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It is anticipated that Admission will become effective and that dealings in the Placing Shares, will commence on AIM at 8 a.m. on 5 June 2018. The Placing Shares will, on admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company by reference to a record date falling after Admission.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk.

ANGLO AFRICAN OIL & GAS PLC

(incorporated and registered in England and Wales with registered number 04140379)

Proposed Placing of 92,551,459 Ordinary Shares at 8 pence per share and Notice of General Meeting



Nominated Adviser and Broker

finnCap, which is authorised and regulated in the United Kingdom by the FCA, has been appointed as nominated adviser and broker to the Company in connection with the Placing and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to its clients or for advising any other person on the contents of this document or otherwise in respect of the proposed Placing or any transaction, matter or arrangement referred to in this document. The responsibilities of finnCap, as nominated adviser under the AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on finnCap by FSMA or the regulatory regime established thereunder, finnCap does not accept any responsibility whatsoever for the contents of this documents, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, or the Placing. finnCap accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

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IMPORTANT NOTICE

Cautionary Note Regarding Forward-Looking Statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Company’s markets.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations, growth strategy and liquidity. While the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to Overseas Persons

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been, nor will they be, registered under the US Securities Act, and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the Placing Shares are being offered in reliance on Regulation S under the US Securities Act. Subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States or any other Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document.

Market, Economic and Industry Data

This document contains information regarding the Company’s business and the industry in which it operates and competes, which the Company has obtained from various third-party sources. Where information contained in this document originates from a third-party source, it is identified where it appears in this document together with the name of its source. Such third-party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company has obtained the third-party data in this document from industry studies, forecasts, reports, surveys and other publications.

References to Defined Terms

Certain terms used in this document are defined and certain technical and other terms used in this document are explained in the sections of this document under the headings “Definitions” and “Glossary”.

DIRECTORS, SECRETARY AND ADVISERS

Directors	David Sefton <i>Executive Chairman</i> James Berwick <i>Chief Executive Officer</i> James Cane <i>Finance Director</i> Phil Beck <i>Non-Executive Director</i> Nick Butler <i>Non-Executive Director</i> Sarah Cope <i>Non-Executive Director</i> Brian Moritz <i>Non-Executive Director</i>
Company secretary	Cargill Management Services Limited
Registered office	27/28 Eastcastle Street London W1W 8DH
Company Website	www.aaog.co
Nominated adviser and broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ
Legal advisers to the Company	DLA Piper UK LLP 3 Noble Street London EC2V 7EE
Legal advisers to the Company on energy matters	Bracewell LLP Tower 42 25 Old Broad Street London EC2N 1HQ
Legal advisers to the nominated adviser and broker	Axiom Stone Solicitors 1 Berkeley Street London W1J 8DJ
Legal advisers to the Company on Jersey law	Carey Olsen 47 Esplanade St Helier Jersey JE1 0BD Channel Islands
Registrars	Share Registrars Ltd The Courtyard 17 West Street Farnham Surrey GU9 7DR
Financial PR	St Brides Partners Ltd 3 Michaels Alley London EC3V 9DS
Auditors	Crowe Clark Whitehill LLP St Bride's House London EC4Y 8EH

PLACING STATISTICS

Issue Price	8 pence
Number of Existing Ordinary Shares	69,504,565
Number of Placing Shares to be issued pursuant to the Placing	92,551,459
Enlarged Ordinary Share Capital following completion of the Placing	162,056,024
Percentage of Enlarged Ordinary Share Capital represented by the Placing Shares	57.1%
Gross proceeds of the Placing	£7.4 million
Estimated net proceeds of the Placing receivable by the Company	£6.6 million
£:US\$ exchange rate used in this document	1.35

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>Time and/or Date^{(1) (2) (3)}</i>
Announcement of the Placing	17 May 2018
Posting of this circular and the Form of Proxy	17 May 2018
Latest time and date for receipt of Forms of Proxy from Shareholders	11.00 a.m. on 31 May 2018
General Meeting	11.00 a.m. on 4 June 2018
Expected time of announcement of results of the General Meeting	12.00 a.m. on 4 June 2018
Admission effective and dealings in the Placing Shares expected to commence on AIM	5 June 2018
Expected date for crediting of the Placing Shares in uncertificated form to CREST stock accounts	5 June 2018
Expected date of dispatch of share certificates in respect of the Placing Shares	27 June 2018

Notes

- (1) All times shown are London times unless otherwise stated
- (2) Each of the above times and/or dates is based on the Company's current expectation but may be subject to change
- (3) If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Act”	the Companies Act 2006;
“Admission”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	the AIM Market, a market operated by the London Stock Exchange;
“AIM Rules”	the rules for companies governing admission to and the operation of AIM, published by the London Stock Exchange;
“AIM Rules for Nominated Advisers”	the rules for nominated advisers, published by the London Stock Exchange;
“AOGC”	Africa Oil and Gas Corporation;
“Articles”	the articles of association of the Company;
“Board”	the board of directors of the Company for the time being or a duly constituted committee thereof;
“Business Days”	any day on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
“CGC”	the UK Corporate Governance Code published by the Financial Reporting Council;
“Closing Price”	the closing middle market price of an Existing Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
“Company” or “AAOG”	Anglo African Oil & Gas plc, registered number 04140379 whose registered office is at 27/28 Eastcastle Street, London W1W 8DH;
“CPR”	the Competent Person’s Report prepared on behalf of the Company in connection with Admission, a copy of which is set out in Part III of the Company’s AIM admission document;
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of uncertificated shares operated by Euroclear UK & Ireland Limited;
“CREST Manual”	the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No 3755) (as amended);
“Directors”	the directors of the Company as at the date of this document whose names are set out on page 6 of this document and “Director” means any one of them;
“Djeno”	Djeno sands formation beneath the Mengo sands;
“Enlarged Ordinary Share Capital”	the issued Ordinary Shares following the Placing comprising the Existing Ordinary Shares and the Placing Shares;

“Executive Directors”	David Sefton, James Berwick and James Cane;
“Existing Ordinary Shares”	the 69,504,565 Ordinary Shares in issue as at the date of this document;
“FCA”	the Financial Conduct Authority;
“finnCap”	finnCap Ltd, a company registered in England and Wales with registered number 06198898;
“Form of Proxy”	the form of proxy accompanying this document relating to the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“General Meeting”	the general meeting of the Company, notice of which is set out at the end of this document, and including any adjournment(s) thereof;
“Group”	the Company and its subsidiaries;
“HMRC”	HM Revenue and Customs;
“IFRS”	International Financial Reporting Standards;
“Independent Directors”	David Sefton, James Berwick, James Cane, Phil Beck and Sarah Cope;
“IPO”	the admission of the Existing Ordinary Shares to trading on AIM which occurred on 6 March 2017;
“ISIN”	the International Securities Identification Number;
“Issue Price”	8 pence per new ordinary share issued pursuant to the Placing;
“JerseyCo”	a company to be incorporated in Jersey for the purposes of facilitating the proposed cashbox placing;
“London Stock Exchange”	London Stock Exchange plc;
“Mengo”	Mengo Formation or Mengo Sands, a sandstone interval located beneath the Tilapia Pointe Indienne R1/R2 reservoirs;
“New Licence”	has the meaning given in paragraph 2 of Part I of this document;
“Official List”	the official list of the FCA;
“Ordinary Shares”	ordinary shares of £0.05 each in the capital of the Company;
“PK”	Petro Kouilou S.A.;
“Placing”	the conditional placing of the new Ordinary Shares by finnCap pursuant to the Placing Agreement and the conditional subscription by Brian Moritz and Nick Butler described in paragraph 8 of Part I;
“Placing Agreement”	the conditional agreement dated 17 May 2018 between finnCap and the Company relating to the Placing, further details of which are set out in paragraph 8 of Part I of this document;
“Placing Shares”	the 92,551,459 new Ordinary Shares to be issued by the Company pursuant to the Placing;

“Prospectus Rules”	the prospectus rules of the FCA made pursuant to section 73A of FSMA;
“SNPC”	Société Nationale des Pétroles du Congo;
“Restricted Jurisdictions”	the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or any other country outside the United Kingdom where the distribution of this document may lead to a breach of any applicable legal or regulatory requirements;
“Resolution”	the resolution to be proposed at the General Meeting as more particular described in paragraph 10 of part I;
“SEDOL”	the Stock Exchange Daily Official List Identification Number;
“Shareholder”	a holder of an Ordinary Share;
“SOCO”	SOCO International plc;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Tilapia”	the Tilapia field, which is located offshore Republic of the Congo, close to the coast. The surface facilities are located onshore and most of the wells are drilled deviated from the onshore location;
“Tilapia Licence”	the hydrocarbons permit in relation to Tilapia initially granted to Prestoil Kouilou on 18 July 2005 for a period of 10 years (prior to its transfer to PK), and subsequently extended to 18 July 2020;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Persons”	a US person as defined in Regulation S promulgated under the US Securities Act; and
“US Securities Act”	the United States Securities Act of 1933 (as amended).

GLOSSARY OF TECHNICAL TERMS

The following meanings and interpretations of terms applying to the oil & gas industry shall apply throughout this document unless the context requires otherwise:

“API gravity”	a specific gravity scale developed by the American Petroleum Institute for measuring the relative density of various petroleum liquids, expressed in degrees
“bbl”	barrel
“bopd”	barrels of oil per day
“Brent crude oil”	a major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide
“bscf”	billion standard cubic feet
“contingent resources”	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies
“E&P”	oil & gas exploration and production
“GDP”	gross domestic product
“hydrocarbons”	naturally occurring organic compound comprising hydrogen and carbon such as natural gas, oil and coal
“mmstb”	million stock tank barrels
“probable reserves”	reserves which, based on the available evidence and taking account technical and economic factors, have at least a 50 per cent. chance of being produced
“prospective resources”	those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations
“proved reserves”	reserves which, based on the available evidence and taking into account technical and economic factors, have at least a 90 per cent. chance of being produced
“recovery”	the fraction of hydrocarbons that can or has been produced from a well, reservoir or field
“reserves”	those quantities of petroleum which are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions, reference should be made to the full PRMS definitions for the complete definitions and guidelines
“reservoir”	an underground porous and permeable formation where oil & gas have accumulated
“resources”	contingent and prospective resources, unless otherwise specified
“workover”	the process of performing major maintenance or remedial treatments on an oil or gas well.

PART I

Letter from the Chairman

ANGLO AFRICAN OIL & GAS PLC

(incorporated and registered in England and Wales with registered number 04140379)

Directors:

David Sefton *Executive Chairman*
James Berwick *Chief Executive Officer*
James Cane *Finance Director*
Phil Beck *Non-Executive Director*
Nick Butler *Non-Executive Director*
Sarah Cope *Non-Executive Director*
Brian Moritz *Non-Executive Director*

Registered Office:

27/28 Eastcastle Street
London
W1W 8DH

17 May 2018

Dear Shareholder,

Proposed Placing of 92,551,459 Ordinary Shares at 8 pence per share and Notice of General Meeting

1. INTRODUCTION

On 17 May 2018, the Company announced that, through a conditional placing from new and existing institutional and other investors, it had raised approximately £7.4 million before expenses, by the issue of 92,551,459 Placing Shares at a price of 8 pence per Ordinary Share.

The Placing has been undertaken to enable the Company to fund the cost of drilling the multi-horizon TLP-103 well at Tilapia. The Directors believe that it would be potentially transformational for the Company if it could complete the drilling programme on the TLP-103 well, and successfully commence extracting oil from the deeper horizons (the Mengo sands and the Djeno sands). Further details on the specific work programme planned by the Company and the rationale for the Placing are set out in paragraph 4 of this Part I.

The Placing is conditional, *inter alia*, upon the passing of the Resolution by Shareholders at the General Meeting, notice of which is set out at Part II of this document.

Admission of the Placing Shares to trading on AIM is expected to occur no later than 8.00 a.m. on 5 June 2018 or such later time(s) and/or date(s) as finnCap and the Company may agree. The Placing has not been underwritten.

The purpose of this letter is to outline the reasons for, and to explain the terms of, the Placing, to explain why the Board considers the Placing to be in the best interests of the Company and Shareholders as a whole and to seek your approval to the Resolution at the forthcoming General Meeting, to be held at the offices of finnCap Ltd, 60 New Broad Street, London, EC2M 1JJ on 4 June 2018 at 11.00 a.m.

2. BACKGROUND TO TILAPIA

2.1 *The Tilapia Licence*

The Tilapia Licence is held by PK, which is a 100 per cent. owned subsidiary of the Company. Tilapia is 1.8 kilometres offshore of the Republic of the Congo, located in the Lower Republic of the Congo Basin and adjacent to one-billion-barrel fields. The Republic of the Congo is a supportive jurisdiction with established oil and gas legislation and infrastructure.

Tilapia is drilled from onshore and has its production and storage facilities onshore. It is a 45-minute drive from Pointe-Noire and 17 kilometres from the nearest refinery. Production can be trucked to the refinery throughout the year.

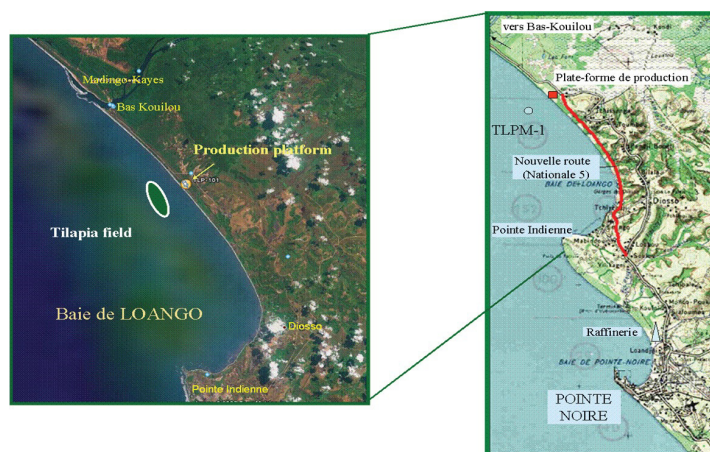


Figure 1: Location of Tilapia

2.2 **Tilapia**

Tilapia is host to three main horizons or sands (with a fourth, the Vandji, unexplored):

- R1/R2 Sands: The shallowest reservoir from which the Company currently produces about 25 bopd of 39-41 API light sweet crude oil. The Company considers that this horizon is a strong candidate for enhanced oil recovery to extend field life and production and that such interventions have the potential to increase production to between 185 and 250 bopd from the two existing producing wells on the Tilapia Licence.
- Mengo sands: The second shallowest reservoir from which high volumes of resource and presence of hydrocarbons has been confirmed at conventional flow rates. The Mengo sands are in production for other operators in the Congo basin but were not brought into production on Tilapia when originally discovered because technology for one-off stimulation to commence production was not available in the area at the time. The Company expects that this can produce up to 500 bopd per well.
- Djeno sands: The deepest reservoir currently targeted at Tilapia, which has been producing in neighbouring fields since 2013 at prolific oil flow rates driven by lower lying high-pressure gas. The Company's technical work and analogous well control in neighbouring fields gives the Company confidence that the presence of hydrocarbons in the Djeno sands at Tilapia is probable.

3. **PROGRESS SINCE IPO**

The Company's intention at IPO was to complete workovers on two existing producing wells, TLP-101 and TLP-102, so as to increase production and cashflow prior to drilling the multi-horizon TLP-103 well. Despite completing the acquisition of PK on 4 August 2017, thereby giving the Company control of PK's 56 per cent. interest in Tilapia, progress on the intended work programme has been slower than anticipated. On 26 May 2017, the Company attempted the first of its workovers on the TLP-102 well and, although it reperforated the well and confirmed the presence of hydrocarbons and pressure within the well, the Company did not achieve any oil flow. The Company has also experienced delays to the drilling of the TLP-103 well due to extended negotiations with rig contractors and the Board changes referenced below in paragraph 3.1.

However, the Company has taken significant steps forward in recent months and the Board is confident that Tilapia remains a significant growth opportunity.

3.1 **The new Board**

Since the IPO, the Company has strengthened the skills and experience available to it through its Board. In particular, in January 2018 the Company appointed James Berwick as Chief Executive Officer responsible for setting the overall direction and strategy of the Company. James has

considerable experience in West Africa and beyond having held several senior executive position within leading oil and gas operators including Impact Oil & Gas and Ophir Energy plc. James's network of contacts within the industry, his technical experience and his dynamism have already had a positive impact on the Company and its efforts to improve cash flow.

In addition, the Board has strengthened its non-executive function through the appointments of Phil Beck, a geologist and petroleum engineer, Nick Butler, a senior policy adviser on energy matters and Sarah Cope, a highly experienced investment banker. Their range of complementary skills have assisted the Company in developing its plans for Tilapia and in the execution of the Placing.

3.2 **Current Operations**

Led by James Berwick, the operational team in the Republic of the Congo has moved forward with the workovers of the TLP-101 and TLP-102 wells, and the preparations for the drilling of the TLP-103 well.

TLP-101

On 17 April 2018, the Company announced that the flow lines and all associated topside equipment to the TLP-101 well had been successfully cleaned and reassembled to receive oil flow. The Company tested production for a period of five days via the annulus to compare flow against the previously restricted flow lines in order to provide a baseline prior to reverting back to the coiled tubing.

The Company has re-directed production from the annulus through the coiled tubing. Production at the TLP-101 well has currently been dropped to 25 bopd to stabilise pressure before the Company attempts to increase pressure and therefore production in the short term. The Directors anticipate that this increase in pressure will result in the TLP-101 well significantly increasing the 38bopd production rate that it was achieving prior to IPO.

TLP-102

Also on 17 April 2018, the Company announced that Schlumberger has conducted a successful intervention focused on the integrity of the perforations on the TLP-102 well. Oil and gas samples were taken at the surface and sent to Total's laboratory in Pointe Noire for testing which confirmed that the TLP-102 well is now in contact with the reservoir. The Company is currently testing the well to see whether oil will flow unassisted. During this test period, TLP-102 produced between 80-90 bopd, which represented an increase in production of 120 per cent. when compared to the flow rate prior to the workover. However, the Company still expects that achieving optimum flow rates from the TLP-102 well will, as originally planned, require mechanical assistance. The Company has on site a downhole pump that was procured for this purpose. Its insertion requires the use of equipment readily available in Pointe-Noire and does not need a drilling rig on site.

TLP-103

On 3 May 2018, the Company confirmed that drilling operations had commenced ahead of mobilisation of the rig.

The Company has already spent \$1.2 million on long-lead items such as casing, site preparation and improved infrastructure in anticipation of increased production. The TLP-103 well will cost in the region of a further \$7.0 million to drill. Société de Maintenance Pétrolière, a French drilling company with a depot in Gabon, has agreed, subject to final contract, commercial terms to supply the drilling rig and the bulk of other services will be provided by Schlumberger.

The TLP-103 well is expected to take 60-70 days to drill. Further details on the drilling of the TLP-103 well is set out at paragraph 4 of this Part I.

3.3 **The New Licence**

On 7 February 2018, SNPC requested that the government of the Republic of the Congo award a new production hydrocarbons permit in respect of Tilapia, to come in to effect on proclamation for a period of 20 years ("**New Licence**"). Completion of the New Licence still requires formal approval by

the Director General of Hydrocarbons, the Minister and the Conseil des Ministres. The Director General of Hydrocarbons recently despatched a delegation to Tilapia to confirm the factual basis of the application for the New Licence. The delegation completed its work on 20 April 2018 having carried out all necessary verification. The Company expects the process to conclude with the formal proclamation of the New Licence, at which stage it will become effective immediately, in the coming months.

The formal terms of the production-sharing agreement and joint operating agreement which relate to the New Licence are in the process of being finalised, but it is proposed that the revenue generated in relation to the New Licence shall be shared as follows:

- PK shall retain its role as operator and will retain its 56 per cent. share of the net revenues generated pursuant to the New Licence.
- A Congolese private company, AOGC, shall be entitled to a 25 per cent. share of the net revenues generated pursuant to the New Licence. AOGC is a large private group in the Republic of the Congo and is partnered with Total and ENI on their new fields in the Republic of the Congo. The AOGC group has interests in all aspect of the energy industry and owns the AFric petrol station chain. The Company believes that AOGC is financially capable of meeting its share of future development costs.
- SNPC shall be entitled to a 19 per cent. share of the revenues generated pursuant to the New Licence.

The New Licence includes a commitment to drill a new well, the TLP-103 well, but is on the same financial terms with the same profit sharing arrangements as the Tilapia Licence and incurs no signing bonus.

It is anticipated that the TLP-103 well will be drilled under the terms of the existing Tilapia Licence, but it should be noted that both the Tilapia licence and the New Licence allow for the Company to recoup any capital expenditure in excess of the Company's pro-rata share from future oil revenues.

In short, given the progress detailed above and with an oil price in excess of \$70/bbl, the Board believes that the Company represents an even more compelling investment opportunity than at IPO.

4. FUTURE WORK PROGRAMME

The Company's strategy is to increase the value of Tilapia through a planned production development programme.

The principal part of this work programme is to drill a new well, the TLP-103 well. This is expected to commence in June 2018 and will be financed by the proceeds of the Placing. The TLP-103 well is designed to penetrate the R1, R2 and Mengo and then be drilled further down to test the deeper Djeno.

If hydrocarbons of a commercial volume are discovered, the Mengo will be tested and stimulated before being put into production. A similar process will then take place in the Djeno. The Directors believe that production, if from the Mengo, could be increased by approximately 500 bopd and the Company is targeting combined production of 750 bopd from the R1, R2 and Mengo sands. Success at the Djeno could add up to 5,000 bopd.

The Directors believe that there is little exploration risk in drilling the Mengo as the data from earlier drilling show that producible hydrocarbons are present and the reservoirs are charged. The Company's technical work and analogous well control give the Company confidence that the presence of hydrocarbons in the Djeno at Tilapia is probable.

If the Company is successful in producing from the TLP-103 well, as set out above, the Company will then develop a full development plan for the field, which will involve the drilling of further wells.

The total cost of drilling the TLP-103 well is expected to be in the region of \$8 million. Of this approximately \$1.2 million has already been spent on long-lead items and work to the site in preparation for drilling.

Pursuant to the terms of the agreements governing the TLP-103 well, the Company, through PK, is only liable for a share of the costs equal to its share in the revenues, namely 56 per cent. However, the existing production-sharing agreement provides that SNPC can require the Company to pay the entirety of such costs in advance, with recovery being made from SNPC's share of subsequent revenues. On this basis, the Company has decided that it is prudent to raise sufficient capital to ensure that it can meet the entire costs of drilling on its own. As a direct result, the Company has decided to proceed with the Placing.

5. USE OF PROCEEDS

The Company is proposing to raise up to £7.4 million before expenses pursuant to the Placing at the Issue Price of 8 pence per new Ordinary Share.

Approximate gross proceeds of the Placing will be used as follows:

<i>Use</i>	<i>\$('000)</i>
TLP-103 net drilling budget (including contingency)	7,000
Further costs on TLP-102 and TLP-103	300
Additional working capital budget during drilling	1,567
TOTAL	8,867

The current drilling budget for the TLP-103 well prepared by the Company is as follows:

<i>Use</i>	<i>\$('000)</i>
Cost of rig	2,250
Services	2,050
Staff	720
Materials	640
Support services	600
Drilling tools	350
Logistics	240
Civil Works	50
Environmental Survey	40
Sub-Total	6,940
<i>Less</i>	
Already paid:	(1,200)
Net Balance	5,740
Contingency	1,000
TOTAL	6,740

6. DIVIDEND POLICY

The Company's dividend policy remains to distribute free cash to Shareholders through regular dividends once production reaches a sustained level of 1,000 bopd and provided that oil prices are not less than \$30/bbl. In such circumstances, the level of the dividend will be at least 50 per cent. of net profits (subject to the availability of distributable reserves).

If production reaches 5,000 bopd and provided that oil prices are not less than \$30/bbl, the level of the dividend will be at least 75 per cent. of net profits (subject to the availability of distributable reserves).

Should the workovers and drilling programme not be successful, there can be no guarantee that a dividend will ever be paid.

7. MANAGEMENT INCENTIVE SCHEME

A management incentive scheme was adopted at IPO to incentivise the Executive Directors and align their interests with Shareholders. The scheme enables employees and directors of the Group to receive options over Ordinary Shares equal to no more than 15 per cent. of the fully diluted ordinary share capital of the Company. Since the IPO, the Company has agreed to grant options to the Executive Directors at a price of £0.20 per Ordinary Share, exercise of which is subject to the achievement of certain specified production targets.

8. DETAILS OF THE PLACING

The Company has conditionally raised £7.4 million (US\$10 million) by way of a placing of the Placing Shares at the Issue Price.

The Placing Shares represent approximately 133.2 per cent. of the Company's issued share capital as at 16 May 2018 (being the latest practicable date prior to the publication of this document) and will represent approximately 57 per cent. of the Enlarged Ordinary Share Capital assuming no other issuances of Ordinary Shares prior to Admission. The Issue Price represents a discount of approximately 15.8 per cent. to the Closing Price of 9.5 pence per Ordinary Share on 16 May 2018, the last practicable date prior to the announcement of the Placing.

In order to broaden the Company's institutional shareholder base and to minimise the time and transaction costs of the Placing, the Placing Shares have been placed by finnCap with only a limited number of existing and new institutional and other shareholders. The Placing Shares are not being made available to the public. The Directors consider that the potential long-term value creation benefit to Shareholders arising from the application of the Placing proceeds (less those expenses incurred in connection with the Placing) outweighs the dilutive effects of the Placing.

The issue of the Placing Shares is to be effected by way of a cashbox placing. The Company will allot and issue the Placing Shares on a non-pre-emptive basis to the placees in consideration for finnCap transferring its holdings of redeemable preference shares in JerseyCo to the Company.

Placing Agreement

On 17 May 2018, the Company and finnCap entered into the Placing Agreement, pursuant to which the Company appointed finnCap as the Company's agents to use their reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing is not being underwritten by finnCap. The Company has agreed to pay finnCap certain commissions and fees in connection with their appointments.

The Placing is conditional, amongst other things, on:

- the passing of the Resolution to be proposed at the General Meeting;
- the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- Admission of the Placing Shares occurring on or before 8.00 a.m. on 5 June 2018 (or such later time and/or date as the Company and finnCap may agree, being not later than 8.00 a.m. on 5 July 2018).

The Placing Agreement contains certain customary warranties given by the Company concerning the accuracy of information given in this document and the announcement made by the Company in respect of the Placing as well as other matters relating to the Group and its business. The Placing Agreement is terminable by finnCap in certain circumstances prior to Admission, including for force majeure or in the event of a material adverse change to the business of the Company or the Group. The Company has also agreed to indemnify finnCap against all losses, costs, charges and expenses which they may suffer or incur as a result of, occasioned by or attributable to the carrying out of their duties under the Placing Agreement in respect of the Placing Shares.

The Placing Shares will, when issued, be subject to the Articles, be credited as fully paid and rank *pari passu* in all respects with each other and with the Existing Ordinary Shares, including the right to receive

all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after the date of issue of the Placing Shares.

Miton Asset Management (“Miton”) has agreed to subscribe for 13,981,677 Placing Shares as part of the Placing. Miton is a related party of the Company for the purposes of the AIM Rules by virtue of their status as a substantial Shareholder of the Company. The Directors consider, having consulted with the Company’s nominated adviser, finnCap, that the terms of the Placing with such related party are fair and reasonable insofar as the Company’s shareholders are concerned.

Brian Moritz and Nick Butler have agreed to subscribe for 625,000 and 312,500 new Ordinary Shares respectively as part of the Placing. Each of them is a related party of the Company for the purposes of the AIM Rules by virtue of their status as Directors of the Company. The Independent Directors consider, having consulted with the Company’s nominated adviser, finnCap, that the terms of the Placing with such related parties is fair and reasonable insofar as the Company’s Shareholders are concerned.

9. ADMISSION, SETTLEMENT AND CREST

Application will be made to the London Stock Exchange for Admission of the Placing Shares to trading on AIM. It is expected that, subject to the passing of the Resolution at the General Meeting, Admission will become effective at 8.00 a.m. on 5 June 2018 (or such later date as the Company and finnCap may agree, being not later than 8.00 a.m. on 5 July 2018) and that dealings in the Placing Shares will commence at that time.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. The Existing Ordinary Shares are already admitted to CREST and therefore the Placing Shares will also be eligible for settlement in CREST. CREST is a voluntary system and subscribers of the Placing Shares who wish to retain certificates will be able to do so upon request. The Placing Shares due to uncertificated holders are expected to be delivered in CREST on 5 June 2018.

10. GENERAL MEETING

A notice convening a General Meeting of the Company, to be held at the offices of finnCap Ltd, 60 New Broad Street, London, EC2M 1JJ at 11.00 a.m. on 4 June 2018 is set out at the end of this document. At the General Meeting, the following resolution will be proposed:

1. an ordinary resolution to grant authority to the Directors to allot up to 92,551,459 Placing Shares or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of £4,627,572.95. The Directors will limit this authority to the allotment of Placing Shares pursuant to the Placing and the authority will expire on 31 October 2018.

11. ACTIONS TO BE TAKEN IN RESPECT OF THE GENERAL MEETING

You can vote in respect of your shareholding by attending the General Meeting or by appointing one or more proxies to attend the meeting and vote on your behalf.

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, it is important that you complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon and return it to the Registrars, using the reply-paid envelope provided or by hand (during normal business hours only) to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, as soon as possible, to arrive by 11.00 a.m. on 31 May 2018 at the latest. Completing and returning the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

12. RECOMMENDATION

The Directors unanimously believe that the Placing is in the best interests of the Company and its Shareholders as a whole and recommend Shareholders to vote in favour of the Resolution, as they intend to do in respect of their own beneficial holdings of 861,634 Ordinary Shares, representing approximately 1.2 per cent. of the current issued share capital of the Company.

Yours faithfully

David Sefton

Executive Chairman

Anglo African Oil & Gas plc

PART II

NOTICE OF GENERAL MEETING

ANGLO AFRICAN OIL & GAS PLC

(Incorporated and registered in England and Wales with registered number 04140379)

Notice is given that a general meeting of Anglo African Oil & Gas plc ("**Company**") will be held at finnCap Ltd, 60 New Broad Street, London, EC2M 1JJ on 4 June 2018 at 11.00 a.m. for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as an ordinary resolution.

ORDINARY RESOLUTION

1. **THAT**, pursuant to section 551 of the Companies Act 2006 ("**Act**"), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal amount of £4,627,572.95 pursuant to the Placing, provided that (unless previously revoked, varied or renewed) this authority shall expire on 31 October 2018.

This authority is in addition to all existing authorities under section 551 of the Act.

By order of the board

David Sefton

Executive Chairman

Dated: 17 May 2018

Registered office

27/28 Eastcastle Street
London
W1W 8DH

Notes

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at close of business on 31 May 2018 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.
3. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.
4. A proxy may only be appointed in accordance with the procedures set out in notes 6 and 7 below and the notes to the Form of Proxy.
5. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.
6. A Form of Proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's Registrar on 01252 821390 or the Form of Proxy may be photocopied. State clearly on each Form of Proxy the number of shares in relation to which the proxy is appointed.

7. To be valid, a Form of Proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's Registrar, Share Registrars Limited, no later than 11.00a.m. on 31 May 2018 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

Corporate representatives

8. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

PART III
GENERAL MEETING FORM OF PROXY

I/We(FULL NAME(S) IN BLOCK CAPITALS)

of(ADDRESS IN BLOCK CAPITALS)

being (a) member(s) of the above named Company, appoint the Chairman of the meeting OR the following person*:

Name of proxy	Number of shares in relation to which the proxy is authorised to act

(*please refer to Explanatory Note 2)

as my/our proxy to exercise all or any of my/our rights to attend, speak and vote in respect of my/our voting entitlement on my/our behalf at the general meeting of the Company to be held at the offices of finnCap Ltd at 60 New Broad Street, London EC2M1JJ on 4 June 2018 at 11.00 am and at any adjournment of the meeting.

Please tick here if this proxy appointment is one of multiple appointments being made.
(For the appointment of more than one proxy, please refer to Explanatory Note 3.)

I/We would like my/our proxy to vote on the resolution to be proposed at the meeting as indicated on this form. Unless otherwise instructed, the proxy can vote as he or she chooses or can decide not to vote at all in relation to any business of the meeting.

Ordinary Resolution	For	Against	Vote withheld
1. To authorise the directors to allot relevant equity securities in relation to the proposed placing			

SignatureDate.....2018

NOTES

- You are entitled to appoint one or more proxies of your own choice to exercise all or any of your rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. You can only appoint a proxy in accordance with the procedures set out in these notes and in the notes to the notice of meeting.
- If you wish to appoint the Chairman of the meeting as your proxy, please leave the space provided blank. If you wish to appoint a proxy other than the Chairman of the meeting, please insert their full name in the space provided. If you sign and return the form with no name in the space provided, the Chairman of the meeting will be deemed to be your proxy in respect of your full voting entitlement. If you are appointing a proxy other than the Chairman of the meeting and wish the proxy to be appointed in relation to less than your full voting entitlement, please enter in the box next to the name of the proxy the number of shares in relation to which they are authorised to act as your proxy. If you sign and return the form and leave this box blank, your proxy will be deemed to be authorised to act in respect of your full voting entitlement (or if this form of proxy has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).



3. To appoint more than one proxy, you will need to complete a separate form in relation to each appointment. Additional forms may be obtained by contacting the Company's registrar, Share Registrars Limited, on 01252 821390 or you may photocopy this form. You will need to state clearly on each form the number of shares in relation to which the proxy is appointed. Please therefore indicate in the box next to the name of the proxy the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of the number of shares held by you may result in the proxy appointment being invalid.
4. Completion and return of this form of proxy will not preclude you from attending and voting in person at the meeting if you wish. If you do attend the meeting in person, your proxy appointments will automatically be terminated. If you wish a proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman of the meeting and give them the relevant instructions directly.
5. If you want your proxy to vote in a certain way on the resolution specified, please indicate with an "X" in the appropriate box above how you wish your vote to be cast. If you fail to select any of the given options, your proxy can vote as he or she chooses or can decide not to vote at all. Your proxy can also do this on any other business which may come before the meeting, including amendments to resolution and any procedural business.
6. The "vote withheld" option on this form of proxy is provided to enable you to instruct your proxy not to vote on the resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of the votes "for" and "against" a resolution.
7. In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by its duly authorised officer, attorney or other person authorised to sign.
8. In the case of joint holders, only one need sign, but the names of all the joint holders must be stated. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names appear in the register of members in respect of the joint holding.
9. To be valid, this form of proxy (duly signed and together with any power of attorney or other authority under which it is signed) must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, or by email at proxies@shareregistrars.uk.com no later than 11.00 am on 31 May 2018 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

