

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under FSMA. The whole of the text of this document should be read.

This document, which comprises: (a) a supplementary prospectus relating to Gulfsands, prepared in accordance with the Prospectus Rules (the "Supplementary Prospectus"); and (b) a supplementary admission document prepared in compliance with the AIM Rules; has been approved by the FCA in accordance with section 87A of the FSMA. This document has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus published by the Company on 16 December 2015 relating to the Open Offer of 354,838,709 Open Offer Shares at 4.0 pence per Open Offer Share. Any statement contained in the Prospectus shall be deemed to be modified or superseded to the extent that a statement contained in this document modifies or supersedes such statement. Except as expressly stated herein, or unless the context requires otherwise, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.

Gulfsands and the Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of Gulfsands and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Gulfsands Petroleum PLC

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

SUPPLEMENTARY PROSPECTUS

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

Financial Adviser, Nominated Adviser and Broker

Cantor Fitzgerald Europe

Cantor Fitzgerald, which is authorised and regulated in the UK by the FCA, is acting exclusively for Gulfsands as financial adviser, nominated adviser and broker and for no one else in relation to the Open Offer and will not be responsible to anyone other than Gulfsands for providing the protections afforded to clients of Cantor Fitzgerald or for giving advice in relation to the Open Offer, or any other matter referred to in this document.

These materials may not be republished, redistributed or retransmitted by any means or media, directly or indirectly, in whole or in part, in or into or from the United States or any other Restricted Jurisdiction.

Investors should only rely on the information contained in this Supplementary Prospectus and the Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Supplementary Prospectus and the Prospectus and, if given or made, such information or representation must not be relied upon as having been so authorised by Gulfsands, the Directors or Cantor Fitzgerald. Apart from the responsibilities and liabilities, if any, which may be imposed on Cantor Fitzgerald under the FSMA or the regulatory regime established thereunder, Cantor Fitzgerald accepts no responsibility whatsoever nor makes any warranty, express or implied, in relation to the contents of this Supplementary Prospectus, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Open Offer. Cantor Fitzgerald accordingly disclaims, to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Supplementary Prospectus or any such statement. In particular, the contents of the Company's website do not form part of this Supplementary Prospectus and investors should not rely on them. Without prejudice to any legal or regulatory obligation on Gulfsands to publish a further supplementary prospectus pursuant to section 87G of the FSMA and paragraph 3.4 of the Prospectus Rules, neither the delivery of this Supplementary Prospectus nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date of this Supplementary Prospectus or that the information in it is correct as of any time after the date of this Supplementary Prospectus. Gulfsands will comply with its obligation to publish a further supplementary prospectus containing further information required by law or by any regulatory authority, but assumes no further obligation to publish additional information.

Persons into whose possession this Supplementary Prospectus comes should inform themselves about and observe any applicable restrictions and legal, exchange control or regulatory requirements in relation to the distribution of this Supplementary Prospectus or the Open Offer. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction. The contents of this Supplementary Prospectus should not be construed as legal, business or tax advice. This document has been prepared to comply with the requirements of English law, the AIM Rules and the Prospectus Rules and information disclosed may not be the same as that which would have been disclosed if this Supplementary Prospectus had been prepared in accordance with the laws of jurisdictions outside England.

Notice to overseas Shareholders

These materials do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Securities may not be offered or sold in the United States absent (i) registration under the Securities Act or (ii) an available exemption from registration under the Securities Act. The securities mentioned in this document have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States. Subject to certain exceptions, the securities mentioned in this Supplementary Prospectus will not be offered or sold to investors in the United States or any other Restricted Jurisdiction.

The Ordinary Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Supplementary Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States or Australia. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen in the United States or Australia.

This Supplementary Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or purchase, any securities other than the Open Offer Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase, such Open Offer Shares by any person in any circumstances in which such offer or solicitation is unlawful.

The distribution of this Supplementary Prospectus and the offer and sale of the Open Offer Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company or Cantor Fitzgerald to permit a public offering of the Open Offer Shares under the applicable securities laws of any jurisdiction. Other than in the UK, no action has been taken or will be taken to permit the possession or distribution of this Supplementary Prospectus (or any other offering or publicity materials relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this Supplementary Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplementary Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Dated: 7 January 2016

PART I

EVENTS ARISING SINCE PUBLICATION OF THE PROSPECTUS

This Supplementary Prospectus is being published in relation to the Open Offer. This Supplementary Prospectus is a regulatory requirement under section 87G of FSMA, paragraph 3.4 of the Prospectus Rules and the AIM Rules following the decision by the Company to extend the offer timetable. This Supplementary Prospectus has been approved for publication by the FCA. Save as otherwise amended in this Supplementary Prospectus, the Open Offer is being made on the terms and subject to the conditions set out in full in the Prospectus.

1. Extension of timetable

In order to allow sufficient time for Shareholders who have not yet applied for Open Offer Shares to do so, the Directors have decided to extend the latest time and date for receipt of completed Application Forms and payment in full under the Open Offer, or settlement of relevant CREST instructions (as appropriate), from 11.00 a.m. on 5 January 2016 to 11.00 a.m. on 12 January 2016.

The expected timetable to Admission in the Prospectus is therefore amended as follows:

Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST 4.30 p.m. on 6 January 2016

Latest time for depositing Open Offer Entitlements into CREST 3.00 p.m. on 7 January 2016

Latest time and date for splitting of Application Forms 3.00 p.m. on 8 January 2016

Latest time and date for receipt of completed Application Forms, and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate) 11.00 a.m. on 12 January 2016

Admission effective and trading expected to commence in the Open Offer Shares 8.00 a.m. on 14 January 2016

CREST members' accounts credited in respect of Open Offer Shares in uncertificated form As soon as possible after 8.00 a.m. on 14 January 2016

Share certificates in respect of Open Offer Shares expected to be dispatched by no later than 21 January 2016

Open Offer Long Stop Date 31 January 2016

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.

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

2. Amendments to Prospectus – Part I “Summary”

As a result of the extension of the Open Offer timetable detailed in paragraph 1 of Part I of this Supplementary Prospectus, certain amendments have been made to parts of Part I “Summary” of the Prospectus in accordance with Prospectus Rule 3.4.2. As a result, each of the elements C.1, C.6 and E.3 shall be deemed to be updated and supplemented by the elements detailed below.

Section C – Securities

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
C.1	Type and the class of securities being admitted to trading, including the security identification number	Subject to the Open Offer becoming unconditional, 354,837,296 Open Offer Shares will be admitted to trading on AIM, comprising the issue of 350,733,941 new Ordinary Shares and the sale of 4,103,355 Treasury Shares, pursuant to the Open Offer. When admitted to trading on AIM, which is expected to take place on 14 January 2016, the Open Offer Shares will be registered with ISIN GB00B06VGC01.
C.6	Application for admission to trading on a regulated market	Application will not be made for the Open Offer Shares to be admitted to trading on a regulated market. However, application will be made for the Open Offer Shares to be admitted to trading on AIM. The AIM market for listed securities is recognised as a multi-lateral trading facility. It is expected that Admission of the Open Offer Shares on AIM will become effective, and that dealings for normal settlement in the Open Offer Shares will commence on AIM at or shortly after 8.00 a.m. (London time) on 14 January 2016.

Section E – Offer

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
E.3	Terms and conditions of the offer	<p>Subject to the Open Offer becoming unconditional, 354,837,296 Open Offer Shares, comprising 350,733,941 new Ordinary Shares and 4,103,355 Treasury Shares, will be issued and sold by the Company pursuant to the Open Offer.</p> <p>The Open Offer The Open Offer will be made on a pre-emptive basis to holders of Existing Shares on the register of members of the Company at the Record Date (with the exclusion (subject to certain exemptions) of Overseas Shareholders) at the Open Offer Price of 4.0 pence on the basis of:</p> <p style="text-align: center;">3.01 Open Offer Shares for every 1 Existing Share</p> <p>Fractional entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements will be aggregated and subscribed for in the Underwriting.</p> <p>Underwriting Waterford and Mr. Griffiths have each irrevocably undertaken to subscribe for their full entitlements under the Open Offer, amounting in aggregate to 135,092,502 Open Offer Shares (£5,403,700.08).</p> <p>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 109,872,397 Open Offer Shares for a combined total of 219,744,794 Open Offer Shares (£8,789,791.78).</p> <p>The undertakings from Waterford and Mr. Griffiths are conditional upon 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.</p> <p>Conditions The Open Offer is conditional only upon Admission occurring on or before 8.00 a.m. on 31 January 2016.</p> <p>Admission It is expected that Admission will become effective and that dealings for normal settlement on AIM in the Open Offer Shares will commence at 8.00 a.m. on 14 January 2016. No application is currently intended to be made for the Existing Shares and the Open Offer Shares to be admitted to listing or dealing on any other exchange.</p>

3. Significant new factors

Save as disclosed in paragraph 1 of Part I of this Supplementary Prospectus and as disclosed below, there has been no significant change in the financial or trading position of the Company since the date of publication of the Prospectus, being 16 December 2015.

The significant changes disclosed since the date of the Prospectus are as follows:

- Following the ‘favourable opinion’ of the Hydrocarbon Advisory Committee of the Tunisian Ministry of Industry and Technology made in August 2015 to extend the duration of validity of the first renewal period of the Chorbane Licence by two years, the decision to extend was ratified by the Tunisian Ministry of Industry and Technology and published on 22 December 2015 in the Official Journal of the Tunisian Republic. The duration of the first renewal period is now extended to 12 July 2017 and, based upon the application to extend made by Gulfsands, has a minimum work obligation of 200km of 2D seismic and one exploration well;
- On 23 December 2015, the Group made a further draw-down under the Convertible Loan Facility for an amount of US\$200,000. As a result, as at the date of this document the total outstanding balance under the Convertible Loan Facility, including rolled up accrued interest and commitment fees, is US\$14.4 million; and
- In relation to the claim brought by Mr. Sajjad in October 2015 before the Lebanese Labour Arbitration Board against Gulfsands (MENA) in relation to the branch office in Beirut, an official date of 11 January 2016 has been set for the pending action to be considered by a judge of the first chamber of the Arbitral Labour Council in Beirut. The Company is seeking a postponement of this date.

4. Application Forms

The Application Forms attached to the Prospectus posted to Qualifying Shareholders who held their Existing Shares at the Record Date in certificated form, remain valid and are deemed amended to reflect the amended timetable set out in paragraph 1 of Part I of this Supplementary Prospectus.

PART II

ADDITIONAL INFORMATION

1. Withdrawal rights

In accordance with Section 87Q(4) of FSMA, investors who have agreed before this Supplementary Prospectus was published to purchase or subscribe for Open Offer Shares, the allotment of which has not become fully unconditional, have the right to withdraw their acceptances before the end of 11 January 2016. Investors should seek their own legal advice in regard to such withdrawal rights. Such investors should contact Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or the platform through which they have made their application should they wish to exercise their right of withdrawal.

If you have any queries regarding the procedure for withdrawal, you should contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Capita Asset Services is open between 9.00 a.m. and 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.

2. Responsibility

The Company, whose registered office address appears below, and the Directors, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

As at the date of this Supplementary Prospectus, the Directors of the Company are:

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

As at the date of this Supplementary Prospectus, the registered office of the Company is:

One America Square
Crosswall
London EC3N 2SG
Tel: +44 20 7024 2130

3. Documents available for inspection

Copies of this Supplementary Prospectus will be made available for inspection at <http://www.morningstar.co.uk/uk/nsm> and, until 12 January 2016, copies are available for collection, free of charge, during normal business hours on any weekday (public holidays excepted) at the offices of the Company at One America Square, Crosswall, London EC3N 2SG.

4. General

To the extent that there is any inconsistency between any statement in this Supplementary Prospectus and any other statement in the Prospectus, the statements in this Supplementary Prospectus shall prevail.