average
Oil	4,756,209.8	3,403,303.4	2,821,231.5	2,502,099.0	1,883,181.8	1,446,581.7	60.34
Gas	-	-	-	-	-	-	-
Condensate	-	-	-	-	-	-	-
Liquids	-	-	-	-	-	-	-
NGL	-	-	-	-	-	-	-
C2	-	-	-	-	-	-	-
C3	-	-	-	-	-	-	-
C4	-	-	-	-	-	-	-
C5+	-	-	-	-	-	-	-
Sulphur	-	-	-	-	-	-	-
Total	**4,756,209.8**	**3,403,303.4**	**2,821,231.5**	**2,502,099.0**	**1,883,181.8**	**1,446,581.7**	**60.34**

Cash Flow NPV (M$US)

BT Cash Flow	1,638,049	1,045,066	791,463	653,905	393,134	217,881
Tax Payable*	517,496	340,066	267,505	229,004	157,626	110,652
AT Cash Flow*	**1,120,553**	**705,000**	**523,958**	**424,902**	**235,508**	**107,229**

Risked Capital Costs (M$US)

	Gross	Co. Share
G&G	-	-
Prop. & Leasehold	-	-
Tangible	1,019,605.2	1,019,605.2
Intangible	587,410.6	587,410.6
Other Capital	-	-
Total	**1,607,015.8**	**1,607,015.8**

Cash Flow (M$US)

	Co. Share	% of Sales Rev.
Revenue	4,756,209.8	
Royalties/Burdens	-	-
Operating Cost	1,377,520.4	29.0
Abandonment/Salvage	133,624.3	2.8
Oth. Rev./Oth. Deduct.	-	-
Capital	1,607,015.8	33.8
(Credit)/Surcharge	-	-
BT Cash Flow	**1,638,049.3**	**34.4**
Tax Paid*	517,496.4	10.9
AT Cash Flow*	**1,120,552.9**	**23.6**

Economic Indicators

	Before Tax	After Tax
Rate of Return (%)	31.6	26.5
Payout (yrs from Nov 2023)	3.6	3.6
Payout (date)	Jun 2027	Jun 2027
P/I - 0.0 % Discount	1.02	0.70
P/I - 10.0 % Discount	0.56	0.37
Init. Value (M$US/BOE/d)	-	-

	WI	Co. Share	Net
Op. Cost ($US/BOE)	17.48	17.48	17.48
Cap. Cost ($US/BOE)	20.39	20.39	20.39

Annual Co. Share Cash Flow

Year	Well Count	Rate BOE/d	Avg. Price $US/BOE	Comp Sales Revenue M$US	Royalty M$US	GOR (non Reserve) M$US	Revenue After Royalty M$US	Additional Taxable Revenue M$US	Additional Non-Taxable Revenue M$US	Other expenses M$US	Opex M$US	Capex M$US	Aband M$US	BTax Cash Flow M$US	Total Taxes* M$US	ATax Cash Flow* M$US
2023	-	-	-	-	-	-	-	-	-	-	-	408,357	-	-408,357	-	-408,357
2024 (7)	8.0	21,720	56.10	260,753	-	-	260,753	-	-	-	75,230	898,133	-	-712,610	-	-712,610
2025	9.0	32,552	57.22	679,859	-	-	679,859	-	-	-	104,870	36,683	-	538,305	-	538,305
2026	13.0	33,607	58.37	716,001	-	-	716,001	-	-	-	120,551	148,871	-	446,580	-	446,580
2027	15.0	33,801	59.53	734,435	-	-	734,435	-	-	-	141,821	57,154	-	535,459	34,914	500,545
2028	17.0	33,836	60.72	751,960	-	-	751,960	-	-	-	163,483	57,818	-	530,659	123,589	407,070
2029	17.0	25,172	61.94	569,088	-	-	569,088	-	-	-	163,615	-	-	405,474	141,249	264,225
2030	17.0	16,139	63.18	372,167	-	-	372,167	-	-	-	150,694	-	-	221,473	103,151	118,322
2031	17.0	11,164	64.44	262,575	-	-	262,575	-	-	-	139,120	-	-	123,455	62,451	61,004
2032	17.0	8,240	65.73	198,216	-	-	198,216	-	-	-	133,690	-	-	64,525	33,667	30,858
2033	17.0	6,356	67.04	155,537	-	-	155,537	-	-	-	130,858	-	-	24,678	15,184	9,494
2034 (5)	17.0	5,386	68.38	55,619	-	-	55,619	-	-	-	53,589	-	133,624	-131,594	3,291	-134,885
10.00 yr			**60.34**	**4,756,210**	**-**	**-**	**4,756,210**	**-**	**-**	**-**	**1,377,520**	**1,607,016**	**133,624**	**1,638,049**	**517,496**	**1,120,553**

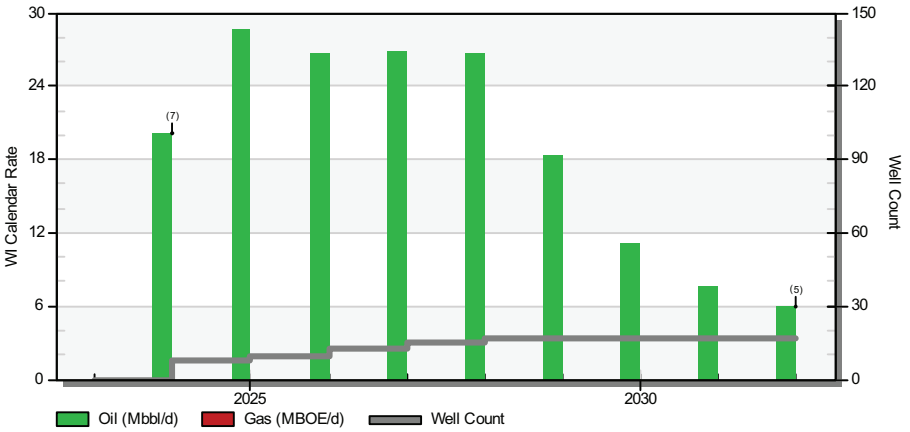
* Tax pro-rated to start at 4/1/2021

Orcadian Energy

As of April 1, 2021
Pilot Polymer Flood
Proved Undeveloped

Evaluation Parameters

Reserves Category	Proved Undeveloped
Plan	Working
Reference Date	April-01-21
Discount Date	April-01-21
Econ. Calc. Date	January-01-20
Country	United Kingdom
State	N/A
Company Share	100.00 %
Price Deck	2021-03-31 SAL Prices
Price Set	N/A
Economic Limit	Applied - BTCF 0.00%
Scenario	<Current Options>
BOE Ratio	6:1 Mcf/bbl
Chance of Success	100.0 %
Chance of Occurrence	100.0 %
Oil Reserves Type	Light and Medium Oil
Gas Reserves Type	N/A



Remaining Reserves

		Gross	WI	RI	Net
Oil	Mbbl	58,436.0	58,436.0	-	58,436.0
Gas	MMcf	-	-	-	-
Condensate	Mbbl	-	-	-	-
Liquids	Mbbl	-	-	-	-
NGL	Mbbl	-	-	-	-
C2	Mbbl	-	-	-	-
C3	Mbbl	-	-	-	-
C4	Mbbl	-	-	-	-
C5+	Mbbl	-	-	-	-
Sulphur	LT	-	-	-	-
Total	**MBOE**	**58,436.0**	**58,436.0**	**-**	**58,436.0**

Net Revenue NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %	Price Average
Oil	3,490,363.5	2,558,231.5	2,146,769.5	1,918,021.8	1,467,052.9	1,142,138.1	59.73
Gas	-	-	-	-	-	-	-
Condensate	-	-	-	-	-	-	-
Liquids	-	-	-	-	-	-	-
NGL	-	-	-	-	-	-	-
C2	-	-	-	-	-	-	-
C3	-	-	-	-	-	-	-
C4	-	-	-	-	-	-	-
C5+	-	-	-	-	-	-	-
Sulphur	-	-	-	-	-	-	-
Total	**3,490,363.5**	**2,558,231.5**	**2,146,769.5**	**1,918,021.8**	**1,467,052.9**	**1,142,138.1**	**59.73**

Cash Flow NPV (M$US)

BT Cash Flow	666,224	359,460	229,427	159,525	29,278	-55,020
Tax Payable*	158,544	103,750	81,309	69,403	47,360	32,908
AT Cash Flow*	**507,680**	**255,710**	**148,119**	**90,123**	**-18,081**	**-87,927**

Risked Capital Costs (M$US)

	Gross	Co. Share
G&G	-	-
Prop. & Leasehold	-	-
Tangible	1,019,605.2	1,019,605.2
Intangible	587,410.6	587,410.6
Other Capital	-	-
Total	**1,607,015.8**	**1,607,015.8**

Cash Flow (M$US)

	Co. Share	% of Sales Rev.
Revenue	3,490,363.5	
Royalties/Burdens	-	-
Operating Cost	1,088,688.1	31.2
Abandonment/Salvage	128,435.5	3.7
Oth. Rev./Oth. Deduct.	-	-
Capital	1,607,015.8	46.0
(Credit)/Surcharge	-	-
BT Cash Flow	**666,224.2**	**19.1**
Tax Paid*	158,543.8	4.5
AT Cash Flow*	**507,680.4**	**14.5**

Economic Indicators

	Before Tax	After Tax
Rate of Return (%)	16.5	14.0
Payout (yrs from Nov 2023)	4.3	4.3
Payout (date)	Feb 2028	Feb 2028
P/I - 0.0 % Discount	0.41	0.32
P/I - 10.0 % Discount	0.14	0.08
Init. Value (M$US/BOE/d)	-	-

	WI	Co. Share	Net
Op. Cost ($US/BOE)	18.63	18.63	18.63
Cap. Cost ($US/BOE)	27.50	27.50	27.50

Annual Co. Share Cash Flow

Year	Well Count	Rate BOE/d	Avg. Price $US/BOE	Comp Sales Revenue M$US	Royalty M$US	GOR (non Reserve) M$US	Revenue After Royalty M$US	Additional Taxable Revenue M$US	Additional Non-Taxable Revenue M$US	Other expenses M$US	Opex M$US	Capex M$US	Aband M$US	BTax Cash Flow M$US	Total Taxes* M$US	ATax Cash Flow* M$US
2023	-	-	-	-	-	-	-	-	-	-	-	408,357	-	-408,357	-	-408,357
2024 (7)	8.0	20,091	56.10	241,196	-	-	241,196	-	-	-	74,684	898,133	-	-731,620	-	-731,620
2025	9.0	28,549	57.22	596,245	-	-	596,245	-	-	-	102,543	36,683	-	457,019	-	457,019
2026	13.0	26,724	58.37	569,353	-	-	569,353	-	-	-	116,479	148,871	-	304,004	-	304,004
2027	15.0	26,817	59.53	582,682	-	-	582,682	-	-	-	137,606	57,154	-	387,921	-	387,921
2028	17.0	26,586	60.72	590,831	-	-	590,831	-	-	-	159,009	57,818	-	374,004	24,389	349,615
2029	17.0	18,354	61.94	414,948	-	-	414,948	-	-	-	159,335	-	-	255,613	63,317	192,296
2030	17.0	11,147	63.18	257,058	-	-	257,058	-	-	-	147,499	-	-	109,559	47,473	62,086
2031	17.0	7,573	64.44	178,133	-	-	178,133	-	-	-	136,776	-	-	41,357	19,227	22,130
2032 (5)	17.0	5,997	65.73	59,918	-	-	59,918	-	-	-	54,758	-	128,436	-123,276	4,137	-127,413
8.00 yr			**59.73**	**3,490,364**	**-**	**-**	**3,490,364**	**-**	**-**	**-**	**1,088,688**	**1,607,016**	**128,436**	**666,224**	**158,544**	**507,680**

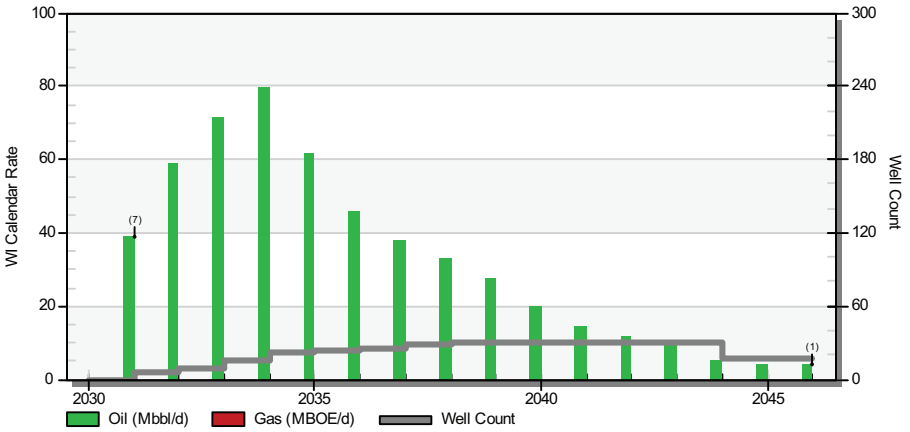
* Tax pro-rated to start at 4/1/2021

Orcadian Energy

As of April 1, 2021
CR - Blakeney, Elke and Narwhal
3C

Evaluation Parameters

Reserves Category	3C
Plan	Working
Reference Date	April-01-21
Discount Date	April-01-21
Econ. Calc. Date	January-01-20
Country	United Kingdom
State	N/A
Company Share	100.00 %
Price Deck	2021-03-31 SAL Prices
Price Set	N/A
Economic Limit	Applied - BTCF 0.00%
Scenario	<Current Options>
BOE Ratio	6:1 Mcf/bbl
Chance of Success	100.0 %
Chance of Occurrence	100.0 %
Oil Reserves Type	Light and Medium Oil
Gas Reserves Type	N/A



Remaining Reserves

		Gross	WI	RI	Net
Oil	Mbbl	183,852.1	183,852.1	-	183,852.1
Gas	MMcf	-	-	-	-
Condensate	Mbbl	-	-	-	-
Liquids	Mbbl	-	-	-	-
NGL	Mbbl	-	-	-	-
C2	Mbbl	-	-	-	-
C3	Mbbl	-	-	-	-
C4	Mbbl	-	-	-	-
C5+	Mbbl	-	-	-	-
Sulphur	LT	-	-	-	-
Total	**MBOE**	**183,852.1**	**183,852.1**	**-**	**183,852.1**

Net Revenue NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %	Price Average
Oil	12,987,101.3	6,323,133.0	4,215,845.5	3,249,424.6	1,748,307.0	978,467.1	70.64
Gas	-	-	-	-	-	-	-
Condensate	-	-	-	-	-	-	-
Liquids	-	-	-	-	-	-	-
NGL	-	-	-	-	-	-	-
C2	-	-	-	-	-	-	-
C3	-	-	-	-	-	-	-
C4	-	-	-	-	-	-	-
C5+	-	-	-	-	-	-	-
Sulphur	-	-	-	-	-	-	-
Total	**12,987,101.3**	**6,323,133.0**	**4,215,845.5**	**3,249,424.6**	**1,748,307.0**	**978,467.1**	**70.64**

Cash Flow NPV (M$US)

BT Cash Flow	8,059,338	3,959,159	2,638,336	2,028,858	1,079,302	593,474
Tax Payable*	3,118,902	1,496,275	985,796	753,087	395,310	215,348
AT Cash Flow*	**4,940,436**	**2,462,883**	**1,652,540**	**1,275,771**	**683,992**	**378,126**

Risked Capital Costs (M$US)

	Gross	Co. Share
G&G	-	-
Prop. & Leasehold	-	-
Tangible	664,225.0	664,225.0
Intangible	1,302,758.0	1,302,758.0
Other Capital	-	-
Total	**1,966,983.1**	**1,966,983.1**

Cash Flow (M$US)

	Co. Share	% of Sales Rev.
Revenue	12,987,101.3	
Royalties/Burdens	-	-
Operating Cost	2,747,548.6	21.2
Abandonment/Salvage	213,231.9	1.6
Oth. Rev./Oth. Deduct.	-	-
Capital	1,966,983.1	15.1
(Credit)/Surcharge	-	-
BT Cash Flow	**8,059,337.7**	**62.1**
Tax Paid*	3,118,902.0	24.0
AT Cash Flow*	**4,940,435.8**	**38.0**

Economic Indicators

	Before Tax	After Tax
Rate of Return (%)	N/A	135.4
Payout (yrs from Dec 2030)	2.2	2.4
Payout (date)	Feb 2033	Apr 2033
P/I - 0.0 % Discount	4.10	2.51
P/I - 10.0 % Discount	3.15	1.98
Init. Value (M$US/BOE/d)	-	-

	WI	Co. Share	Net
Op. Cost ($US/BOE)	14.94	14.94	14.94
Cap. Cost ($US/BOE)	10.70	10.70	10.70

Annual Co. Share Cash Flow

Year	Well Count	Rate BOE/d	Avg. Price $US/BOE	Comp Sales Revenue M$US	Royalty M$US	GOR (non Reserve) M$US	Revenue After Royalty M$US	Additional Taxable Revenue M$US	Additional Non-Taxable Revenue M$US	Other expenses M$US	Opex M$US	Capex M$US	Aband M$US	BTax Cash Flow M$US	Total Taxes* M$US	ATax Cash Flow* M$US
2030	-	-	-	-	-	-	-	-	-	-	-	467,360	-	-467,360	-	-467,360
2031 (7)	5.6	39,023	64.44	538,138	-	-	538,138	-	-	-	43,172	322,510	-	172,456	-	172,456
2032	8.5	58,833	65.73	1,415,324	-	-	1,415,324	-	-	-	121,411	188,314	-	1,105,598	155,100	950,498
2033	14.8	71,723	67.04	1,755,112	-	-	1,755,112	-	-	-	174,947	412,891	-	1,167,274	371,619	795,655
2034	22.0	79,663	68.38	1,988,415	-	-	1,988,415	-	-	-	229,803	243,326	-	1,515,287	540,972	974,314
2035	24.0	61,739	69.75	1,571,848	-	-	1,571,848	-	-	-	231,821	100,001	-	1,240,026	523,476	716,550
2036	26.0	45,893	71.15	1,195,052	-	-	1,195,052	-	-	-	224,875	101,833	-	868,344	390,569	477,775
2037	28.0	37,714	72.57	998,979	-	-	998,979	-	-	-	214,662	77,774	-	706,544	298,829	407,715
2038	30.0	32,822	74.02	886,780	-	-	886,780	-	-	-	214,448	52,974	-	619,358	255,540	363,818
2039	30.0	27,393	75.50	754,890	-	-	754,890	-	-	-	214,077	-	-	540,813	225,694	315,119
2040	30.0	19,850	77.01	559,503	-	-	559,503	-	-	-	207,201	-	-	352,303	166,056	186,247
2041	30.0	14,625	78.55	419,314	-	-	419,314	-	-	-	202,035	-	-	217,279	104,915	112,364
2042	30.0	11,424	80.12	334,095	-	-	334,095	-	-	-	197,226	-	-	136,869	65,469	71,400
2043	30.0	9,253	81.73	276,013	-	-	276,013	-	-	-	212,820	-	88,676	-25,484	11,454	-36,937
2044	17.0	4,924	83.36	150,225	-	-	150,225	-	-	-	124,214	-	-	26,011	2,859	23,152
2045	17.0	4,274	85.03	132,636	-	-	132,636	-	-	-	124,578	-	-	8,058	5,277	2,781
2046 (1)	16.5	4,009	86.73	10,778	-	-	10,778	-	-	-	10,259	-	124,555	-124,037	1,073	-125,110
14.67 yr			**70.64**	**12,987,101**	**-**	**-**	**12,987,101**	**-**	**-**	**-**	**2,747,549**	**1,966,983**	**213,232**	**8,059,338**	**3,118,902**	**4,940,436**

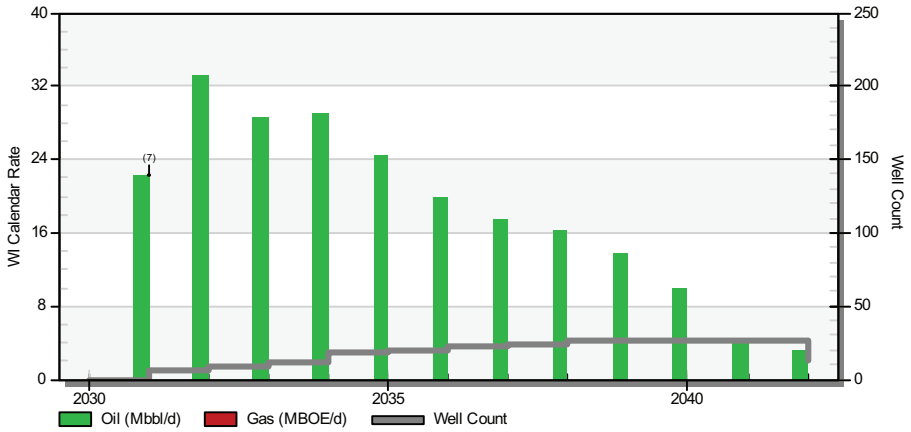
* Tax pro-rated to start at 4/1/2021

Orcadian Energy

As of April 1, 2021
CR - Blakeney, Elke and Narwhal
2C

Evaluation Parameters

Reserves Category	2C
Plan	Working
Reference Date	April-01-21
Discount Date	April-01-21
Econ. Calc. Date	January-01-20
Country	United Kingdom
State	N/A
Company Share	100.00 %
Price Deck	2021-03-31 SAL Prices
Price Set	N/A
Economic Limit	Applied - BTCF 0.00%
Scenario	<Current Options>
BOE Ratio	6:1 Mcf/bbl
Chance of Success	100.0 %
Chance of Occurrence	100.0 %
Oil Reserves Type	Light and Medium Oil
Gas Reserves Type	N/A



Remaining Reserves

		Gross	WI	RI	Net
Oil	Mbbl	77,853.5	77,853.5	-	77,853.5
Gas	MMcf	-	-	-	-
Condensate	Mbbl	-	-	-	-
Liquids	Mbbl	-	-	-	-
NGL	Mbbl	-	-	-	-
C2	Mbbl	-	-	-	-
C3	Mbbl	-	-	-	-
C4	Mbbl	-	-	-	-
C5+	Mbbl	-	-	-	-
Sulphur	LT	-	-	-	-
Total	**MBOE**	**77,853.5**	**77,853.5**	**-**	**77,853.5**

Net Revenue NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %	Price Average
Oil	5,448,385.6	2,709,990.1	1,825,400.2	1,415,438.5	771,487.1	436,500.0	69.98
Gas	-	-	-	-	-	-	-
Condensate	-	-	-	-	-	-	-
Liquids	-	-	-	-	-	-	-
NGL	-	-	-	-	-	-	-
C2	-	-	-	-	-	-	-
C3	-	-	-	-	-	-	-
C4	-	-	-	-	-	-	-
C5+	-	-	-	-	-	-	-
Sulphur	-	-	-	-	-	-	-
Total	**5,448,385.6**	**2,709,990.1**	**1,825,400.2**	**1,415,438.5**	**771,487.1**	**436,500.0**	**69.98**

Cash Flow NPV (M$US)

BT Cash Flow	2,168,063	1,041,361	681,416	516,628	263,305	137,122
Tax Payable*	744,021	349,909	227,471	172,162	88,211	46,875
AT Cash Flow*	**1,424,042**	**691,452**	**453,945**	**344,465**	**175,095**	**90,247**

Risked Capital Costs (M$US)

	Gross	Co. Share
G&G	-	-
Prop. & Leasehold	-	-
Tangible	664,225.0	664,225.0
Intangible	1,113,192.4	1,113,192.4
Other Capital	-	-
Total	**1,777,417.5**	**1,777,417.5**

Cash Flow (M$US)

	Co. Share	% of Sales Rev.
Revenue	5,448,385.6	
Royalties/Burdens	-	-
Operating Cost	1,332,267.8	24.5
Abandonment/Salvage	170,637.6	3.1
Oth. Rev./Oth. Deduct.	-	-
Capital	1,777,417.5	32.6
(Credit)/Surcharge	-	-
BT Cash Flow	**2,168,062.7**	**39.8**
Tax Paid*	744,020.6	13.7
AT Cash Flow*	**1,424,042.2**	**26.1**

Economic Indicators

	Before Tax	After Tax
Rate of Return (%)	64.8	55.5
Payout (yrs from Dec 2030)	3.4	3.5
Payout (date)	Apr 2034	Jun 2034
P/I - 0.0 % Discount	1.22	0.80
P/I - 10.0 % Discount	0.89	0.59
Init. Value (M$US/BOE/d)	-	-

	WI	Co. Share	Net
Op. Cost ($US/BOE)	17.11	17.11	17.11
Cap. Cost ($US/BOE)	22.83	22.83	22.83

Annual Co. Share Cash Flow

Year	Well Count	Rate BOE/d	Avg. Price $US/BOE	Comp Sales Revenue M$US	Royalty M$US	GOR (non Reserve) M$US	Revenue After Royalty M$US	Additional Taxable Revenue M$US	Additional Non-Taxable Revenue M$US	Other expenses M$US	Opex M$US	Capex M$US	Aband M$US	BTax Cash Flow M$US	Total Taxes* M$US	ATax Cash Flow* M$US
2030	-	-	-	-	-	-	-	-	-	-	-	467,360	-	-467,360	-	-467,360
2031 (7)	5.6	22,299	64.44	307,508	-	-	307,508	-	-	-	31,693	322,510	-	-46,696	-	-46,696
2032	8.4	33,076	65.73	795,689	-	-	795,689	-	-	-	76,052	46,768	-	672,869	12,134	660,735
2033	12.0	28,487	67.04	697,110	-	-	697,110	-	-	-	81,860	364,872	-	250,379	56,143	194,236
2034	18.0	29,116	68.38	726,745	-	-	726,745	-	-	-	108,563	243,326	-	374,857	100,009	274,847
2035	20.0	24,453	69.75	622,571	-	-	622,571	-	-	-	123,009	100,001	-	399,561	125,394	274,167
2036	22.0	19,944	71.15	519,332	-	-	519,332	-	-	-	134,413	101,833	-	283,087	115,201	167,886
2037	24.0	17,586	72.57	465,811	-	-	465,811	-	-	-	146,233	77,774	-	241,804	96,864	144,940
2038	26.0	16,155	74.02	436,474	-	-	436,474	-	-	-	156,365	52,974	-	227,136	88,982	138,153
2039	26.0	13,805	75.50	380,431	-	-	380,431	-	-	-	163,333	-	-	217,098	87,074	130,024
2040	26.0	9,844	77.01	277,465	-	-	277,465	-	-	-	162,427	-	-	115,037	59,623	55,414
2041	26.0	4,506	78.55	129,192	-	-	129,192	-	-	-	77,348	-	83,700	-31,856	6,843	-38,699
2042	13.0	3,079	80.12	90,058	-	-	90,058	-	-	-	70,973	-	86,938	-67,853	-4,248	-63,605
11.58 yr			**69.98**	**5,448,386**	**-**	**-**	**5,448,386**	**-**	**-**	**-**	**1,332,268**	**1,777,417**	**170,638**	**2,168,063**	**744,021**	**1,424,042**

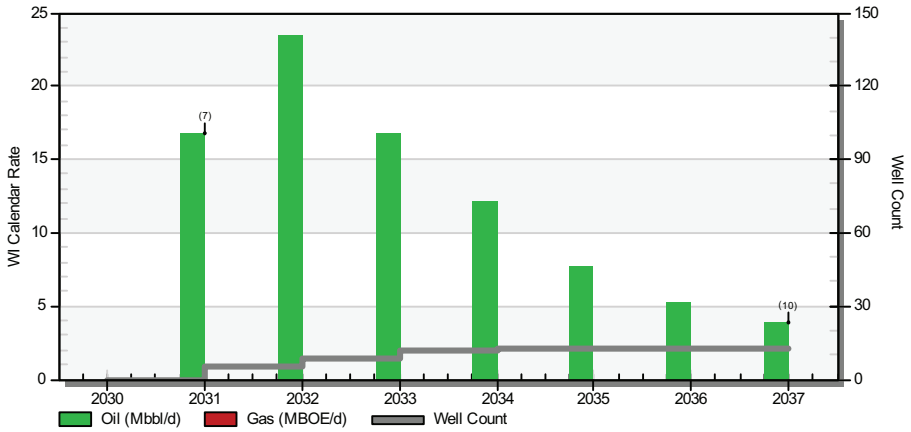
* Tax pro-rated to start at 4/1/2021

Orcadian Energy

As of April 1, 2021
CR - Blakeney, Elke and Narwhal
1C

Evaluation Parameters

Reserves Category	1C
Plan	Working
Reference Date	April-01-21
Discount Date	April-01-21
Econ. Calc. Date	January-01-20
Country	United Kingdom
State	N/A
Company Share	100.00 %
Price Deck	2021-03-31 SAL Prices
Price Set	N/A
Economic Limit	N/A
Scenario	<Current Options>
BOE Ratio	6:1 Mcf/bbl
Chance of Success	100.0 %
Chance of Occurrence	100.0 %
Oil Reserves Type	Light and Medium Oil
Gas Reserves Type	N/A



Remaining Reserves

		Gross	WI	RI	Net
Oil	Mbbl	28,621.3	28,621.3	-	28,621.3
Gas	MMcf	-	-	-	-
Condensate	Mbbl	-	-	-	-
Liquids	Mbbl	-	-	-	-
NGL	Mbbl	-	-	-	-
C2	Mbbl	-	-	-	-
C3	Mbbl	-	-	-	-
C4	Mbbl	-	-	-	-
C5+	Mbbl	-	-	-	-
Sulphur	LT	-	-	-	-
Total	**MBOE**	**28,621.3**	**28,621.3**	**-**	**28,621.3**

Net Revenue NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %	Price Average
Oil	1,926,123.1	1,051,009.3	742,742.1	593,010.7	344,779.8	205,944.5	67.30
Gas	-	-	-	-	-	-	-
Condensate	-	-	-	-	-	-	-
Liquids	-	-	-	-	-	-	-
NGL	-	-	-	-	-	-	-
C2	-	-	-	-	-	-	-
C3	-	-	-	-	-	-	-
C4	-	-	-	-	-	-	-
C5+	-	-	-	-	-	-	-
Sulphur	-	-	-	-	-	-	-
Total	**1,926,123.1**	**1,051,009.3**	**742,742.1**	**593,010.7**	**344,779.8**	**205,944.5**	**67.30**

Cash Flow NPV (M$US)

BT Cash Flow	339,364	149,655	89,252	62,052	21,944	4,121
Tax Payable*	86,812	43,275	28,977	22,323	11,879	6,502
AT Cash Flow*	**252,551**	**106,380**	**60,275**	**39,729**	**10,066**	**-2,382**

Risked Capital Costs (M$US)

	Gross	Co. Share
G&G	-	-
Prop. & Leasehold	-	-
Tangible	467,360.4	467,360.4
Intangible	537,285.3	537,285.3
Other Capital	-	-
Total	**1,004,645.7**	**1,004,645.7**

Cash Flow (M$US)

	Co. Share	% of Sales Rev.
Revenue	1,926,123.1	
Royalties/Burdens	-	-
Operating Cost	503,631.0	26.1
Abandonment/Salvage	78,482.7	4.1
Oth. Rev./Oth. Deduct.	-	-
Capital	1,004,645.7	52.2
(Credit)/Surcharge	-	-
BT Cash Flow	**339,363.7**	**17.6**
Tax Paid*	86,812.5	4.5
AT Cash Flow*	**252,551.2**	**13.1**

Economic Indicators

	Before Tax	After Tax
Rate of Return (%)	22.2	18.6
Payout (yrs from Dec 2030)	3.0	3.0
Payout (date)	Nov 2033	Dec 2033
P/I - 0.0 % Discount	0.34	0.25
P/I - 10.0 % Discount	0.17	0.11
Init. Value (M$US/BOE/d)	-	-

	WI	Co. Share	Net
Op. Cost ($US/BOE)	17.60	17.60	17.60
Cap. Cost ($US/BOE)	35.10	35.10	35.10

Annual Co. Share Cash Flow

Year	Well Count	Rate BOE/d	Avg. Price $US/BOE	Comp Sales Revenue M$US	Royalty M$US	GOR (non Reserve) M$US	Revenue After Royalty M$US	Additional Taxable Revenue M$US	Additional Non-Taxable Revenue M$US	Other expenses M$US	Opex M$US	Capex M$US	Aband M$US	BTax Cash Flow M$US	Total Taxes* M$US	ATax Cash Flow* M$US
2030	-	-	-	-	-	-	-	-	-	-	-	467,360	-	-467,360	-	-467,360
2031 (7)	5.6	16,724	64.44	230,631	-	-	230,631	-	-	-	29,548	322,510	-	-121,428	-	-121,428
2032	8.4	23,417	65.73	563,327	-	-	563,327	-	-	-	69,596	46,768	-	446,963	-	446,963
2033	12.0	16,813	67.04	411,420	-	-	411,420	-	-	-	73,924	168,007	-	169,489	-	169,489
2034	13.0	12,190	68.38	304,271	-	-	304,271	-	-	-	80,431	-	-	223,840	26,341	197,498
2035	13.0	7,731	69.75	196,819	-	-	196,819	-	-	-	85,642	-	-	111,177	35,406	75,771
2036	13.0	5,198	71.15	135,356	-	-	135,356	-	-	-	88,865	-	-	46,491	20,416	26,075
2037 (10)	13.0	3,821	72.57	84,298	-	-	84,298	-	-	-	75,624	-	78,483	-69,809	4,649	-74,458
6.42 yr			**67.30**	**1,926,123**	**-**	**-**	**1,926,123**	**-**	**-**	**-**	**503,631**	**1,004,646**	**78,483**	**339,364**	**86,812**	**252,551**

* Tax pro-rated to start at 4/1/2021

Table 7

Price Sensitivity Comparisons - Reserves
Orcadian Energy PLC
Mutliple Price Forecasts, Inflated
(As of April 1, 2021)

	Total Proved + Probable Reserves			Net Present Values	IRR	Payout
	Project	Company		After Income Taxes (M$ US)[1]		
	Gross Oil (Mbbl)	Gross Oil (Mbbl)	Net Oil (Mbbl)	At 10% Discount Rate	After Income Tax (%)	(Years)
Scenario						
March 31, 2021 Sproule Price Forecast	78,819	78,819	78,819	424,902	27%	3.6
$50 Brent Price Forecast	78,180	78,180	78,180	339,015	23%	3.8
$60 Brent Price Forecast	79,571	79,571	79,571	640,071	34%	3.2
$70 Brent Price Forecast	79,945	79,945	79,945	936,836	45%	2.9

Breakeven Oil Price estimated at $31.65 on an Undiscounted basis and $38.65 on a 10% discounted basis.

Values may not add due to rounding
1 - The values presented for Oil under the various scenarios are after income taxes, at a 10% discount rate.

Price Sensitivity Comparisons - Contingent Resources Total
Orcadian Energy PLC
Mutliple Price Forecasts, Inflated
(As of April 1, 2021)

	Best Estimate Contingent Resources			Net Present Values	IRR	Payout
	Project	Company		After Income Taxes (M$ US)[1]		
	Gross Oil (Mbbl)	Gross Oil (Mbbl)	Net Oil (Mbbl)	At 10% Discount Rate	After Income Tax (%)	(Years)
Scenario						
March 31, 2021 Sproule Price Forecast	77,854	77,854	77,854	344,465	56%	3.5
$50 Brent Price Forecast	77,346	77,346	77,346	296,541	50%	3.7
$60 Brent Price Forecast	79,139	79,139	79,139	463,196	69%	3.2
$70 Brent Price Forecast	79,857	79,857	79,857	631,230	88%	2.8

Breakeven Oil Price estimated at $30 on an Undiscounted basis and $32 on a 10% discounted basis.

Values may not add due to rounding
1 - The values presented for Oil under the various scenarios are after income taxes, at a 10% discount rate.

Table 7B

Price Sensitivity Comparisons - Elke and Narwhal Contingent Resources
Orcadian Energy PLC
Mutliple Price Forecasts, Inflated
(As of April 1, 2021)

	Best Estimate Contingent Resources			Net Present Values	IRR	Payout
	Project	Company		After Income Taxes (M$ US)[1]		
	Gross Oil (Mbbl)	Gross Oil (Mbbl)	Net Oil (Mbbl)	At 10% Discount Rate	After Income Tax (%)	(Years)
Scenario						
March 31, 2021 Sproule Price Forecast	52,740	52,740	52,740	358,381	66%	2.1
$50 Brent Price Forecast	52,233	52,233	52,233	320,243	60%	2.2
$60 Brent Price Forecast	53,944	53,944	53,944	457,619	80%	2.0
$70 Brent Price Forecast	54,149	54,149	54,149	597,795	99%	1.8

Breakeven Oil Price estimated at $27 on a 10% discounted basis.

Values may not add due to rounding
1 - The values presented for Oil under the various scenarios are after income taxes, at a 10% discount rate.

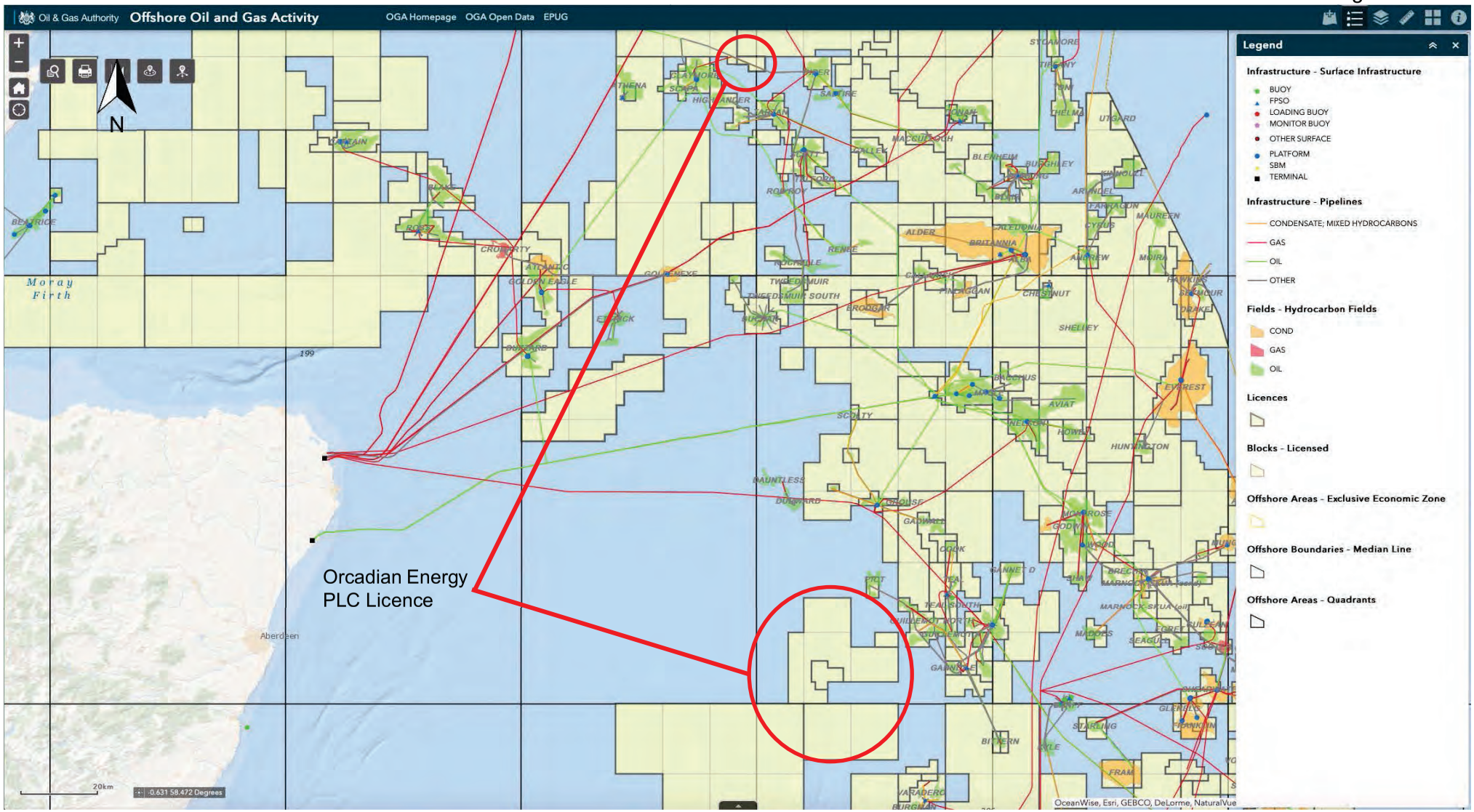
Price Sensitivity Comparisons - Blakeney Contingent Resources
Orcadian Energy PLC
Mutliple Price Forecasts, Inflated
(As of April 1, 2021)

	Best Estimate Contingent Resources			Net Present Values	IRR	Payout
	Project	Company		After Income Taxes (M$ US)[1]		
	Gross Oil (Mbbl)	Gross Oil (Mbbl)	Net Oil (Mbbl)	At 10% Discount Rate	After Income Tax (%)	(Years)
Scenario						
March 31, 2021 Sproule Price Forecast	25,113	25,113	25,113	-13,916	7%	5.9
$50 Brent Price Forecast	25,113	25,113	25,113	-23,702	4%	6.1
$60 Brent Price Forecast	25,196	25,196	25,196	5,577	11%	5.5
$70 Brent Price Forecast	25,708	25,708	25,708	33,436	16%	5.1

Breakeven Oil Price estimated at $59 on a 10% discounted basis

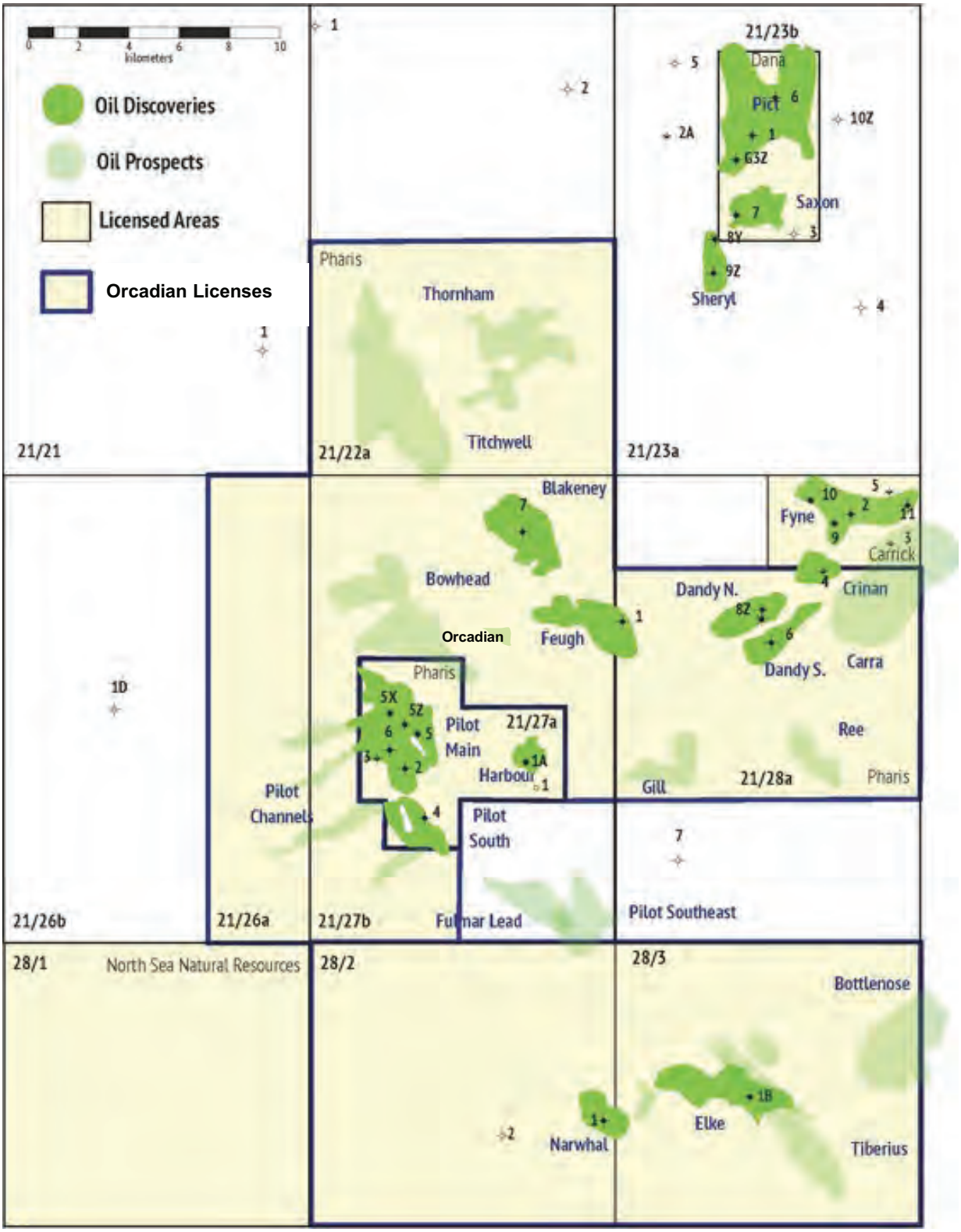
Values may not add due to rounding
1 - The values presented for Oil under the various scenarios are after income taxes, at a 10% discount rate.

Figure 1



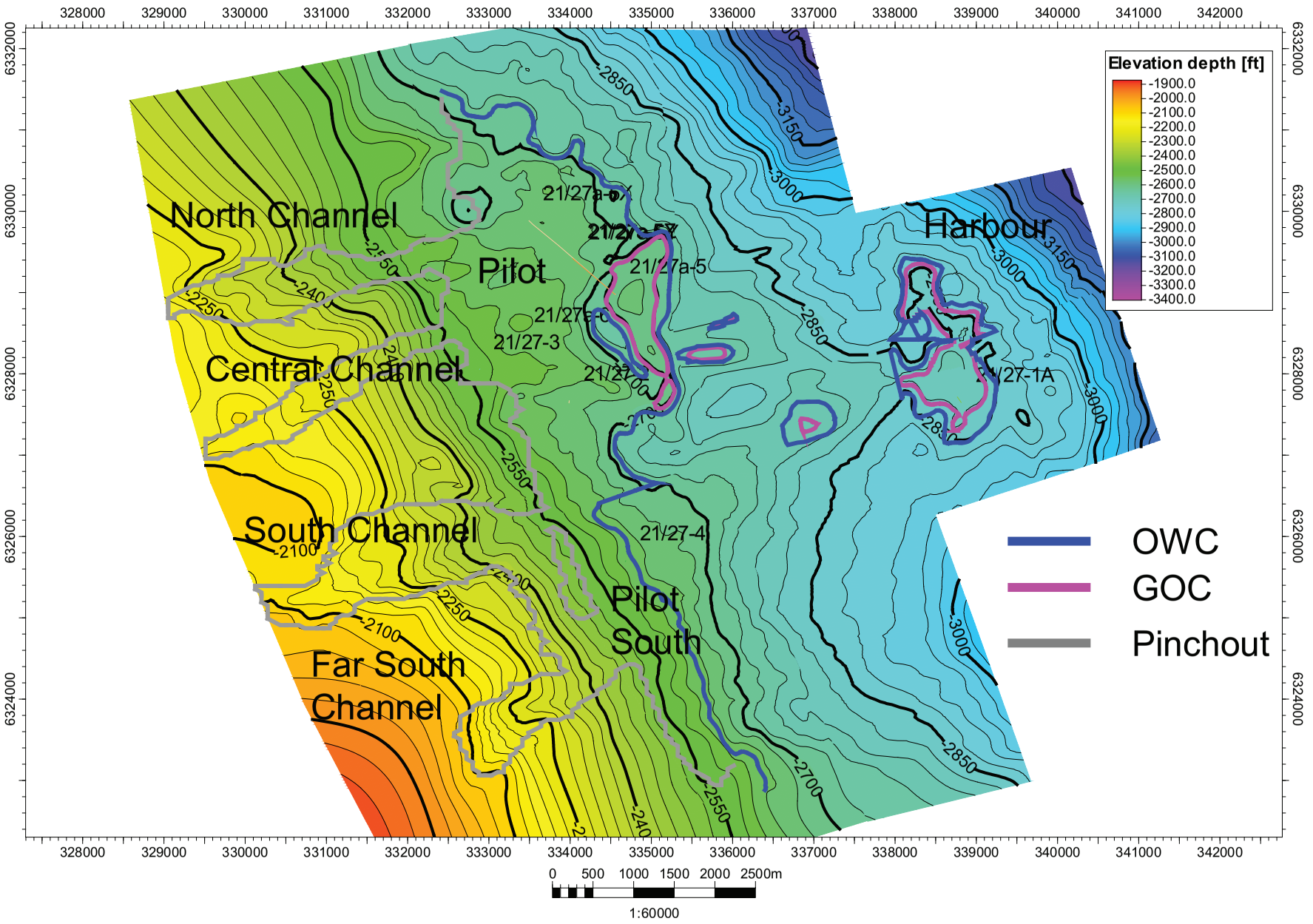
United Kingdom Continental Shelf (UKCS) Offshore Infrastructure Map
Source: www.gov.uk

Location Map

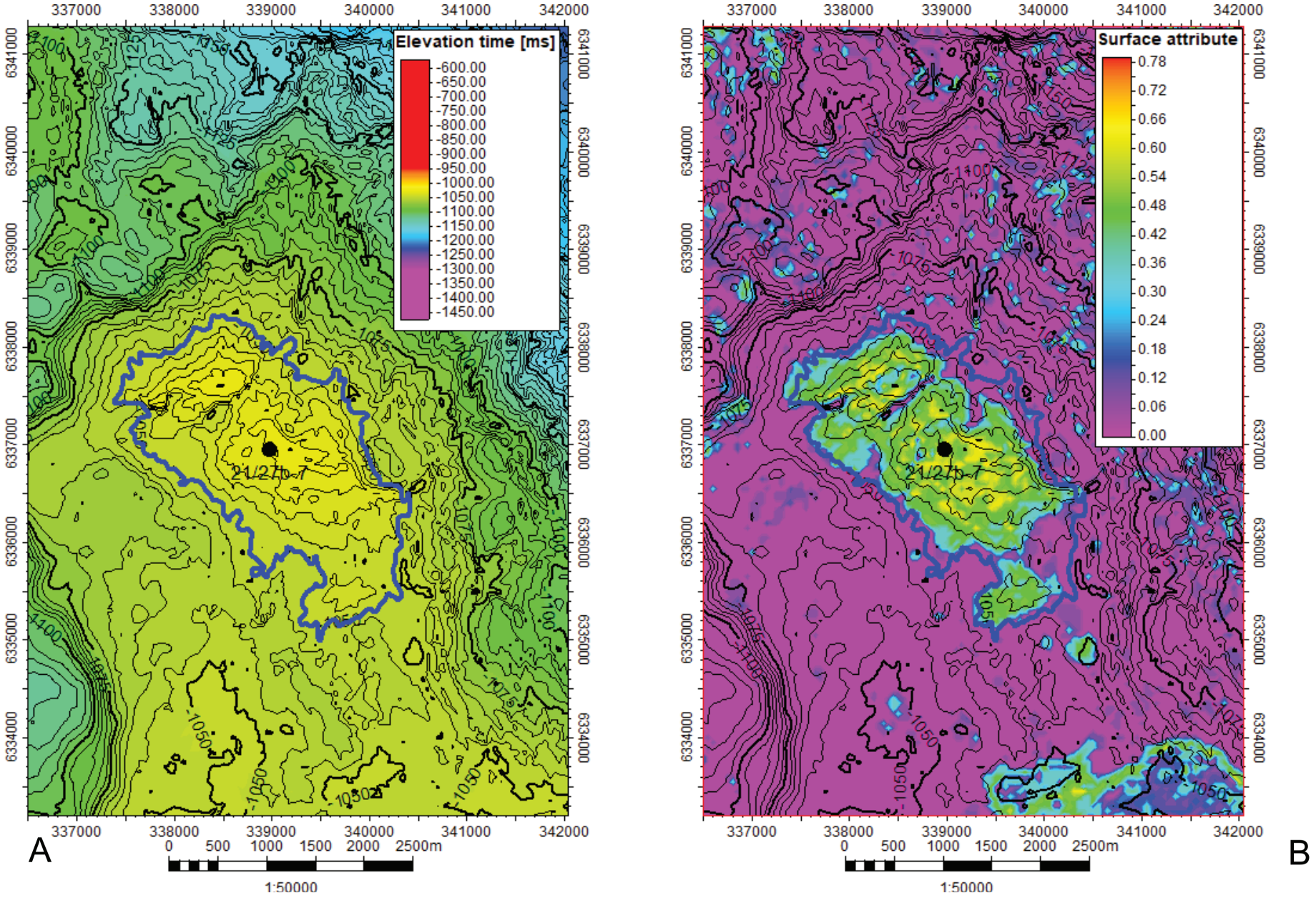


Source: Orcadian Energy PLC

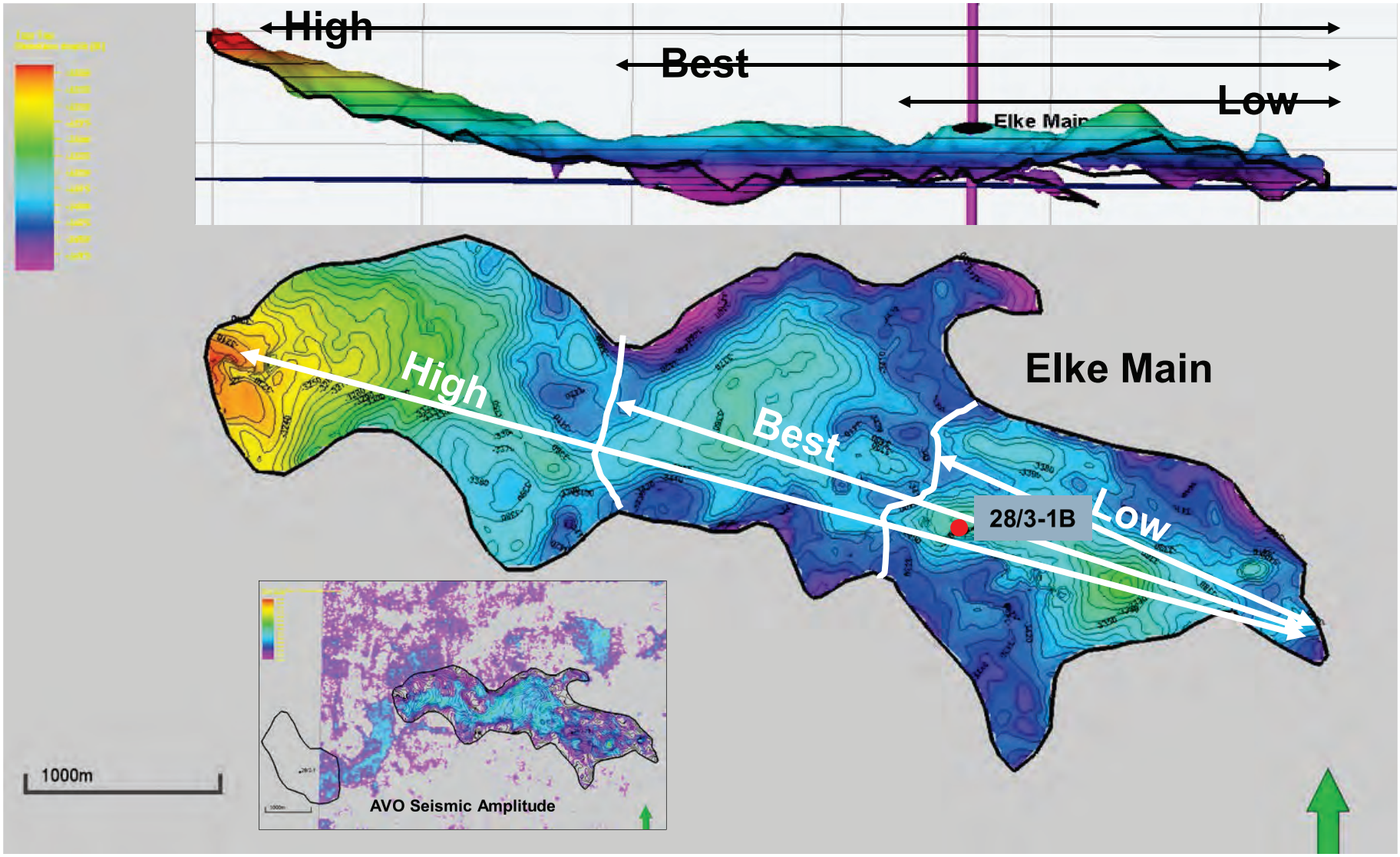
Permit Detail Map



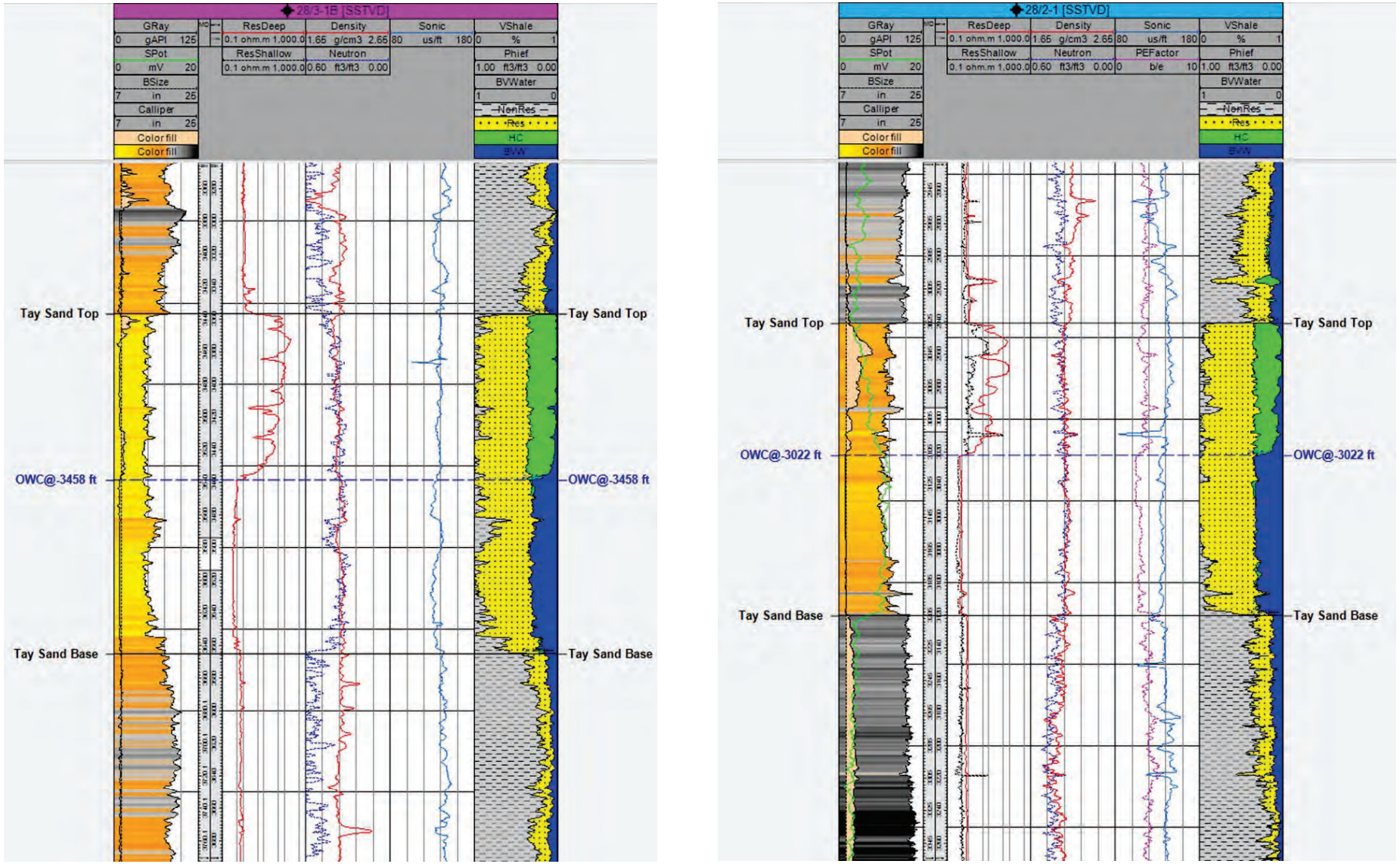
Pilot Discovery Tay Depth Structure



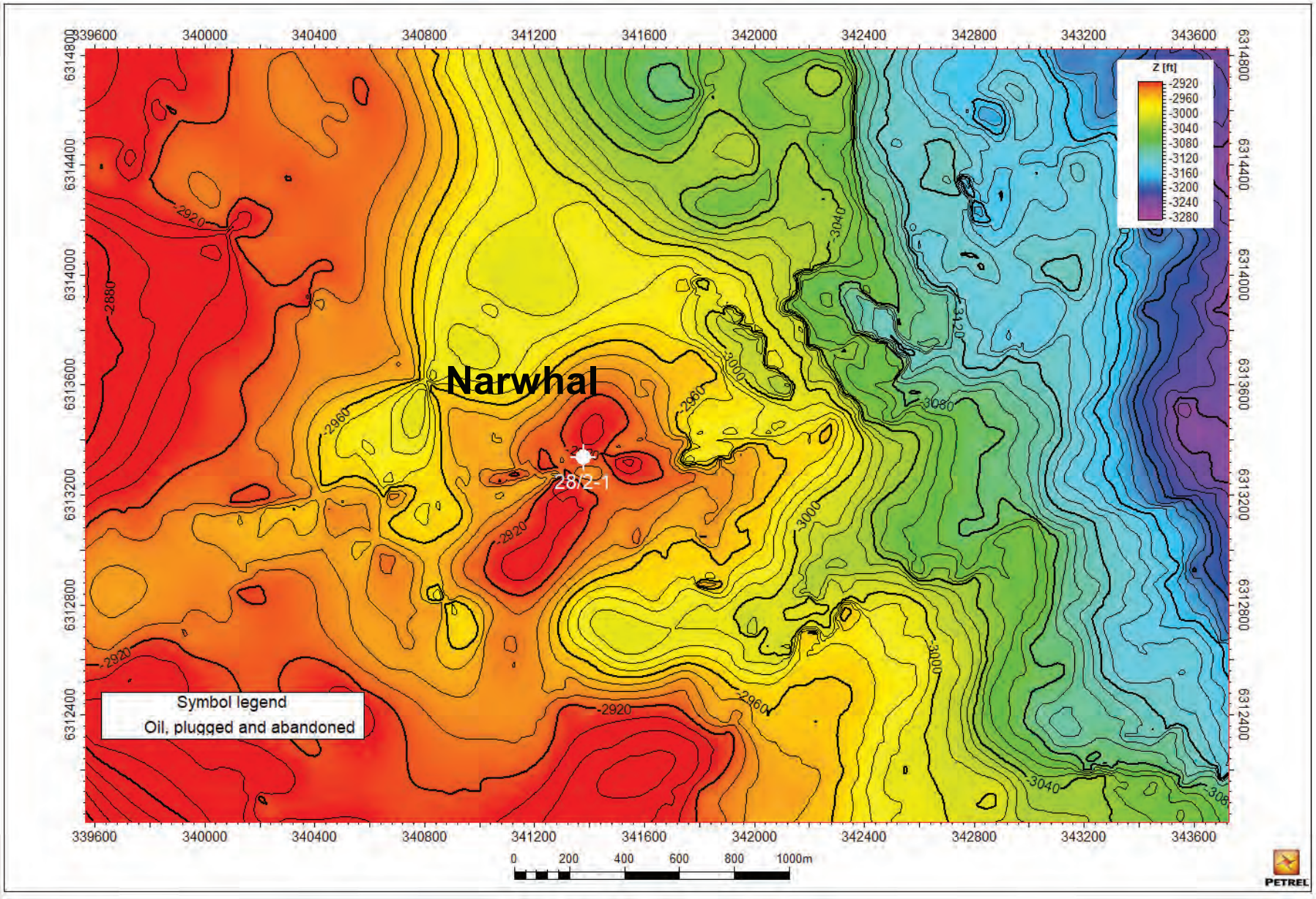
Blakeney Discovery Tay Time Structure Map (A) and RMS Amplitude Map (B)



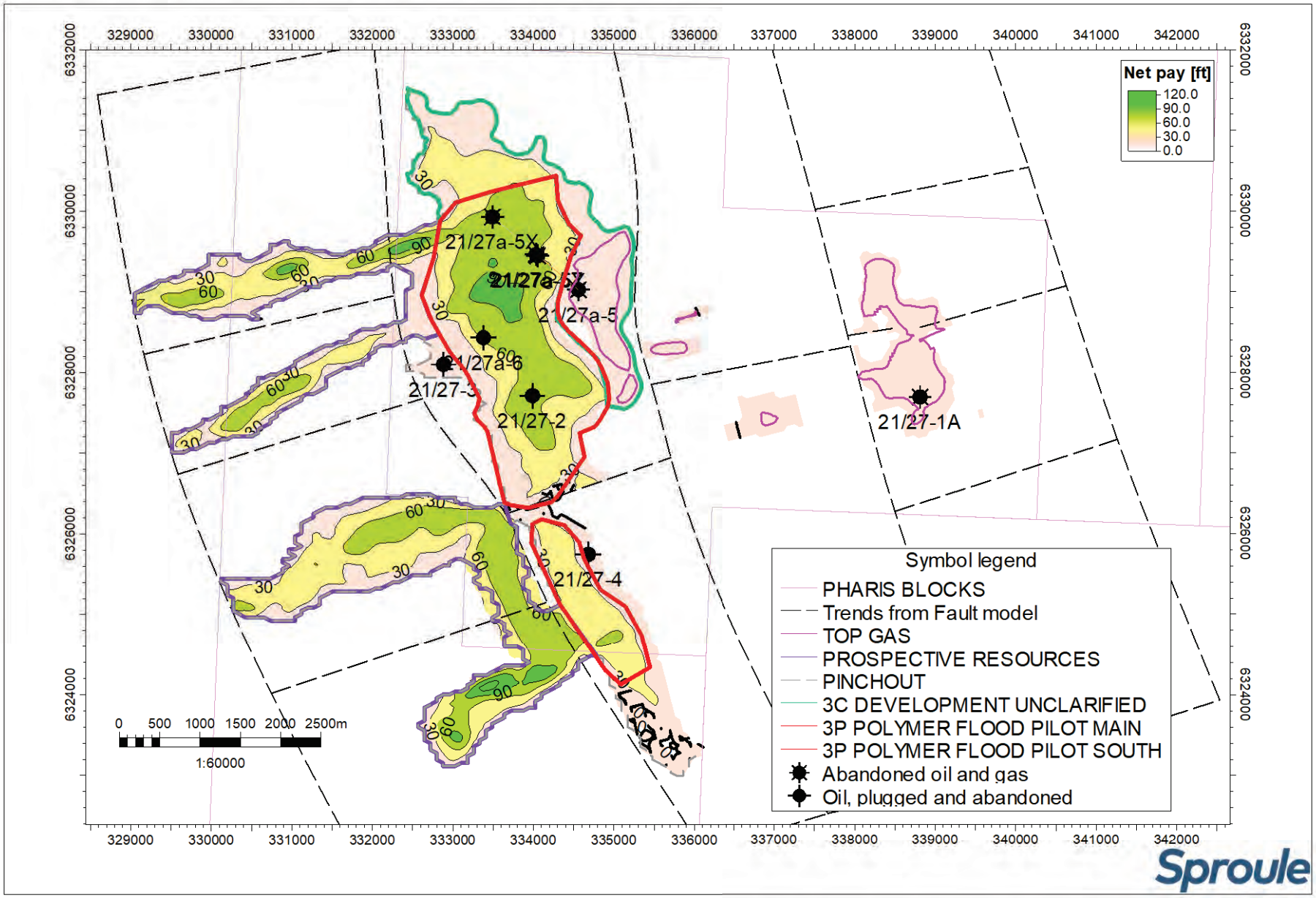
Elke Tay Reservoir Depth Structure Surface (Map and Cross Section Views)



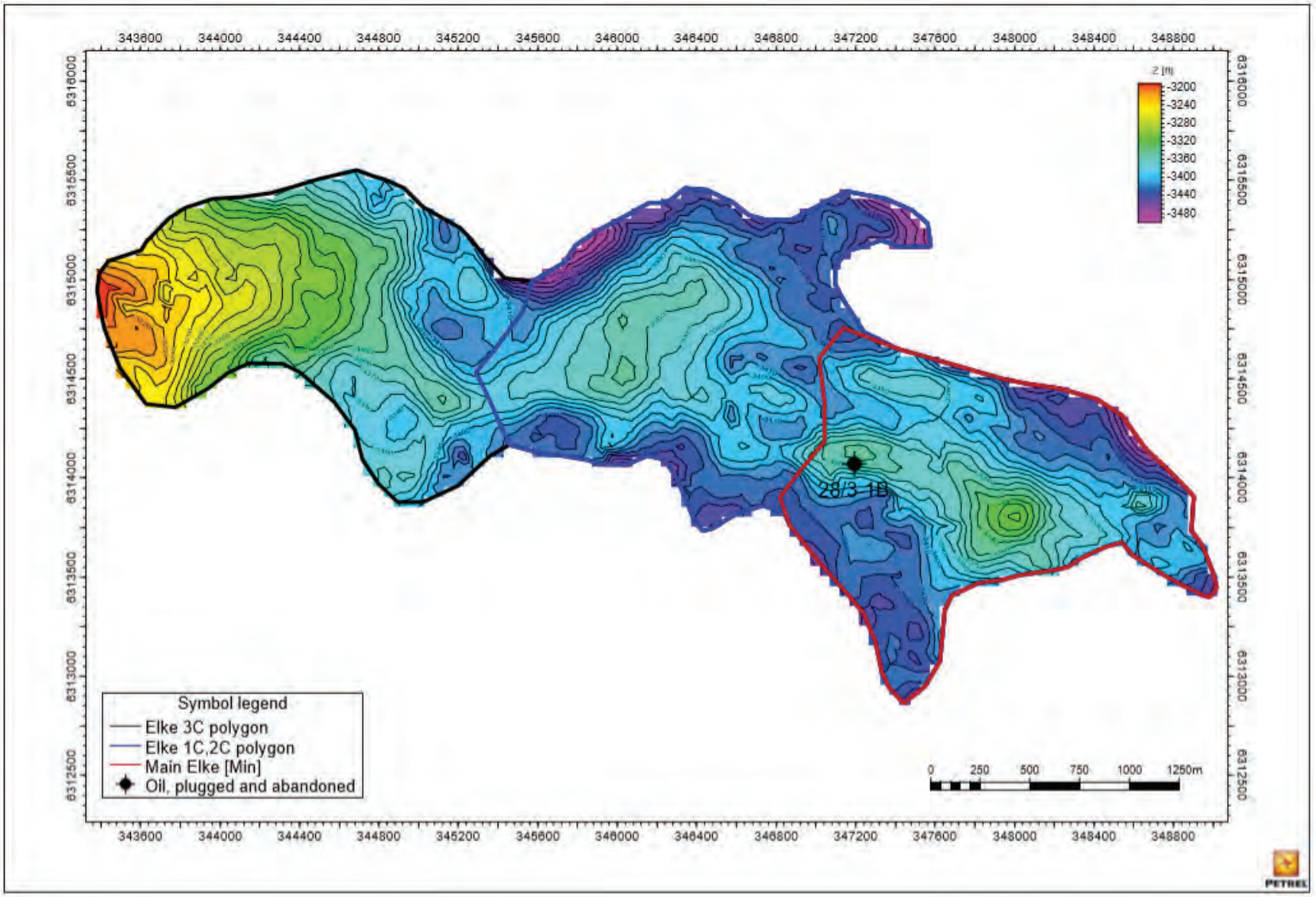
Elke and Narwhal Fields Petrophysical Well Plots (28/3-1B Well and 28/2-1 Well)



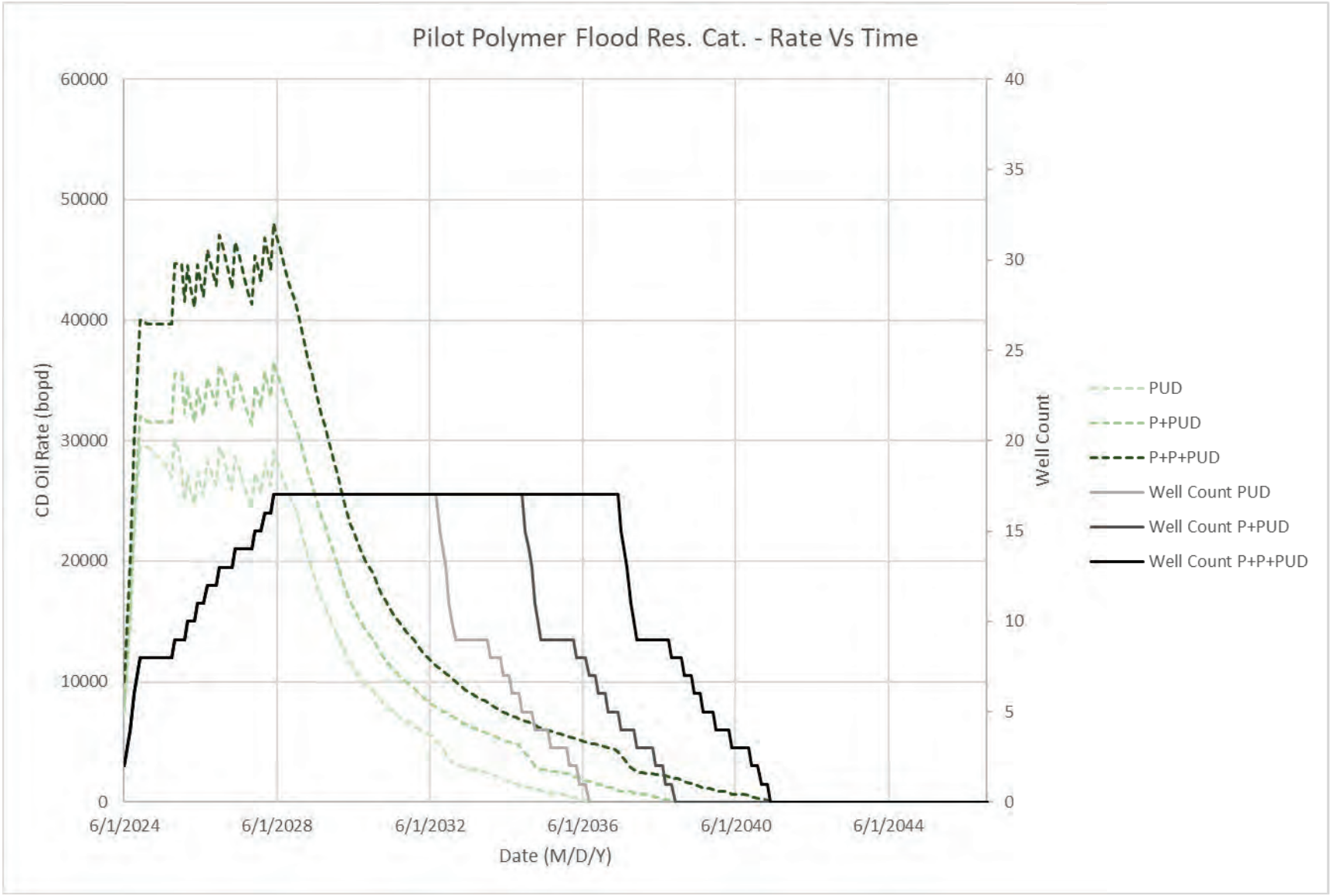
Narwhal Tay Depth Structure



Pilot Field Reserves, Contingent and Prospective Resources Areas

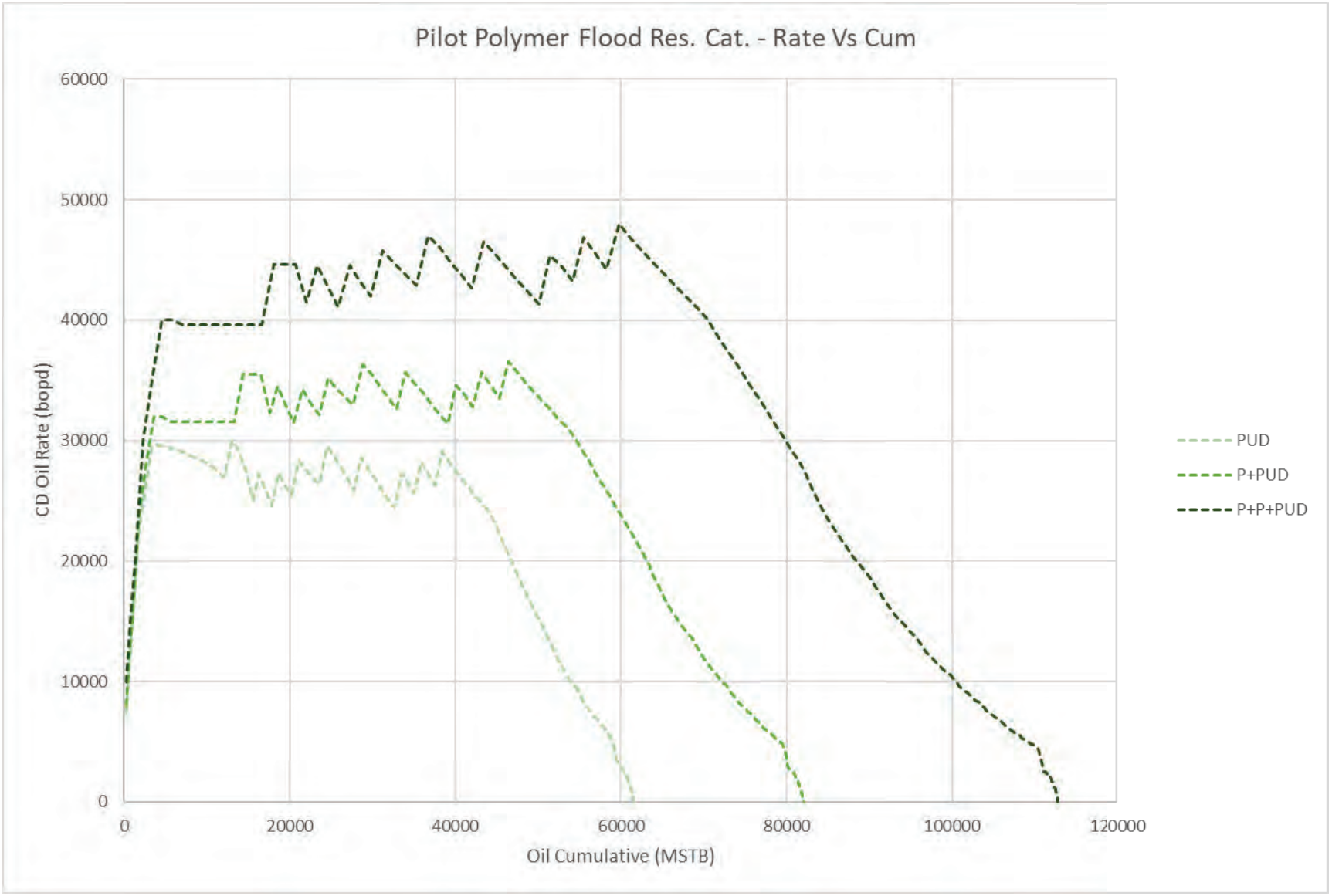


Elke Field Resource Polygons



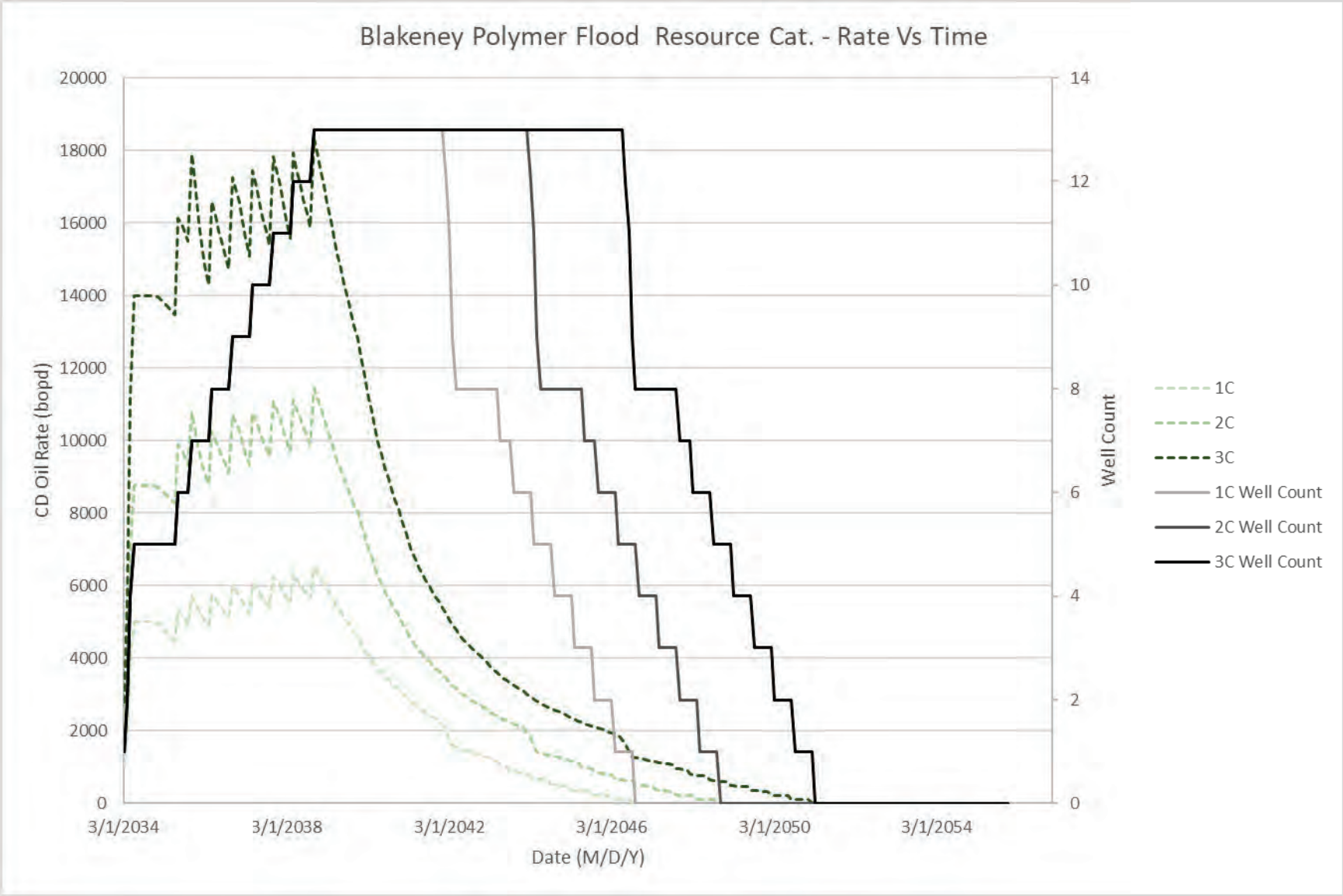
Pilot Field Reserves Oil Production Forecasts vs. Time

Figure 11



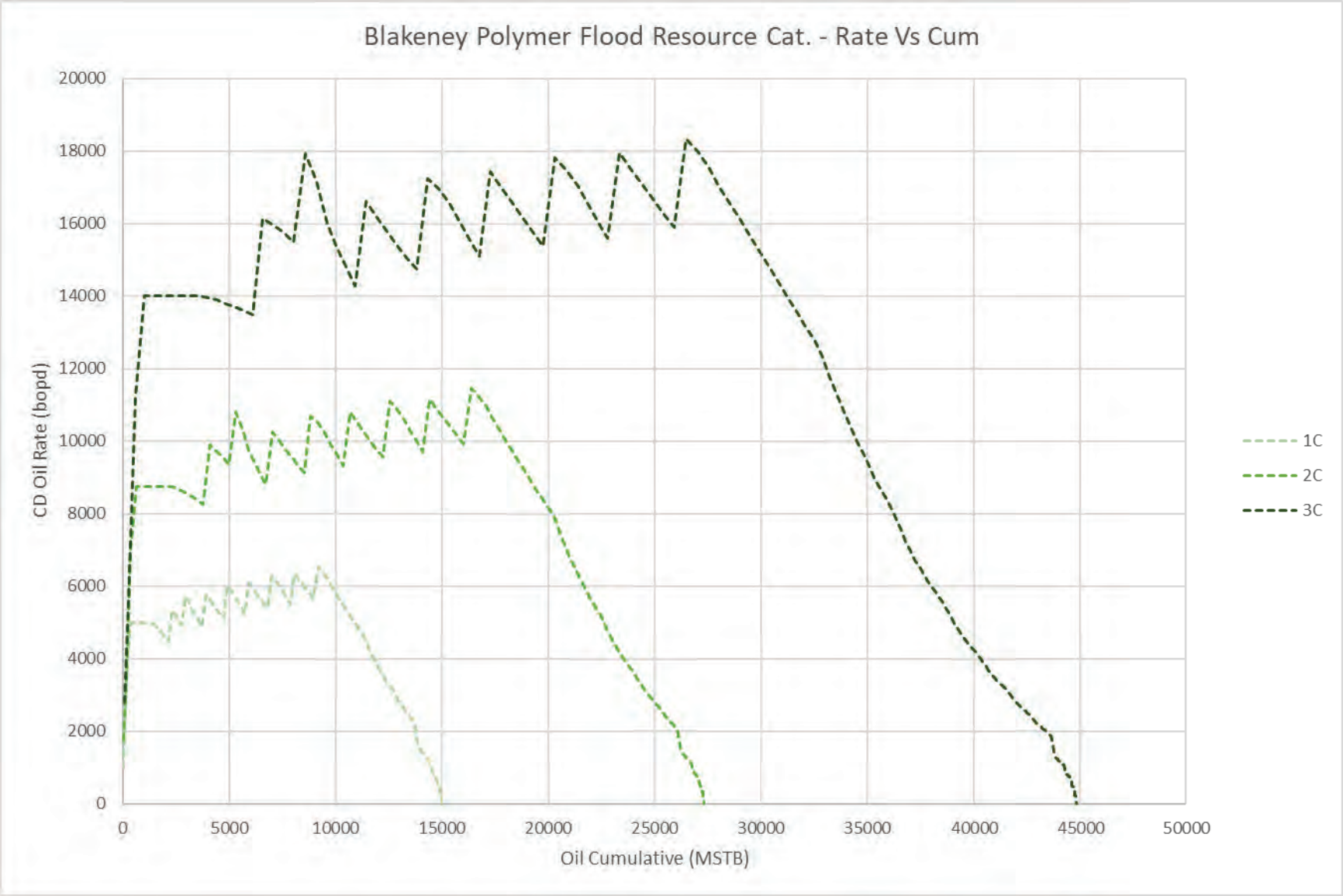
Pilot Field Reserves Oil Production Forecasts vs. Cumulative Oil Production

197



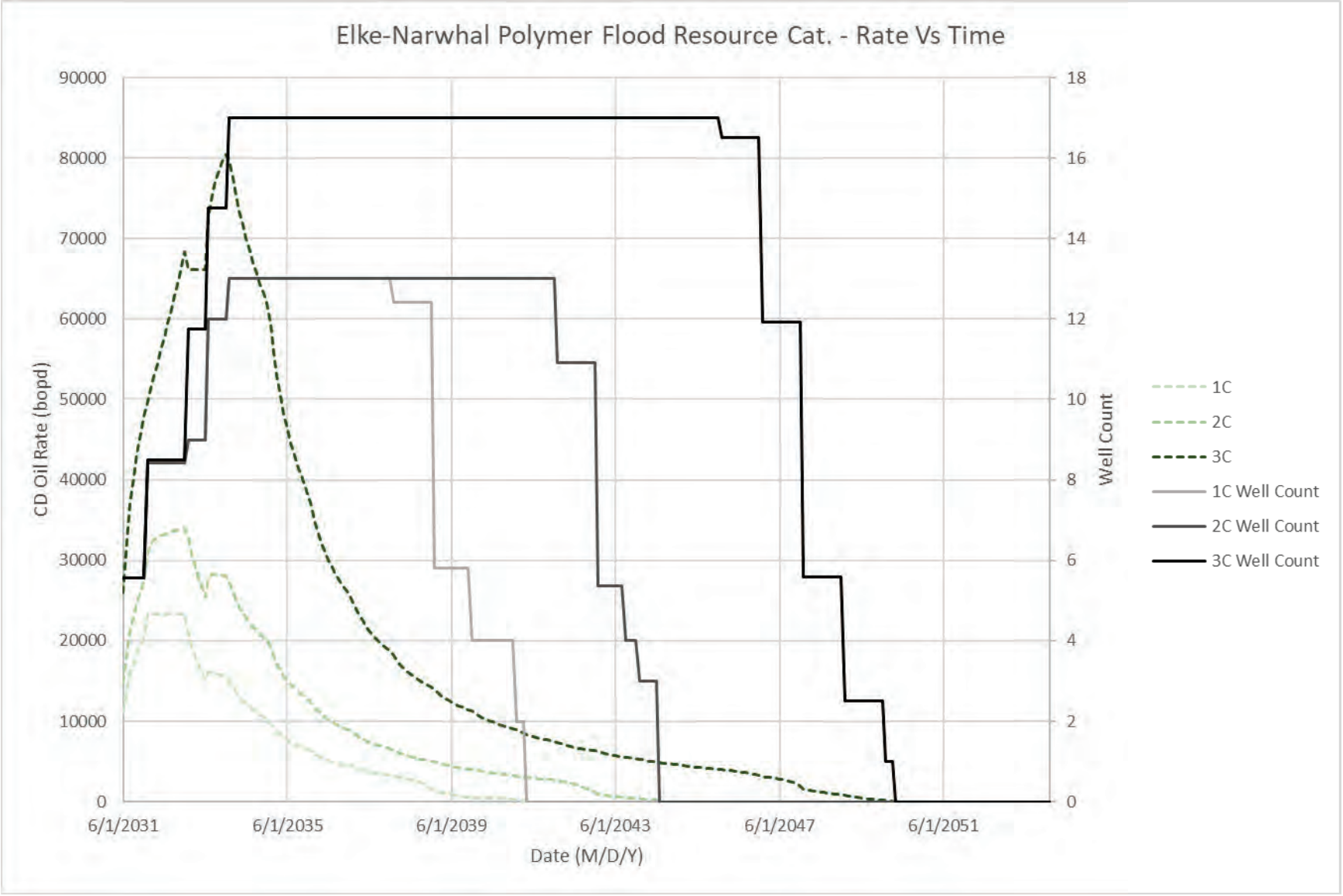
Blakeney Field Contingent Resources Oil Production Forecasts vs. Time

Figure 13



Blakeney Field Contingent Resources Oil Production Forecasts vs. Cumulative Oil Production

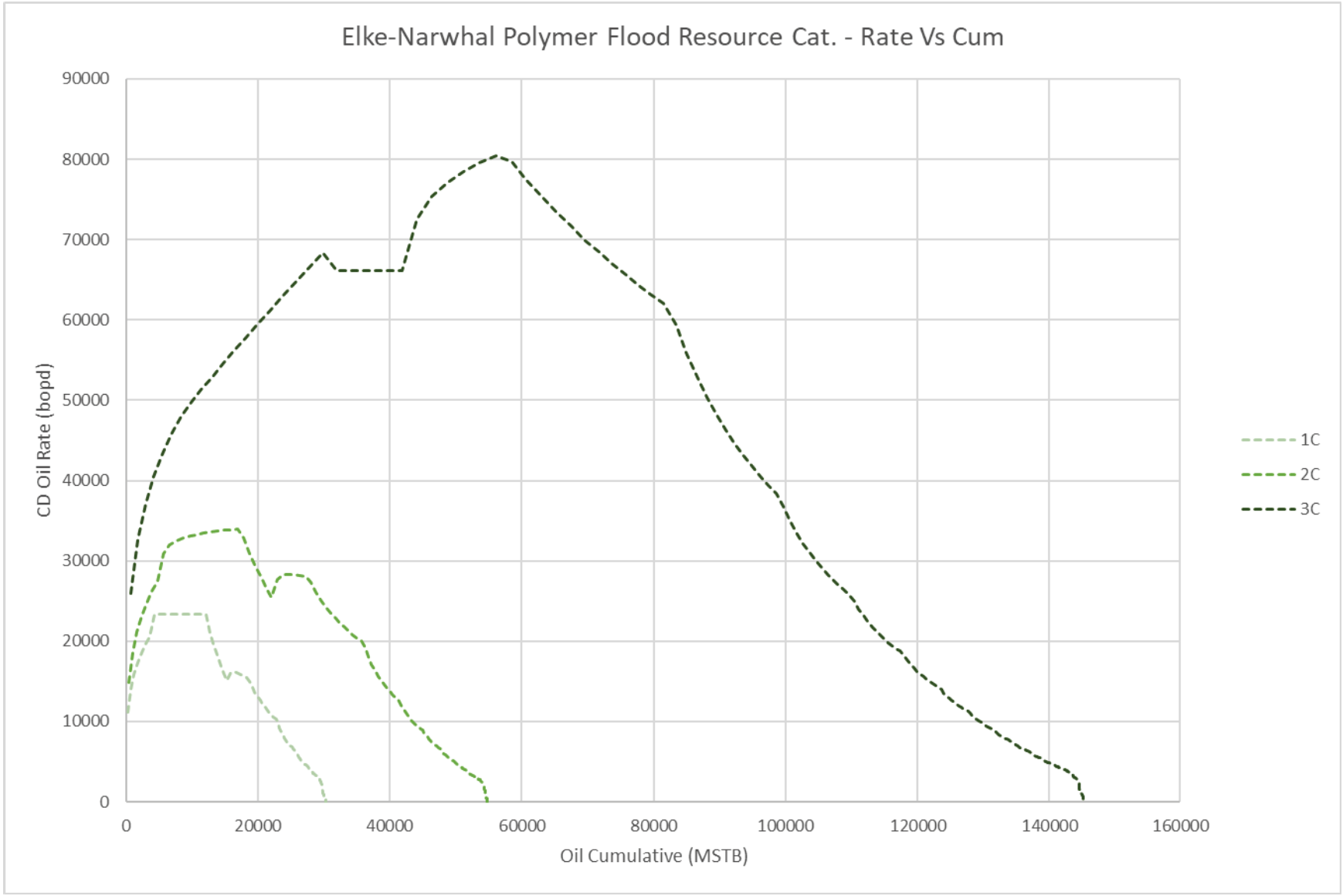
Figure 14



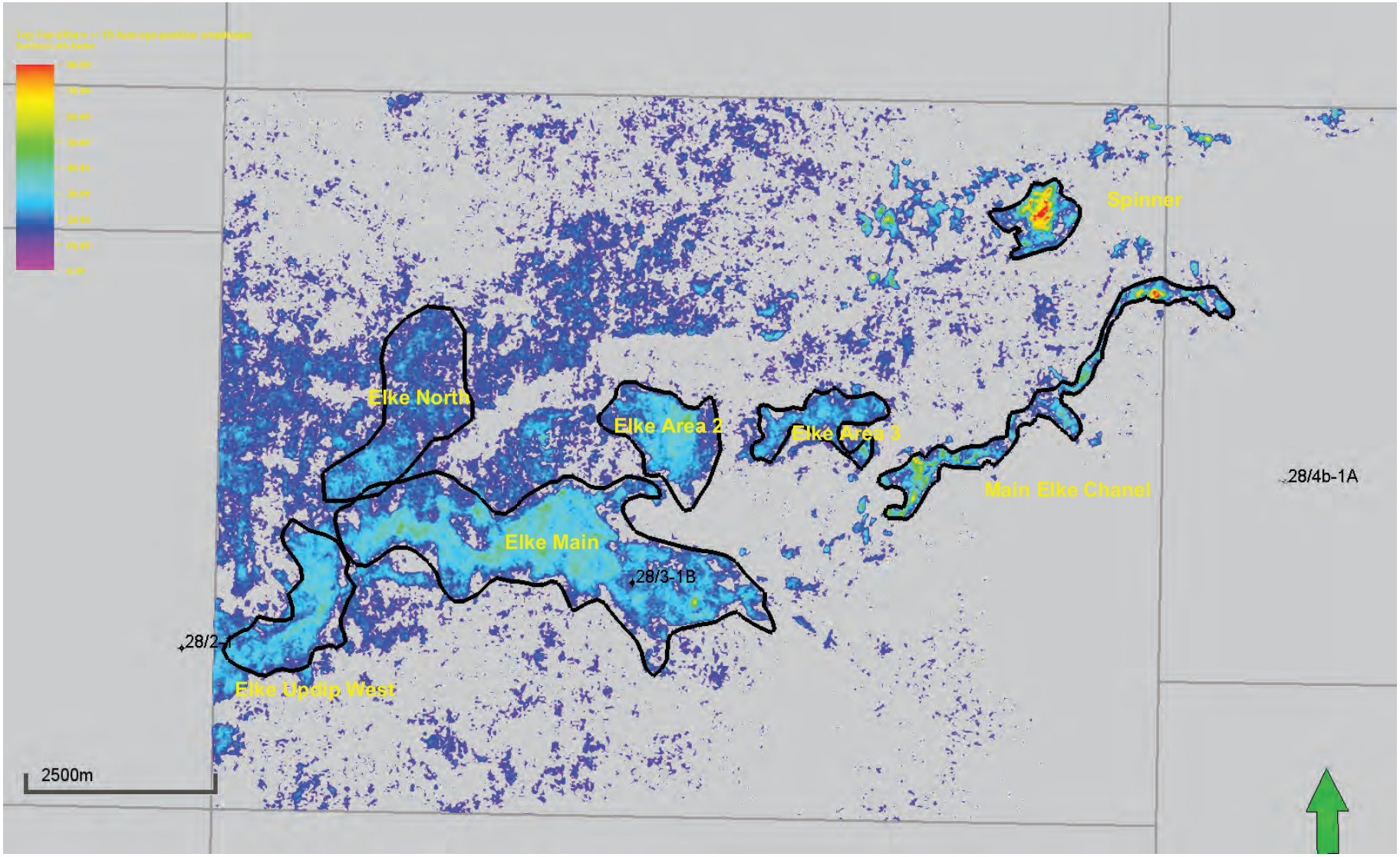
Elke and Narwhal Fields Contingent Resources Oil Production Forecasts vs. Time

200

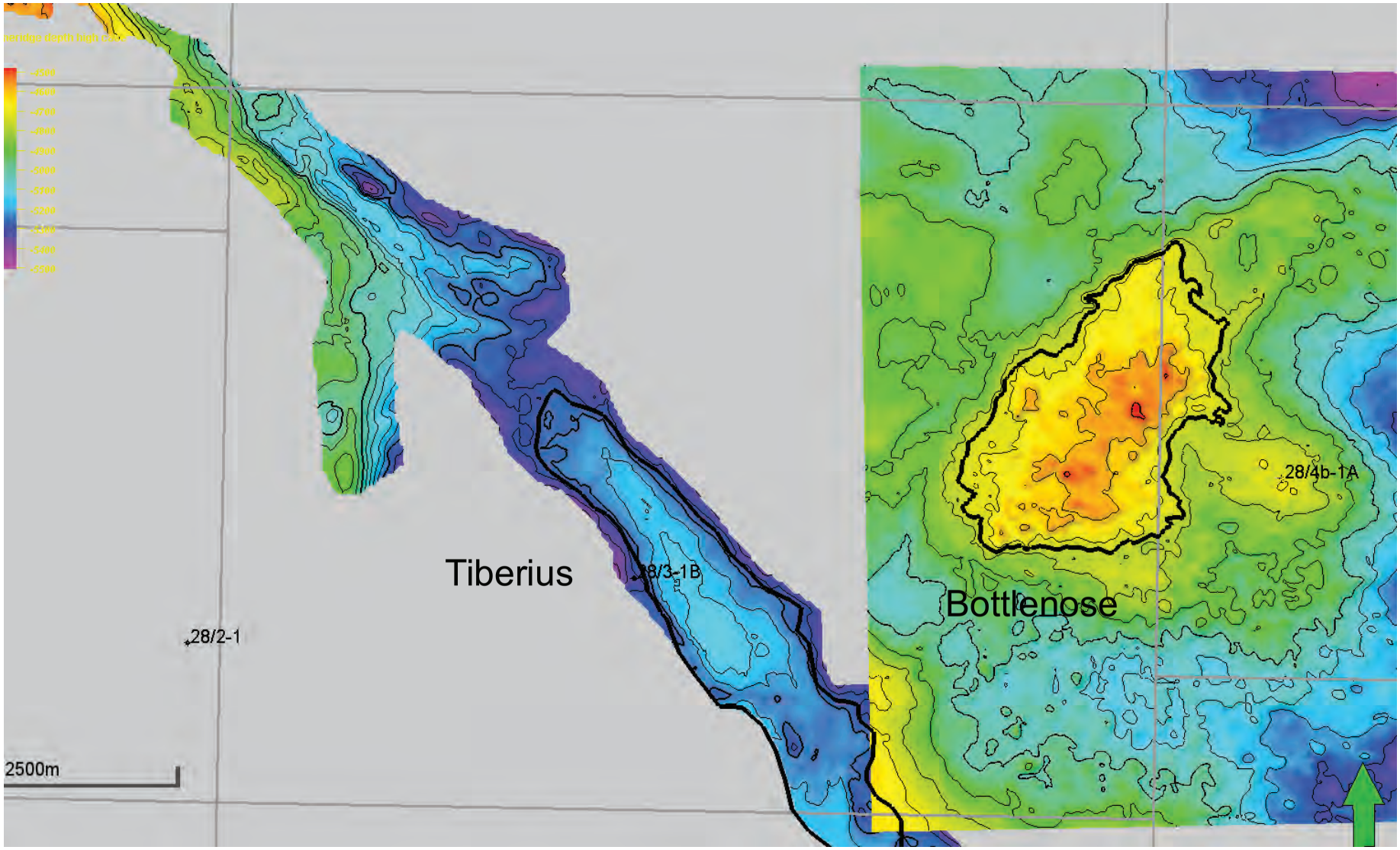
Figure 15



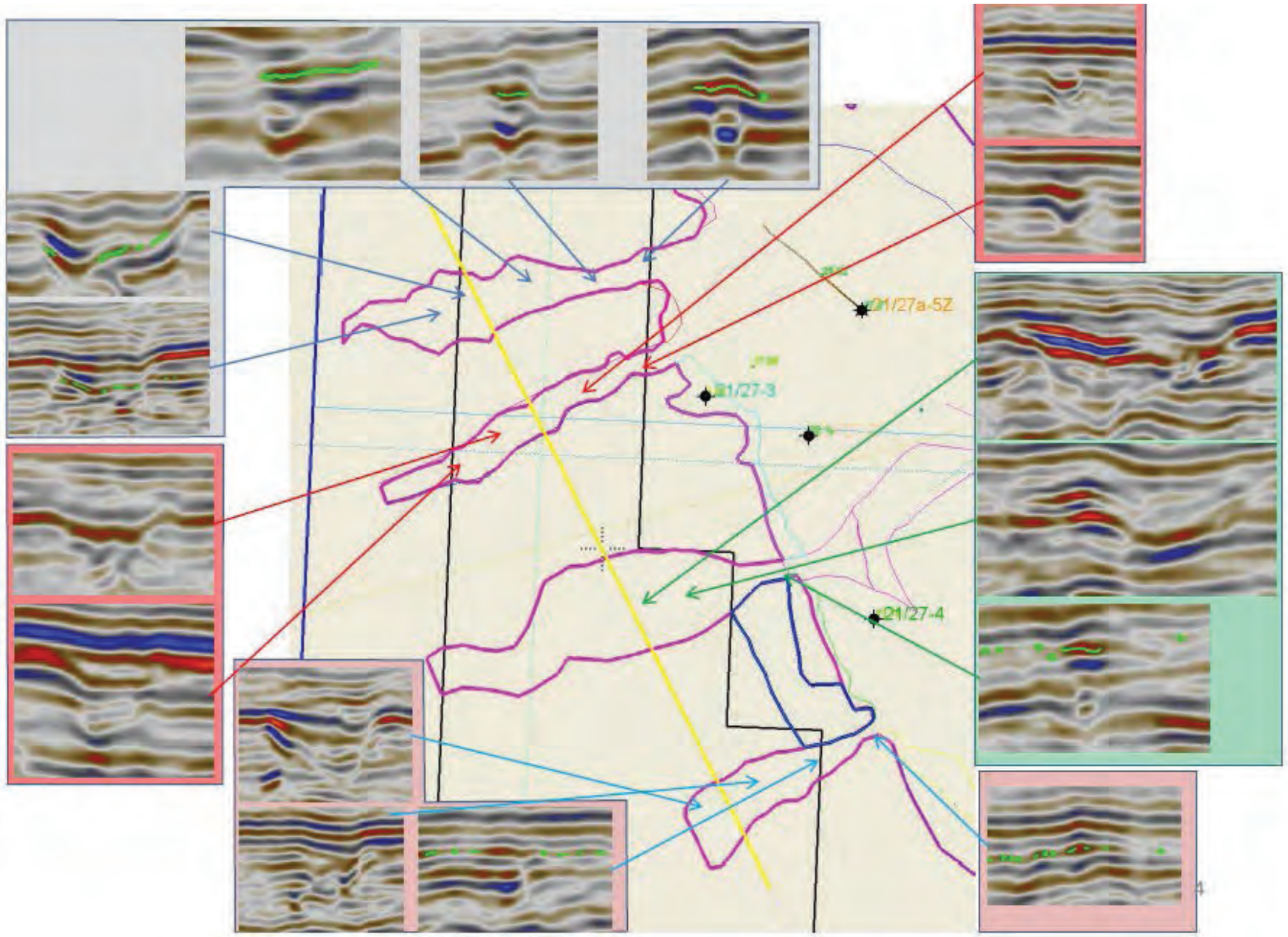
Elke and Narwhal Fields Contingent Resources Oil Production Forecasts vs. Cumulative Oil Production



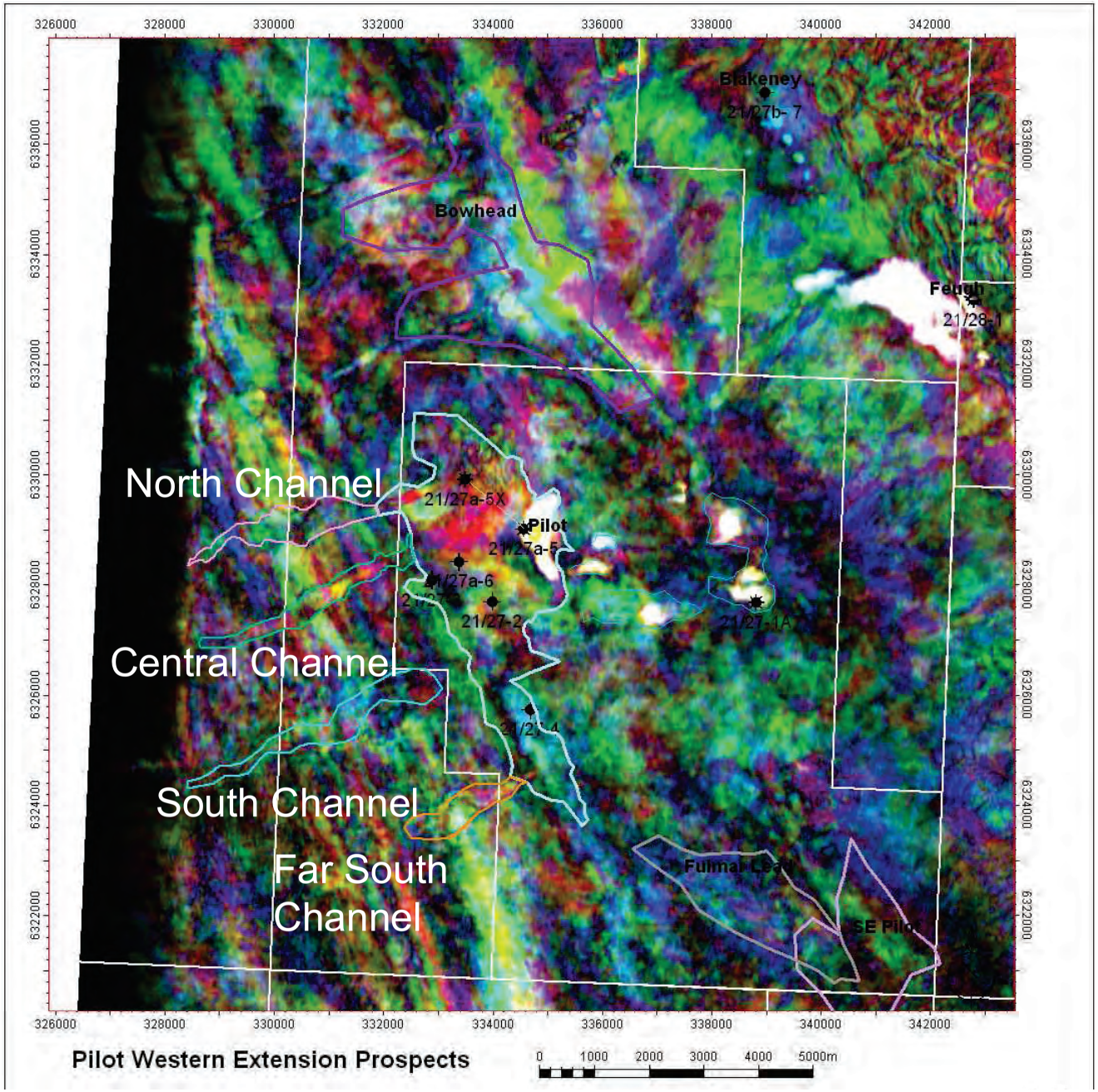
AVO Seismic Amplitude Extraction with Elke Satellites Prospect Outlines



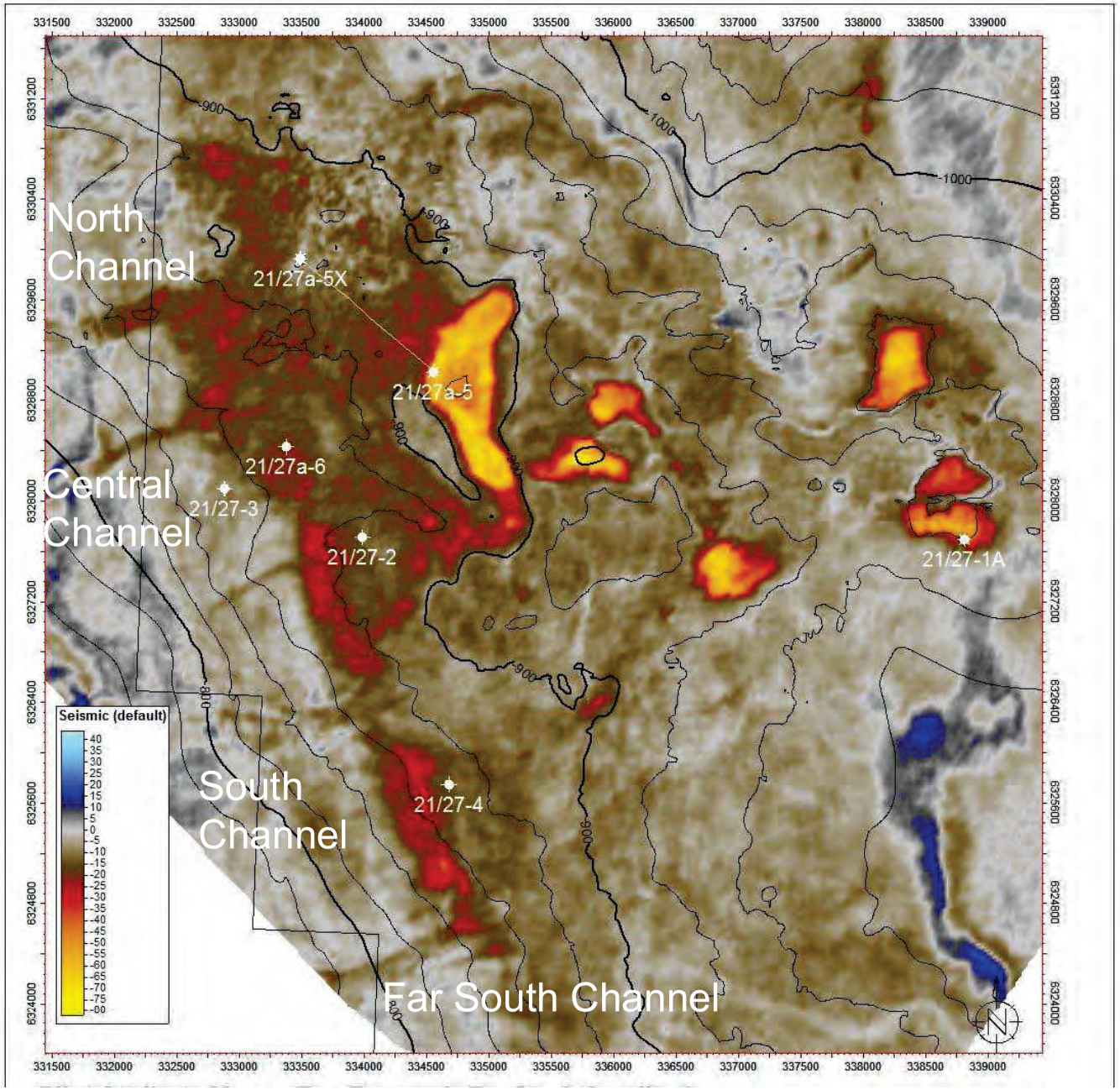
Tiberius and Bottlenose Prospects Outline and Location



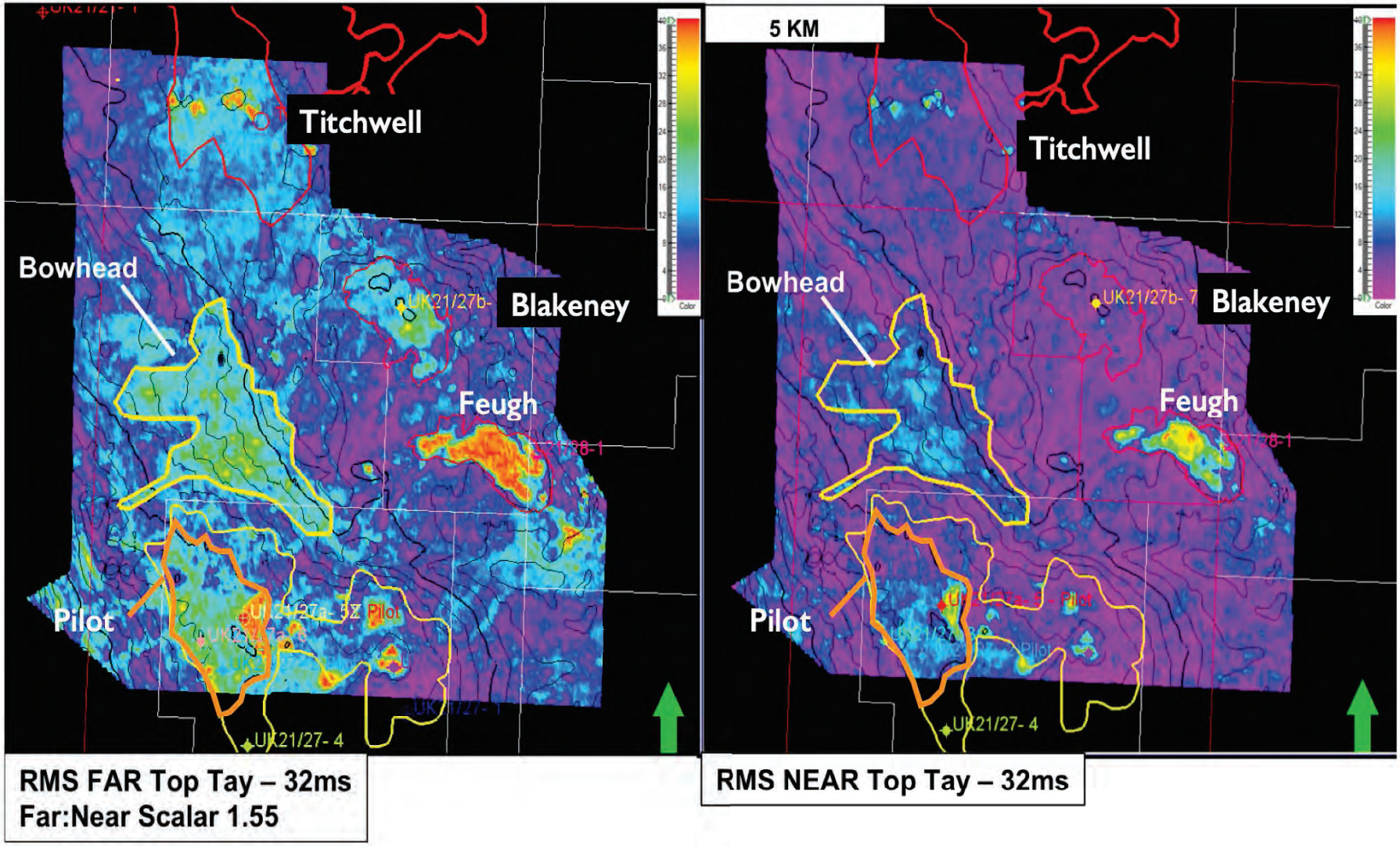
Pilot Channels: Feeder Channels Morphology



Pilot Channels: Spectral Decomposition Colour Blend (regional Top Tay +15ms)



Pilot Channels: Top Tay Reservoir Far Stack Amplitude



Bowhead Prospect: Top Tay Reservoir Seismic Attributes

Appendix A - Resources Definitions

The table below identifies the categories that form the basis of our classification of resources and values presented in this report. The definitions used in this report are those set out in the Petroleum Resources Management System (SPE-PRMS) as sponsored by Society of Petroleum Engineers (“SPE”), World Petroleum Council (“WPC”), American Association of Petroleum Geologists (“AAPG”), Society of Petroleum Evaluation Engineers (“SPEE”), Society of Exploration Geophysicists (“SEG”), Society of Petrophysicists and Well Log Analysts (“SPWLA”), and the European Association of Geoscientists & Engineers (“EAGE”).

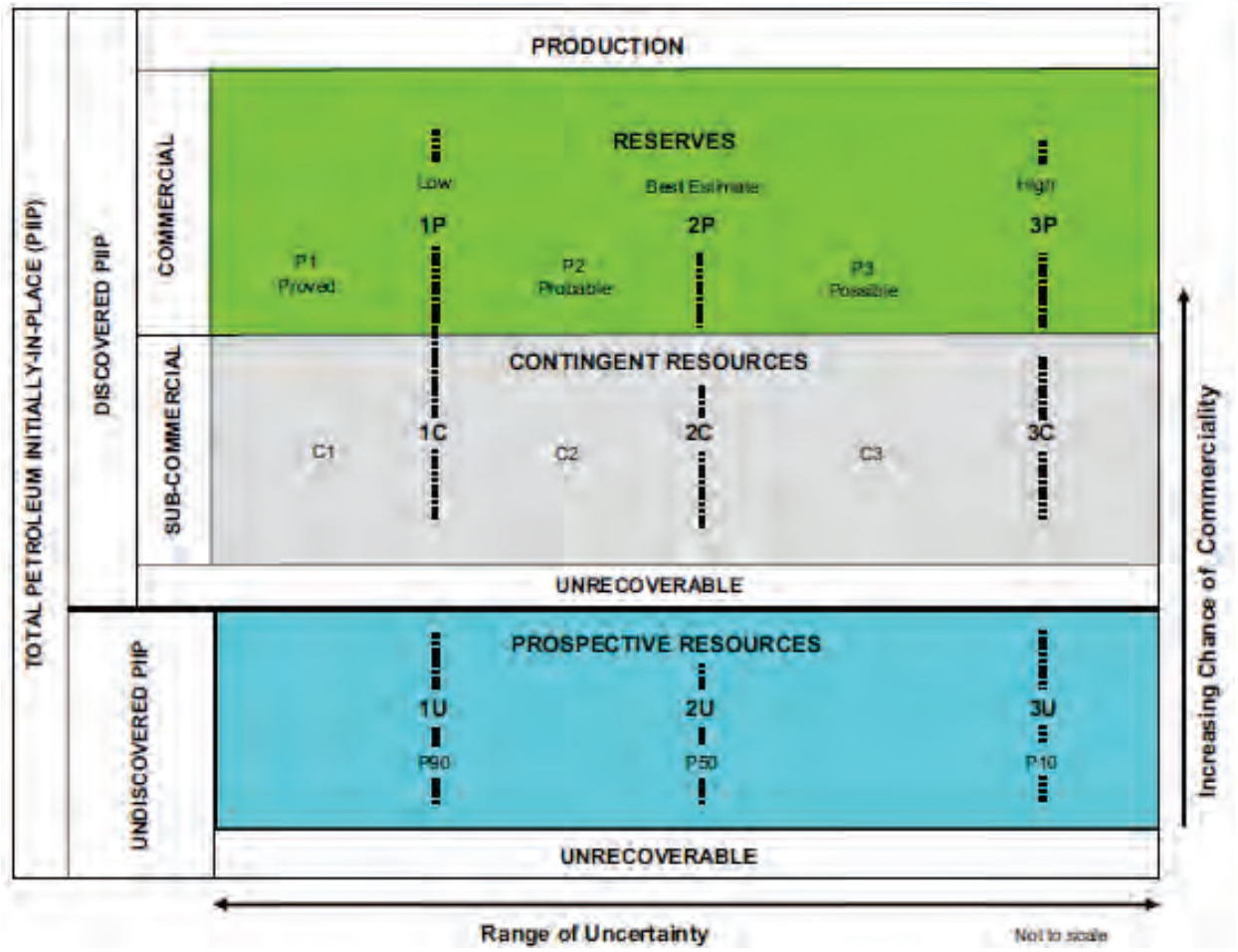
These definitions have been adopted by the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the “COGE Handbook”), maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and incorporated into Canadian National Instrument 51-101 (NI 51-101) by reference. The product types are as defined in NI 51-101 and are only applicable to reports prepared according to NI 51-101 requirements as identified in the Introduction section of this report.

Although not all the definition groupings may be applicable to this report, they have been included here to ensure appropriate context of the definitions that do apply to this report. Guidance on the application of, and further explanation of, the definitions in this Appendix can be found in either PRMS or the COGE Handbook as applicable.

Resources Categories	Included	Excluded
Petroleum Initially-in-Place	✓	-
Prospective Resources	✓	-
Contingent Resources	✓	-
Reserves	✓	-

1. **Resources** encompass all petroleum quantities that originally existed on or within the earth’s crust in naturally occurring accumulations, including discovered and undiscovered plus quantities already produced. Total Resource is equivalent to Petroleum Initially-in-Place (PIIP).

The following figure illustrates the relationship of the different resources within the PRMS Resources classification framework and aids in placing the subsequent definitions in context.



2. Total **Petroleum Initially-in-Place** is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations and is potentially producible. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.

3. **Undiscovered Petroleum Initially-in-Place** is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The potentially recoverable portion of Undiscovered PIIP is referred to as Prospective Resources; the remainder is unrecoverable

4. **Discovered Petroleum Initially-in-Place** is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. Discovered PIIP includes production, Reserves and Contingent Resources; the remainder is unrecoverable.

5. **Discovery** is the confirmation of the existence of an accumulation of a significant quantity of potentially recoverable petroleum.

6. A **Known Accumulation** is one that has been penetrated by a well that has demonstrated the existence of a significant quantity of potentially recoverable petroleum.

7. **Prospective Resources** are those quantities of petroleum estimated, as of a give date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity.

8. **Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development projects not currently considered to be commercial due to one or more contingencies. Contingent Resources have an associated chance of development.

9. **Reserves** are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

    - analysis of drilling, geological, geophysical, and engineering data;
    - the use of established technology;
    - specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed; and
    - a maximum remaining reserve life of 50 years.

    Reserves are classified according to the degree of certainty associated with the estimates.

10. **Proved Reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

11. **Probable Reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

12. **Possible Reserves** are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Other criteria that must also be met for the categorization of reserves are provided in Section 3.1 of PRMS or Section 1.4.7.2.1 of the COGE Handbook.

Each of the reserves categories (proved, probable, and possible) may be divided into developed or undeveloped categories.

13. **Developed Reserves** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

14. **Developed Producing Reserves** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

15. **Developed Non-Producing Reserves** are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

16. **Undeveloped Reserves** are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling and completing a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned and are expected to be developed within a limited time.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions 10, 11 and 12 are applicable to individual reserves entities, which refers to the lowest level at which reserves estimates are made, and to reported reserves, which refers to the highest level sum of individual entity estimates for which reserve estimates are made.

Reported total reserves estimated by deterministic or probabilistic methods, whether comprised of a single reserves entity or an aggregate estimate for multiple entities, should target the following levels of certainty under a specific set of economic conditions:

a. There is a 90% probability that at least the estimated proved reserves will be recovered.

b. There is a 50% probability that at least the sum of the estimated proved reserves plus probable reserves will be recovered.

c. There is a 10% probability that at least the sum of the estimated proved reserves plus probable reserves plus possible reserves will be recovered.

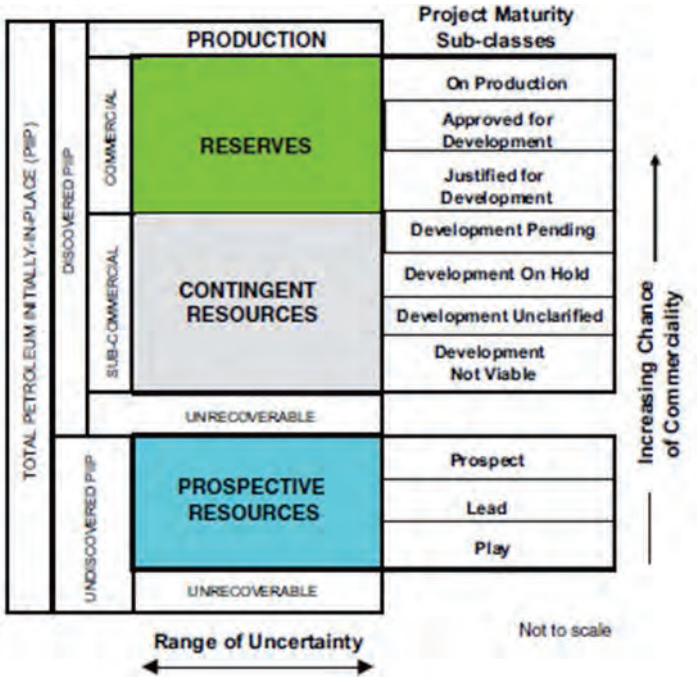
A quantitative measure of the probability associated with a reserves estimate is generated only when a probabilistic estimate is conducted. The majority of reserves estimates will be performed using deterministic methods that do not provide a quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Levels of Certainty for Resources

The same levels of certainty as described above for reserves, represented by a probability distribution of the low, best, and high volume estimates, can be applied to Contingent and Prospective Resources as reflected with the 1C, 2C, 3C, C1, C2 and C3; or 1U, 2U and 3U resources categories and shown on the resources classification figure on the horizontal axis.

Additional clarification of certainty levels associated with resources estimates and the effect of aggregation is provided in Sections 2.2 and 4.2 of PRMS or Section 5.7 of the COGE Handbook. Whether deterministic or probabilistic methods are used, evaluators are expressing their professional judgement as to what are reasonable estimates.

17. **Chance of Commerciality** is the product of the chance of geologic discovery and the chance of development and is used to estimate risked resources by multiplying with the resource volumes. The chance of geologic discovery for Contingent Resources is 100 percent, thus the Chance of Commerciality of Contingent Resources is equal to the chance of development. The Chance of Commerciality is used to estimate the level of maturity of the resource classification as reflected by its' use as an axis on the right side of the Resources Classification Framework as shown in the following figure.



18. **Chance of Development** is the estimated probability that a known accumulation, once discovered, will be commercially developed. The Chance of Development is the product of the contingencies applicable to a particular project. The applicable contingencies may include one or more of the following:

    a. **Evaluation Drilling –** the geological continuity of the reservoir needs to be confirmed to reduce the distance from proven productivity;

    b. **Regulatory Approval** – Approval from the applicable regulatory agency or agencies has not been received;

    c. **Economic Factors –** The future product pricing and capital costs may not be at a level or sufficiently defined - and may also include other underlying factors including market conditions, exchange rates, fiscal terms, and taxes - to establish the economic viability of the project;

    d. **Corporate Commitment –** The final investment decision and endorsement from the Company and / or the project co-venturers has not been made, nor is there a reasonable expectation these can be arranged in a reasonable time frame, such that the project can move forward. A technically mature and feasible field development plan may also need to be developed;

    e. **Timing of Production or Development –** The current development plan may not commence within a reasonable time period;

f. **Market Access –** Infrastructure or access to existing facilities may not be in place or sales contracts have not been executed that will allow the production products to access viable markets;

g. **Technology Under Development –** The technology required to commercially develop the area is not currently available nor is it under active development;

h. **Legal Factors –** Factors that have been brought forward regarding the ability to explore, produce, and sell the hydrocarbons;

i. **Political Factors –** Political unrest may impede the development in the area;

j. **Social License –** One or more of the jurisdictions in which the project area is located has policies in place that restrict certain types of development due to environmental concerns.

19. **Chance of Geologic Discovery** (or just Chance of Discovery) is the estimated probability that exploration activities will confirm the existence of a significant accumulation or potentially recoverable petroleum. The Chance of Geologic Discovery is the product of one or more applicable geologic factors which include:

    a. **Source** – The presence of source rock in reasonable proximity to the target that has generated, or is generating, hydrocarbon from organic material trapped in the rock;

    b. **Migration –** There is a path that allowed for the migration of the hydrocarbon from the source to the reservoir;

    c. **Reservoir** – The presence of rock with sufficient thickness, porosity, and permeability to be commercially productive;

    d. **Trap (or Seal) –** The reservoir rock is bounded by impermeable layers prior to the time of migration that has allowed the migrating hydrocarbon to accumulate within the reservoir rock;

    e. **Structure –** the geometry of the anticipated accumulation is able to contain the migrating hydrocarbons in the form of a stratigraphic and / or structural trap. This factor may not apply to unconventional resources, or accumulations that are pervasive throughout a large area and not significantly affected by hydrodynamic influences such as coal-bed methane, gas hydrates, natural bitumen, tight oil, tight gas, or oil shale.

20. The **Project Maturity Sub-class** represents the maturity of the project and sets out the associated actions required to move the project towards commercial production. The boundaries between the different levels of project maturity are normally project decision gates and can vary from organization to organization dependent upon the established internal approval process for project expenditures.

    a. A **Play** is the lowest and least defined level of Prospective Resources and is a project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation to define specific leads or prospects.

    b. A **Lead** is the next level or Prospective Resources and is a project that is poorly defined and requires additional data acquisition and/or evaluation.

    c. A **Prospect** is the best defined level of Prospective Resources and represents a project that is sufficiently well defined to represent a viable drilling target, although remains undiscovered.

21. **Development Not Viable** is the lowest level of Contingent Resources and represents a discovered accumulation for which there are contingencies resulting in there being no current plans to develop or acquire additional data at the time due to limited commercial potential.

22. **Development Not Clarified** is the second lowest level of Contingent Resources and is a discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information. A plan for future evaluation should exist but further study or appraisal work will be ongoing in order to establish the actions necessary to move the project forward to commercial maturity.

23. **Development On Hold** is the second highest level of Contingent Resources and represents a discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.

24. **Development Pending** is the highest level of Contingent Resources and represents a discovered accumulation where development activities are ongoing to justify commercial development in the foreseeable future.

25. **Justified for Development** is the lowest level of Reserves and represents a development project that has reasonable forecast commercial conditions at the time or reporting and there are reasonable expectations that all necessary approvals/contracts will be obtained.

26. **Approved for Development** is the second level of Reserves and represents a development project that is commercial under the current and/or forecast conditions, has received all approvals and/or contracts necessary for development including the commitment of capital funds and implementation of the development of the project is underway.

27. **On Production** is the highest level of Reserves and reflects the operational execution phase of one or more development projects with the Reserves currently producing or capable of production, including Developed Producing and Developed Non-Producing Reserves.

28. **Remaining Recoverable Reserves** are the total remaining recoverable reserves associated with the acreage in which the Company has an interest.

29. **Company Gross Reserves** are the Company's working interest share of the remaining reserves before deduction of any royalties.

32. **Company Net Reserves** are the gross remaining reserves of the properties in which the Company has an interest, less all Crown, freehold, and overriding royalties and interests owned by others plus all royalty interest volumes received.

33. **Net Production Revenue** is income derived from the sale of net reserves of oil, non-associated and associated gas, and gas by-products, less all capital and operating costs.

34. **Fair Market Value** is defined as the price at which a purchaser seeking an economic and commercial return on investment would be willing to buy, and a vendor would be willing to sell, where neither is under compulsion to buy or sell and both are competent and have reasonable knowledge of the facts.

35. **Barrels of Oil Equivalent (BOE) Reserves** is the sum of the oil reserves, plus the gas reserves divided by a conversion factor, plus the natural gas liquid reserves, all expressed in barrels or thousands of barrels. Equivalent reserves can also be expressed in thousands of cubic feet of gas equivalent (McfGE) using the same conversion factor. Normally the conversion factor represents an approximation of the nominal heating content or calorific value equivalent to a barrel of oil.

36. **Oil (or Crude Oil)** is a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons, but does not include liquids obtained from the processing of natural gas. Crude oil volumes are further divided into Product Types, for reporting purposes.

37. **Gas (or Natural Gas)** is a mixture of lighter hydrocarbons that exist either in the gaseous phase or in solution in crude oil in reservoirs, but are gaseous at atmospheric conditions. Natural gas may contain sulphur or other non-hydrocarbon compounds. Natural Gas volumes are further divided into Product Types, for reporting purposes.

38. **Non-Associated Gas** is an accumulation of natural gas in a reservoir where there is no crude oil.

39. **Associated Gas** – the gas cap overlying a crude oil accumulation in a reservoir.

40. **Solution Gas** – gas dissolved in crude oil.

41. **Natural Gas By-Products** – those components that can be removed from natural gas including, but not limited to, ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.

Product Types sub-classify the principle product types of petroleum, crude oil, gas, and by-products, into specific groupings based on the properties of the hydrocarbon and the properties of the accumulation and reservoir rock from which it is found. Regulatory agencies may define in legislation the product types they require to be used for reporting purposes in their jurisdiction. The Canadian Securities Associations (CSA) defines the following Product Types for reporting purposes in National Instrument 51-101, effective July 1, 2015.

Crude Oil

I) **Light Crude Oil** means crude oil with a relative density greater than 31.1 degrees API gravity;

II) **Medium Crude Oil** means crude oil with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity;

III) **Heavy Crude Oil** means crude oil with a relative density greater than 10 degrees API gravity and less than or equal to 22.3 degrees API gravity;

IV) **Tight Oil** means crude oil:

a. contained in dense organic rich rocks, including low-permeability shales, siltstones, and carbonates, in which the crude oil is primarily contained in microscopic pore spaces that are poorly connected to one another, and

b. that typically requires the use of hydraulic fracturing to achieve economic production rates;

V) **Bitumen** means a naturally occurring solid or semi-solid hydrocarbon:

a. consisting mainly of heavier hydrocarbons, with a viscosity greater than 10,000 millipascal-seconds (mPa·s) or 10,000 centipoise (cP) measured at the

hydrocarbon's original temperature in the reservoir and at atmospheric pressure on a gas-free basis, and

b. that is not primarily recoverable at economic rates through a well without the implementation of enhanced recovery methods;

VI) **Synthetic Crude Oil** means a mixture of liquid hydrocarbons derived by upgrading bitumen, kerogen, or other substances such as coal, or derived from gas to liquid conversion and may contain sulphur or other compounds;

Natural Gas

VII) **Conventional Natural Gas** means natural gas that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete accumulations by seals that may be formed by localized structural, depositional, or erosional geological features;

VIII) **Coal Bed Methane** means natural gas that

a) primarily consists of methane, and
b) is contained in a coal deposit;

IX) **Shale Gas** means natural gas:

a) contained in dense organic-rich rocks, including low-permeability shales, siltstones, and carbonates, in which the natural gas is primarily adsorbed on the kerogen or clay minerals, and
b) that usually requires the use of hydraulic fracturing to achieve economic production rates;

X) **Synthetic Gas** means a gaseous fluid:

a) generated as a result of the application of an in-situ transformation process to coal or other hydrocarbon-bearing rock, and
b) comprised of not less than 10% by volume of methane;

XI) **Gas Hydrate** means a naturally occurring crystalline substance composed of water and gas in an ice-lattice structure;

By-Products

XII) **Natural Gas Liquids** means those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus, and condensates.

XIII) **Sulphur** is a non-hydrocarbon elemental by-product of gas processing and oil refining.

Appendix B — Prices (As of March 31, 2021)

Sproule's short-term outlook for oil and gas prices is based on information obtained from various sources, including government agencies, industry publications, oil refiners, and natural gas marketers as well as consideration for the New York Mercantile Exchange (NYMEX) and Intercontinental Exchange (ICE) futures markets. The forecast used in this evaluation was derived as of **March 31, 2021.**

Oil Prices

The oil price forecasts set out in Table P-1 are based on the ICE Brent contract; a light, sweet crude blend produced in the North Sea.

The actual wellhead price of oil will vary with the quality of the crude and the cost of the transportation from the wellhead to the specified terminal. This cost, which is referred to as the price differential, is based on the actual difference between the revenue received at the wellhead and the contract price for the benchmark crude. In the absence of actual crude oil price statistics, the differential is based on the price of similar quality crude in the area.

2020 saw significant volatility in global crude markets, having been hit hard by the impacts of the COVID-19 pandemic. COVID-19 caused unprecedented crude demand disruption across Q2, with demand averaging over 15 million bbl/d below the 2019 average. Demand has started on a path to recovery and we exit the year roughly 6 million bbl/d below the 2019 average; however, with a second wave of COVID-19 cases spreading across many parts of the world, the trajectory of global crude demand recovery is still uncertain. Longer term, questions remain over the possibility of structural demand destruction from COVID-19 related unemployment, reduced travel and increased remote work solutions. This could impact what the new normal will look like and the timing of returning to pre-virus demand levels. In terms of demand destruction drivers looking beyond the forecast period, electric vehicles represent the first major market segment with significant potential for crude oil market disruption. Electric vehicle sales continue to grow but will not become a viable substitute for internal combustion engine vehicles until the lithium-ion battery cost falls below $100/kWh, which is anticipated in the 2025 timeframe. Based on our estimates, by 2030 we expect 0.5 - 3.0mmbbl/d of crude demand disruption from electric vehicles, with the potential to expand beyond 7.0mmbbl/d disruption by 2040. The potential impacts of Electric Vehicles on global crude demand have not been incorporated into our price forecast yet, but Sproule is continuing to monitor the progress of energy transition and the impacts on oil and gas markets going forward.

On the supply side, supply growth over the last several years has been led by US Light Tight Oil (LTO) producers. The US added roughly 1.2 million bbl/d of production growth in 2019 which, although robust, was roughly 75% of the growth seen in 2018 – a downward trend we saw continuing even before the onset of COVID-19 as producers face limited access to capital and diminishing per-well productivity. COVID-19 has accelerated this trend, and US LTO production exits the year over 1 million bbl/d (15%) below 2019

levels. Looking forward, a recovery of US LTO production to pre-pandemic levels is unlikely to materialize over the forecast period due to the combination of lower commodity prices, reduced access to capital, focus on cash flow generation, and steep natural declines. Given its short-cycle nature, however, U.S. shale is likely to grow production when prices reach the break-even threshold for individual producers. Our view is that U.S. shale economics will continue to place a natural ceiling on prices in the long term. Outside of the US, Sproule anticipates supply growth to be modest as access to capital remains limited, and reduced global demand decreases the appetite for levels of Non-OPEC, Non-US LTO growth required in recent years.

In April 2020, OPEC+ met and agreed to implement another round of production curtailments – 9.7 million bbl/d May to June 2020, 7.7 million bbl/d for the remainder of 2020, and 5.8 million bbl/d for the following 16 months, ending in Q2 of 2022. Thus far, compliance to these curtailments has averaged at roughly 100%, which has been critical for the balancing of the global crude supply-demand equation. In the medium term, compliance to the agreed upon OPEC+ curtailment levels will continue to be vital to achieving their designed purpose, which is to facilitate a balanced crude market. However, a price recovery will also heighten the potential for non-compliance.

Combining the natural ceiling on price created by U.S. shale economics, OPEC+'s continued extraordinary willingness to intervene and support the market, and the expectation for a meaningful demand recovery, Sproule's long-term forecast is set at **$55** US per barrel for Brent in 2023 with an escalation rate of 2.0% thereafter.

Natural Gas Prices

After averaging over $5.00 US/MMbtu in Q4 2019, the price for NBP and TTF European gas fell precipitously to sub-$1.50 US/MMBtu lows by May 2020. Led by a record build out of US Gulf Coast LNG export capacity in recent years (3.5 bcf/d per annum 2015 – 2019), combined with a warmer than expected winter in Asia and Europe and exacerbated by demand weakness caused by the COVID-19 pandemic, the European and Asian gas markets were significantly oversupplied for the first half of 2020. In a response to low prices and resulting negative netbacks, by mid-Q2 US LNG exporters began cancelling cargos destined for European and Asian markets, with total US LNG exports falling from Q1 highs of 7.5 bcf/d to below 3 bcf/d by July. All the while, resilient Asian LNG demand, led by China and India, remained at or above pre-pandemic levels throughout 2020. Combining this continued robust demand for LNG and the reduced supply over Q2 and Q3, European and Asian gas markets were brought back into balance, and the price responded accordingly. Since Q2 lows, we have seen a rapid increase in prices back to above $5.00 US/MMbtu as of the end of December 2020.

Looking forward, the risk of lasting LNG oversupply is likely minimal, considering the expectation for more modest LNG export growth of 2bcf/d per annum from 2020 to 2025 (a 60% reduction in annual growth seen from 2015 to 2019) and continued Asian LNG demand growth into the mid-decade. In our view, considering the recently demonstrated operational flexibility and willingness of US Gulf Coast LNG exporters to cancel

LNG cargoes during periods of low European gas prices, there is likely a floor of roughly $4.00 US/MMbtu on European gas prices. On the high-end, if European gas prices rise to $6.00 US/MMbtu and above, CCGT power plants are likely to switch to the less expensive coal option, thus placing a ceiling on upward NBP and TTF price momentum. Overall, with European gas prices rangebound at between $4.00 and $6.00 US per MMbtu, we see European gas prices stabilizing around the marginal cost of US LNG supplied to Europe. Reflecting these views, Sproule expects NBP to trade at **$5.76** US per MMbtu by 2023 and TTF to trade at **$5.71** US per MMbtu by 2023, with an escalation rate of 2.0% thereafter.

Detailed price forecasts for natural gas are set out in Table P-1. The actual plantgate price will vary with the heat content of the natural gas and the cost of transportation from the plantgate to the trading hub. In the absence of actual natural gas price statistics, the differential is based on the price of natural gas in the area.

Table P-1
Oil Price Forecasts, Inflation and Exchange Rates ($Cdn)
Effective March 31, 2021

Year	UK Brent 38°API[1,3] ($US/bbl)	UK Forties 41 API $US/Bbl	IPE Britain NBP ($US/MMbtu)	Operating Cost Inflation Rate[4] (%/Yr)	Capital Cost Inflation Rate[4] (%/Yr)	Exchange Rate[5] ($US/£UK)
Historical						
2016	45.04	45.04	4.73	1.2%	-9.7%	1.36
2017	54.83	54.83	5.86	1.7%	2.4%	1.29
2018	71.53	71.53	7.87	2.4%	4.2%	1.34
2019	64.17	64.17	4.85	-0.7%	0.4%	1.28
2020	43.21	43.21	3.31	-5.0%	-5.0%	1.28
Forecast						
2021	60.00	60.00	6.21	0.0%	0.0%	1.35
2022	57.50	57.50	6.08	1.0%	1.0%	1.35
2023	55.00	55.00	6.08	2.0%	2.0%	1.35
2024	56.10	56.10	6.20	2.0%	2.0%	1.35
2025	57.22	57.22	6.32	2.0%	2.0%	1.35
2026	58.37	58.37	6.45	2.0%	2.0%	1.35
2027	59.53	59.53	6.58	2.0%	2.0%	1.35
2028	60.72	60.72	6.71	2.0%	2.0%	1.35
2029	61.94	61.94	6.84	2.0%	2.0%	1.35
2030	63.18	63.18	6.98	2.0%	2.0%	1.35
2031	64.44	64.44	7.12	2.0%	2.0%	1.35
Escalation rate of 2.0% percent per year thereafter						

Appendix C — Abbreviations, Units and Conversion Factors

This appendix contains a list of abbreviations found in Sproule reports, a table comparing Imperial and Metric units, and conversion tables used to prepare this report.

Abbreviations

ADR	abandonment, decommissioning and reclamation
AFE	authority for expenditure
AOF	absolute open flow
APO	after pay out
B_g	gas formation volume factor
B_o	oil formation volume factor
BOE	barrels of oil equivalent
bpd	barrels per day
bopd	barrels of oil per day
boepd	barrels of oil equivalent per day
bfpd	barrels of fluid per day
BPO	before pay out
BS&W	basic sediment and water
BTU	British thermal unit
bwpd	barrels of water per day
CF	casing flange
CGR	condensate-gas ratio
cP	centipoise
D&A	dry and abandoned
DCQ	daily contract quantity
DPIIP	discovered petroleum initially-in-place
DSU	drilling spacing unit
DST	drill stem test
EOR	enhanced oil recovery
EPSA	exploration and production sharing agreement
FPSO	floating production, storage and off-loading vessel
FVF	formation volume factor
g/cc	gram per cubic centimetre
GIIP	gas initially-in-place
GOR	gas-oil ratio
GORR	gross overriding royalty
GRV	gross rock volume
GWC	gas-water contact
HCPV	hydrocarbon pore volume

ID	inside diameter
IOR	improved oil recovery
IPR	inflow performance relationship
IRR	internal rate of return
k	permeability
KB	kelly bushing
LKH	lowest known hydrocarbons
LKO	lowest known oil
LNG	liquefied natural gas
LPG	liquefied petroleum gas
McfGE	thousands of cubic feet of gas equivalent
Mcfpd	thousands of cubic feet per day
md	millidarcies
MDT	modular formation dynamics tester
MPR	maximum permissive rate
MRL	maximum rate limitation
NCI	net carried interest
NGL	natural gas liquids
NORR	net overriding royalty
NPI	net profits interest
NRA	no reserves assigned
NRI	net revenue interest
NPV	net present value
NRV	net rock volume
NTG	net-to-gross
NUI	normally unmanned installations
OD	outside diameter
OGIP	original gas in place
OIIP	oil initially-in-place
OOIP	original oil in place
ORRI	overriding royalty interest
OWC	oil-water contact
P1	proved
P2	probable
P3	possible
P&NG	petroleum and natural gas
PI	productivity index
ppm	parts per million
PSU	production spacing unit
PSA	production sharing agreement
PSC	production sharing contract
PVT	pressure-volume-temperature

RFT	repeat formation tester
RT	rotary table
SCAL	special core analysis
SS	subsea
TPIIP	total petroleum initially-in-place
TVD	true vertical depth
UPIIP	undiscovered petroleum initially-in-place
WGR	water-gas ratio
WHP	wellhead platform
WI	working interest
WOR	water-oil ratio
2D	two-dimensional
3D	three-dimensional
4D	four-dimensional
1P	proved
2P	proved plus probable
3P	proved plus probable plus possible
^{o}API	degrees API (American Petroleum Institute)

Imperial and Metric Units

Imperial Units			Metric Units	
M (10^3)	thousand	**Prefixes**	k (10^3)	kilo
MM (10^6)	million		M (10^6)	mega
B (10^9)	billion		G (10^9)	giga
T (10^{12})	trillion		T (10^{12})	tera
Q (10^{15})	quadrillion		P (10^{15})	peta
in.	inches	**Length**	cm	centimetres
ft	feet		m	metres
mi	miles		km	kilometres
ft^2	square feet	**Area**	m^2	square metres
ac	acres		ha	hectares
cf or ft^3	cubic feet	**Volume**	m^3	cubic metres
scf	standard cubic feet			
gal	gallons		L	litres
Mcf	thousand cubic feet			
MMcf	million cubic feet			
Bcf	billion cubic feet		e^6m^3	million cubic metres
bbl	barrels		m^3	cubic metres
Mbbl	thousand barrels		e^3m^3	thousand cubic metres
stb	stock tank barrels		stm^3	stock tank cubic metres
bbl/d	barrels per day	**Rate**	m^3/d	cubic metre per day
Mbbl/d	thousand barrels per day		e^3m^3/d	thousand cubic metres
Mcf/d	thousand cubic feet per day		e^3m^3/d	thousand cubic metres
MMcf/d	million cubic feet per day		e^6m^3/d	million cubic metres
Btu	British thermal units	**Energy**	J	joules
oz	ounces	**Mass**	g	grams
lb	pounds		kg	kilograms
ton	tons		t	tonnes
lt	long tons			
psi	pounds per square inch	**Pressure**	Pa	pascals
			kPa	kilopascals (10^3)
psia	pounds per square inch absolute			
psig	pounds per square inch gauge			
°F	degrees Fahrenheit	**Temperature**	°C	degrees Celsius
°R	degrees Rankine		K	degrees Kelvin
M$	thousand dollars	**Dollars**	k$	1 kilodollar

Imperial and Metric Units (Cont'd)

Imperial Units			Metric Units	
sec	second	**Time**	s	second
min	minute		min	minute
hr	hour		h	hour
d	day		d	day
wk	week			week
mo	month			month
yr	year		a	annum

Conversion Tables

Conversion Factors — Metric to Imperial		
cubic metres (m^3) (@ 15°C)	x 6.29010	= barrels (bbl) (@ 60°F), water
m^3 (@ 15°C)	x 6.3300	= bbl (@ 60°F), Ethane
m^3 (@ 15°C)	x 6.30001	= bbl (@ 60°F), Propane
m^3 (@ 15°C)	x 6.29683	= bbl (@ 60°F), Butanes
m^3 (@ 15°C)	x 6.29287	= bbl (@ 60°F), oil, Pentanes Plus
m^3 (@ 101.325 kPaa, 15°C)	x 0.0354937	= thousands of cubic feet (Mcf) (@ 14.65 psia, 60°F)
1,000 cubic metres (10^3m^3) (@ 101.325 kPaa, 15°C)	x 35.49373	= Mcf (@ 14.65 psia, 60°F)
hectares (ha)	x 2.4710541	= acres
1,000 square metres (10^3m^2)	x 0.2471054	= acres
10,000 cubic metres (ha·m)	x 8.107133	= acre feet (ac-ft)
$m^3/10^3m^3$ (@ 101.325 kPaa, 15° C)	x 0.0437809	= Mcf/Ac.ft. (@ 14.65 psia, 60°F)
joules (j)	x 0.000948213	= Btu
megajoules per cubic metre (MJ/m^3)	x 26.714952	= British thermal units per standard cubic foot (Btu/scf)
(@ 101.325 kPaa, 15°C)		(@ 14.65 psia, 60°F)
dollars per gigajoule ($/GJ)	x 1.054615	= $/Mcf (1,000 Btu gas)
metres (m)	x 3.28084	= feet (ft)
kilometres (km)	x 0.6213712	= miles (mi)
dollars per 1,000 cubic metres ($/10^3m^3$)	x 0.0288951	= dollars per thousand cubic feet ($/Mcf) (@ 15.025 psia) B.C.
($/10^3m^3$)	x 0.02817399	= $/Mcf (@ 14.65 psia) Alta.
dollars per cubic metre ($/m^3$)	x 0.158910	= dollars per barrel ($/bbl)
gas/oil ratio (GOR) (m^3/m^3)	x 5.640309	= GOR (scf/bbl)
kilowatts (kW)	x 1.341022	= horsepower
kilopascals (kPa)	x 0.145038	= psi
tonnes (t)	x 0.9842064	= long tons (LT)
kilograms (kg)	x 2.204624	= pounds (lb)
litres (L)	x 0.2199692	= gallons (Imperial)
litres (L)	x 0.264172	= gallons (U.S.)
cubic metres per million cubic metres ($m^3/10^6m^3$) (C_3)	x 0.177496	= barrels per million cubic feet (bbl/MMcf) (@ 14.65 psia)
$m^3/10^6m^3$) (C_4)	x 0.1774069	= bbl/MMcf (@ 14.65 psia)
$m^3/10^6m^3$) (C_{5+})	x 0.1772953	= bbl/MMcf (@ 14.65 psia)
tonnes per million cubic metres ($t/10^6m^3$) (sulphur)	x 0.0277290	= LT/MMcf (@ 14.65 psia)
millilitres per cubic meter (mL/m^3) (C_{5+})	x 0.0061974	= gallons (Imperial) per thousand cubic feet (gal (Imp)/Mcf)
(mL/m^3) (C_{5+})	x 0.0074428	= gallons (U.S.) per thousand cubic feet (gal (U.S.)/Mcf)
Kelvin (K)	x 1.8	= degrees Rankine (°R)
millipascal seconds (mPa·s)	x 1.0	= centipoise
density (kg/m3), ρ	ρ÷1000x141.5-131.5	= °API

Conversion Tables (Cont'd)

Conversion Factors — Imperial to Metric		
barrels (bbl) (@ 60°F)	x 0.15898	= cubic metres (m^3) (@ 15°C), water
bbl (@ 60°F)	x 0.15798	= m^3 (@ 15°C), Ethane
bbl (@ 60°F)	x 0.15873	= m^3 (@ 15°C), Propane
bbl (@ 60°F)	x 0.15881	= m^3 (@ 15°C), Butanes
bbl (@ 60°F)	x 0.15891	= m^3 (@ 15°C), oil, Pentanes Plus
thousands of cubic feet (Mcf) (@ 14.65 psia, 60°F)	x 28.17399	= m^3 (@ 101.325 kPaa, 15°C)
Mcf (@ 14.65 psia, 60°F)	x 0.02817399	= 1,000 cubic metres (10^3m^3) (@ 101.325 kPaa, 15°C)
acres	x 0.4046856	= hectares (ha)
acres	x 4.046856	= 1,000 square metres (10^3m^2)
acre feet (ac-ft)	x 0.123348	= 10,000 cubic metres (10^4m^3) (ha·m)
Mcf/ac-ft (@ 14.65 psia, 60°F)	x 22.841028	= $10^3m^3/m^3$ (@ 101.325 kPaa, 15°C)
Btu	x 1054.615	= joules (J)
British thermal units per standard cubic foot (Btu/Scf)	x 0.03743222	= megajoules per cubic metre (MJ/m^3)
(@ 14.65 psia, 60°F)		(@ 101.325 kPaa, 15°C)
$/Mcf (1,000 Btu gas)	x 0.9482133	= dollars per gigajoule ($/GJ)
$/Mcf (@ 14.65 psia, 60°F) Alta.	x 35.49373	= $/$10^3m^3$ (@ 101.325 kPaa, 15°C)
$/Mcf (@ 15.025 psia, 60°F), B.C.	x 34.607860	= $/$10^3m^3$ (@ 101.325 kPaa, 15°C)
feet (ft)	x 0.3048	= metres (m)
miles (mi)	x 1.609344	= kilometres (km)
dollars per barrel ($/bbl)	x 6.29287	= dollars per cubic metre ($/$m^3$)
GOR (scf/bbl)	x 0.177295	= gas/oil ratio (GOR) (m^3/m^3)
horsepower	x 0.7456999	= kilowatts (kW)
psi	x 6.894757	= kilopascals (kPa)
long tons (LT)	x 1.016047	= tonnes (t)
pounds (lb)	x 0.453592	= kilograms (kg)
gallons (Imperial)	x 4.54609	= litres (L) (.001 m^3)
gallons (U.S.)	x 3.785412	= litres (L) (.001 m^3)
barrels per million cubic feet (bbl/MMcf) (@ 14.65 psia) (C_3)	x 5.6339198	= cubic metres per million cubic metres ($m^3/10^6m^3$)
bbl/MMcf (C_4)	x 5.6367593	= ($m^3/10^6m^3$)
bbl/MMcf (C_{5+})	x 5.6403087	= ($m^3/10^6m^3$)
LT/MMcf (sulphur)	x 36.063298	= tonnes per million cubic metres ($t/10^6m^3$)
gallons (Imperial) per thousand cubic feet (gal (Imp)/Mcf) (C_{5+})	x 161.3577	= millilitres per cubic meter (mL/m^3)
gallons (U.S.) per thousand cubic feet (gal (U.S.)/Mcf) (C_{5+})	x 134.3584	= (mL/m^3)
degrees Rankine (°R)	x 0.555556	= Kelvin (K)
centipoises	x 1.0	= millipascal seconds (mPa·s)
°API	(°APIx131.5)x 1000/141.5	= density (kg/m3)

Appendix D — General Evaluation Parameters

Royalties and Mineral Taxes

The lessor and overriding royalties, if applicable, were based on existing agreements and government regulations.

Operating, Maintenance and Capital Costs

Operating, maintenance and capital cost forecasts were based on the detailed analysis of the project in the Pilot Concept Select Study report which is based upon historical cost analysis of comparable equipment and facility type and size within the applicable region for comparative analysis and were escalated to the dates when these costs would be incurred. When escalated, the operating costs and capital costs were escalated based upon the schedule of escalation factors included in Appendix B, Table P-1. Value Navigator applies escalation incrementally, on a yearly basis.

Value Navigator applies escalation incrementally, on a yearly basis.

Abandonment, Decommissioning and Reclamation

Abandonment, decommissioning and reclamation (ADR) costs represent all the end of life costs associated with restoring an asset where petroleum exploration, development, production and processing operations have been conducted, to a standard imposed by applicable government or regulatory authorities.

Estimating ADR costs on existing development requires detailed knowledge of the property, the history of each well and facility, and may require site visits. Without detailed scrutiny of existing development in its entirety, the ADR cost estimates presented in an evaluation may be misleading or imply a level of due diligence evaluators do not typically undertake. ADR costs included in an asset evaluation must be properly assessed with reliance on those with the requisite expertise.

Best practice would use an ADR estimate which includes all costs required to restore existing development from the well's bottom hole to custody transfer point, to the standards imposed by applicable government or regulatory authorities and include the ADR costs for both active and inactive development included in the assets evaluated.

The extent to which ADR costs are included in this report, and the source of the estimates contained herein, is documented in the Introduction section of this report in the Evaluation Data and Procedures section and is based on the Scope and Purpose of the report, as stipulated by the Company.

Active and Inactive Assets and Properties

Active properties or assets are those properties or assets which contain planned development activity which is economic within a reasonable time period.

Inactive properties have no current production and typically consist of shut-in, suspended and capped wells, various land holdings, suspended gathering systems and shut-in processing facilities. These assets typically have no development plans which may be assigned reserves however they do incur ongoing operating expenses within a company's oil and gas asset portfolio, the magnitude of which may be material.

The extent to which active and inactive assets are included in the evaluation including related costs on inactive assets or properties is documented in the Introduction section of this report under the Evaluation Data and Procedures section.

Uneconomic Assets or Properties

Uneconomic assets or properties are those assets and properties which are currently producing however do not yield net positive cash flows under the economic model. These assets have no assigned reserves and would incur inactive asset costs once actually shut-in. The method by which the ongoing operating expenses associated with these assets has been modelled and included in the report is documented in the Introduction of this report under the Evaluation Data and Procedures section.

Orphan Well Fund Levies

Cash flows do not include Company payment to various jurisdictional orphan well fund programs.

Overhead Expenses

Operating Cost Overhead

Operating cost overhead charges and recoveries associated with the Company's properties, whether operated or non-operated, have been excluded for the purposes of this evaluation.

Capital Cost Overhead

Capital cost overhead charges and/or recoveries have not been included in the evaluation and forecast of future capital cost spending.

Other Items

Carbon Taxes

Carbon tax payments or carbon tax credit as outlined in the UK government guidance and detailed explanation is included in the operating costs in this evaluation.

Revenues generated from carbon tax credit sales have not been incorporated into our evaluation.

Financial Instruments

Cash flows and corporate runs do not include the effects of various financial instruments the Company may hold, such as pricing hedging contracts and/or various put and call options.

Compensatory Royalty

Cash flows do not include the payment of compensatory royalties to hold various leases or permits, or the receipt of compensatory royalties paid by others to the Company, to hold the rights to develop the Company's properties.

Appendix E — Petroleum Fiscal Terms

This appendix summarizes the fiscal terms in the United Kingdom ("UK"). The ring fence fiscal regime applies to the exploration for, and production of, oil, gas and gas by-products in the UK and UK Continental Shelf (UKCS) and comprises of two taxes, namely Ring Fence Corporation Tax and Supplementary Charge Tax.

The Company is subject to United Kingdom Ring Fence Corporation Tax at 30 percent of profits and Supplementary Charge at 10 percent of profits. The Supplementary Charge Tax is calculated on the same basis as the Ring Fence Corporation Tax. Payments are scheduled so that two-thirds of the payments are made the year the liability is incurred and one-third is paid the following year.

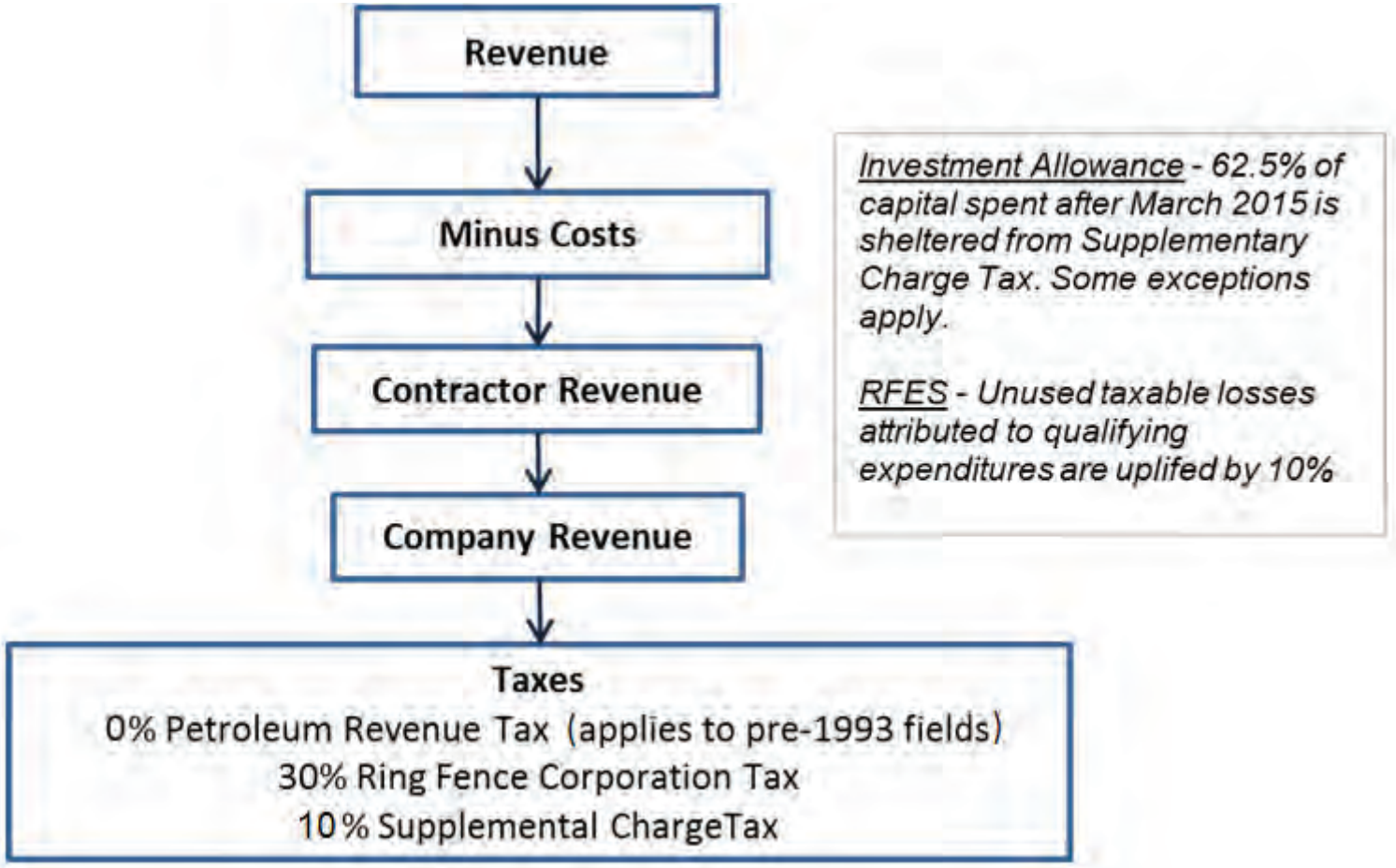
The premise of the ring fence is that corporate tax on profits from oil and gas extraction activities should be paid in full, undiluted by any losses or any other form of relief arising from any other business activities whether in the United Kingdom or elsewhere. Oil and gas extraction activities are treated as a separate trade (ring-fenced), distinct from all other activities carried out by the Company. An enhanced first year capital allowance (i.e., 100 percent write-down) is available for ring fence operating and capital expenditures. Acquisition costs and losses from other non-ring-fenced activities are not allowed. A Ring Fence Expenditure Supplement (RFES) increases the value of unused qualifying expenditures carried forward from one period to the next by a compound 10 percent per year for a maximum of ten years.

In December 2014, the UK government announced a new basin-wide investment allowance to simplify and replace the previous system of offshore field allowances over time. The investment allowance operates in a similar manner as the previous system and exempts 62.5 percent of qualifying capital expenditures made by the Company from its adjusted ring fence profits which are subject to Supplementary Charge Tax. The investment allowance applies to qualifying capital expenditures the Company makes on or after April 1, 2015 in a field that is considered to be materially complete. First commercial production is usually used to determine if a field is materially complete, except in phased projects where much of the originally contemplated expenditure is scheduled after first production (such as brownfield projects on producing fields).

For an existing field that was in receipt of a small field allowance, any unactivated field allowance is converted to an investment allowance pool. If a field is not materially complete, only the portion of capital expenditures that exceeds 160 percent of the gross field allowance spent between April 1, 2015 and the date it is deemed to be materially complete, can be applied as an investment allowance. The same methodology applies for a field in receipt of a brownfield allowance.

For a field that is not producing by the effective date of this report and is not eligible for field value allowances, all capital required to develop the field is eligible to be included in the calculation of an investment allowance.

A schematic diagram of the petroleum fiscal terms is presented in Figure E-1.



Schematic Diagram of Fiscal Regime

Appendix F – Representation Letter

The Representation Letter has been included as Appendix F it was prepared by Officers of the Company and confirms the accuracy, completeness and availability of all data requested by Sproule and or otherwise furnished to Sproule during the course of our evaluation of the Company's assets, herein reported on.

Orcadian Energy PLC
70 Claremont Road
Surbiton
Surrey
KT6 4RH
Tel: +44 203 603 1941
Email : steve.brown@orcadian.energy
Web : https://www.orcadian.energy

17th June 2021

Sproule B.V.
President Kennedylaan 19
2517 JK – Den Haag,
The Netherlands

Dear Sir:

Re: Orcadian Energy PLC,
6th Floor 60 Gracechurch Street,
London,
United Kingdom, EC3V 0HR

Regarding the evaluation of our Company's oil and gas reserves and resources and the Competent Person's Report of these reserves and resources (the "CPR") as of April 1, 2021 (the "Effective Date"), we herein confirm, to the best of our knowledge and belief after due inquiry, as of the Effective Date and, as applicable, as of today, the following representations and information made available to you during the conduct of the CPR:

1. We (the Client) have made available to you (the Evaluator) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the Effective Date of the CPR, including, where applicable, the following:

    - accounting, financial, tax, and contractual data;
    - asset ownership and related encumbrance information;
    - details concerning product marketing, transportation, and processing arrangements;
    - details concerning maintenance capital
    - all technical information including geological, engineering, and production and test data; !
    - estimates of future abandonment, decommissioning and reclamation costs, excluding adjustments for salvage.

2. We confirm that all financial and accounting information provided to you is, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.

3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.

4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and resources and future net revenues. 5. With the possible exception of items of an immaterial nature, we confirm the following as of the Effective Date:

    - For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.

    - All regulatory approvals, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.

    - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the Effective Date are consistent with those that existed for the same well or entity immediately prior to this three-month period.

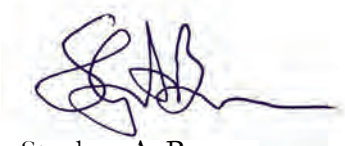
    - Except as disclosed to you, we have no plans or intentions related to the ownership, development, or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.

    - If material changes of an adverse nature occur in the Company's operating performance subsequent to the Effective Date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of any reserves information.

Between the Effective Date and the date of this letter nothing has come to our attention that has materially affected or could materially affect our reserves and resources and the economic value of these reserves and resources that has not been disclosed to you.

Yours very truly,

Orcadian Energy PLC



Stephen A. Brown
Chief Executive Officer

PART V

ADDITIONAL INFORMATION

1. RESPONSIBILITY

1.1. The Directors and the Company accept responsibility both individually and collectively for the information contained in this Document and for the Company's compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) and the Company, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information. Under no circumstances should the information contained in this Document be relied upon as being accurate at any time after Admission.

1.2. PKF Littlejohn LLP, whose registered office is at 15 Westferry Circus, London, E14 4HD, United Kingdom accepts responsibility for its report set out in Part III of this Document. To the best of the knowledge and belief of PKF Littlejohn LLP (which has taken all reasonable care to ensure that such is the case), the information contained in its report is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3. Sproule, whose principal place of business is at 2517 JK - Den Haag, The Netherlands, accepts responsibility for its report set out in Part IV of this Document. To the best of the knowledge and belief of Sproule B.V. (which has taken all reasonable care to ensure that such is the case), the information contained in its report is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. INCORPORATION AND STATUS OF THE COMPANY AND ITS SUBSIDIARY

2.1. **The Company**

2.1.1. The Company was incorporated in England and Wales as a private limited company with registration number 13298968 on 29 March 2021. The Company was re-registered as a public limited company on 15 June 2021.

2.1.2. The Company is domiciled in England and Wales. The Company's registered office is at 6th Floor, 60 Gracechurch Street, London, UK EC3V 0HR. The Company's telephone number is 020 3603 1941.

2.1.3. The principal legislation under which the Company operates and under which the Ordinary Shares are issued is the Companies Act 2006 (the **Act**) and the regulations made under such legislation.

2.1.4. The liability of the members of the Company is limited.

2.1.5. The Company's auditors are PKF Littlejohn LLP, a firm of chartered accountants registered with the Institute of Chartered Accountants in England and Wales.

2.1.6. The Company's accounting reference date is 30 June.

2.1.7. The address of the Company's website is www.orcadian.energy and the contents of such website do not form part of this Document.

2.1.8. The Ordinary Shares are in registered form and may be certificated or uncertificated through CREST. Neville Registrars Limited are responsible for keeping the share register of the Company.

2.2. **The Subsidiary**

2.2.1. The Company is the holding company of Orcadian (CNS) which was incorporated and registered in England and Wales under the Act on 24 March 2014 with registered number 8954960 as a private company limited by shares with the name "The Steam Oil Production

Company Ltd". It changed its name from The Steam Oil Production Company Ltd to Pharis Energy Ltd on 21 June 2018, and again to Orcadian Energy (CNS) Ltd on 31 March 2021.

2.2.2. The principal activity of Orcadian (CNS) is the exploration and extraction of petroleum and natural gas. The issued share capital of Orcadian (CNS) is 52,201,602 ordinary shares of £0.001 which are all held directly by the Company.

2.2.3. Orcadian (CNS) is the only subsidiary of the Group. It is anticipated that following Admission, inter-company loan facilities will be put in place between the Company and Orcadian (CNS) to finance its activities.

2.2.4. The registered office of Orcadian (CNS) is 6th Floor, 60 Gracechurch Street, London, UK EC3V 0HR.

3 SHARE CAPITAL OF THE COMPANY

3.1. On incorporation, the issued share capital of the Company was one Ordinary Share of £0.001, the legal and beneficial title of which was owned by Stephen Brown.

3.2. On 11 May 2021, the Company issued 52,201,601 Ordinary Shares pursuant to a share for share exchange agreement dated on or around the 6 May 2021. Under the terms of the share for share exchange agreement, the existing shareholders of Orcadian (CNS) were issued the same number of shares in the Company in exchange for their shares in Orcadian (CNS).

3.3. Set out below are details of the issued share capital of the Company at the date of this Admission Document and immediately following Admission (assuming that all Ordinary Shares to be issued pursuant to the conversion of the Convertible Loan Notes (as described in section 3.4 below) in the Company are issued).

	At the date of this Document		**Immediately Following Admission**	
	Number	**Aggregate Nominal Value (£)**	**Number**	**Aggregate Nominal Value (£)**
Ordinary Shares	52,201,602	£52,201.60	63,630,174	£63,630.17

3.4. **Loan notes**

3.4.1. Orcadian (CNS) issued the following loan notes (the **OC Loan Notes**) (i) £480,000 convertible loan notes issued pursuant to a deed dated 20 March 2020 (£380,000 outstanding at the date of this Document) (the **2020 Loan Notes**); and (ii) £720,000 convertible loan notes issued pursuant to a deed dated 22 February 2021 (£720,000 outstanding at the date of this Document) (the **2021 Loan Notes**). On 9 June 2021 the OC Loan Notes were novated to the Company such that the obligation to issue shares on conversion was novated to the Company on identical terms and conditions (the **Convertible Loan Notes**).

3.4.2. The conversion price of the 2020 Loan Notes is 28p and the conversion price of the 2021 Loan Notes is 28p.

3.4.3. Under the terms of the Convertible Loan Notes, the Company served prior written notice of a proposed conversion event (being Admission) specifying the terms and prospective date of the conversion event. The service of the conversion notice was irrevocable and subject only to the conversion event taking place. The Convertible Loan Notes will automatically convert on Admission when they are automatically redeemed and the redemption amount is used to subscribe for Ordinary Shares in the Company fully paid.

3.4.4. On Admission the conversion of the Convertible Loan Notes in accordance with their terms will result in the issue of 3,928,572 fully paid Ordinary Shares of the Company. The Ordinary Shares arising on the conversion of the Convertible Loan Notes will be issued free from all liens, charges and encumbrances and other third party rights and will rank *pari passu* in all respects, including the right to receive all dividends and other distributions declared, from the date of issue.

3.4.5. The Ordinary Shares arising on the conversion of the Convertible Loan Notes will be issued in accordance with resolutions of the Company passed on 18 May 2021.

3.5. The Company does not have any convertible securities, exchangeable securities or securities with warrants other than the Convertible Loan Notes (which will be exercisable on Admission) and the Warrants.

3.6. Options and warrants

3.6.1. At this stage the Company has not adopted a share option scheme although it intends to do so in the future to incentivise existing and/or new members of the management team. The Directors intend to discuss the details of any proposed share option scheme with significant shareholders prior to implementation and the scheme would be compliant with the Remuneration Committee Guide published by the QCA.

3.6.2. It has been agreed that WH Ireland will receive a warrant to subscribe for 75,000 Ordinary Shares in the Company exercisable within three years at the Placing Price, as part of the consideration for their services in connection with Admission.

3.7 By resolutions of the Company passed on 18 May 2021 shareholders authorised the Directors as follows

3.7.1 by ordinary resolution, in connection with (i) the up to £500,000 unsecured convertible loan note 2023 constituted by a deed dated 20 March 2020 to be novated to the Company; (ii) the up to £750,000 unsecured convertible loan note 2022 constituted by a deed dated 22 February 2021 to be novated to the Company; (iii) the issue of shares in the Company to investors in connection with the Company's application for admission of its share capital to trading on the AIM market of the London Stock Exchange plc; and (Iv) in any other case (including the grant of options to directors and issue of share warrants to WH Ireland Limited), up to an aggregate nominal amount of £3,000 and in accordance with section 551 of the Act, the directors of the Company be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares int he Company (**Rights**) up to an aggregate nominal amount of £12,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the next annual general meeting of the Company save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

3.7.2 by special resolution, subject to the passing of resolution at paragraph 3.7.1 above and in accordance with section 570 of the Act, the directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by the resolution at paragraph 3.7.1 above, as if section 561(1) of the Act did not apply to any such allotment.

4. ARTICLES OF ASSOCIATION

The below is a summary of certain provisions of the Articles, the full provisions of which are available at the Company's website:

4.1. Objects/purposes

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

4.2. Voting rights

Subject to the provisions of the Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting, every member holding Ordinary Shares who is present in person (or, being a corporation, by representative) or by proxy shall, on a show

of hands, have one vote and every member holding Ordinary Shares present in person (or, being a corporation, by representative) or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Unless the Board otherwise determines, no member shall be entitled to receive any dividends or be present and vote at a general meeting or a separate general meeting of the holders of any class of shares, either in person or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of a share held by him, unless and until he shall have paid all calls for the time being due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by him to the Company or if he, or any other person whom the Company reasonably believes to be interested in such shares, has been issued with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares and has failed in relation to any such shares to give the Company the required information within 14 days.

4.3. **Dividends**

Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

Subject to the provisions of the Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

All dividends, interest or other sums payable and unclaimed for a period of twelve months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.

The Board may also, with the prior authority of an ordinary resolution of the Company and subject to the Articles and such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares of the same class, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld by the Company if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 days. Furthermore, such a holder shall not be entitled to elect to receive shares instead of a dividend.

4.4. **Winding up**

If the Company is wound up the liquidator may, with the sanction of a special resolution and any other sanction required by law and subject to the Act, divide among the shareholders in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the shareholders as he may with the like sanction determine, but no shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

4.5. **Transfer of shares**

Subject to such of the restrictions in the Articles as may be applicable, each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

4.5.1. it is in respect of a share which is fully paid up;

4.5.2. it is in respect of only one class of shares;

4.5.3. it is in favour of a single transferee or not more than four joint transferees;

4.5.4. it is duly stamped (if so required); and

4.5.5. it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so, provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and the relevant electronic system.

Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a bona fide sale to an unconnected party.

If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.

4.6. **Variation of rights**

If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class duly convened and held in accordance with the Act.

The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

4.7. **Alteration of share capital**

The Company may, from time to time, by ordinary resolution:

4.7.1. authorise the Directors to increase its share capital by allotting new shares;

4.7.2. consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;

4.7.3. subject to the provisions of the Act, sub-divide its shares or any of them, into shares of smaller nominal amount and may by such resolution determine that, as between the shares resulting from such a sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions, as the Company has power to attach to new shares; and

4.7.4. redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

4.8. **General meetings**

The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.

A general meeting shall be convened by such notice as may be required by law from time to time.

The notice of any general meeting shall include such statements as are required by the Act and shall in any event specify:

4.8.1. whether the meeting is convened as an annual general meeting or any other general meeting;

4.8.2. the place, the day, and the time of the meeting;

4.8.3. the general nature of the business to be transacted at the meeting;

4.8.4. if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and

4.8.5. with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the member) more proxies to attend and to speak and vote instead of the member and that a proxy need not also be a member.

The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the

Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at that meeting.

The right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Act or the Articles to be made available at the meeting.

A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member so entitled or a proxy for a member so entitled or a duly authorised representative of a corporation which is a member so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole member so entitled or a proxy for such sole member so entitled or a duly authorised representative of a corporation which is such sole member so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.

A resolution put to a vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:

4.8.6. the chairman of the meeting;

4.8.7. at least five members having the right to vote on the resolution;

4.8.8. a member or members representing not less than five per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or

4.8.9. member or members holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

4.9. **Borrowing powers**

Subject to the provisions of the Act, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.10. **Issue of shares**

Subject to the provisions of the Act, and to any relevant authority of the Company required by the Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of any new shares or rights to subscribe for or convert any security into shares, at such times and generally

on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

Subject to the provisions of the Act and to any rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

The business of the Company shall be managed by the Directors who, subject to the provisions of the Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

The provisions of section 561(1) of the Companies Act (to the extent not dis-applied pursuant to sections 570-571 of the Companies Act) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Companies Act) which are, or are to be, paid up in cash.

4.11. **Directors' fees**

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £300,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day-to-day.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

4.12. **Directors' interests**

The Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his duty to avoid conflicts of interest under the Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company (including the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he has a duty of confidentiality to another person. In particular, a Director shall not be in breach of the general duties he owes to the Company under the Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of

interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Act, a Director, notwithstanding his office:

4.12.1. may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;

4.12.2. may hold any other office or place of profit under the Company (except that of auditor of the Company or any of its subsidiaries);

4.12.3. may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;

4.12.4. may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and

4.12.5. shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate. No such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty under the Act or under the law not to accept benefits from third parties.

A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

4.13. Restrictions on Directors voting

A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:

4.13.1. any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;

4.13.2. the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

4.13.3. the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

4.13.4. the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;

4.13.5. any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

4.13.6. any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (calculated exclusively of any shares of that class in that company held as treasury shares) nor to his knowledge holds one per cent. or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure and Transparency Rules) in such body corporate;

4.13.7. any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

4.13.8. any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;

4.13.9. any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or

4.13.10. any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

4.14. **Number of Directors**

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall be not less than two and the number is not subject to a maximum.

4.15. **Directors' appointment and retirement**

Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation.

At each annual general meeting of the Company, any Directors appointed by the Board since the last annual general meeting shall retire. In addition, one-third of the remaining Directors or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation. If there are fewer than three such Directors, one Director shall retire from office.

At each annual general meeting, any Director who was last elected or last re-elected at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation. If the number of Directors so retiring is less than the minimum number of Directors who are required to retire by rotation, additional Directors up to that number shall retire (namely, those Directors who are subject to rotation but who wish to retire and not offer themselves for re-election and those Directors who have been Directors longest since their appointment or last reappointment (and, as between those who have been in office an equal length of time, those to retire shall, unless they otherwise agree, be determined by lot)).

Any Director who would not otherwise be required to retire shall also retire if he has been with the Company for a continuous period of nine years or more at the date of the meeting and shall not be taken into account when deciding which and how many Directors should retire by rotation at the annual general meeting.

4.16. **Notice requiring disclosure of interest in shares**

The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is interested in any shares or at any time during the three years

immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.

If any Shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the Shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") the Shareholder shall not be entitled to vote in general meetings or class meetings where the default shares represent at least 0.25 per cent. In nominal value of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

4.17. **Untraced shareholders**

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for twelve years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

4.18. **Indemnity of officers**

Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in Section 235(6) of the Act). In addition the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company.

5. TAKEOVER CODE

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, among other things, a listed or unlisted public company resident in the United Kingdom, the Channel Islands or the Isle of Man (and to certain categories of private limited companies). The Company is a public company whose Existing Ordinary Shares are admitted to trading on the Main Market of the London Stock Exchange, and its Shareholders are therefore entitled to the protections afforded by the Takeover Code.

5.1. **Rule 9 of the Takeover Code**

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or by one specific transaction, an interest (as defined in the Takeover Code) in shares which (taken together with shares in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent, or more of the voting

rights of a company that is subject to the Takeover Code, that person is normally required by the Panel to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

Similarly, Rule 9 of the Takeover Code also provides, among other things, that where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent, of the voting rights of a company, but does not hold shares carrying more than 50 per cent, of the voting rights of that company which is subject to the Takeover Code and such person or any such person acting in concert with him acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person or persons acting in concert with him will normally be required by the Panel to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any interest in shares in the company by the person required to make the offer or any person acting in concert with him. Shareholders should be aware that Rule 9 of the Takeover Code further provides, inter alia, that where any person who, together with persons acting in concert with him, holds interests in shares carrying more than 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a general offer to the other shareholders to acquire their shares.

For the purposes of the Takeover Code, persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of a company or frustrate the successful outcome of an offer for a company subject to the Takeover Code. For the purposes of the Takeover Code, ''control'' means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control. Under the Takeover Code, shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Takeover Code applies, are also presumed to be acting in concert in respect of that company unless the contrary is established.

5.2. **Concert Party**

Immediately upon Admission, the Concert Party will hold an aggregate of 49,556,372 Ordinary Shares, representing approximately 78 per cent. of the Enlarged Issued Share Capital.

The Company has agreed with the Panel that the concert party (the "**Concert Party**") comprises the following:

1. Members of the Brown Family (Stephen Brown's family)
2. Members of the Hume Family (Alan Hume's family)
3. Greg Harding (Technical Director and director of the Company)

Name	Number of shares held on Admission	% of Issued Share Capital held on Admission
Julia Cane-Honeysett*	14,739,495	23.16%
Stephen Brown	14,425,188	22.67%
Rosanna Brown	1,260,000	1.98%
Tallulah Brown	1,260,000	1.98%
Sullivan Brown	1,260,000	1.98%
Eulilee Brown	1,260,000	1.98%
Kitty Brown	1,260,000	1.98%
Tamblin Brown	1,260,000	1.98%
Alan Hume	3,808,389	5.99%

Name	Number of shares held on Admission	% of Issued Share Capital held on Admission
Rhona Hume	617,333	0.97%
Kirstin Hume	71,429	0.11%
Amy Hume	71,429	0.11%
Holly Hume	71,429	0.11%
Greg Harding	8,191,680	12.87%
	49,556,372	77.88%

* Julia Cane-Honeysett (23.16%) is the wife of Stephen Brown, a director of the Company (22.67%). The total holding of the couple on Admission is 45.83%.

The members of the Concert Party have various personal, social and/or business connections which have existed for at least the 3-year period preceding the date of this Document and which are expected to continue following Admission.

Shareholders should be aware that Rule 9 of the Takeover Code further provides, inter alia, that where any person who, together with persons acting in concert with him, holds shares in shares carrying more than 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a general offer to the other shareholders to acquire their shares. **For so long as the Concert Party's aggregate interest remains above 50 per cent., it will generally be able to increase its shareholding without incurring any obligation on any member of the Concert Party under Rule 9 if the City Code to make a general offer to Shareholders, and Shareholders will not benefit from any specific minority shareholder protection other than to the extent prescribed under English law. Nevertheless, should any individual member of the Concert Party: (i) acquire any interest in Ordinary Shares such that they are interested in 30 per cent. of more of the voting rights of the Company or (ii) (where such individual member is already interested in 30 per cent. but less than 50 per cent. of the voting rights of the Company) acquire any further interest in Ordinary Shares, the Panel may regard this as giving rise to an obligation upon that member of the Concert Party to make an offer for the entire issued share capital of the Company at a price no less than the highest price paid by the individual member of the Concert Party or any other member of the Concert Party in the previous 12 months.**

6. MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES RELATING TO THE ORDINARY SHARES

As a public limited company incorporated and centrally managed and controlled in the UK, the Company is subject to the Takeover Code. Following the implementation of Part 28 of the Act, the Takeover Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on AIM. Since the date of incorporation of the Company, there has been no takeover offers (within the meaning of Part 28 of the Act) for any Ordinary Shares.

6.1. Mandatory bids

Under Rule 9 of the Takeover Code when (i) a person acquires an interest in shares which (taken together with shares in which he and persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the Takeover Code; or (ii) a person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% and no more than 50% of the voting rights of a company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to extend a general offer in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights not already held by them.

6.2. **Squeeze-out**

Under the Act, an offeror which makes a takeover offer for the Company has the right to buy out minority Shareholders where it has acquired (or unconditionally contracted to acquire) not less than 90% in value of the shares to which the offer relates and not less than 90% of the voting rights in the Company. It would do so by sending a notice to the outstanding minority Shareholders telling them that it will compulsorily acquire their shares. Such notice must be sent within three months of the last day on which the offer can be accepted. The notice must be made in the prescribed manner. The squeeze-out of the minority Shareholders can be completed at the end of six weeks from the date the notice has been given, following which the offeror can execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding minority Shareholders. The consideration offered to the outstanding minority Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

6.3. **Sell-out**

The Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer for the Company, provided that at any time before the end of the period within which the offer can be accepted, the offeror has acquired (or unconditionally contracted to acquire) not less than 90% in value of the shares to which the offer relates and not less than 90% of the voting rights in the Company. A minority Shareholder can exercise this right by a written communication to the offeror at any time until three months after the period within which the offer can be accepted or a later date specified in the notice given by the offeror. An offeror would be required to give the remaining Shareholders notice of their rights to be bought out within the one month from the end of the period in which the offer can be accepted. The offeror may impose a time limit on the rights of the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7. DIRECTORS' INTERESTS

7.1. Save as disclosed below, none of the Directors has or will have on or following Admission any interests (direct or indirect) in the Ordinary Shares of the Company.

	As at the date this Document		Immediately following the Placing and Admission	
Director	**Number of Ordinary Shares**	**% of Existing Share Capital**	**Number of Ordinary Shares**	**% of Enlarged Issued Share Capital**
Stephen Brown	29,164,683*	55.87%*	29,164,683*	45.83%*
Alan Hume	3,326,247	6.37%	3,808,389	5.99%
Greg Harding	8,191,680	15.69%	8,191,680	12.87%
Joe Darby	420,000	0.8%	420,000	0.66%
Christian Wilms	420,000	0.8%	420,000	0.66%

* this includes 14,739,495 Ordinary Shares held by Julia Cane-Honeysett, the wife of Stephen Brown.

7.2. There are no outstanding loans granted by any member of the Company to the Directors or any guarantees provided by any member of the Company for the benefit of the Directors.

7.3. No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

7.4. No Director or any member of a Director's family has a related financial product referenced to the Ordinary Shares.

7.5 As at Admission, other than as set out in this paragraph 7 no members of the administrative, management or supervisory bodies of the Company nor any senior manager has any interest (direct or indirect) in the Ordinary Shares nor have they been granted any options over Ordinary Shares.

8. SIGNIFICANT SHAREHOLDERS

8.1. Insofar as is known to the Company and in addition to the interests of the Directors disclosed in paragraph 7.1 above, the following persons are, at the date of this Document, and are expected, following Admission, to be interested directly or indirectly in 3% or more of the share capital of the Company:

	As at the date this Document		Immediately following the Placing and Admission	
Shareholder	**Number of Ordinary Shares**	**% of Existing Share Capital**	**Number of Ordinary Shares**	**% of Enlarged Issued Share Capital**
Simon Bradbury	1,609,830	3.08	1,609,830	2.53
RAB Capital Holdings Limited (including its connected parties)	–	–	5,357,143	8.42

8.2. None of the Company's major holders of Ordinary Shares listed above have voting rights different from the other holders of Ordinary Shares.

8.3. Save as disclosed in paragraphs 7.1 and 8.1 above, and insofar as the Company has the information, the Directors are not aware of any person or persons who either alone or, if connected jointly following the Admission and the Placing, is or will be interested (within the meaning of the Act) directly or indirectly in 3% or more of the issued Ordinary Share capital of the Company or could exercise control over the Company.

8.4 There are no arrangements known to the issuer the operation of which may, at a subsequent date, result in a change of control of the issuer.

9. ADDITIONAL INFORMATION ON THE DIRECTORS

9.1. Other than their directorship in the Company and Orcadian (CNS), the Directors have held the following directorships or been partners in the following partnerships within the five years prior to the date of this Document:

Director	**Current directorships/partnerships**	**Past directorships/Partnerships**
Joseph Darby	Gulfsands Petroleum plc Sandleigh Limited	Bowleven plc Premier Oil plc (Now Harbour Energy plc)
Stephen Brown	None	Claremont Property Management Ltd
Alan Hume	Spinnaker Acquisitions plc	Kanabo Group plc
Gregory Harding	Performance Strategies (UK) Ltd	None
Christian Wilms	None	None
Tim Feather	Sumner Group Mining plc (Jersey)	Sumner Global Singapore PTE Ltd (Singapore) Sumner Group Holdings Ltd (Jersey)

9.2. None of the Directors has:

9.2.1. any unspent convictions in relation to indictable offences;

9.2.2. had any bankruptcy order made against him or entered into any voluntary arrangements;

9.2.3. been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a

director of that company or within the 12 months after he had ceased to be a director of that company;

9.2.4. been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

9.2.5. been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

9.2.6. been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies); or

9.2.7. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of a company in the five years preceding the date of this Document.

9.3. Pursuant to the Lock In Agremeent (details of which are set out below in paragraph 11.4 of this Part V each of the Directors has given an undertaking not to dispose of any of their Ordinary Shares (if any), save in certain specified circumstances, for the period of 12 months from the date of Admission and for 12 months following such period, they will only dispose of their Ordinary Shares through the Company's broker in order to create an orderly market.

10. DIRECTORS' REMUNERATION AND SERVICE AGREEMENTS

10.1. A summary of the Directors' service contracts and/or non-executive letters of appointment from Admission are as follows:

Directors	Job title	Notice period	Remuneration/fee (£) PA
Stephen Brown	Chief Executive Officer	12 months subject to termination not before initial 2 year period	£275,000
Alan Hume	Chief Financial Officer	12 months	£200,000
Gregory Harding	Technical Director (part-time (60%))	6 months	£120,000
Joseph Darby	Non-Executive Chairman	One month	£45,000
Christian Wilms	Non-Executive Director	One month	£30,000
Timothy Feather	Non-Executive Director	One month	£30,000

10.2. The Directors receive no Ordinary Shares or options over Ordinary Shares in lieu of remuneration or as any form of compensation.

10.3. Other than as disclosed in this paragraph 10, no member of any of the Company's administrative, management or supervisory bodies (including for the avoidance of doubt, any directors) is party to any service contract with the Company which provides for benefits on the termination of such arrangement.

10.4. No Director has any accrued pension benefits.

10.5. The Executive Directors have agreed to waive portion of their fees, from 1 January 2022, unless further funding becomes available. Otherwise there is no arrangement under which any director has waived or agreed to waive future emoluments.

10.6. Save as disclosed in this paragraph 10 there are no existing or proposed service or consultancy agreements between any Director and any member of the Company.

10.7. In the financial year ended 30 June 2020 the total aggregate remuneration paid, and benefits-in-kind granted, to the Directors was £113,333. The amounts payable to the Directors by the Company under the arrangements in force at the date of this Document in respect of the financial

year ending 30 June 2021 are estimated to be £340,175 (excluding any discretionary payments which may be made under these arrangements).

10.8. Other than as disclosed in this paragraph 10, for the period ended 30 June 2020 the Group has one employee.

11. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business have been entered into by the Company and/or its subsidiary during the two years preceding the date of this document and are or may be material to the Group as at the date of this Document:

11.1. **WH Ireland Letter of Engagement**

An engagement letter dated 28 January 2021 was entered into by Orcadian (CNS) and WH Ireland under which WH Ireland agreed to act as the Company's exclusive financial adviser and broker in connection with (1) the private placing of up to £750,000 convertible loan notes and (2) public fundraising and Admission. The Subsidiary agreed to pay WH Ireland a fee of £15,000 plus a commission of 6% of the amount raised pursuant to (1) above and a fee of £200,000 plus a commission of 5% of the amount raised and the issue of a warrant to subscribe for Ordinary Shares at the Placing Price for three years representing 1% of the public fundraising pursuant to (2) above.

11.2. **WH Ireland Nominated Advisor and Broker Agreement**

A nominated adviser and broker agreement dated 8 July 2021 was entered into by the Company and WH Ireland under which WH Ireland agreed to act as nominated adviser for the purposes of the AIM Rules and broker to the Company. The agreement is for a minimum term of 12 months' following which it can be terminated by either party giving 3 months' notice in writing to the other party. The Company has agreed to pay to WH Ireland, an annual retainer.

11.3. **Placing Agreement**

On 8 July 2021, the Company and the Directors entered into the Placing Agreement with WH Ireland. WH Ireland has agreed to act as agent for the Company to use its reasonable endeavours to procure placees for the Placing Shares at the Placing Price. The Placing Agreement is conditional, inter alia, on Admission taking place not later than 15 July 2021 (or such later date as WH Ireland and the Company may agree, but in any event no later than 30 August 2021).

Pursuant to the Placing Agreement:

11.3.1. WH Ireland has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price;

11.3.2. the Company and the Directors provided certain warranties to WH Ireland and the Company provided an indemnity to WH Ireland in respect of customary matters of a transaction of this nature;

11.3.3. the Company has agreed that WH Ireland may deduct from the proceeds of the Placing payable to the Company a commission of 5% of the amount equal to the Placing Price multiplied by the aggregate number of Placing Shares to be issued by the Company and introduced by WH Ireland pursuant to the Placing;

11.3.4. the Company has agreed that WH Ireland may deduct from the proceeds of the Placing payable to the Company a fee of £200,000; and

11.3.5. WH Ireland has the right to terminate the Placing Agreement, exercisable in certain customary circumstances, prior to Admission (such circumstances including (amongst others) for material breach of the Placing Agreement and where a condition of the Placing Agreement has not been satisfied).

11.4. **Lock-In Arrangements**

The Lock In Agreement dated 8 July 2021 was entered into among the Company, WH Ireland and the Locked In Persons pursuant to which the Directors and the Locked In Persons have undertaken to not dispose of or to agree to dispose of any interest in their Ordinary Shares during the period of 12 months from the date of Admission save for in certain circumstances which include where permitted by the AIM Rules. In addition, each Locked In Person has undertaken for a period of 12 months from the first anniversary of Admission save for in certain limited circumstances that they shall transfer Ordinary Shares in such manner so as to maintain an orderly market in the Ordinary Shares.

11.5. **Relationship Agreement**

On 8 July 2021, the Company and WH Ireland entered into a relationship agreement with the Relevant Shareholders whereby, conditional upon Admission, the Relevant Shareholders agreed that all transactions and relationships between them and the Company will be conducted on terms which allow the Group to carry on its business independently, and all such transactions and relationships will be at arm's length and on a normal commercial basis.

The agreement shall bind the Relevant Shareholders for as long as they and their associates hold over 20 per cent. of the issue share capital of the Company.

11.6. **Warrant Instrument**

On 8 July 2021, the Company entered into a warrant instrument with WH Ireland constituting 75,000 warrants to subscribe for such number of Ordinary Shares in the Company at the Placing Price as would have an aggregate subscription price of £30,000. The Warrants are exercisable from Admission at any time during the period of three years from Admission, and are subject to customary anti-dilution provisions.

11.7. **Share for Share Agreement**

On 11 May 2021 the Company issued 52,201,601 ordinary shares pursuant to a share for share exchange agreement dated on that date. Under that agreement, the shareholders of Orcadian (CNS) subscribed for the New Shares in exchange for the Company's acquisition of the entire issued share capital of Orcadian (CNS). Following completion of the said share for share exchange Orcadian (CNS) was, and remains, a wholly owned subsidiary of the Company.

11.8. **Convertible Loan Notes Instruments**

Orcadian (CNS) completed two rounds of pre-IPO financing as set out below.

11.8.1. 100 £5,000 unsecured convertible loan notes created pursuant to a loan note deed dated 20 March 2020, with a current outstanding amount of £380,000 excluding interest. These loan notes convert to Ordinary Shares at a 30% discount to the Placing Price.

11.8.2. 750 £1,000 unsecured convertible loan notes created pursuant to a loan note deed dated 22 February 2021, with a current outstanding amount of £720,000 (being together the Convertible Loan Notes). These loan notes convert to Ordinary Shares at the lower of (a) a 30% discount to the Placing Price or (b) 60.34 pence per share.

Orcadian (CNS) and the Company entered into a novation agreement novating the Convertible Loan Notes from Orcadian (CNS) to the Company as set out in paragraph 11.9 below. On Admission the Convertible Loan Notes will be automatically redeemed and the redemption amount used to subscribe for shares fully paid in the Company.

Accordingly, on Admission, the Company will issue a total of 3,929,572 Ordinary Shares arising from the conversation of the Convertible Loan Notes.

11.9. **Loan Note Novation**

Orcadian (CNS) and the Company entered into a novation agreement on 9 June 2021 novating the Convertible Loan Notes from Orcadian (CNS) to the Company. The obligations of Orcadian (CNS) were novated in full to the Company.

11.10. **Facility Agreement**

Pursuant to a facility agreement dated 22 July 2019 between (1) Orcadian Energy (CNS); and (2) Shell Trading International Limited (Shell), Shell agreed to provide Orcadian (CNS) with a secured term loan facility of US$1,000,000 (the Loan). The Loan was drawn in full on 23 August 2019 and remains outstanding. The interest rate on the Loan is 5% per annum margin above LIBOR and is rolled up and compounded and repayable on the repayment date, being the earlier of four years from draw down and three months after first oil (the date on which the Pilot Main and Pilot South fields commence commercial production). The Subsidiary can prepay the Loan, in full or in part, without penalty together with interest accrued on the amount prepaid. On a change of control Shell may declare the outstanding Loan and accrued interest due and payable.

The agreement contains usual covenants, including those related to the provision of information to Shell and customary events of default and negative pledges, including a restriction on selling more than 15% in aggregate of its interest in licence P2244, until the minimum volume has been delivered under the offtake contract (summarised below), unless the obligation to deliver the minimum volume has also been assigned pro-rata to the buyer.

Orcadian (CNS) has in connection with the facility agreement entered into (1) an English law governed charge over licence interests in licence P2244 and P2320 (other than Dandy and Crinan) in favour of Shell as Lender dated 13th August 2019; and (2) a Scots law governed bond and floating charge in favour of Shell as Lender dated 13th August 2019. There is a fixed and floating charge registered against the Subsidiary in August 2019 at Companies House.

Pursuant to an offtake agreement dated 22 July 2019 between (1) Orcadian Energy (CNS); and (2) Shell, Shell has agreed to take delivery of Pilot crude oil produced from Block 21/27a under licence P2244, loading offshore from the Pilot floating production storage and offloading vessel. The agreement shall commence on the date the Pilot Field commences production for an initial term of either (1) 18 months; or (2) until 12,000,000 US Barrels are delivered; or (3) until the Loan is repaid in full, whichever is later; and thereafter will continue until terminated on three months' written notice by either party. The agreement provides a mechanism, to determine the price to be paid by Shell, which is based upon the price of Brent crude, adjusted for a quality differential and which is inclusive of an agreed marketing fee.

11.11. **Petrofac Agreement**

Orcadian (CNS) entered into a master service agreement with Petrofac Facilities Management Limited (**Petrofac**) (the **MSA**) on 30 August 2018 for the performance of well engineering services on submission of service orders by the Subsidiary (this type of agreement is referred to as a Cost Time Resource (**CTR**)). A CTR was agreed at the time of the execution of the MSA (CTR 001) and has been amended on 1 July 2019. The total amount due by Orcadian (CNS) for Petrofac services, as of the date of this Document, is £140,634 (**Fee**). Payment of the Fee in full is contingent on Orcadian (CNS) successfully obtaining funding in excess of £12m to enable the Pilot Field Development Plan on Licence P2244 (FDP) to be approved by the OGA (**Funding**). Only 50% of the Fee will be due if the Group raises between £10m and £12m (**Partial Funding**). No payment is due if the Group fails to secure Funding or Partial Funding and elects to relinquish the Licence P2244. A 20% discount to the Fee is applicable if Petrofac is awarded exclusivity as well operator and a well engineering project management contract for the FDP; or a 20% uplift will be added to the Fee if such contracts are not awarded to Petrofac.

11.12. **TGS**

Orcadian (CNS) entered into a non-exclusive licence agreement on 19 March 2021 to use TGS AS (TGS) Seismic Data (**Full Licence Agreement**) and supplemental provisions (**Temporary Licence Agreement**). The Full License Agreement will commence once the Temporary Licence Agreement is fulfilled. Under the Temporary Licence Agreement Orcadian (CNS) will pay USD$1,752,664 fee (**Fee**), converting the temporary licence into full licence under the terms of the Full Licence Agreement. The payment of the Fee will be made in two tranches: (i) 50% payable by the date on which the work program on Licence P2320 progresses from Phase A to Phase C (currently set for 14 May 2022); (ii) and the remaining 50% is due on approval of the Pilot Field Development Plan on Licence 2244 (currently due to be delivered by 30 November 2022). If (ii) happens before (i) then the full amount of the Fee will be payable. The terms of the

Temporary Licence Agreement are conditional on the Group undertaking an IPO, when time-limited access to the seismic data will be granted upon payment of an initial fee of USD$194,740.50. Unless converted into the Full License Agreement before then, the Temporary Licence Agreement shall expire on 31 December 2021 unless extended by 90 days upon payment of an extension fee of USD$194,740.50.

11.13. **Stellar Agreement**

Orcadian (CNS) has entered into a consultancy agreement with Stellar Energy Advisers Limited for its services of marketing and disposal of the interests held by the Subsidiary in licenses P2244, P2320 and P2482 (each an asset, together the assets) on an exclusive basis. The Subsidiary may terminate the provision of Stellar's services on 14 days' notice.

The terms include customary retainer and success fees. The success fees are based upon the cumulative transfer value which is defined as the sum of (i) cash consideration received; (ii) the financial commitment made on behalf of Orcadian (CNS); (iii) cost re-imbursement; (iv) fair market value of any assets received in trade; and (v) any deferred consideration. It is not expected that the fees payable to retain Stellar as the Company's advisors over the next 12 months will exceed £100,000.

The agreement contains confidentiality restrictions in relation to information provided and also the terms of the agreement itself. The Subsidiary is obligated to advise Stellar if it enters into negotiations relating to the divestment of any interests in the assets during the term of the agreement.

11.14. **Crondall Agreement**

Orcadian (CNS) entered into a consultancy agreement with Crondall Energy Consultants Ltd (**Crondall**) on 30 July 2019 for services relating to the Pilot Field Concept Selection. The bulk of this work has been completed and paid for. The contract includes a provision for variation orders so that further work can be undertaken. Two variation orders are currently being progressed. One project variation order dated 15 March 2021 is for the provision of ad hoc services up to an amount of £12,755. The other variation order dated 6 April 2021, is for the provision of services covering the definition and development of carbon dioxide reduction initiatives, for an amount up to £57,233. £48,285 has been paid to Crondall in respect of these recent variation orders. Future work will be requested and price agreed as required by the Company.

11.15 **Alisanos Geoscience Limited**

Orcadian (CNS) has engaged the services of Alisanos Geoscience Limited to advise on general geoscience services on an ad hoc basis. There remains an accrued but unpaid liability of £71,422 which Alisanos has agreed to defer until sufficient funds are available in the Company.

11.16 **Ultimate EOR Services LLC**

The Company has engaged Ultimate EOR Services LLC to perform a polymer core flood work programme, and to build a reservoir simulation model of the polymer core flood. The work is being performed under a purchase order arrangement and the amount due is payable upon completion of the work programme, the total cost of this work is less than $90,000.

12. SHARE DEALING CODE

The Directors have adopted a share dealing code for PDMRs and their Closely Associated Persons, which complies with Rule 21 of the AIM Rules and also with the requirements of MAR. The share dealing code provides that there are certain periods during which dealings in the Company's Ordinary Shares cannot be made. Such periods include the periods leading up to the publication of the Company's financial results, including interim results, and any periods in which the Directors and other relevant employees and key personnel may be in possession of unpublished price sensitive information.

The Company shall use best efforts to ensure compliance by PDMRs and their Closely Associated Persons with the share dealing code.

13. UNITED KINGDOM TAXATION

The following statements are intended only as a general guide to certain UK tax considerations relevant to prospective investors in the Shares. They do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. They are based on current UK tax law and what is understood to be the current published practice (which may not be binding) of HMRC as at the date of this Document, both of which are subject to change, possibly with retrospective effect. The following statements relate only to Shareholders who are resident (and, in the case of individuals, resident and domiciled or deemed domiciled) for tax purposes in (and only in) the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment (other than in an individual savings account or pension arrangement) and who are the absolute beneficial owners of both the Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company, persons holding Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investments schemes, trusts and those who hold 5 per cent. or more of the Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC-approved arrangements or schemes, including the enterprise investment scheme or venture capital scheme, able to claim any inheritance tax relief or any non-UK resident Shareholder holding Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Shareholder, a permanent establishment or otherwise).

Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

13.1. UK taxation of dividends

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

13.1.1. *UK resident individual shareholders*

Under current UK tax rules, specific rates of tax apply to dividend income. As of 1 April 2016, the notional dividend tax credit system was abolished. Instead, there is a nil rate of tax (the "Nil Rate Amount") which from 6 April 2018, applies to the first £2,000 of dividend income received by an individual Shareholder who is resident for tax purposes in the UK for 2020/2021. Dividend income in excess of the Nil Rate Amount (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for 2020/2021: 7.5 per cent. (to the extent that it falls below the threshold for higher rate income tax); 32.5 per cent. (to the extent that it falls above the threshold for higher rate income tax and is within the higher rate band); and 38.1 per cent. (to the extent that it is within the additional rate). For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the Nil Rate Amount which would (if there was no Nil Rate Amount) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK resident corporate shareholders

Shareholders within the charge to UK corporation tax which are "small companies" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally not be subject to UK corporation tax on any dividend received provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate Shareholder (which is not a "small company" for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 19 per cent from 1 April 2017) unless the dividend falls within one of the exempt classes set out in Part 9A. Examples of exempt

classes (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009) include dividends paid on shares that are "ordinary shares" (that is shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which are not "redeemable", and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

Non-UK resident Shareholders

Non-UK resident Individual Shareholders who receive a dividend from the Company are treated as having paid UK income tax on their dividend income at the dividend ordinary rate (7.5 per cent.). Such income tax will not be repayable to a non-UK resident Individual Shareholder. A non-UK resident Shareholder is not generally subject to further UK tax on dividend receipts.

A non-UK resident Individual Shareholder may also be subject to taxation on dividend income under local law, in their country or jurisdiction of residence and/or citizenship. A shareholder who is not solely resident in the UK for tax purposes should consult his own tax advisers concerning his tax liabilities (in the UK and any other country) on dividends received from the Company in respect of liability to both UK taxation and taxation of any other country of residence or citizenship.

Taxation of chargeable gains

Individual and corporate Shareholders who are resident in the United Kingdom may, depending on their circumstances (including the availability of allowances, exemptions or reliefs), realise a chargeable gain or an allowable loss for the purposes of taxation of capital gains on a sale or other disposal (or deemed disposal) of Shares.

UK resident individual Shareholders

For an individual Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on disposal of shares is 10 per cent. (2020/2021) for individuals who are subject to income tax at the basic rate and 20 per cent. (2020/2021) for individuals who are subject to income tax at the higher or additional rates. An individual Shareholder is entitled to realise an annual exempt amount of gains (currently £12,300) for the year to 5 April 2021 without being liable to UK capital gains tax.

UK resident corporate Shareholders

For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 19 per cent. with effect from 1 April 2017) or an allowable loss for the purposes of UK corporation tax.

Non-UK tax resident Shareholders

An individual Shareholder who is only temporarily resident outside the United Kingdom may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised when they resume UK tax residence (subject to available allowances, exemptions or reliefs) upon a sale or other disposal (or deemed disposal) of Shares.

Shareholders who are not tax resident in the United Kingdom and, in the case of an individual Shareholder, not temporarily non-resident, will not generally be subject to UK taxation of capital gains on a sale or other disposal (or deemed disposal) of Shares unless such Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment. Shareholders who are not resident in the United Kingdom may be subject to non-UK taxation on any gain under local law.

13.2. **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

No UK stamp duty or SDRT will be generally payable on the issue of Shares. AIM qualifies as a recognised growth market for the purposes of the UK stamp duty and SDRT legislation. Accordingly, for so long as the Shares are admitted to trading on AIM and are not listed on any other market no charge to UK stamp duty or SDRT should arise on their subsequent transfer. If the Shares cease to qualify for this exemption their transfer on sale will be subject to stamp duty and/or SDRT (generally at the rate of 0.5 per cent. of the consideration subject to a de minimis threshold), although special rules apply in respect of certain transfers including transfers to market intermediaries and transfers into clearance services or depositary receipt arrangements. The statements in this paragraph apply to any holders of Shares irrespective of their residence, and are a summary of the current position and are intended to be a general guide to the current stamp duty and SDRT position. Shareholders in any doubt about their position should seek appropriate tax advice.

13.3. **Inheritance tax**

The Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of such assets during lifetime or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is or was neither domiciled in the United Kingdom nor deemed to be domiciled there, under certain rules relating to long residence or previous domicile. Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit following a gift of an asset. Special rules also apply to close companies and to trustees of settlements who hold Shares bringing them within the charge to inheritance tax. A change to inheritance tax may also arise if the shares are transferred to a trust during their lifetime or on death. Holders of Shares should consult an appropriate professional adviser if they make a gift of any kind or a transfer at less than market value, or if they intend to hold any Shares through a trust or similar indirect arrangements. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PROSPECTIVE INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

14. PREMISES

The Group's principal establishment is an office space in Surbiton, Surrey which is subject to a lease agreement (details of which are set out in paragraph 19 below).

15. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Group taking into account the net proceeds of the Placing is sufficient for the Group's present requirements that is for at least the next 12 months following the date of Admission.

16. DIVIDEND POLICY

The Directors do not intend to declare a dividend at the current time and the Company intends to retain all of its future earnings, if any, to finance the growth and development of the Company's and the Group's business. Any return to Shareholders will, for the foreseeable future, therefore be limited to appreciation of their investment.

17. LITIGATION

There are no and during the 12 month period prior to the date of this document there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending

or threatened of which the Company is aware) which may have, or have had, in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability.

18. SIGNIFICANT CHANGE

Other than set out in this Document (including as set out in section 12 of Part B, of Part III of this Document), there has been no significant change in the financial or trading position of the Company since 30 December 2020, being the date on which the Company's latest unaudited financial information of Orcadian (CNS) and the Company since the date of incorporation.

19. RELATED PARTY TRANSACTIONS

The Company has in place a 12 month lease with Stephen Brown (a director of the Company) and his wife Julia Cane-Honeysett in relation to an office space in Surbiton, Surrey. The lease is outside the Landlord and Tenant Act 1984 so that the Company does not have security of tenure and it is terminable at any time on one months notice. The total amount payable is £12k per annum (excl. VAT) and the Company also pays the rates and services associated with the property. The lease currently expires on 30 June 2022.

As at March 2021 , Orcadian (CNS) advanced to Alan Hume and Steve Brown £126,224 in aggregate in the form of unsecured, interest free loans. This amount was repaid in full in March 2021, through a combination of deductions from salaries paid and cash payments from these directors. The Directors have confirmed there will be no related party transactions of this nature going forward.

20. GENERAL

20.1. Sproule B.V., whose registered address is at President Kennedylaan 19, 2517 JK Den Haag, Netherlands, has given and not withdrawn its written consent to the inclusion of the Competent Person's Report in Part IV of this document in the form and context in which it is included and has authorised the contents of such parts of this document as comprise the Competent Person's Report. Sproule B.V. does not have any material interest in the Company.

20.2. The auditors of the Company are PKF Littlejohn LLP, Chartered Accountants (and a member of the Chartered Institute of Accountants) and Registered Auditors, of 15 Westferry Circus, London E14 4HD and has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which they appear.

20.3. PKF Littlejohn has given and has not withdrawn its consent to the inclusion in this document of its Accountants' Reports set out in Section A of Part III of this document in the form and context in which they appear and have authorised its Accountants' Report for the purposes of the AIM Rules. Except for the information in the admission document no other information has been audited or reviewed by PKF Littlejohn LLP.

20.4. The financial information contained in this Document does not comprise statutory accounts for the purposes of section 434 of the Companies Act.

20.5 As at 30 December 2020 the Company's net asset value per share was £0.0019 (per share).

20.6. It is estimated that the total expenses payable by the Company in connection with the Placing and Admission will amount to c.£700,000 (excluding VAT).

20.7. WH Ireland is authorised and regulated in the United Kingdom by the FCA. WH Ireland has given and not withdrawn its written consent to the issue of this Document with references to its name in the form and context in which they appear.

20.8. The Competent Person, Sproule, has given and not withdrawn its written consent to the issue of this Document with the inclusion in it of its report and letter and references to it and to its name in the form and context in which they respectively appear. The Competent Person has no material interests in the Company.

20.9. The accounting reference date of the Company is currently 30 June.

20.10. There are no patents or intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business.

20.11. Save as set out in this Document, as at the date of this Document the Company has no principal investments in progress and there are no future principal investments on which the Company or its management team has made a firm commitment.

20.12. Save as set out in this Document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

20.13. The Directors are not aware of any exceptional factors that have influenced the Company's activities.

20.14. Save as disclosed in this Document, no person (other than the professional advisers referred to in this Document) has received, directly or indirectly, from the Company or has entered into a contractual arrangement to receive, directly or indirectly, from the Company on or after the date of this Document, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more or any other benefit to the value of £10,000 or more in respect of services provided to the Company during the period between incorporation of the Company and the date of this Document.

20.15. So far as the Directors are aware, there are no arrangements relating to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

20.16. Save as disclosed in this Document, no person has made a public takeover bid for the Company's issued share capital since its incorporation or in the current financial period and the Company is not aware of the existence of any takeover pursuant to the rules of the City.

20.17. No admission to listing or trading of the Ordinary Shares is being sought on any stock exchange other than AIM.

20.18. Where information which appears in this Document has been sourced from a third party, the information has been accurately reproduced. As far as the Directors and the Company are aware and able to ascertain from such information supplied or published by a third party, no facts have been omitted which would render any reproduced information false, inaccurate or misleading.

20.19. Save as set out in this Document, as far as the Directors are aware, there are no environmental issues that may affect the Company's utilisation of its tangible fixed assets.

20.20. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of shares under CREST. The Company has applied for the issued Ordinary Shares to be admitted to CREST and it is expected that the issued Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST. The ISIN is GB00BN0TY502.

20.21. The Directors estimate that immediately following Admission c.34 per cent. of the Enlarged Share Capital will not be in public hands, namely those holdings of Ordinary Shares in excess of 10 per cent of the Enlarged Share Capital described in paragraph 8.1 of this Part V and those Ordinary Shares in which the Directors and their connected parties are interested as described in paragraph 7.1 of this Part V.

20.22. The Placing will result in the allotment and issue of 7,500,000 Ordinary Shares and a further 3,928,572 Ordinary shares will be issued pursuant to the conversion of the Convertible Loan Notes diluting existing holders by c.18 per cent.

20.23. Pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules a person must notify the Company of the percentage of its voting rights they hold as shareholder or through their direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights (i) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. as a result of an acquisition or disposal of shares or such financial instruments; or (ii) reaches, exceeds or falls below an applicable threshold in (i) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure Guidance and Transparency Rules. Certain voting

rights held by investment managers, unit trusts, open ended investment companies and market makers can be disregarded except at the thresholds of 5 per cent. and 10 per cent. and above.

21. AVAILABILITY OF THIS DOCUMENT

Copies of this Document will be available free of charge to the public at the registered office of WH Ireland during normal business hours on any weekday (Saturday, Sunday and public holidays excepted) until the date falling one month after Admission.