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If you have sold or transferred all your Ordinary Shares you should hand this document together with the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding in Ordinary Shares in the Company, you should retain these documents.

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London Stock Exchange PLC has not itself examined or approved the contents of this document. AIM is a market designed primarily for emerging or smaller companies to which a higher degree of investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List and the AIM Rules for Companies are less demanding than those of the Official List. A prospective investor should be aware of the risks of investing in AIM companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an appropriate financial adviser.

**Your attention, in particular, is drawn to Part II of this Document which set out and describes certain risk factors that you should consider carefully when deciding whether or not to vote in favour of the Resolution proposed at the General Meeting. The whole of this Document should be read in the light of these risk factors.**

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# ANGLO AFRICAN OIL & GAS PLC

*(Incorporated in England and Wales with Registered No. 04140379)*

## **Proposed disposal of 80 per cent. of the issued share capital of Anglo African Oil & Gas Congo S.A.U**

### **Reorganisation of Share Capital and Notice of General Meeting**

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**Your attention is drawn to the letter from the Non-Executive Chair of Anglo African Oil & Gas plc set out on pages 6 to 11 of this Circular, which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below. The General Meeting has been convened by the Directors for the purpose of considering the Proposals set out in this Circular.**

Notice of a General Meeting of Anglo African Oil & Gas plc to be held at the offices of finnCap Limited at 11.00 a.m. on 13 January 2020 is set out at the end of this Circular. The enclosed Form of Proxy should, to be valid, be completed and returned in accordance with the instructions printed on it to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, GU9 7DR so as to be received no later than 11.00 a.m. on 9 January 2020 or 48 hours (excluding any part of a day that is not a working day) before any adjourned meeting. Completion and return of the Form of Proxy will not preclude a Shareholder from attending in person and voting at the General Meeting.

finnCap Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and no one else in connection with the Proposal and will not be responsible to any person other than the Company for providing the regulatory and legal protections afforded to clients of finnCap Ltd nor for providing advice in relation to the contents of this Circular or any matter, transaction or arrangement referred to in it. finnCap Ltd has not authorised the contents of, or any part of, this Circular and no liability whatsoever is accepted by finnCap Ltd for the accuracy of any information or opinion contained in this Circular or for the omission of any information.

Copies of this Circular will be available on the website of Anglo African Oil & Gas plc at [www.aaog.com](http://www.aaog.com).

## CONTENTS

	<i>Page</i>
<b>Expected Timetable of Principal Events</b>	3
<b>Definitions</b>	4
<b>Part I – Letter from the Non-Executive Chair of Anglo African Oil &amp; Gas plc</b>	6
<b>Part II – Risk Factors</b>	12
<b>Notice of General Meeting</b>	14

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	27 December 2019
Latest time and date for receipt of Forms of Proxy in respect of the General Meeting	11.00 a.m. on 9 January 2020
General Meeting	11.00 a.m. on 13 January 2020
Readmission of the New Ordinary Shares to trading on AIM	8.00 a.m. on 14 January 2020

### Notes

1. References to times in this Circular are to London time unless otherwise stated.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to Ordinary Shareholders by an announcement on an RNS (and posted on the Company's website) in accordance with the Company's articles of association.

## IMPORTANT INFORMATION

### Forward looking statements

Certain statements in this Document constitute "forward-looking statements". Forward-looking statements include statements concerning the plans, objectives, goals, strategies and future operations and performance of the Company and the assumptions underlying these forward-looking statements. The Company uses the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "may", "will", "should", and any similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company's actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this Document. The Company is not obliged, and does not intend, to update or to revise any forward-looking statements, whether as a result of new information, future events or otherwise except to the extent required by any applicable law or regulation. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on behalf of the Company, are expressly qualified in their entirety by the cautionary statements contained throughout this Document. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements.

### Financial data

Certain figures contained in this Document, including financial, statistical and operating information, have been subject to rounding adjustments. Accordingly, in certain circumstances, the sum of the numbers in a column or row in a table contained in this Document may not conform exactly to the total figure given for that column or row.

## DEFINITIONS

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

<b>“AAOG Congo”</b>	Anglo African Oil & Gas Congo S.A.U. a société anonyme unipersonnelle registered in the Republic of the Congo under the number CG/PNR 11 B 2623 which has its registered office at Site de Tilapia, Route nationale No 5, Departement du Kouilou, BP 1753 Pointe-Noire, the Republic of the Congo
<b>“AIM Rules”</b>	the AIM Rules for Companies, whose securities are admitted to trading on AIM, as published by the London Stock Exchange from time to time
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“Board” or “Directors”</b>	Philip James Beck, Nicholas Jones Butler, James Andrew Cane, Sarah Cope and Brian Michael Moritz
<b>“C Deferred Share”</b>	the C deferred shares of 4.9 pence each created as a result of the Capital Reorganisation
<b>“Capital Reorganisation”</b>	the subdivision of each existing Ordinary Share in the capital of the Company into one New Ordinary Share of 0.1 pence and one C Deferred Share of 4.9 pence
<b>“Circular” or “Document”</b>	this document, containing details of the Proposal
<b>“Company” or “AAOG”</b>	Anglo African Oil & Gas plc, a company registered in England and Wales with registered number 04140379
<b>“Completion”</b>	completion of the Disposal
<b>“Disposal”</b>	the proposed sale of 80 per cent. of the issued share capital of AAOG Congo to Zenith, pursuant to the terms of the SPA
<b>“FCA”</b>	the Financial Conduct Authority
<b>“Form of Proxy”</b>	the form of proxy accompanying the Circular for use at the General Meeting
<b>“General Meeting”</b>	the General Meeting of Shareholders convened for 11.00 a.m. on 13 January 2020
<b>“Group”</b>	the Company and AAOG Congo
<b>“Issued Share Capital”</b>	the 396,548,396 Ordinary Shares in issue as at the date of this Document
<b>“London Stock Exchange”</b>	London Stock Exchange PLC
<b>“New Ordinary Share”</b>	a new ordinary share of 0.1 pence each in the capital of the Company created as a result of the Capital Reorganisation
<b>“Ordinary Shareholders”</b>	holders of Ordinary Shares
<b>“Ordinary Shares”</b>	ordinary shares of £0.05 par value in the capital of the Company

<b>“Proposals”</b>	the proposals set out in this Circular, whereby Ordinary Shareholders are being asked to consider, and if thought fit, approve the Disposal, the Capital Reorganisation and pass the Resolutions
<b>“RiverFort”</b>	RiverFort Global Capital Ltd
<b>“Resolutions”</b>	the resolutions set out in the Notice of General Meeting contained within the Circular
<b>“SNPC”</b>	Société Nationale des Petrolés du Congo, the Congolese National Oil Company
<b>“SPA”</b>	the conditional sale and purchase agreement dated 24 December 2019 between Zenith and the Company in respect of the Disposal
<b>“Tilapia”</b>	The Tilapia Field licence area in the Republic of the Congo in which AAOG Congo hold a 56 per cent. interest
<b>“Zenith” or the “Purchaser”</b>	Zenith Energy Ltd, a company existing under the laws of British Columbia, Canada

## Part I

### Letter from the Non-Executive Chair

# ANGLO AFRICAN OIL & GAS PLC

*(Incorporated in England and Wales with Registered No. 04140379)*

#### *Directors:*

Sarah Cope, *Non-Executive Chair*  
James Cane, *Interim Chief Executive and Finance Director*  
Brian Michael Moritz, *Non-Executive Director*  
Philip James Beck, *Non-Executive Director*  
Nicholas Jones Butler, *Non-Executive Director*

#### *Registered Office:*

27/28 Eastcastle Street  
London  
W1W 8DH

27 December 2019

To Ordinary Shareholders, holders of options and those with information rights

### **Proposed Disposal of 80 per cent. of the issued share capital of Anglo African Oil & Gas Congo S.A.U, Capital Reorganisation and Notice of General Meeting**

#### **Introduction**

This Circular sets out details of the proposed Disposal by the Company of 80 per cent. of the Company's wholly owned subsidiary Anglo African Oil & Gas Congo S.A.U ("**AAOG Congo**"), following completion of which the Company will become an AIM Rule 15 cash shell. This Circular also includes details of a proposed Capital Reorganisation. The purpose of this Circular is to provide you with the background to the Proposals, and to explain why the Directors consider the Proposals are in the best interests of the Company and its Ordinary Shareholders as a whole and why they recommend that Ordinary Shareholders should vote in favour of the Resolutions to be proposed at the General Meeting.

A notice convening a General Meeting for 11.00 a.m. on 13 January 2020 at the offices of finnCap Limited, 60 New Broad Street, London EC2M 1JJ to consider the Resolutions is set out at the end of this Circular.

#### **The Proposals**

The Company has entered into a conditional sale and purchase agreement ("**SPA**") with Zenith Energy Ltd for the sale of an 80 per cent. interest in AAOG's wholly owned subsidiary AAOG Congo which holds a 56 per cent. interest in Tilapia in the Republic of the Congo ("**Disposal**").

The consideration for the Disposal is the payment by Zenith of £1 million, of which £500,000 is in cash payable in six equal monthly instalments with the first payment payable on the date of completion followed by five further monthly instalments thereafter, and £500,000 of Zenith ordinary shares to be issued at the Volume Weighted Average Price of a Zenith share for a period of 14 trading days prior to completion of the Disposal. In addition, Zenith will fund AAOG's share of a US\$5.5 million work programme on Tilapia and will fund the upfront cash element of any signature bonus payable for the new licence negotiated with the Congolese Ministry of Hydrocarbons.

The Disposal is conditional, amongst other things, on the approval of Ordinary Shareholders at a General Meeting, notice of which is at the end of this document. The Company will apply the proceeds of the Disposal to finance its day-to-day operations and to conduct due diligence over reverse takeover transactions that present themselves once the Company is an AIM Rule 15 cash shell. The Company has agreed not to sell the Zenith shares for a period of six months from Completion and thereafter in an orderly manner. The Board will analyse the value of the Zenith shares from time to time with a view to selling at them at the most advantageous time for the Ordinary Shareholders.

It is also proposed that the Company enter into a new facility agreement with RiverFort, from whom it has received a term sheet for a facility to provide up to an initial £500,000 of capital over six months to the Company (the “**RiverFort Financing**”). The Company continues to negotiate the term sheet with RiverFort but expects that it will be in a position to sign a binding agreement with RiverFort by the end of this year. The entry into the RiverFort Financing would constitute a related-party transaction for the purpose of the AIM Rules for Companies by virtue of RiverFort being a substantial shareholder in the Company. A further announcement will be made in due course.

### **Reasons for the Proposals**

As announced on 12 December 2019, the Company is unable to finance the planned work programme on well TLP-103C-ST. The Company is taking steps to substantially reduce the costs within the business and has been reviewing its financing options to enable it to secure the longer term viability of the Company given the limited cash resources it has available.

The Company has explored the possibility of raising equity capital in the public markets in order to secure sufficient funds to finance the Company and the planned work programme at Tilapia. However, the Board has been advised that it is highly unlikely to generate the support necessary to raise the required amount of traditional equity financing. The Company has been reviewing several options of non-traditional financing and believe that the Proposals outlined above represent the best option for the Company and its Ordinary Shareholders.

Accordingly, the Board believes that, faced with very limited cash resources in the Company and the inability to raise the requisite capital required to fund the entirety of the ongoing operational costs and liabilities of AAOG and AAOG Congo, and having considered the alternatives in detail with its advisers, the best option for Ordinary Shareholders is the Disposal.

The Disposal results in AAOG retaining a carried interest in AAOG Congo without the requirement to raise additional funds for the current planned work programme and will provide the Company with working capital that will enable it to assess potential reverse takeovers.

However, the timing of the payments under the Disposal means that the Company will not have sufficient cash to allow it to continue as a going concern beyond the beginning of February, assuming receipt of the £150,000 owed by Anglo Tunisian Oil & Gas Limited (of which the Company has received £50,000 to date with the remainder due to be paid by the end of this month) and no unforeseen claims. As such, the Company is proposing to enter into a facility with RiverFort for a redeemable convertible loan note (“**Loan Note**”) (such Loan Note to be subject to, among other things, approval of the Ordinary Shareholders at the General Meeting) of up to £500,000 with the first tranche of £250,000 available immediately on issue of the Loan Note and the remaining £250,000 being available to the Company in five equal tranches of £50,000 over the following five months. It is also proposed that RiverFort amend the terms of the existing Investor Sharing Agreement (“**ISA**”) to rebase the reference price to more closely reflect the current share price and the proceeds due to the Company from the ISA will be used to repay the Loan Note. This gives the Company the flexibility to enable it to continue financing its day-to-day operations while seeking to identify a reverse takeover target. The Board emphasises that, at present, it is managing its creditor position and with the receipt of the RiverFort monies contemplated in the term sheet described above, and subject to completion of the Disposal and receipt of the Consideration, the Company will have sufficient working capital for at least the next six months from the date the RiverFort Financing becomes effective.

**If the Disposal and RiverFort Financing do not proceed, the Directors believe that AAOG has sufficient financial resources to fund the business only until the beginning of February. The Directors would therefore have a very limited timeframe in which to take any remedial actions and take measures to raise further funds. For the avoidance of doubt, the Company has been advised that alternative funds will not be available from straight equity or on terms equal to those likely to be agreed with Riverfort. Therefore, if the RiverFort Financing does not proceed and assuming alternative immediate funding is not obtained in the limited timeframe available, the Directors would need to consider whether it is appropriate for AAOG to cease trading and enter into a liquidation process. Accordingly, it is very important that Ordinary Shareholders vote in favour of the Resolutions and that the Disposal and Riverfort Financing proceed.**

## **Fundamental Change of Business**

The effect of the disposal of an 80 per cent. interest in AAOG Congo, which is AAOG's only asset, will be subject to Ordinary Shareholder approval at the General Meeting as it is deemed a fundamental change of business under the AIM Rules for Companies. The Disposal requires the approval of more than 50 per cent. of the Ordinary Shares voted at the General Meeting. Notice of the General Meeting is set out at the end of this document.

## **Background to the Proposals**

AAOG Congo holds an interest in 56 per cent. of Tilapia in the Republic of the Congo with the remaining 44 per cent. interest held by SNPC.

The Company announced on 17 July 2019 that it had completed a financing ("**Fundraising**") of up to £8.25 million comprising; (i) a placing of ordinary shares in the Company raising £2.56 million and (ii) the entry into an investor-sharing agreement ("**ISA**") between AAOG, YA II PN, Ltd ("**YA II**") and RiverFort Global Opportunities PCC Limited ("**RiverFort Global**") for a total commitment of up to £5.685 million.

The key elements of the terms of the ISA, which were set out in detail in the announcement of 17 July, are as follows:

- The ISA Shares were immediately issued to YA II and RiverFort Global for cash and these were the only Ordinary Shares that were issued pursuant to the ISA. In this way, there was certainty as to the dilutive impact of this financing structure.
- YA II and RiverFort Global received their subscriptions monies back from the Company with the undertaking to repay those to the Company in 12 monthly instalments of £473,767.71 subject to adjustments to this amount based both on the Company's share price performance and the ability of YA II and RiverFort Global to trade in the Ordinary Shares.

The Company's share price has not performed well since the Fundraising and therefore the monthly instalments received under the ISA have been significantly less than the anticipated £473,767.71.

Receipt of the monies from the Fundraising, alongside continued anticipated monthly receipts of monies owed by SNPC to AAOG Congo for its share of the costs of the work already carried out at Tilapia, were expected to be sufficient to enable the Company to re-enter well TLP-103C at Tilapia, drilled in 2018 and which encountered hydrocarbons in the shallower Mengo horizon and the deeper Djeno horizon.

As announced on 12 December, the Company has not received any payments from SNPC since September and the current debt from SNPC stands at approximately US\$5.3 million. In the light of this significant cash shortfall, combined with the lower than anticipated payments under the ISA, the Company has insufficient funds to be able to fund the planned work programme at well TLP-103C-ST.

As previously disclosed, the Company has successfully negotiated with the Congolese Ministry of Hydrocarbons the principal terms of a new 25-year licence on Tilapia, with the exception of negotiating the quantum of any signature bonus payable to the Ministry. Irrespective of the final agreed amount, the Company does not have sufficient funds available to it to make any cash payment to the Ministry. The Company had requested that the Ministry offset the cash element of the signature bonus against the debtor amounts owed to it by SNPC, but the Ministry has rejected that approach since it considers SNPC to be a separate entity. The Company continues to spend considerable time and resource trying to unlock the overdue payments from SNPC. It announced on 12 December that it had formally requested the Oil Minister to coordinate a meeting in January with SNPC and AAOG to resolve this highly unsatisfactory situation. There has been no response to this request and the Company considers that it would not be prudent to anticipate the release of any further cash in the short term.

## **Summary of the Disposal agreement**

Against the background as set out above, the Company has on 24 December 2019 entered into a conditional SPA with Zenith, a Canadian company listed on the standard segment of the Official List of the London Stock Exchange, the TSX Venture Exchange and admitted to trading on the Merkur Market of the Oslo Børs.

Pursuant to the SPA, Zenith has agreed to acquire 80 per cent. of the issued share capital of AAOG Congo for a consideration of £1 million, of which £500,000 is to be satisfied in cash to be paid in six equal monthly instalments, with the first instalment due on Completion and the last being five months later, and £500,000 to be satisfied by the issue of ordinary shares in the share capital of Zenith to be issued at the volume weighted average price of a Zenith share for a period of 14 trading days prior to Completion. The Company has agreed that it will not dispose of the Zenith ordinary shares for a period of six months from Completion and thereafter will dispose of the shares in an orderly manner.

In addition, Zenith will fund the Company's share of a US\$5.5 million work programme at Tilapia and will fund the amount of any signature bonus required for the reattribution of the Tilapia licence as agreed with the Congolese Ministry of Hydrocarbons, subject to a cap of US\$2 million if the signature bonus is payable in a single instalment and otherwise at an amount to be agreed between the Company and Zenith if the signature bonus is payable in multiple instalments.

As at 31 December 2018, AAOG Congo had net audited liabilities, excluding inter-company accounts, of £4.5 million, including trade creditors of £3.9 million and tax creditors of £0.24 million, with net current assets of £1.5 million. Total assets at the same date amounted to £11.9 million, which included £5.9 million owed by SNPC to AAOG Congo. In the year to 31 December 2018, AAOG Congo (at the time called Petro Kouilou SA) made a loss of £4.5 million.

As at 30 June 2019, the unaudited balance of the intercompany debt owing to the Company by AAOG Congo was approximately £12.47 million at the GBP/USD exchange rate on that date. As part of the Disposal, AAOG has novated 80 per cent. of this debt to Zenith and will retain 20 per cent. on its balance sheet.

The SPA contains commercial warranties being given by the Company which are commensurate for a transaction in the nature and size of the Disposal. Zenith is also making warranties concerning itself and its shares to the Company which are commensurate for a transaction of this nature and size. The Company will also be required to sign up to a tax covenant on Completion, pursuant to which the Company shall indemnify Zenith for certain pre-Completion tax liabilities which are not fully provided for in the accounts of AAOG Congo.

The SPA is conditional, amongst other things, on the passing of an ordinary resolution of Ordinary Shareholders at the General Meeting approving the Disposal and certain regulatory requirements in the Republic of the Congo including consent of the Minister of Hydrocarbons. The Company has also agreed to standard provisions which govern the day-to-day and usual operations of AAOG Congo in the period from signing to Completion and the SPA contains a standard provision that allows Zenith to not complete if there is a material adverse change in the net asset value of AAOG Congo before Completion.

In addition, the Company and Zenith will sign up to a shareholders' agreement on Completion which will govern their future relationship as shareholders of AAOG Congo.

### **Information on Zenith Energy Ltd**

Zenith Energy Ltd. is an international oil and gas production company, incorporated in Canada, dual listed on the London Stock Exchange (ZEN) and the TSX Venture Exchange (ZEE). In addition, the company's common share capital was admitted to trading on the Merkur Market of the Oslo Børs on November 8, 2018 (ZENA:ME).

The primary focus of the company is the development of large onshore oil & gas fields in countries that offer strong asset protection and a business atmosphere conducive to stable and profitable production activities.

Zenith operates the largest onshore oilfield in Azerbaijan through its fully owned subsidiary, Zenith Aran Oil Company Limited. The company's Italian subsidiary operates, or has working interests in, a number of concessions producing electricity, condensate and natural gas.

Zenith's overarching strategy is to identify and rapidly seize opportunities in the onshore oil & gas sector. Specific attention is directed to fields formerly controlled by oil majors and state oil companies. These assets often have significant untapped potential and the capacity to produce sizeable volumes of oil & gas with technological investment and new management supervision.

## **AIM Rule 15**

In accordance with AIM Rule 15, the Disposal constitutes a fundamental change of business of the Company. On Completion, the Company would cease to own, control or conduct all or substantially all, of its existing trading business, activities or assets.

Following completion of the Disposal, therefore, the Company will become an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

## **Proposed Board Changes**

Following the General Meeting, and on the assumption that Ordinary Shareholders vote in favour of the Resolutions proposed, the Company will be an AIM Rule 15 cash shell and as such will have no operating business and will therefore not require the number of directors it currently has. It is proposed therefore that Brian Moritz and Nick Butler resign from the Board at the conclusion of the General Meeting.

## **Share Capital Reorganisation**

For some months the Ordinary Shares of the Company have been trading at below their par value, which is currently £0.05 each. This makes it impossible for the Company to raise further equity capital as, by law, shares can only be issued at or above their par value. The issuance of new shares to RiverFort pursuant to the RiverFort Financing therefore requires a reorganisation of the Company's share capital, which will be proposed at the General Meeting.

A resolution will be proposed at the General Meeting which will, if passed, have the effect of reducing the nominal value of each Ordinary Share from £0.05 to £0.001 by subdividing each ordinary share into one new ordinary share of £0.001 ("New Ordinary Share") and one C deferred share of £0.049 ("C Deferred Share"). A further resolution is required to adopt new articles of association of the Company as the rights attaching to the C Deferred Shares will be contained in the Company's articles of association ("New Articles").

The New Ordinary Shares will have attached to them all the rights of the existing ordinary shares and will therefore have the same value as the existing ordinary shares.

As will be set out in the New Articles, the C Deferred Shares will have no right to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year or any other income or right to participate therein. On a distribution of assets on a winding-up or other return of capital the holders of the C Deferred Shares shall be entitled to receive the amount paid up on their shares after holders of the New Ordinary Shares have received the amount of £1,000 in respect of each New Ordinary Share held by them respectively. For all practical purposes, the C Deferred Shares will have no value, and the Company will not issue any certificates or other documents of title in respect of them.

## **General Meeting**

A notice convening a General Meeting at 11.00 a.m. on 13 January 2020 at the offices of finnCap Limited, 60 New Broad Street, London EC2M 1JJ to consider the Resolutions is set out at the end of this Circular.

The Resolutions seeks to (i) approve the sale by the Company of 80 per cent. of AAOG Congo in accordance with the SPA to Zenith; (ii) effect the proposed Capital Reorganisation; and (iii) give the Directors authority to allot New Ordinary Shares.

### **Action to be taken**

Ordinary Shareholders will find a Form of Proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible.

To be valid, completed Forms of Proxy must be received by the Company's registrars, Share Registrars Limited of The Courtyard, 17 West Street, Farnham, GU9 7DR, not later than 11.00 a.m. on 10 January 2020, being 48 hours before the time appointed for holding the General Meeting.

You are entitled to appoint a proxy to attend and to exercise all or any of your rights to vote and to speak at the General Meeting instead of you. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish. Your attention is drawn to the notes to the Form of Proxy.

### **Recommendation**

**If the Disposal and RiverFort Financing do not proceed, the Directors believe that AAOG has sufficient financial resources to fund the business only until the beginning of February. The Directors would therefore have a very limited timeframe in which to take any remedial actions and take measures to raise further funds. For the avoidance of doubt, the Company has been advised that alternative funds will not be available from straight equity or on terms equal to those likely to be agreed by Riverfort. Therefore, if the RiverFort Financing does not proceed and assuming alternative immediate funding is not obtained in the limited timeframe available, the Directors would need to consider whether it is appropriate for AAOG to cease trading and enter into a liquidation process. Accordingly, it is very important that Shareholders vote in favour of the Resolutions and that the Disposal and Riverfort Financing proceed.**

The Directors therefore consider that the Resolutions set out in the notice convening the General Meeting are in the best interests of the Company and its Ordinary Shareholders as a whole and unanimously recommend that you vote in favour as they have undertaken to do in respect of the Ordinary Shares held by them and in respect of those shares held by Riverfort and YA II, whose votes are cast at the discretion of the Chair.

Yours faithfully,

**Sarah Cope**

*Non-Executive Chair*

**For and on behalf of the Board  
Anglo African Oil & Gas plc**

## PART II

### RISK FACTORS

**Ordinary Shareholders should carefully consider all of the information in this Document including the risks below. The Board have identified these risks as material risks, but additional risks and uncertainties not presently known to the Board, or that the Board consider immaterial, may also adversely affect the Company. If any or a combination of the following risks materialise, the Company's business, financial condition and/or performance could be materially adversely affected. In any such case, the market price of the Ordinary Shares could decline.**

**The following risk factors should not be considered in any order of priority. The Company's future performance might be affected by changes in market conditions and legal, regulatory and tax requirements.**

#### **AIM Rule 15 Deadlines**

In accordance with AIM Rule 15, the Disposal constitutes a fundamental change of business of the Company. On Completion, the Company would cease to own, control or conduct all, or substantially all, of its existing trading business, activities or assets.

Following completion of the Disposal, therefore, the Company will become an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified.

Any failure therefore in completing an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) will result in the cancellation of the Company's Ordinary Shares from trading on AIM.

#### **Completion Risk**

The Disposal is subject to certain conditions, including the consent of the Minister of Hydrocarbons in the Republic of the Congo. There is no guarantee that these conditions will be met or within what timeframe. Failure to fulfil these conditions in a timely manner could have an adverse impact on the finances of the Company since the cash consideration relating to the Disposal is reliant thereon. Moreover, although the Company has a term sheet from Riverfort in relation to the Riverfort Financing, there can be no guarantee that this will become binding or on what terms and in what timeframe. Failure to agree a binding contract in relation to the Riverfort Financing and to release funds from Riverfort would have a material adverse impact on the Company and put in doubt its ability to continue as a going concern.

#### **Identifying a suitable target**

Following Completion of the Disposal, the Company will be dependent upon the ability of the Board to identify suitable acquisition targets. As at the date hereof, the Directors have not identified any investment opportunities which they have resolved to pursue. There is no guarantee that the Company will be able to acquire an identified opportunity at an appropriate price, or at all, as a consequence of which resources might have been expended unsuccessfully on investigative work and due diligence.

#### **Limited current funds**

As a cash shell, the Company would also have limited operating cash flow.

**Market conditions**

Market conditions may have a negative impact on the Company's ability to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14. There is no guarantee that the Company will be successful in meeting the AIM Rule 15 deadline as described above.

**Costs associated with potential acquisition or acquisitions**

The Company expects to incur certain third party costs associated with the sourcing of a suitable acquisition or acquisitions. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any given target business will be successful, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's performance, financial condition and business prospects.

**Future financing**

The Company's ability to operate as a going concern until February is predicated on it receiving £100,000 owed to it by Anglo Tunisian Oil & Gas Limited. While the Company has received assurances that this money is forthcoming, the Directors cannot guarantee its receipt.

The Company's ability to raise further funds will depend on the success of existing and acquired investments. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and Ordinary Shareholders' holdings of Ordinary Shares may be materially diluted in due course by subsequent equity issues.

# ANGLO AFRICAN OIL & GAS PLC

*(Incorporated in England and Wales with Registered No. 04140379)*

(the “**Company**”)

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of the members of the Company will be held at the offices of finnCap Limited on 13 January 2020 at 11.00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary and special resolutions as noted below.

### ORDINARY RESOLUTION

1. THAT the sale by the Company of 80 per cent. of the issued share capital of Anglo African Oil & Gas Congo S.A.U. to Zenith Energy Ltd in accordance with the share purchase agreement dated 24 December 2019 as referred to in the circular to ordinary shareholders of the Company dated 27 December 2019, be approved.

### SPECIAL RESOLUTION

2. THAT:
  - (a) each of the ordinary shares of £0.05 each in the share capital of the Company be subdivided into one ordinary share of £0.001 each and one C deferred share of £0.049 each; and
  - (b) the draft articles of association produced to the meeting and signed by the chairman of the meeting for identification purposes, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

### ORDINARY RESOLUTION

3. THAT subject to and conditional upon the passing of resolution 2, 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 equity securities (as defined by section 560 of the Act) in the Company up to an aggregate nominal amount of:
  - (a) £350,000 in respect of the proposed financing with Riverfort;
  - (b) up to an aggregate nominal amount of £350,000; and
  - (c) comprising equity securities up to a further aggregate nominal amount of £350,000 in connection with an offer by way of a rights issue:
    - (i) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective number of ordinary shares held by them; and
    - (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange,

provided that these authorities shall expire on the earlier date of 15 months from the date this resolution is passed or the conclusion of the Company's next annual general meeting, save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require equity securities to be allotted or rights to subscribe for or to convert any security into equity securities to be granted after this authority expires and the directors may allot equity securities or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

These authorities are in addition to all existing authorities under section 551 of the Act.

## **SPECIAL RESOLUTION**

4. THAT subject to and conditional upon the passing of resolutions 2 and 3, pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 3 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) referred to in resolution 3.a, in respect of the proposed financing with Riverfort;
- (b) in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by resolution 3.c, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue):
  - (i) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
  - (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities, or subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasure shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (c) otherwise than pursuant to resolutions 4.a and 4.b. of this resolution, up to an aggregate nominal amount of £350,000,

and this power shall expire on the earlier date of 15 months from the date this resolution is passed or the conclusion of the Company's next annual general meeting, save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in addition to all existing powers under section 570 of the Act.

**Sarah Cope**  
Non-Executive Chair  
for and on behalf of the Board

*Registered Office:*  
27/28 Eastcastle Street, London  
W1W 8DH

Date: 27 December 2019

## NOTES TO THE NOTICE OF GENERAL MEETING

### *Entitlement to attend and vote*

1. The right to vote at the meeting is determined by reference to the register of members. Only those ordinary shareholders registered in the register of members of the Company as at close of business on 9 January 2020 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary 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. An ordinary 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 an ordinary shareholder of the Company.
3. An ordinary 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 ordinary share or ordinary shares held by that ordinary shareholder. Failure to specify the number of ordinary shares each proxy appointment relates to or specifying a number which when taken together with the numbers of ordinary shares set out in the other proxy appointments is in excess of the number of ordinary shares held by the ordinary 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 an ordinary 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, Share Registrars Limited, on 01252 821 390 or the Form of Proxy may be photocopied. State clearly on each Form of Proxy the number of ordinary 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 at The Courtyard, 17 West Street, Farnham, GU9 7DR, no later than 11.00 a.m. on 9 January 2020 (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. An ordinary 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 ordinary shares.