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If you have sold or otherwise transferred, or sell or otherwise transfer, your entire holding of Existing Shares, please forward this Circular and the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Existing Shares please consult the agent through whom the sale or transfer was effected.

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Gulfsands Petroleum PLC

(Incorporated and registered in England and Wales with registered number 5302880)

Open Offer of 354,838,709 Open Offer Shares at 4.0 pence per Open Offer Share

Capital Reorganisation

Authority to issue Open Offer Shares

Waiver of Rule 9 of the Takeover Code

and

Notice of General Meeting

This Circular should be read as a whole and in conjunction with the accompanying Form of Proxy. Your attention is drawn to the letter from the Senior Independent Director of Gulfsands which is set out in Part I of this Circular and which contains a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

The Open Offer is conditional on all the Resolutions being approved by Independent Shareholders at the General Meeting, and the publication of the Open Offer Prospectus.

Notice of a General Meeting of the Company to be held at the offices of Shakespeare Martineau LLP, One America Square, Crosswall, London EC3N 2SG at 11.00 a.m. on 14 September 2015 is set out at the end of this Circular. A Form of Proxy for use in connection with the General Meeting is enclosed and, to be valid, should be completed and returned as soon as possible, but in any event, so as to be received by the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 11.00 a.m. on 12 September 2015. Return of a Form of Proxy will not prevent Shareholders from attending the General Meeting.

A summary of the action to be taken by Shareholders is set out on page 15 of this Circular and in the accompanying notice of the General Meeting. The return of a completed Form of Proxy will not prevent you from attending the General Meeting and voting in person if you so wish and are so entitled.

Certain terms used in this Circular, including certain capitalised terms and certain technical and other terms, are defined in Part III.

Shareholders or other recipients of this Circular may request copies of this Circular from the Company at its registered office, One America Square, Crosswall, London EC3N 2SG or by telephone at +44 207 024 2130.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this Circular	27 August 2015
Posting of Circular to Shareholders	28 August 2015
Latest time for receipt of the Form of Proxy	11.00 a.m. on 12 September 2015
General Meeting	11.00 a.m. on 14 September 2015
Long Stop Date for Whitewash Resolution	31 January 2016

Full details of the Open Offer will be published in the Open Offer Prospectus and the Directors recommend Shareholders to review the Open Offer Prospectus for further information on the Open Offer. In the meantime if you have any queries on the Open Offer, you should contact Capita Asset Services on 0371 664 0321 or if calling from outside the UK on +44 (0) 208 639 3399. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service. Certain of the events in the timetable above are conditional upon, *inter alia*, the approval of the Resolutions.

All times are London times and each of the times and dates are subject to change.

OPEN OFFER STATISTICS

Number of Existing Shares	117,886,145
Number of New Ordinary Shares in issue immediately following the Capital Reorganisation	117,886,145
Number of Open Offer Shares	354,838,709
Number of New Ordinary Shares in issue immediately following the Open Offer	472,724,854
Percentage of Enlarged Share Capital represented by the Open Offer Shares	75.06 per cent.
Closing price per Existing Share*	4.75p
Open Offer Price	4.0p
Discount of Open Offer Price to closing price per Existing Share*	15.8%
Amount, before expenses, to be raised under the Open Offer	£14.2 million
Market capitalisation of the Company at the Open Offer Price upon completion of the Open Offer	£18.9 million

*the closing price on AIM on 26 August 2015, being the latest practicable business day prior to the publication of this Circular.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Alastair Beardsall, <i>Executive Chairman</i> Joe Darby, <i>Senior Independent Non-Executive Director</i> Andrew West, <i>Non-Executive Director</i> Andrew Morris, <i>Non-Executive Director</i> John Bell, <i>Independent Non-Executive Director</i> James Ede-Golightly, <i>Non-Executive Director</i>
Company Secretary	Ben Harber
Registered Office	One America Square Crosswall London EC3N 2SG
Nominated Adviser, Broker and Financial Adviser	Cantor Fitzgerald Europe One Churchill Place Canary Wharf London E14 5RB
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Solicitors to the Company	Field Fisher Waterhouse LLP Riverbank House 2 Swan Lane London EC4R 3TT
Registrar	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART I

LETTER FROM THE SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Gulfsands Petroleum PLC

(Incorporated and registered in England and Wales, Registration No. 5302880)

Directors:

Alastair Beardsall, *Executive Chairman*
Joe Darby, *Senior Independent Non-Executive Director*
Andrew West, *Non-Executive Director*
Andrew Morris, *Non-Executive Director*
John Bell, *Independent Non-Executive Director*
James Ede-Golightly, *Non-Executive Director*

Registered Office:

One America Square
Crosswall
London
EC3N 2SG

27 August 2015

To Existing Shareholders and, for information purposes only, the holders of options over Existing Shares

Dear Shareholder,

OPEN OFFER, CAPITAL REORGANISATION, WAIVER OF RULE 9 OF THE TAKEOVER CODE AND NOTICE OF GENERAL MEETING

1. Introduction

The Company is pleased to announce a Capital Raising to raise gross proceeds of approximately US\$22.0 million before costs by way of an Open Offer. The Open Offer is to be made to all Qualifying Shareholders (which excludes those Shareholders resident in Australia, the United Arab Emirates and the United States of America) to provide an opportunity to subscribe for an aggregate of 354,838,709 Open Offer Shares on the basis of 3.01 Open Offer Shares for every 1 New Ordinary Shares held as at the Record Date, at an Open Offer Price of 4.0 pence per Open Offer Share. The Company proposes to publish an Open Offer Prospectus, which will be lodged with the UKLA, in due course which will set out further details of the Open Offer including the proposed Open Offer timetable and details on how to apply for Open Offer Entitlements under the Open Offer. The Board has deemed it sensible that, before incurring the considerable costs involved in preparing the Open Offer Prospectus, Shareholders consent to the Proposals by voting in favour of the Resolutions which will allow the Open Offer to proceed. If Shareholders do not approve the Resolutions the Open Offer will not proceed and the Open Offer Prospectus will not be posted to Shareholders.

The Company is convening a General Meeting of Shareholders for the purposes of proposing the Resolutions in order to permit the Open Offer to proceed.

Should the Open Offer not proceed, the Company will not have sufficient working capital to continue its operations as a going concern and there is a possibility that the Directors may be required to consider placing the Company into an insolvency process. Furthermore the holders of the Convertible Loan Facility may issue a demand for repayment, and if the outstanding balance is not repaid the holders of the Convertible Loan Facility may exercise their security over some of the assets of the Group, namely the interests in Block 26, Syria, and the various interests in Morocco.

The purpose of this letter is to explain the background to, and reasons for, the Open Offer, to set out why the Independent Directors consider the Proposals to be in the best interests of the Shareholders as a whole and to seek Shareholder approval for the Proposals.

2. Background to the Open Offer

Gulfsands is an independent oil and gas exploration and production company, whose major focus is on the Middle East and North Africa. It has oil exploration and development projects in the Syrian Arab Republic (currently suspended owing to sanctions), Morocco and Tunisia. The Company also holds interests in Colombia. A summary of the Company's asset portfolio is detailed in the table below.

<i>Licence</i>	<i>Working interest (%)</i>	<i>Operator</i>	<i>Status</i>	<i>2P Reserves (MMboe)</i>	<i>2C Contingent Resources (MMboe)</i>	<i>Best Estimate Prospective Resources (MMboe)</i>
Syria						
Block 26 (PSC)	50.0	Gulfsands	<ul style="list-style-type: none"> ● Under <i>Force Majeure</i> since December 2011 due to EU sanctions ● Remain in good order in Syria/ Kurdish controlled areas 	73.5	12.0	–
Morocco						
Rharb Centre*	75.0	Gulfsands	● Seeking farm-out for carried work programme or divestment	–	1.6	4.1
Rharb Sud*	75.0	Gulfsands	● Seeking farm-out for carried work programme or divestment	–	–	11.0
Moulay Bouchta	75.0	Gulfsands	● Seeking farm-out for carried work programme or divestment	–	–	11.4
Fes	50.0	Gulfsands	● Seeking farm-out for carried work programme or divestment	–	–	478.0
Tunisia						
Chorbane** (PSC)	100.0	Gulfsands	● Seeking farm-out for carried work programme or divestment	–	–	44.2
Colombia						
Llanos Block 50	100.0	Gulfsands	● Seeking farm-out for carried work programme or divestment	–	–	–
Putumayo Block 14	100.0	Gulfsands	● Seeking farm-out for carried work programme or divestment	–	–	–
Total				<u>73.5</u>	<u>13.6</u>	<u>548.7</u>

*Note Rharb Centre and Rharb Sud are both covered by the Rharb Petroleum Agreement.

**Note: The current exploration period under the contract originally ran to mid-July 2015 and Gulfsands has submitted an application for a two year extension to this period.

As at 30 June 2015, the Group had cash and cash equivalents of US\$1.5 million with net current trade and other payables of US\$3.2 million and an amount drawn of US\$10.0 million under the Convertible Loan Facility which was announced on 19 November 2014 and assigned to Waterford and Mr. Griffiths on 29 June 2015. As at the date of this Circular, the Company had drawn a further US\$1.0 million and made a request to draw an additional US\$1.0 million under the Convertible Loan Facility.

As part of its granting of consent for the assignment of the Convertible Loan Facility to Waterford and Mr. Griffiths, the Group secured an undertaking from Weighbridge Trust Limited, which holds the Convertible Loan Facility on behalf of both parties, that as holder of the Convertible Loan Facility, it would not demand immediate repayment of the outstanding balance of the Convertible Loan Facility together with additional fees and expenses, estimated at approximately US\$1.0 million, at any time prior to 23 September 2015. This undertaking has been extended, subject to Shareholder approval of the Resolutions, to 31 January 2016, being the Whitewash Long Stop Date, to allow the Company sufficient time to complete the Capital Raising in order to repay the Convertible Loan Facility in full. However, after this date, should Weighbridge issue a demand for repayment under the Convertible Loan Facility, the Company's financial position would be significantly weakened.

On 5 August 2015, the Company announced an impairment of approximately US\$22.0 million on its exploration assets, relating to the Fes Permit in Morocco, which is due to expire on 24 September 2015. If

the Fes Petroleum Agreement is not renewed or extended, the Group may forfeit the bank guarantee provided to the Office National Des Hydrocarbures Et Des Mines under the terms of the Fes Petroleum Agreement. At 30 June 2015 the Company recognised a provision of US\$3.5 million in respect of this guarantee.

3. Use of proceeds

The purpose of the Open Offer is to raise proceeds sufficient to repay the full amount advanced under the Convertible Loan Facility with accumulated interest and fees and to fund the Company's ongoing working capital requirements. The Open Offer is intended to raise gross proceeds of up to US\$22.0 million before costs. A summary of the use of proceeds of the Open Offer is shown in the table below:

<i>Sources and use of funds</i>	<i>US\$M</i>
Open Offer gross proceeds	22.0
Total gross proceeds	22.0
Repayment of Convertible Loan Facility	13.0
Working capital including costs of issue	9.0
Total use of funds	22.0

The Directors intend that the resources available following the Open Offer should support all of the Company's currently planned activities to 31 December 2016.

4. Details of the Open Offer

4.1 Structure

The Directors have given consideration as to the best way to structure the proposed Capital Raising, having regard to current market conditions, the composition of the Company's Shareholder register, the Company's share price, the importance of pre-emption rights to Shareholders and ensuring the Company is sufficiently capitalised following completion of the Capital Raising.

The Directors have concluded that the structure of the fundraising by way an Open Offer is the most suitable option available to the Company and its Shareholders as a whole. The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the Capital Raising by acquiring Open Offer Shares pro rata to their holdings of New Ordinary Shares.

The Open Offer Price of 4.0 pence per Open Offer Share represents a 15.8 per cent. discount to the closing middle market price of 4.75 pence per Existing Share on 26 August 2015, being the last business day before the date of this Circular.

4.2 Principal terms of the Open Offer

Subject to the passing of the Resolutions, the publication of the Open Offer Prospectus and fulfilment of the conditions set out in section 4.4 below, Qualifying Shareholders are being given the opportunity to subscribe for the Open Offer Shares at the Open Offer Price of 4.0 pence per Open Offer Share, pro rata to their holdings of New Ordinary Shares held on the Record Date on the basis of:

3.01 Open Offer Shares for every 1 New Ordinary Share

The Open Offer is conditional on the passing of the Resolutions and the publication of the Open Offer Prospectus. Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Prospectus will not be posted to Shareholders.

The Open Offer Shares will, upon issue, rank *pari passu* with the New Ordinary Shares then in issue. Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.

Qualifying Shareholders with holdings of New Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

Application will be made for the Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. The expected timing of the admission and availability for settlement of such Open Offer Entitlements to CREST will be detailed in the Open Offer Prospectus. Details for the application by Qualifying non-CREST Shareholders for their Open Offer Entitlements under the Open Offer will also be published in the Open Offer Prospectus.

Shareholders should note that the Open Offer is not intended to be a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, will be published by the Company in the Open Offer Prospectus.

4.3 **Underwriting of the Open Offer**

Waterford and Mr Griffiths have each irrevocably undertaken to subscribe for their full entitlements under the Open Offer, amounting in aggregate to 135,093,039 Open Offer Shares (£5,403,721.56).

Further, Waterford and Mr Griffiths have undertaken to underwrite the remaining Open Offer Shares whereby they will acquire any of these shares that are not subscribed for by shareholders under the Open Offer. As a result, Waterford and Mr. Griffiths have each separately agreed to Underwrite up to a maximum of 109,872,835 Open Offer Shares for a combined total of 219,745,670 Open Offer Shares (£8,789,826.80).

The undertakings from Waterford and Mr. Griffiths are conditional upon (i) the passing of the Resolutions; and (ii) the principal amount and interest, and all fees and penalties accrued and outstanding under the Convertible Loan Facility, being applied in paying up in full the Open Offer Shares to be subscribed pursuant to the Open Offer and the Underwriting.

Waterford and Mr Griffiths are using their own cash resources to fund the take up of their entitlements and their commitments under the Underwriting and are not relying on any external sources of funds.

4.4 **Other information relating to the Capital Raising**

The Open Offer is conditional, *inter alia*, upon:

- (a) the passing of the Resolutions;
- (b) the publication of the Open Offer Prospectus; and
- (c) Admission of the Open Offer Shares becoming effective by not later than the Open Offer Long Stop Date being 31 January 2016.

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Open Offer will not proceed.

The Open Offer will result in the issue of 354,838,709 Open Offer Shares (representing, in aggregate, approximately 75.06 per cent. of the Enlarged Share Capital). The Open Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the New Ordinary Shares and therefore rank equally for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares.

Following the issue of the Open Offer Shares pursuant to the Capital Raising, Qualifying Shareholders who take up their full entitlements in respect of the Open Offer will not undergo any dilution to their interests in the Company. Qualifying Shareholders who do not take up all of their Open Offer Entitlements in respect of the Open Offer will experience a dilution which will be dependent upon the percentage of their take up of their Open Offer Entitlements, but in the worst case assuming nil take up of their Open Offer Entitlements, the dilution will amount to 75.06 per cent. of their interests in the Company as a result of the Capital Raising.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. The date upon which it is expected that Admission will become effective and that dealings for normal settlement in the Open Offer Shares is expected to commence will be detailed in the Open Offer Prospectus.

5. Capital Reorganisation

The Company currently has in issue 117,886,145 Existing Shares. The Open Offer Price of 4.0 pence per Open Offer Share represents a 15.8 per cent. discount to the current nominal value of the Existing Shares. The Act prohibits the allotment of shares at a price below the nominal value of those shares currently in issue.

The Company therefore proposes to reorganise its share capital by subdividing each of the issued ordinary shares of the Company (being, together, the Existing Shares and the Treasury Shares) into one New Ordinary Share of 1.0 pence and one Deferred Share of 4.7142865 pence. Save for the dilution which will result from the issue of the Open Offer Shares, the interests of the existing Shareholders will not be diluted by the implementation of the Capital Reorganisation. The New Ordinary Shares will have the same rights as to voting, dividends and return on capital as the Existing Shares.

As a result, the Company does not currently intend to issue replacement share certificates and, assuming the Capital Reorganisation is effected, reference in any share certificate to a nominal value of 5.7142865 pence will be deemed to be a nominal value of 1.0 pence. The ISIN and SEDOL numbers for the New Ordinary Shares will be the same as for the Existing Shares being GB00B06VGC01 and B06VGC0 respectively.

The Deferred Shares carry minimal rights thereby rendering them effectively valueless. The rights attaching to the Deferred Shares can be summarised as follows:

- (a) The holders thereof do not have any right to participate in the profits or income or reserves of the Company;
- (b) On a return of capital on a winding up the holders thereof will only be entitled to an amount equal to the nominal value of the Deferred Shares but only after the holders of New Ordinary Shares have received £100,000,000 in respect of each New Share;
- (c) The holders thereof have no right to receive notice of or attend or vote at any general meeting of the Company;
- (d) The Company may acquire the Deferred Shares for a nominal consideration at any time;
- (e) The Deferred Shares are not freely transferable;
- (f) The creation and issue of further shares will rank equally or in priority to the Deferred Shares; and
- (g) The passing of a resolution of the Company to cancel the Deferred Shares or to effect a reduction of capital shall not constitute a modification or abrogation of their rights.

The Capital Reorganisation is conditional upon Shareholder approval and, at the General Meeting, Shareholders will be asked to consider and, if thought fit, approve the Capital Reorganisation. As the Capital Reorganisation will change the nominal value of the existing ordinary shares, a minor alteration to the Articles to include the change in nominal value of the New Ordinary Shares and the rights of the Deferred Shares will need to be made and approved by a special resolution at the General Meeting. As a result, the Company proposes to effect the Capital Reorganisation by a special resolution of the Shareholders and to amend the Existing Articles. A copy of the proposed Amended Articles will be available for inspection at the General Meeting and will be made available free of charge on the Company's website at www.gulfsands.com.

6. Waiver of Rule 9 of the Takeover Code

The Open Offer gives rise to certain considerations under the Takeover Code. Further detail on the background to these considerations is set out in the paragraphs below.

6.1 ***The Takeover Code***

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by that person and an interest in shares held or acquired by persons acting in concert with him or her) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company. Rule 9 of the Takeover Code also provides that, among other things, where any person who, together with persons acting in concert with him or her, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company which is subject to the Takeover Code, and such person, or any person acting in concert with him or her, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he or she is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him or her holds over 50 per cent. of the voting rights of a company, that person (or any person(s) acting in concert with him or her) will normally be entitled to increase their holding or voting rights without incurring any further obligations under Rule 9 to make a mandatory offer, although individual members of the concert party will not be able to increase their percentage shareholding above a Rule 9 threshold without Panel consent. Such persons should, however, consult with the Panel in advance of making such further acquisitions.

An offer under Rule 9 must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him or her. Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate Control (as defined in the Takeover Code) of that company or to frustrate an offer for that company.

6.2. ***Information on the Concert Party***

Waterford is a financing boutique and portfolio manager for third party assets and was incorporated in Guernsey on 12 September 1995. Today, Waterford is a substantial investor of its own funds, actively investing in fledgling and start-up companies and those looking for development capital. Waterford's primary focus is the natural resources sector.

The registered shareholders of Waterford are Weighbridge and Weighbridge Trust Administration Limited which acts as nominee for the Michael Kroupeev Family Trust. Weighbridge is an independent trust company contracted by the Michael Kroupeev Family Trust to act as a trustee and administrator for the family trust. There is no other connection between Michael Kroupeev and Weighbridge and Weighbridge Trust Administration Limited. Michael Kroupeev and his family members are beneficiaries of the Michael Kroupeev Family Trust.

Waterford was acquired by Weighbridge and Weighbridge Trust Administration Limited in January 2003. Prior to this transaction, Waterford had been dormant for at least 18 months. Waterford's current shareholding in the Company represents less than 10 per cent. of Waterford's total assets.

Waterford currently holds 28.1 per cent. of the existing share capital of the Company.

Alastair Beardsall, the Executive Chairman of the Company, has no formal existing relationship with Waterford, however he has previously worked as a consultant for Waterford, although this involvement was terminated in 2003. Mr. Beardsall was also a director of two companies in which Waterford had substantial shareholdings, being Emerald Energy plc and First Calgary Petroleum Limited, and is currently executive chairman of Sterling Energy plc and non-executive director of Jupiter Energy Limited in which Waterford holds substantial shareholdings.

As a result of these relationships and the relationship deed entered into between Waterford, Alastair Beardsall and the Company, further details of which are set out in paragraph 5.6 of Part II of this

document, Mr. Beardsall and Waterford are deemed to be acting in concert for the purposes of the Takeover Code and persons acting in concert with either of them are acting in concert for the purposes of Rule 9.

Mr. Griffiths currently holds approximately 10.0 per cent. of the issued capital of the Company and is the chairman and founder of ORA Limited. He has had a long career founding, running, investing in and advising growth companies. Previously, Mr. Griffiths was founder and executive chairman of The Evolution Group Plc, a diversified financial group, taking it from start up to FTSE 250 membership within 5 years. Mr. Griffiths subsequently went on to become founder and chairman of ORA Capital Partners Plc in 2006. Before distributing the company's assets in late 2013, ORA Capital Partners plc had made an annual rate of return of 38 per cent. to its shareholders.

He has also been a venture or strategic investor in many successful UK companies including IP Group Plc, Nanoco Group Plc, Tissue Regenix Group Plc, GVC Holdings Plc, Oxford Nanopore Limited and Plectrum Petroleum Plc.

James Ede-Golightly graduated in economics from St John's College, Cambridge. He joined Merrill Lynch Investment Managers where he worked as an analyst covering European Credit and equity markets. Mr. Ede-Golightly subsequently moved to Commerzbank as an analyst and trader within the Special Situations proprietary trading team, before joining ORA Capital Partners Limited where he served as an executive director until October 2009 before moving to a non-executive role. Mr. Ede-Golightly is also a director of ORA Limited and is non-executive chairman of East Balkan Properties Plc and Quoram Plc and is a non-executive director of Gulfsands Petroleum Plc. Mr. Griffiths is the founder, chairman and major shareholder of Ora Capital Partners and Ora Limited. As a result of his employment with and shareholding in ORA Capital Partners Limited and ORA Limited, Mr. Griffiths and Mr. Ede-Golightly are deemed to be acting in concert for the purposes of the Code and persons acting in concert with either of them are acting in concert for the purposes of Rule 9.

The Company announced on 30 June 2015 that Mr. Griffiths, in collaboration with Waterford, had acquired the Convertible Loan Facility from Arawak and as at the date of this Circular, both Mr. Griffiths and Waterford hold interests in the Convertible Loan Facility. As a result of this relationship, and certain undertakings given by Waterford and Mr. Griffiths, further details of which are set out in paragraph 5 of Part II of this document, Mr. Griffiths and Waterford are deemed to be acting in concert for the purposes of the Takeover Code and persons acting in concert with either of them are acting in concert for the purposes of Rule 9.

Further information on Waterford, Mr. Griffiths, Mr. Ede-Golightly and Mr. Beardsall is set out in Part II of this Circular.

6.3 *Maximum potential controlling position*

Immediately following the issue of the Open Offer Shares, dependent upon the take-up of Open Offer Entitlements by Qualifying Shareholders, the Concert Party may hold in aggregate up to a maximum of 399,739,939 New Ordinary Shares, representing 84.56 per cent. of the Enlarged Share Capital. Following the issue of the Open Offer Shares, without a waiver of the obligations under Rule 9 of the Takeover Code, the Concert Party would be required to make a general offer to Shareholders under Rule 9 of the Takeover Code.

The Concert Party's existing shareholdings in the Company and its proposed interest in the Enlarged Share Capital immediately following the Open Offer are set out in the table below.

Shareholder groups	Existing Shares		Open Offer Entitlement	Following completion of Capital Raising			
	Interest in Existing Shares (no. Existing Shares)	Interest in Existing Shares as % of Existing Shares (%)	Open Offer Entitlement (no. Open Offer Shares)	Minimum interest at Admission	Minimum interest at Admission as % of Enlarged Share Capital	Maximum interest at Admission	Maximum interest at Admission as % of Enlarged Share Capital
Waterford	33,100,513	28.08	99,632,940	132,733,453	28.08	242,606,288	51.32
Mr. Griffiths	11,780,717	9.99	35,460,099	47,240,816	9.99	157,113,651	33.24
Mr. Beardsall	0	0.00	0	0	0.00	0	0.00
Mr. Ede-Golightly	20,000	0.02	60,200	20,000	0.00	80,200	0.02
Total Concert Party	44,901,230	38.09	135,153,239	179,994,269	38.08	399,739,939	84.56

Assuming all of the Resolutions are approved by Shareholders, the publication of the Open Offer Prospectus and dependent upon the take-up of Open Offer Entitlements by other Qualifying Shareholders under the Open Offer, Waterford may increase its interest in ordinary shares from 28.08 per cent. of the Existing Shares in issue, up to a maximum of 51.32 per cent. and Mr. Griffiths may increase his interest in ordinary shares from 9.99 per cent. of the Existing Shares in issue, up to a maximum of 33.24 per cent. As a result, the Concert Party may increase their combined interest in ordinary shares up to a maximum of 84.56 per cent. of the total ordinary shares in issue following completion of the Open Offer.

6.4 **Waiver of Rule 9 of the Takeover Code**

Subject to completion of the Open Offer, and dependent upon the take-up of other Qualifying Shareholders under the Open Offer, the Concert Party may increase its direct and indirect holding of the voting rights in the Company to a maximum of 84.56 per cent. Note 4 of Rule 9 of the Takeover Code further provides that in these circumstances, for so long as the members of the Concert Party continue to be treated as acting in concert, the Concert Party may increase its aggregate interest in ordinary shares without incurring any obligation under Rule 9 of the Takeover Code to make a general offer, although individual members of the Concert Party will not be able to increase their percentage interests in ordinary shares through or between a relevant Rule 9 threshold without the consent of the Takeover Panel.

Subject to completion of the Open Offer, and dependent upon the take-up of other Qualifying Shareholders under the Open Offer, Waterford may increase its direct and indirect holding of the voting rights in the Company to a maximum of 51.32 per cent. and as such it will hold ordinary shares that carry more than 50 per cent. of such voting rights. Therefore, any increase in Waterford's or Alastair Beardsall's interest in ordinary shares would not be subject to Rule 9 of the Takeover Code.

Subject to completion of the Open Offer, and dependent upon the take-up of other Qualifying Shareholders under the Open Offer, Mr. Griffiths may increase his direct and indirect holding of the voting rights in the Company to a maximum of 33.24 per cent. (and when taken together with Mr Ede-Golightly's shareholding up to a maximum of 33.25 per cent.) and will hold ordinary shares that carry more than 30 per cent. of such voting rights but less than 50 per cent. of such voting rights. Therefore, any increase in Mr. Griffiths' or Mr Ede-Golightly's interest in ordinary shares would be subject to Rule 9 of the Takeover Code.

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order to permit the Open Offer without triggering an obligation on the part of Waterford, Mr. Griffiths or the Concert Party to make a general offer to Shareholders. The Panel has agreed to grant such a waiver subject to

the approval of the Independent Shareholders on a poll. Save for the Concert Party, there are no other conflicted parties excluded from voting on the Whitewash Resolution pertaining to such approval.

The Concert Party has confirmed that, if the Resolutions are approved, it has not entered into any arrangements for the transfer of its ordinary shares to any third party, and is not intending to seek any changes in respect of the Board; the continued employment of employees and management of the Company and its subsidiaries, nor any material change in conditions of employment; its strategic plans for the Company; the location of the Company's place of business; employer contributions into any of the Company's pension schemes, the accrual of benefits for existing members, nor the admission of new members; redeployment of the Company's fixed assets; or the continuation of the Company's ordinary shares being admitted to trading on AIM. The Concert Party has also confirmed that as a result of and following completion of the Open Offer, it does not intend to change its business strategy as an investor in public equity and alternative investment markets

The Takeover Code requires the independent directors of a company to receive competent independent advice as to the merits of the transaction. Accordingly, Cantor Fitzgerald, as adviser to the Company, has provided formal advice to the Independent Directors regarding the merits of the Open Offer. Cantor Fitzgerald confirms that it is independent of the Concert Party and has no commercial relationship with the Concert Party.

The Panel has agreed, subject to Resolution 3 at the General Meeting being passed on a poll of the Independent Shareholders, to waive the requirement which might otherwise arise for Waterford, Mr. Griffiths or the Concert Party to make a general offer under Rule 9 of the Takeover Code in cash for the remaining ordinary shares in the Company as a result of the issue of the Open Offer Shares to the Concert Party. To be passed, Resolution 3 will require a simple majority of the votes cast on a poll by the Independent Shareholders. Accordingly, Independent Shareholders should be aware that, following completion of the Open Offer and dependent upon the take-up of other Qualifying Shareholders under the Open Offer, the Concert Party will hold more than 30 per cent. of the Company's Enlarged Share Capital and may hold more than 50 per cent. of the Company's Enlarged Share Capital. Furthermore, dependent upon the take-up of other Qualifying Shareholders, Waterford individually may hold more than 50 per cent. of the Company's Enlarged Share Capital and therefore any further increase in its shareholding may not be subject to the provisions of Rule 9 of the Takeover Code. In the event that either Waterford or Mr. Griffiths each holds more than 30 per cent. but not more than 50 per cent. of the Company's Enlarged Share Capital, any further increase in such shareholding would be subject to the provisions of Rule 9 of the Takeover Code.

In the event the Resolutions are passed by Independent Shareholders at the General Meeting, the Concert Party, and any of its members, will not be restricted from making an offer for the Company.

Further background information on Resolution 3 as required by the Takeover Code is provided in Part II of this Circular.

6.5 Whitewash Long Stop Date

In order to complete the Capital Raising in a timely and cost efficient manner, the Company has sought to propose the Resolutions concerning the Open Offer as contained in this Notice of General Meeting, in advance of publishing the Open Offer Prospectus.

As a consequence, as part of its agreement to waive the requirement which might otherwise arise for the Concert Party to make a general offer under Rule 9 of the Takeover Code (as detailed in part 6.4 above), the Panel has requested that the proposed approval to be considered by Shareholders under Resolution 3 of this Notice of General Meeting be subject to, and conditional upon, the Whitewash Long Stop Date. As a result, the completion of the Open Offer and the issue of Open Offer Shares to the Concert Party shall be required to be completed by 31 January 2016, being the Whitewash Long Stop Date, following which the waiver of the requirement for the Concert Party to make a general offer under Rule 9 of the Takeover Code as proposed to Shareholders under Resolution 3 of this Notice of General Meeting, shall expire.

7. General Meeting

Your approval is being sought in respect of the Resolutions.

A General Meeting, notice of which is set out at the end of this Circular, has been convened for 11.00 a.m. on 14 September 2015 for this purpose. A Form of Proxy to be used in connection with the General Meeting is enclosed with this Circular.

Your attention is again drawn to the fact that the Open Offer is conditional and dependent upon all the Resolutions being passed.

The Resolutions to be proposed at the General Meeting are as follows:

Resolution 1

Resolution 1, which will be proposed as a special resolution, is proposed to authorise the Company to reorganise its share capital by subdividing each of the existing ordinary shares (being the Existing Shares and the Treasury Shares) into one New Ordinary Share of 1.0 pence and one Deferred Share of 4.7142865 pence and to amend the Existing Articles to set out the rights of the Deferred Shares so arising and other consequential amendments.

Resolution 2

Resolution 2, which will be proposed as an ordinary resolution and is conditional upon the passing of Resolution 1, is proposed to enable the Directors to allot New Ordinary Shares in the capital of the Company in respect of the Open Offer Shares in connection with the Capital Raising.

Resolution 3

Resolution 3, which will be proposed as an ordinary resolution and is conditional upon the passing of Resolutions 1 and 2, proposes that the grant by the Panel of the Rule 9 Waiver (which is explained in paragraph 6.4 entitled "Waiver of Rule 9 of the Takeover Code" above) be approved, subject to and conditional upon the completion of the Open Offer by the Whitewash Long Stop Date. Resolution 3 will be taken on a poll of the Independent Shareholders (being the Shareholders other than the Concert Party). This resolution must be approved on a poll by Independent Shareholders who together represent a simple majority of the issued shares held by Independent Shareholders being voted (whether in person or by proxy) at the General Meeting.

For further information in relation to all of the Resolutions to be proposed at the General Meeting, please see the Notice of General Meeting at the end of this Circular, which contains the Resolutions.

8. Action to be taken

8.1 General Meeting

If you would like to vote on the Resolutions set out in the Notice of General Meeting please appoint a proxy or proxies, whether or not you plan to attend the General Meeting by:

- (a) completing the Form of Proxy sent to you with this Circular, and returning it to the Receiving Agents; or
- (b) (if you are a CREST member) using the CREST electronic proxy appointment service.

Your proxy appointment must be received by 11.00 a.m. on 12 September 2015. Further details relating to voting by proxy are set out in the notes to the Notice of General Meeting on pages 31 and 32 of this Circular and in the Form of Proxy.

8.2 Open Offer

Further details relating to the action to be taken with regard to the Open Offer, including details on how to apply for Open Offer Shares under the Open Offer in respect of your Open Offer Entitlement, will be provided in the Open Offer Prospectus which will be published by the Company in due course.

If you are in any doubt about the action to be taken, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA.

9. Additional Information

Your attention is drawn to the additional information set out in Part II of this Circular.

The technical information contained in this Circular has been reviewed and approved by Ian Conway, Technical and Operations director of Gulfsands, who has Bachelors and Masters degrees in Physics and has 28 years' of experience in petroleum exploration and management. Mr. Conway has consented to the inclusion of the technical information in this Circular in the form and context in which it appears.

10. Recommendation

The Independent Directors, being the entire Board excluding Mr. Alastair Beardsall and Mr. James Ede-Golightly, having been so advised by Cantor Fitzgerald, consider the Proposals, including the Whitewash to be in the best interests of Independent Shareholders and the Company as a whole. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

The Independent Directors who are also Shareholders and who are eligible to vote, intend to vote in favour of all of the Resolutions in respect of their own beneficial holdings of Existing Shares which amount to 140,144 Existing Shares in respect of Resolutions 1, 2 and 3.

Further, the Company has obtained letters of intent from other Independent Shareholders who in aggregate hold 14,213,660 Existing Shares representing approximately 19.5 per cent. of the voting rights held by Independent Shareholders, to vote in favour of the Resolutions.

Yours faithfully

Joe Darby

Senior Independent Non-Executive Director

PART II

ADDITIONAL INFORMATION REQUIRED BY THE TAKEOVER CODE

1. Responsibility

The Directors, whose names are set out on page 4 of this Circular, accept responsibility for the information contained in this Circular, other than information relating to the Concert Party. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors of Waterford, whose names are set out in paragraph 2 below, accept responsibility for the information set out in this Circular relating to Waterford. To the best of the knowledge and belief of the Waterford Directors (who have taken all reasonable care to ensure that such is the case), the information in this Circular for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Mr. Griffiths accepts responsibility for the information set out in this Circular relating to him. To the best of the knowledge and belief of Mr. Griffiths (who has taken all reasonable care to ensure that such is the case), the information in this Circular for which he takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Mr. Beardsall accepts responsibility for the information set out in this Circular relating to him. To the best of the knowledge and belief of Mr. Beardsall (who has taken all reasonable care to ensure that such is the case), the information in this Circular for which he takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Mr. Ede-Golightly accepts responsibility for the information set out in this Circular relating to him. To the best of the knowledge and belief of Mr. Ede-Golightly (who has taken all reasonable care to ensure that such is the case), the information in this Circular for which he takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Information on the Concert Party

Waterford is a financing boutique and a portfolio manager for third party assets which was incorporated in Guernsey on 12 September 1995. Today, Waterford is a substantial investor of its own funds, actively investing in fledgling and start-up companies and those looking for development capital. Waterford's primary focus is the natural resources sector.

The registered shareholders of Waterford are Weighbridge and Weighbridge Trust Administration Limited which acts as nominee for the Michael Kroupee Family Trust. Weighbridge is an independent trust company contracted by the Michael Kroupee Family Trust to act as a trustee and administrator for the family trust. Michael Kroupee and his family members are beneficiaries of the Michael Kroupee Family Trust. There is no other connection between Michael Kroupee and Weighbridge and Weighbridge Trust Administration Limited.

Waterford was acquired by Weighbridge and Weighbridge Trust Administration Limited in January 2003. Prior to this transaction Waterford had been dormant for at least 18 months. Waterford's current shareholding in the Company represents less than 10 per cent. of Waterford's total assets.

Waterford currently holds 28.1 per cent. of the existing share capital of the Company.

Michael Kroupee holds an MBA from the London Business School and has specialised in the financing of oil and gas and other energy related projects in the emerging markets. He has been directly involved in the capital raising for natural resource projects and in acquiring, restructuring, developing and divesting such assets. Michael was an executive director of Dana Petroleum plc from its initial restructuring in 1994 and left its board in 1999. Michael has also served as an executive director of Sibir Energy plc (1999–2000) and Uzpec Limited (2003–2007). Michael is a director of Waterford.

<i>Name</i>	Waterford Finance & Investments Limited
<i>Directors</i>	Michael Kroupeeov, Alison Blackwood, William Cairns
<i>Address</i>	Channel House, Forest Lane, St. Peter Port, Guernsey
<i>Website</i>	www.waterfordgroup.com
<i>Place of incorporation</i>	Guernsey
<i>Registered no.</i>	29975
<i>Activities</i>	Waterford is an investment holding company.
<i>Financial Information</i>	In accordance with Guernsey law there is no obligation for Waterford to file annual accounts and as a result, it has not published any financial accounts.

Alastair Beardsall, the Executive Chairman of the Company, has no formal existing relationship with Waterford, however he has previously worked as a consultant for Waterford, although this involvement was terminated in 2003. Mr. Beardsall was also a director of two companies in which Waterford had substantial shareholdings, being Emerald Energy plc and First Calgary Petroleums Limited, and is currently executive chairman of Sterling Energy plc and non-executive director of Jupiter Energy Limited in which Waterford holds substantial shareholdings.

As a result of these relationships and the relationship deed entered into between Waterford, Alastair Beardsall and the Company, further details of which are set out in paragraph 5.6 of Part II of this document, Mr. Beardsall and Waterford are deemed to be acting in concert for the purposes of the Takeover Code and persons acting in concert with either of them are acting in concert for the purposes of Rule 9.

Mr. Griffiths currently holds approximately 10.0 per cent. of the issued capital of the Company and is the chairman and founder of ORA Limited. He has had a long career founding, running, investing in and advising growth companies. Previously, Mr Griffiths was founder and executive chairman of The Evolution Group Plc, a diversified financial group, taking it from start up to FTSE 250 membership within 5 years. Mr. Griffiths subsequently went on to become founder and chairman of ORA Capital Partners Plc in 2006. Before distributing the company's assets in late 2013, ORA had made an annual rate of return of 38 per cent. to its shareholders.

He has also been a venture or strategic investor in many successful UK companies including IP Group Plc, Nanoco Group Plc, Tissue Regenix Group Plc, GVC Holdings Plc, Oxford Nanopore Limited and Plectrum Petroleum Plc.

James Ede-Golightly graduated in economics from St John's College, Cambridge. He joined Merrill Lynch Investment Managers where he worked as an analyst covering European Credit and equity markets. Mr. Ede-Golightly subsequently moved to Commerzbank as an analyst and trader within the Special Situations proprietary trading team, before joining ORA Capital Partners Limited where he served as an executive director until October 2009 before moving to a non-executive role. Mr. Ede-Golightly is also a director of ORA Limited and is non-executive chairman of East Balkan Properties Plc and Quoram Plc and is a non-executive director of Gulfsands Petroleum Plc. Mr. Griffiths is the founder, chairman and major shareholder of Ora Capital Partners and Ora Limited. As a result of his employment with and shareholding in ORA Capital Partners Limited and ORA Limited, Mr. Griffiths and Mr Ede-Golightly are deemed to be acting in concert for the purposes of the Code and persons acting in concert with either of them are acting in concert for the purposes of Rule 9.

The Company announced on 30 June 2015 that Mr. Griffiths, in collaboration with Waterford, had acquired the Convertible Loan Facility from Arawak and as at the date of this Circular, both Mr. Griffiths and Waterford hold interests in the Convertible Loan Facility. As a result of this relationship, and certain undertakings given by Waterford and Mr Griffiths, further details of which are set out in paragraph 5 of this Part II, Mr. Griffiths and Waterford are deemed to be acting in concert for the purposes of the Takeover Code and persons acting in concert with either of them are acting in concert for the purposes of Rule 9.

3. Interests and Dealings

- (a) For the purposes of this paragraph references to:
- (i) “acting in concert” has the meaning attributed to it in the Takeover Code;
 - (ii) “connected persons” means in relation to a director, those persons whose interests in shares the director would be required to disclose pursuant to Part 22 of the Act and related regulations and includes any spouse, civil partner, infants (including step children), relevant trusts and any company in which a director holds at least 20 per cent. of its voting capital;
 - (iii) “dealing” or “dealt” includes:
 - (a) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
 - (b) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
 - (c) subscribing or agreeing to subscribe for relevant securities;
 - (d) exercising or converting, whether in respect of new or existing relevant securities, any relevant securities carrying conversion or subscription rights;
 - (e) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
 - (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has sought a position;
 - (iv) “derivatives” include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
 - (v) a person having an “interest” in relevant securities includes where a person:
 - (a) owns securities;
 - (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
 - (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (d) is party to any derivative whose value is determined by reference to the prices of securities and which results, or may result, in his having a long position in them;
 - (vi) “relevant securities” means ordinary shares in the Company which carry voting rights and any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any of the foregoing; and
 - (vii) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.
- (b) As at 26 August 2015 (being the latest practicable date prior to the posting of this Circular), the interests of the Directors in ordinary shares which have been notified to the Company pursuant to Part 22 of the Act or are interests of a person connected with any Director which would, if the connected person were a Director, be required to be disclosed as set out below and the existence of which is known or could with reasonable diligence be ascertained by the relevant Director, are set out below:

<i>Director</i>	<i>Interest in Existing Shares (number)</i>	<i>Interest in Enlarged Share Capital Number</i>	<i>%</i>
Alastair Beardsall	–	–	0.00
Andrew West	140,144	140,144	0.12
Andrew Morris	–	–	0.00
Joe Darby	–	–	0.00
John Bell	–	–	0.00
James Ede-Golightly	20,000	20,000	0.02

- (c) No dealings in ordinary shares by Directors have taken place in the disclosure period, being the 12 months ended 26 August 2015 (being the latest practicable date prior to the posting of this Circular).
- (d) During the 12 months ended 26 August 2015 (being the latest practicable date prior to the posting of this Circular), Waterford has undertaken the following dealings in ordinary shares:

<i>Date</i>	<i>No. ordinary shares</i>	<i>Nature of dealing</i>	<i>Price per ordinary share</i>
13 October 2014	100,000	Purchase	49p
14 October 2014	160,000	Purchase	50p
15 October 2014	250,000	Purchase	50p
16 October 2014	160,000	Purchase	48.625p
23 October 2014	60,000	Purchase	46.75p
04 December 2014	1,253,680	Purchase	26p
5 December 2014	400,000	Purchase	25p
5 December 2014	100,000	Purchase	25.5p
5 December 2014	100,000	Purchase	25.25p

- (e) During the 12 months ended 26 August 2015 (being the latest practicable date prior to the posting of the circular), Richard Griffiths acquired 50,000 ordinary shares on 31 December 2014 at a price of 25.175 pence per ordinary share.
- (f) Save as disclosed in paragraph 3(d) above, no dealings in ordinary shares by either Waterford or any of its directors, or any member of its connected persons, or any person acting in concert with Waterford have taken place in the disclosure period, being the 12 months ended 26 August 2015 (being the latest practicable date prior to the posting of this Circular).
- (g) Save as disclosed in paragraph 3(e) above, no dealings in ordinary shares by either Mr. Griffiths, or any of his connected persons, or any person acting in concert with Mr. Griffiths have taken place in the disclosure period, being the 12 months ended 26 August 2015 (being the latest practicable date prior to the posting of this Circular).
- (h) Save as disclosed in paragraph 6.3 in Part I of this Circular and paragraph 3(d) above, neither Waterford nor any of its directors, nor any member of its connected persons, nor any person acting in concert with Waterford owns or controls or (in the case of its directors or connected persons) is interested, directly or indirectly in, or has borrowed or lent (save for any borrowed securities which have either been on-lent or sold), has rights to subscribe to, or has any short position in, any relevant securities as defined in paragraph 3(a)vii) above, nor has any such person dealt therein during the 12 months prior to the latest practicable date prior to the posting of this Circular.
- (i) Save as disclosed in paragraph 6.3 in Part I of this Circular and paragraph 3(e) above, neither Mr. Griffiths, nor any of his connected persons, nor any person acting in concert with Mr. Griffiths owns or controls or (in the case of his connected persons) is interested, directly or indirectly in, or has borrowed or lent (save for any borrowed securities which have either been on-lent or sold), has rights to subscribe to, or has any short position in, any relevant securities as defined in paragraph 3(a)vii) above, nor has any such person dealt therein during the 12 months prior to the latest practicable date prior to the posting of this Circular.

- (j) Save as disclosed in paragraph 3(b) and 3(c) above, neither any of the Directors nor any member of their immediate families or related trusts (so far as the Directors are aware having made due enquiry), nor any person acting in concert with the Directors (save as disclosed in paragraphs 3(h) and 3(i) above) is interested, directly or indirectly, has rights to subscribe to, or has any short position in relevant securities, nor has any such person dealt therein during the 12 months prior to the latest practicable date prior to the posting of this Circular.
- (k) Neither the Company nor any of the Directors nor any member of their immediate families or related trusts, owns or controls or (in the case of the Directors and their families or related trusts) is interested, directly or indirectly in, or has any short position in, Waterford or any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any of the foregoing, or has dealt in any such securities in the 12 months prior to the latest practicable date prior to the posting of this Circular.
- (l) Neither the Company, nor the Directors, nor any person acting in concert with the Directors has borrowed or lent any relevant securities.
- (m) Following consideration of the dealings in ordinary shares disclosed in paragraph 3(d) and 3(e) above, and owing to the fact that the dealings had taken place prior to the commencement of negotiations and discussions relating to the Capital Raising, the Directors confirm that no disqualifying transactions, as defined in Note 5 to Rule 37.1 of the Takeover Code, have been undertaken by the Concert Party in the 12 months preceding the date of this Circular.

4. Directors' Service Contracts

Further details of the Directors' service contracts are set out in the remuneration report in the Annual Report and Accounts, such documents being incorporated by reference into this Circular as set out in paragraph 8 of Part II, in compliance with Rule 24.15 of the Takeover Code. None of the Directors' service contracts have been entered into or amended within six months of the date of this Circular except for:

- Alastair Beardsall, who was appointed as Executive Chairman of the Board on 14 April 2015 and entered into the Waterford Relationship Deed with the Company and Waterford, as described in paragraph 5.6 below dated 13 April 2015;
- Mahdi Sajjad, who was removed from his role as the Company's Chief Executive Officer on 14 April 2015, and as a result his executive service contract was terminated as at 14 April 2015. Subsequently, Mr. Sajjad was not re-elected at the Company's Annual General Meeting and is no longer a Director of the Company;
- Andrew Morris, who was appointed as Non-Executive Director of the Board on 22 April 2015 and entered into a Director's letter of appointment dated 22 April 2015; and
- Alan Cutler, who resigned as a Director of the Board on 26 August 2015, but remains an executive of the Company as at the date of this Circular.

5. Material Contracts

The following are the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into within the two years prior to the date of this Circular by the Company:

5.1 The Financial Adviser Agreement

On 22 July 2015, the Company and Cantor Fitzgerald entered into an agreement pursuant to which Cantor Fitzgerald agreed to act as nominated adviser, broker and financial adviser to the Company for the Capital Raising. Under the terms of the agreement, Cantor Fitzgerald shall provide, *inter alia*, such independent advice and guidance to the Company in relation to the Open Offer and the Whitewash Resolution, including the drafting of documentation and project management of the Open Offer and Whitewash Resolution process. The Company has agreed to pay Cantor Fitzgerald a fixed fee as well as payment of any disbursements and expenses reasonably incurred by it in the course of carrying out its duties as nominated adviser, broker and financial adviser. The agreement is terminable by either party at any time by giving written notice to the other party.

5.2 **The Nominated Adviser and Broker Agreement**

On 6 May 2015, the Company, the Directors and Cantor Fitzgerald entered into an agreement pursuant to which Cantor Fitzgerald agreed to act as nominated adviser and broker to the Company. Under the terms of the agreement, Cantor Fitzgerald shall provide, *inter alia*, such independent advice and guidance to the directors of the Company and the Company as they may require from time to time as to the nature of their responsibilities and obligations to ensure compliance by the Company on a continuing basis with the AIM Rules. The Company has agreed to pay Cantor Fitzgerald a retainer fee as well as payment of any disbursements and expenses reasonably incurred by it in the course of carrying out its duties as nominated adviser and broker. The agreement is terminable on three months' notice given by either Cantor Fitzgerald or the Company. The agreement also contains provisions for early termination in certain circumstances and an indemnity given by the Company to Cantor Fitzgerald in relation to the provision by Cantor Fitzgerald of its services under the agreement.

5.3 **Convertible Loan Facility**

On 18 November 2014, the Company (as guarantor), Gulfsands Petroleum Holdings Limited (a subsidiary of the Company) and Arawak entered into an agreement pursuant to which Arawak agreed to provide Gulfsands Petroleum Holdings Limited, with a three year loan facility of up to US\$20.0 million. The Convertible Loan Facility (including amounts drawn, accrued but unpaid interest and fees) is convertible at any time prior to maturity into ordinary shares, initially at a price of eighty pence (80p), a premium of approximately 100 per cent. to the share price at the close of trading on the date of the agreement.

In the event that the Company issues new shares prior to conversion, repayment or maturity of the Convertible Loan Facility, Arawak has the right but not the obligation to subscribe for new shares, up to the amount of the loan facility outstanding at that time, at the same subscription price per share as paid by the other subscribers. If Arawak elects not to participate in such issue of new ordinary shares, the mechanics of conversion of the Convertible Loan Facility provide that an adjustment be made in order that Arawak's conversion rights will continue to represent an entitlement to the same proportion of the Company's issued share capital after the new issue of ordinary shares as they represented prior to such new issue of shares.

Except with the prior agreement of Arawak, in the event of a new issue of ordinary shares the Company is required to apply any proceeds of such issue in excess of US\$10.0 million to the repayment of amounts outstanding under the Convertible Loan Facility at that time.

The Company may require conversion of the outstanding balance of the Convertible Loan Facility into ordinary shares in the event that the quoted price for the Company's ordinary shares on AIM, on an unadjusted basis, exceeds one hundred and four pence per share (104p) for a period of more than twenty consecutive trading days at any time prior to the expiry of the term of the Convertible Loan Facility.

Interest at the rate of 10 per cent. is capitalised quarterly and to be repaid at the end of the term. A commitment fee is also capitalised quarterly and repaid at the end of the term, equivalent to 3 per cent. of available undrawn amounts during the twelve month availability period.

An initial advance of US\$5.0 million was made by Arawak to the Company in November 2014 and a further US\$5.0 million was advanced in January 2015, of which half was to fund the Group's ongoing exploration and development activities in Morocco and half to provide working capital for the Group's general corporate purposes. Under the terms of the Convertible Loan Facility, two further advances, each of US\$5.0 million, are to be made available contingent upon additional exploration drilling success in Morocco, satisfactory to Arawak. The further advances will be available exclusively to progress the Group's Morocco work programme.

The Convertible Loan Facility is secured by a floating charge over all of the assets of Gulfsands Petroleum Holdings Limited, the holding company for the Company's interest in Block 26, and a share mortgage over the shares in Gulfsands Petroleum Morocco Limited (the holding company for the Group's interests in Morocco) with further credit support provided by a guarantee from the Company.

The Convertible Loan Facility contains representations, warranties and indemnities in favour of Arawak and provides for events of default and a negative pledge.

The Company is entitled to retain any collateralised deposits released to it during the term of the Convertible Loan Facility together with the first US\$5.0 million proceeds of any farm-out arrangement into which it enters with respect to its Morocco interests, provided that such cash is retained and applied to the Group's Morocco work programme.

The Company may prepay the facility upon 60 days' notice.

Arawak may require repayment of the Convertible Loan Facility in certain circumstances, namely in the event of (a) a change of control of the Company, (b) the dismissal of two or more of the Company's executive directors, (c) the removal of two of the directors of the Company at a General Meeting, and (d) Gulfsands' termination of the strategic relationship with Arawak Energy International Limited.

In all circumstances of repayment, a repayment fee of US\$1.0 million is payable, less any interest already capitalised or paid on the amount repaid. If no drawing is made and the facility is cancelled, a cancellation fee of US\$1.0 million will be payable.

The Company announced on 30 June 2015 that Waterford and Mr. Griffiths had acquired the Convertible Loan Facility from Arawak and as at the date of this Circular, both Mr. Griffiths and Waterford hold interests in the Convertible Loan Facility. Subsequent to the assignment of the Convertible Loan Facility, a further US\$1.0 million was advanced under the facility in July 2015 and on 18 August 2015 the Company requested a further advance of US\$1.0 million under the facility for which it is awaiting receipt of funds. As a result, as at the date of this Circular, a total of US\$11.0 million has been advanced under the Convertible Loan Facility.

In providing the undertakings to subscribe for their existing entitlements under the Open Offer, and to Underwrite the remaining Open Offer Shares to be issued under the Open Offer (as described in paragraph 5.4 below), it has been agreed that the principal amount and interest and all fees and penalties accrued and outstanding under the Convertible Loan Facility will be applied in paying up in full the Open Offer Shares to be subscribed pursuant to the Open Offer and the Underwriting.

5.4 *Weighbridge Undertakings*

On 22 June 2015, the Company, its wholly owned subsidiary Gulfsands Petroleum Holdings Ltd and Weighbridge entered into an agreement pursuant to which Weighbridge, acting as trustee for Waterford and Mr. Griffiths with respect to their interests in the Convertible Loan Facility, provided certain undertakings to the Company. Under the terms of the agreement, Weighbridge provides undertakings that it shall not, at any time prior to 23 September 2015, exercise its rights to call for repayment of all outstanding amounts, whether immediately or within the notice period of ninety days, to exercise its conversion rights or to exercise its right to participate in any issue of new ordinary shares pursuant to the terms of the Convertible Loan Facility. Under the terms of the agreement, the Company agrees to grant its consent to the assignment of the Convertible Loan Facility from Arawak to Weighbridge. On 27 August 2015, Weighbridge agreed to extend each of its undertakings to 31 January 2016, being the Whitewash Long Stop Date, conditional upon the approval of the Resolutions. It also agreed to release the Company from its undertakings regarding necessary share authorities contained in the Convertible Loan Facility agreement.

5.5 *Waterford and Griffiths Undertakings*

On 23 June 2015, the Company, Waterford and Mr. Griffiths entered into an agreement pursuant to which Waterford and Mr. Griffiths provided an irrevocable undertaking to subscribe for new ordinary shares in the Company up to an aggregate subscription amount of US\$11.0 million as part of a proposed financing to be undertaken by the Company by 23 September 2015. The undertaking is conditional upon the passing of all necessary resolutions by Shareholders to enable Waterford and Mr. Griffiths to complete the subscription. Under the terms of the agreement, the Company agrees to grant its consent to the assignment of the Convertible Loan Facility from Arawak to Weighbridge.

On 27 August 2015, Waterford and Mr. Griffiths entered into an undertaking to subscribe in full for their entitlements in the Open Offer amounting in aggregate to 135,093,039 Open Offer Shares and to Underwrite the remaining 219,745,670 Open Offer Shares in the event these are not subscribed for by Shareholders. The Underwriting shall be completed on an equal basis, meaning Waterford and Mr. Griffiths have each separately agreed to Underwrite up to a maximum of 109,872,835 Open Offer Shares.

The undertakings from Waterford and Mr. Griffiths are conditional upon (i) the passing of the Resolutions; and (ii) the principal amount and interest, and all fees and penalties accrued and outstanding under the Convertible Loan Facility, being applied in paying up in full the Open Offer Shares to be subscribed pursuant to the Open Offer and the Underwriting.

5.6 **Waterford Relationship Deed**

On 13 April 2015, the Company, Waterford, Mr. Michael Kroupeeve and Mr. Beardsall entered into the Waterford Relationship Deed pursuant to which the parties agreed to regulate the relationship between them on an arm's length and normal commercial basis so that the Company is capable at all times of carrying on its business independently of Waterford, as a substantial shareholder. The Waterford Relationship Deed also proposed the appointment of Mr. Beardsall as a director of the Company, with the support of shareholders who, when aggregated with Waterford, represented over 50 per cent. of the Company's ordinary shares then in issue.

Under the terms of the Waterford Relationship Deed, Waterford undertakes to do all such things as it is reasonably able to do, including exercising its voting rights, to ensure that the group carries on its business independently, all transactions are at arm's length and the Board acts in the best interests of Shareholders. These undertakings remain for so long as Waterford maintains a shareholding in excess of 20 per cent. of the Company's ordinary shares in issue and Mr. Beardsall remains a director of the Company.

The parties can elect to terminate the Waterford Relationship Deed at any time by agreement in writing. The Waterford Relationship Deed otherwise terminates automatically upon Waterford ceasing to hold an aggregate interest in 20 per cent. or more of the Company's ordinary shares in issue, or should Mr. Beardsall cease to be a director of the Company.

5.7 **Other material contracts**

Save for the agreements outlined in paragraphs 5.1 to 5.6 above (inclusive), no member of the Company has: (i) entered into any material contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this Circular; or (ii) entered into any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which any member of the Company has any obligation or entitlement which is or may be material to the Company as at the date of this Circular.

Save for the agreements outlined in paragraphs 5.1 to 5.6 above (inclusive), the Directors confirm that neither the Company nor the Concert Party has entered into any arrangements having connection with the dependence upon the outcome of the Open Offer, nor relating to the transfer of securities acquired under the Open Offer.

6. **Material Change**

Save as disclosed in paragraph 2 of Part I in this Circular, there has been no material change in the financial or trading position of the Company since 30 June 2015, being the date up to which the last reviewed financial statements of the Company were prepared.

7. **Middle Market Quotations**

The following table sets out the middle market quotations for an Existing Share, as derived from the AIM Appendix of the London Stock Exchange Daily Official List, on the first business day of each of the six months preceding the date of this Circular and on 26 August 2015 being the latest practicable date prior to the posting of this Circular, were:

<i>Date</i>	<i>Price per ordinary share</i>
2 February 2015	29.500p
2 March 2015	33.750p
1 April 2015	23.250p
1 May 2015	20.125p
1 June 2015	11.625p
1 July 2015	9.750p
26 August 2015 (<i>latest practicable date prior to posting</i>)	4.750p

8. Incorporation of relevant information on Gulfsands by reference

The following documents are incorporated by reference into this Circular in compliance with Rule 24.15 of the Takeover Code and are available from the Company's website www.gulfsands.com:

- (a) The published Annual Report and Accounts for the last two financial years ended 31 December 2014 and 31 December 2013 (including significant accounting policies together with any points from the notes to accounts which are of major relevance to an appreciation of the figures);
- (b) The published Interim Report and Accounts for the six months ended 30 June 2015;
- (c) The Existing Articles; and
- (d) The Amended Articles.

Shareholders or other recipients of this Circular may request copies of the information incorporated by reference from the Company at its registered office, which may be contacted at One America Square, Crosswall, London EC3N 2SG or by telephone at +44 207 024 2130. Hard copies of the information incorporated by reference will not be sent to Shareholders or other recipients of this Circular unless requested.

9. Consents

Cantor Fitzgerald has given and not withdrawn its consent to the inclusion of its name and references to it in this Circular in the form and context in which they appear.

Waterford has given and not withdrawn its consent to the inclusion of its name and references to it in this Circular in the form and context in which they appear.

Mr. Griffiths has given and not withdrawn his consent to the inclusion of its name and references to it in this Circular in the form and context in which they appear.

Mr. Beardsall has given and not withdrawn his consent to the inclusion of its name and references to it in this Circular in the form and context in which they appear.

Mr. Ede-Golightly has given and not withdrawn his consent to the inclusion of its name and references to it in this Circular in the form and context in which they appear.

10. Documents available for inspection

Copies of the following documents are available for inspection on request by a Shareholder, person with information rights or other person to whom this Circular is sent at the offices of the Company during normal business hours on any weekday, (Saturdays, Sundays and public holidays excepted) from the date of this Circular until the conclusion of the General Meeting:

- (a) the Existing Articles;
- (b) the Amended Articles;
- (c) the consents referred to in paragraph 9 of this Part II;
- (d) the material contracts referred to in paragraph 5 of this Part II;
- (e) the remuneration report in the Annual Report and Accounts referred to in paragraph 4 and paragraph 8 of this Part II; and
- (f) this Circular.

Copies of the documents set out above are also available on the Gulfsands website at the following address: www.gulfsands.com.

PART III
DEFINITIONS

“Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“Amended Articles”	the Existing Articles, as amended by the resolution numbered 1 set out in the Notice of General Meeting
“Annual Report and Accounts”	the annual report and audited accounts of the Company for the 12 month period ending 31 December 2014, as published on the Company’s website at www.gulfsands.com
“Arawak”	Arawak Energy Bermuda Ltd
“Broker” or “Cantor Fitzgerald”	Cantor Fitzgerald Europe
“Business Day”	any day on which the AIM market is open for business
“Capital Raising”	the Open Offer
“Capital Reorganisation”	the subdivision of each Existing Share and Treasury Share into one New Ordinary Share and one Deferred Share, as described in paragraph 5 of Part I of this Circular
“Circular”	this document
“Company” or “Gulfsands”	Gulfsands Petroleum plc
“Concert Party”	Waterford, Mr. Richard Griffiths, Mr. James Ede-Golightly and Mr. Alastair Beardsall
“Control”	control, as defined in the Takeover Code
“Convertible Loan Facility”	the convertible loan facility entered into between the Company and Arawak, as announced by the Company on 19 November 2014
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST Manual”	the CREST manual published by Euroclear
“CREST Proxy Instructions”	the proxy voting service for CREST for Qualifying CREST Shareholders
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any variation thereof
“Deferred Share”	the deferred shares of 4.7142865 pence each resulting from the subdivision of Existing Shares and Treasury Shares under the Capital Reorganisation

“Directors” or “Board”	the directors of the Company whose names are set out on page 5 of this Circular
“EEA”	European Economic Area
“EU”	European Union
“Enlarged Share Capital”	the New Ordinary Shares in issue immediately following Admission
“Euroclear”	Euroclear UK & Ireland Limited
“Existing Articles”	the memorandum and articles of association of the Company as at the date of this Circular
“Existing Shares”	the 117,886,145 ordinary shares in the capital of the Company with a nominal value of 5.7142865 pence each, excluding the Treasury Shares
“Fes Petroleum Agreement”	the agreement between Gulfsands Petroleum Morocco Limited, Caithness Petroleum Limited and ONHYM which covers the Fes permit
“Force Majeure”	the declaration of force majeure under the Company’s production sharing contract on Block 26 in Syria
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this Circular
“FSMA”	Financial Services and Markets Act 2000, as amended
“General Meeting”	the general meeting of the Company to be held on 14 September 2015
“Group”	the Company and any or all of its subsidiary companies
“Gulfsands Petroleum Morocco Limited”	a wholly owned subsidiary of Gulfsands which holds the interests in the Company’s assets in Morocco
“Independent Directors”	the Directors, excluding Mr. Alastair Beardsall and Mr. James Ede-Golightly
“Independent Shareholders”	the holders of Existing Shares and New Ordinary Shares as appropriate, excluding the Concert Party
“Interim Report and Accounts”	the interim report and accounts of the Company for the 6 month period ending 30 June 2015, as published on the Company’s website at www.gulfsands.com
“London Stock Exchange”	London Stock Exchange plc
“MMboe”	million barrels of oil equivalent, assuming 6,000 cubic feet of gas is equivalent to 1 barrel of oil
“Mr. Griffiths”	Mr. Richard Griffiths (and companies owned and controlled by him)
“New Ordinary Shares”	the new ordinary shares of 1.0 pence each resulting from the subdivision of Existing Shares and Treasury Shares under the Capital Reorganisation
“Nominated Person”	a person nominated by a Shareholder to enjoy information rights under section 146 of the Companies Act 2006

“Notice of General Meeting”	the notice convening the General Meeting which is set out on page 30 of this Circular
“Official List”	the Official List of the London Stock Exchange
“ONHYM”	Office National Des Hydrocarbures Et Des Mines in Morocco
“Open Offer”	the proposed pro-rata entitlement offering of the Open Offer Shares to Qualifying Shareholders on the basis of 3.01 Open Offer Shares per 1 New Ordinary Share held as at the Record Date
“Open Offer Entitlements”	the individual entitlements of Qualifying Shareholders to subscribe for Open Offer Shares under the Open Offer
“Open Offer Prospectus”	the prospectus to be published by the Company and lodged with the UKLA, outlining the terms and conditions of the Open Offer
“Open Offer Shares”	350,735,354 New Ordinary Shares to be issued at the Open Offer Price and the existing 4,103,355 New Ordinary Shares held in treasury to be sold at the Open Offer Price pursuant to the Open Offer subject to the passing of the Resolutions
“Open Offer Long Stop Date”	the Whitewash Long Stop Date
“Open Offer Price”	4.0 pence per Open Offer Share
“Overseas Shareholders”	Shareholders whose registered address on the Company’s share register is in a jurisdiction that is not the UK
“Panel”	the Panel on Takeovers and Mergers
“Proposals”	the Capital Raising, the Capital Reorganisation and the Whitewash Resolution
“Prospectus Rules”	the prospectus rules of the UK Listing Authority
“PSC”	production sharing contract
“Qualifying CREST Shareholders”	Qualifying Shareholders whose holding of Existing Shares is held in CREST
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose holding of Existing Shares is in certificated form
“Qualifying Shareholders”	any Shareholder as recorded on the register of the Company’s New Ordinary Shares as at the Record Date, other than those resident in a Restricted Jurisdiction
“Rharb Petroleum Agreement”	the agreement between Gulfsands Petroleum Morocco Limited and ONHYM relating to the Rharb Centre and Rharb Sud permits
“Record Date”	the record date of the Open Offer as set out in the Open Offer Prospectus
“Registrars” or “Receiving Agents”	Capita Asset Services
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Restricted Jurisdiction”	Australia, the United Arab Emirates and the United States of America

“Rule 9 Waiver” or “Whitewash”	the waiver, granted by the Panel, of the obligation of the Concert Party to make a general offer under Rule 9 of the Takeover Code which would otherwise arise as a result of the take up of their entitlements under the Open Offer
“SEDOL”	stock exchange daily official list
“Shareholders”	holders of Existing Shares and New Ordinary Shares as appropriate
“Takeover Code”	the City Code on Takeovers and Mergers as published by the Panel
“Treasury Shares”	the 4,103,355 ordinary shares in the capital of the Company with a nominal value of 5.7142865 pence each, held in treasury as at the date of this Circular
“UK”	United Kingdom
“UKLA”	the United Kingdom Listing Authority department of the FCA
“Underwrite” or “Underwriting”	the undertaking by Waterford and Mr. Griffiths to underwrite the Open Offer up to a total of 219,745,670 Open Offer Shares, as described in section 4.3 of Part I of this Circular
“US Dollar”	United States dollars
“Waterford”	Waterford Finance & Investments Limited
“Waterford Directors”	the directors of Waterford as at the date of this Circular whose names are set out in paragraph 2 of Part II of this Circular
“Waterford Relationship Deed”	the relationship deed between the Company, Waterford and Mr. Beardsall as described in paragraph 5.6 of Part II of this Circular
“Weighbridge”	Weighbridge Trust Limited
“Whitewash Long Stop Date”	31 January 2016
“Whitewash Resolution”	Resolution 3 as proposed in the Notice of Meeting

GULFSANDS PETROLEUM PLC

(Incorporated and registered in England and Wales with registered number 5302880)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Gulfsands Petroleum plc (the “**Company**”) will be held at the offices of Shakespeare Martineau LLP, One America Square, Crosswall, London EC3N 2SG at 11.00 a.m. on 14 September 2015, for the purpose of considering and, if thought fit, passing the following Resolutions.

Special Resolution

1. **THAT:**

- (a) pursuant to Article 45 of the Company’s articles of association which are currently in force (the “Existing Articles”) each of the existing issued ordinary shares of 5.7142865p each in the capital of the Company (the “Existing Ordinary Shares”) be subdivided into one new ordinary share of 1.0 pence (the “New Ordinary Shares”) and one deferred share of 4.7142865p (the “Deferred Shares”);
- (b) the New Ordinary Shares will have the same rights and be subject to the same restrictions as the Existing Ordinary Shares in the Existing Articles and the Deferred Shares will have the rights and be subject to the restrictions attached to the Deferred Shares as set out in the Existing Articles as amended pursuant to sub-paragraph (c) of this Resolution (such amended articles of association being the “Amended Articles”);
- (c) the Existing Articles be amended as follows:
 - (i) by inserting the following definition at article 2 (in alphabetical order):

“the deferred shares: the deferred shares of 4.7142865p each in the capital of the Company with the rights set out in Article 4.2”
 - (ii) by inserting the following as a new Article 4.2:

“The Deferred Shares

4.2 The Company has in issue the deferred shares. The rights and restrictions attached to the deferred shares shall be as follows:

4.2 (a) As regards income the holders of the deferred shares shall not be entitled 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.

4.2 (b) As regards capital on a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption on purchase by the Company of any of its shares) the holders of the deferred shares shall be entitled to receive the amount paid up on their shares after there shall have been distributed (in cash or *in specie*) to the holders of the ordinary shares the amount of £100,000,000 in respect of each ordinary share held by them respectively. For this purpose distributions in currency other than sterling shall be treated as converted into sterling, and the value for any distribution in specie shall be ascertained in sterling, in each case in such manner as the directors of the Company in general meeting may approve. The Deferred Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

4.2 (c) As regards voting the holders of deferred shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat.

4.2 (d) The rights attached to the deferred shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares. In addition neither the passing by the Company of any resolution for the cancellation of the deferred shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company

nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the deferred shares and accordingly the deferred shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable legislation without sanction on the part of the holders of the deferred shares.

4.2 (e) Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the deferred shares for an aggregate consideration of £1.

4.2 (f) The Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the deferred shares a transfer/cancellation of the deferred shares and/or an agreement to transfer/cancel the same, without making any payment to the holders of the deferred shares to such person or persons as the Company may determine as custodian thereof and, pending such transfer and/or cancellation and/or purchase, to retain the certificate(s) if any, for such shares.

4.2 (g) The Company may, at its option and subject to compliance with the provisions of applicable legislation, at any time after the adoption of this Article, cancel such shares by way of reduction of capital for no consideration.

4.2 (h) Notwithstanding any other provision of these Articles, and unless specifically required by the provisions of applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the deferred shares.”

Ordinary Resolutions:

2. **THAT**, subject to the passing of Resolution 1, the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act) in the Company up to the aggregate nominal amount of £3,507,353.54 in respect of the allotment of the Open Offer Shares to Qualifying Shareholders in connection with the Open Offer provided that this authority shall expire 15 months after the date of the passing of this Resolution (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.
3. **THAT** subject to the passing of Resolutions 1 and 2 set out in this Notice of General Meeting and subject to and conditional upon the completion of the Open Offer by 31 January 2016, being the Whitewash Long Stop Date, the waiver on the terms described under the heading “Waiver of Rule 9 of the Takeover Code” contained in paragraph 6.5 of Part I of the Circular by the Panel of any requirement under Rule 9 of the Takeover Code for the Concert Party to make a general offer to Shareholders of the Company as a result of the issue of Open Offer Shares in connection with the Open Offer respectively be approved by the Independent Shareholders (as defined in the Circular) on a poll.

(each of “Concert Party”, “Panel”, Takeover Code” and “Whitewash Long Stop Date” shall have the meanings as defined in the Circular).

By order of the Board

Ben Harber

Company Secretary

27 August 2015

Registered Office:

One America Square
Crosswall, London EC3N 2SG

Notes:

1. A member entitled to attend and vote at the General Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the General Meeting. A member can appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the General Meeting for your vote to be counted. Appointing a proxy does not preclude you from attending the General Meeting and voting in person.
3. A Form of Proxy which may be used to make this appointment and give proxy instructions accompanies this Notice of General Meeting. Details of how to appoint a proxy are set out in the notes to the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the company secretary at the Company's registered office, One America Square, Crosswall, London EC3N 2SG.
4. In order to be valid, an appointment of proxy must be returned (together with any authority under which it is executed or a copy of the authority certified) in hard copy form by post, by courier or by hand to the Company's Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and must be received by 11.00 a.m. on 12 September 2015.
5. To change your proxy instructions you may return a new proxy appointment using the method set out above. Where you have appointed a proxy and would like to change the instructions, please contact the Company's registrars, as above. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
6. CREST members who wish to appoint a proxy or proxies by utilising the proxy appointment service may do so for the meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 11.00 a.m. on 12 September 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. As an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically at www.capitashareportal.com. For an electronic proxy appointment to be valid, your appointment must be received by no later than 11.00 a.m. on 12 September 2015.
8. A copy of this Notice of General Meeting has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person"). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the General Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
9. To be entitled to attend and vote at the General Meeting, members must be registered in the register of members of the Company at 6 p.m. on 12 September 2015 (or, if the meeting is adjourned, 48 hours prior to the adjourned meeting time). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.
10. Voting on the Resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the General Meeting, the results of the voting at the General Meeting will be announced via a regulatory information service.
11. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
12. The Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except in certain circumstances, including if it is

undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

13. As at 26 August 2015 (being the last Business Day prior to the publication of this Notice of General Meeting), the Company's issued share capital consists of 117,886,145 Existing Shares of 5.7142865 pence each with voting rights. Therefore, the number of total voting rights in the Company is 117,886,145.
14. The contents of this Notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting, the total voting rights that members are entitled to exercise at the General Meeting, details of the totals of the voting rights that members are entitled to exercise at the General Meeting and, if applicable, any members' statements, members' Resolutions or members' matters of business received by the Company after the date of this Notice of General Meeting will be available on the Company's corporate website www.gulfsands.com.